Customer Behavior at Markets: Tips for Increasing Sales & Customer Satisfaction

Maria Rojas
www.grownyc.org
Founded in 1976 in an effort to preserve area farmland by providing profitable places for local farmers to sell their homegrown crops and to ensure that all New Yorkers have access to the most healthful, most delicious locally grown foods.

Markets have evolved into viable civic spaces where people shop, interact and learn.
Greenmarket
54 Farmers Markets throughout NYC’s 5 Boroughs
22 Year round, 2600 market days a year
FARMroots is Greenmarket’s Technical Assistance Program

Areas of support include:

• Land and Legal Planning
• Business management
• Financial Planning
• Access to Capital
• Food Safety and Risk Management
• Marketing and product development
Farm to Consumer Pathways

Estimates show that of all food sold in the region, somewhere between 2-4% of that food is local.
BY THE NUMBERS...

400,000 people walking through Union Square Market in September

Only 5% are shopping
How do we get people to buy MORE at the farmers market?
Increased Focus on Understanding Customer Behavior

- Visual merchandizing
- Customer segmentation
- Product Development
- Customer Engagement/Service

What is your marketing strategy?
How do you measure these things?
What we measure – 3 Moments of Truth

- Exposure
- Impression
- Consideration
- Purchase
What we measure – 3 things emerge

The average conversion rates measure the average number of people who moved from one data point to the next. In this case, the data point shows the conversion rate from total foot traffic (exposures) to impressions. On average, 31.64% of total foot traffic had an impression of the stand.

<table>
<thead>
<tr>
<th>CUSTOMER: Sample</th>
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<tbody>
<tr>
<td>DATE: 5/13/2016</td>
</tr>
<tr>
<td>TIME: 9:38-10:38</td>
</tr>
<tr>
<td>WEATHER: 72, partly sunny</td>
</tr>
</tbody>
</table>

**Exposures**: How many customers pass in front of the farmers stand

| 1-10 MIN | 10-20 MIN | 20-30 MIN | 30-40 MIN | 40-50 MIN | 50-60 MIN | NOTES | TOTAL (HR) | AVG./10 MIN | AVG. CONV. RATE |
|----------|-----------|-----------|-----------|-----------|-----------|-------|------------|-------------|               |
| 327      | 316       | 385       | 357       | 406       | 393       |       | 2184       | 364.0       | n/a           |

The notes section is an important place to record information, such as which products sold well, whether sampling was done, or what direction the majority of customers were coming from.

**Impressions**: A passing customer takes some notice of the farm stand through eye contact

| 1-10 MIN | 10-20 MIN | 20-30 MIN | 30-40 MIN | 40-50 MIN | 50-60 MIN | NOTES | TOTAL (HR) | AVG./10 MIN | AVG. CONV. RATE |
|----------|-----------|-----------|-----------|-----------|-----------|-------|------------|-------------|               |
| 77       | 90        | 159       | 152       | 143       | 70        |       | 691        | 115.2       | 31.64%        |

This data point shows that 22.43% of people who had an impression of the stand slowed down or stopped to consider making a purchase.

**Considerations**: The customer stops to look at the farm stand or enters into the farm stand space

| 1-10 MIN | 10-20 MIN | 20-30 MIN | 30-40 MIN | 40-50 MIN | 50-60 MIN | NOTES | TOTAL (HR) | AVG./10 MIN | AVG. CONV. RATE |
|----------|-----------|-----------|-----------|-----------|-----------|-------|------------|-------------|               |
| 15       | 20        | 26        | 27        | 35        | 32        |       | 155        | 25.8        | 22.43%        |

Our four data points are divided into sections here.

**Purchases**: The customer makes a purchase at the farm stand

| 1-10 MIN | 10-20 MIN | 20-30 MIN | 30-40 MIN | 40-50 MIN | 50-60 MIN | NOTES | TOTAL (HR) | AVG./10 MIN | AVG. CONV. RATE |
|----------|-----------|-----------|-----------|-----------|-----------|-------|------------|-------------|               |
| 7        | 5         | 10        | 8         | 12        | 11        | only & apple purchases | 53         | 8.8       | 34.19%        |
How do I get more customers to notice my product at the market?
Impressions: Three Stages of Eye Activity

The eyes...

1) lead the body like a pilot and steer the customer through the market
2) are a rapid scanner of a category or section to hone in on prime candidates for purchase
3) feed the sales communication to the brain, thereby closing the sale

Figure 2.3  Cone of vision: The eyes are exposed to only about one-fourth of the items in the total sphere of vision.
Although the eye scans horizontally, visual attention is drawn by vertical strips when we are traveling.
Impressions: Guinness did it. Why don’t we?

Lots of missed opportunity ...
Impressions: Guinness did it. Why don’t we?

Take advantage of the vertical space at market!
• Make the most of your space by using all three dimensions – height, width, and depth.
• The average customer will reach 2-3 ft into a display without feeling awkward or inconvenienced.
• Use wooden boxes or bushel baskets to create depth and height.
• Sloping displays create a sense of **greater openness** without expanding the aisle width at floor level

• The old saying “eye level is buy level” is simply not true. The **true product sweet spot is between the waist and the shoulder.**
**Impressions:** The eye is attracted to color blocks

- The human eye can see **blocks of color** from further away - yellow can be seen from the furthest away.

- In general, put your **brightest product** out in front and on corners.

- **Create contrast** – light vs. dark, rough versus smooth, large versus small – create interest and drama!

- The color of your **tent**, table cloths, and signs should also be considered.
Impressions: Blocks and bounty
Impressions: Abundance

- Heed the old saying “pile it high and watch it fly”
- Small portions give the impression of product being “picked over”.
- Consolidate product throughout the day
- Think “over-flowing baskets, boxes, crates, etc”.
Impressions: Liberate your Vegetables
Before Impression Optimization
And after
How do I get more people to slow down and consider making a purchase at my stand?
• Good signage can act as a “silent sales(wo)man” and will save you valuable time.
• People don’t like to ask for a price.
• The days of writing your prices on index cards are over! Many customers are reluctant to ask the cost of items so make sure they don’t have to.
• Make sure signs are clear, neat, and informative.
• Include your logo/brand on all signs to continually promote your business.
• Use signs to describe nutritional value – but keep it short.
Stops: Reducing shopper anxiety

Two types of shopper angst
1. Navigational Angst
2. Choice Angst (optimizers vs. satisfiers)
Stops: At the farmers market
Stops: Reducing Navigational Angst

Exhibit A

Exhibit B

Exhibit C

Horse Shoe

Exhibit D

Reverse Horse Shoe
Stops: Good flow

• Create **clear directional flow** for customers to follow

• Place **bags at the entry point** of your stand, and your register/cash box at the end.

• Make your space is **user-friendly**; clutter and overcrowding decrease sales.

• “By adding just a **few extra feet** to an aisle in a grocery store, **sales increased 20%**”

• Beware of “butt brush” effect
When you’re salivating, you’re a much less disciplined shopper.

We buy things today, more than ever, based on trial and touch.

Virtually all unplanned purchases, and many planned ones too, come as a result of the shopper seeing, touching, smelling or tasting something that promises pleasure, if not total fulfillment.
Stops: 2017 Food Trends

1. Fermented Foods
2. Purple vegetables
3. Vegetable "mash-ups" (broccoflower and kalettes)
4. Local/ancient grains
5. Creative Condiments
6. Cauliflower
7. Edamame
8. Olive Oil Alternatives
9. Baby/Miniature everything
10. New cuts of meat & charcuterie
11. Hemp
12. Craft beer and Mead
Stops: Identifying Product Gaps At Markets

- Dried Fruit
- Mushrooms
- Nuts
- Oils
- Black Garlic
- Shrimp
- Callaloo
- Ugu & other Nigerian Specialty crops
- Moringa
- Papalo, Hoja Santa, Guascas**
- Turmeric
- Peanuts
- Grains
Brand recognition is a massive part of grocery store retailing yet plays very little role at the farmers’ market.

Consider your personal appearance. The way you look is often the way people perceive your farm.

Consider having apparel with your farm logo or mission on it.
Stops: Use your logo to tell your story

SAMASCOTT ORCHARDS

El Poblano Farm

TweeFentein Herb Farm Collective

Windfall Farms

Conventionally Grown Specialty Produce

204 Lavender Healing Salve

Home Grown and Hand Made. tweehers.com

221 Neelytown Rd., Montgomery, NY 12546
Stops: YOUR farm to MARKET table
How do I get people to buy more of my products?
Purchase: Appealing to 3 types of shopping

1. **Quick trip** – 5 or fewer items are purchased. Most common number of items purchased in a store is 1 accounting for 16% of purchases, with quick trips generating 1/3 of all sales >>> *Grab-and-go*

2. **Fill in** – designed to fill in gaps in at-home pantry or to complete ingredients for a desired meal >>> *Recipes*

3. **Stock up** – larger, bulk purchases >>> *Preserves, larger sized items*
• Make a suggestion
• Try placing potatoes next to garlic, and include a recipe card for “garlic mashed potatoes”.
• Offer multiple varieties of one product and expand the taste (and purchase quantity) of your clientele.
• Product layout should be clear and authoritative
• Shoppers are guided by shallow clues ("this is cheaper than that") and latent emotions ("it just feels like a good deal") rather than knowledge and deliberate thinking
• Tuna Fish, 10 for $10?
• The discount game works for everybody. The customer gets their discount dopamine hit, and you get your profit.
The average customer tends to remember the price of only 4 items:

- Milk
- Bread
- Fruits
- Eggs

- Fresh fruit
  1. Product appearance
  2. Ripeness/spoilage time
  3. Price
  4. Habit/preference
  5. Seasonality
  6. Nutritional content
  7. Attributes

- Fresh vegetables
  1. Product appearance
  2. Price
  3. Habit/preference
  4. Spoilage time
  5. Seasonality
  6. Preparation time required
  7. Nutritional content
  8. Attributes

72% of survey respondents say that Value is more important than Price.
Purchase: Active Retailing

- Ask questions
- Share your knowledge
- Get to know them
- Let them get to know you
- Number 1 food trend this year is transparency
Sam Lipp, Managing Partner
Union Square Hospitality Group

- Keep calm and carry on
- 10 seconds of attention
- Be a swan
- Give an SFN
- Everybody wears a sign

Dr. Maya Angelou: “People remember the way you made them feel.”
Purchase: Loyalty Program

Loyalty programs help:
• Reward loyal shoppers
• Increased purchase quantity/customer
• Increase the number of frequent shoppers
• Have customers that will act as brand ambassadors and will support your business
• Understand your customer base and their likes and dislikes
• Improve customer service
Purchase: Loyalty Programs

**SUN FED BEEF**

**LOYALTY CARD**

www.sunfedbeef.com

**ESTEEMED CUSTOMER:**

Home Grown Taste for Three Generations  No Hormones  No Antibiotics

HAVE SOME FREE BURGERS ON US ... OR SAVE UP FOR A STEAK!
What is the certification that your customers most respect? What matters the most to your customer base? – nationally, organic continues to grow (15% increase last year)
The Importance of Record Keeping

Point of Sale (POS) Systems Make it Easy!

- SHOPKEEP
- Square
- NCR
- QuickBooks Point of Sale
What Can Point of Sale Do for My Farm Business?

- Easy to use, intuitive interfaces
- Sales data tracking by time, product type, location, employee, and margin
- Fully integrated inventory tracking, sales, and accounting systems (quick books)
- Customer management and marketing tools, including loyalty programs, gift cards, email marketing and invoice creation
- Track effectiveness of promotions
- Staff training provided
- Create efficiencies, save money, grow your business, and keep customers coming back!
The Importance of Record Keeping

Analytics Dashboard

- **Gross Sales**: $22,873.18
- **Returns**: $1,500.25
- **Discounts**: $20.00
- **Net Sales**: $21,352.93
- **Sales Tax**: $20.00

- **Transactions**: 587
- **Average Sale Value**: $9.74
- **Average Items per Sale**: 2.5

Transaction Detail

**Total Sales by Hour**

- 6:00-7:00 PM: Transaction Count: 3,800
- 4:00-5:00 PM: Transaction Count: 100
Looking forward with POS

- The power of POS
- POS system comparison sheet
- Credit Processing Expense Calculator

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<th>Credit Card Processor</th>
<th>Chase</th>
<th>Payline data</th>
<th>National Bankcard</th>
<th>World Pay</th>
<th>Square</th>
<th>Quickbooks (What you currently have)</th>
<th>Leaders Merchant</th>
<th>Leap Payments</th>
<th>Nationwide Merchant Solutions</th>
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<tr>
<td>Cost of percentage per transaction</td>
<td>462</td>
<td>476</td>
<td>420</td>
<td>557.2</td>
<td>770</td>
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<td>434</td>
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<td>1148</td>
<td>693.95</td>
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Takeaways for your farm business

- Identify clear marketing goals
- Understand and define your customer base
- Define strategies and tactics
- Delineate your farm message
- Learn to track and measure for success
Thank you!

Please reach out to me with any questions or comments:

Maria Rojas
212-788-7900 x 288
mrojas@grownyc.org