



NC GROWING TOGETHER

Connecting Local Foods
to Mainstream Markets

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Building Local Foods Sales in Retail Settings

Holding Successful “Meet the Farmer Events”

Assessment and Recommendations

Introduction

Meet the Farmer Events Overview

During the summer of 2013 a North Carolina-based grocery chain hosted several “Meet the Farmer” events at stores throughout the state. Researchers from the Center for Health Promotion & Disease Prevention and the Department of Anthropology at the University of North Carolina at Chapel Hill observed and assessed six of these events as a part of the North Carolina Growing Together (NCGT) project (ncgrowingtogether.org). These events were to gauge the effectiveness of the events at increasing sales of and attitudes towards local products. The research team has compiled this document to summarize the results of the assessment and provide recommendations for grocery stores to hold successful future events that can simultaneously strengthen their local business image, their connections with the community and local producers, and sales of locally produced food. This document begins with a summary of the potential that local food holds for increasing grocery store sales and the role that events such as Meet the Farmer events play in cultivating a store image that reflects a commitment to local producers and the local community. We then outline the methods and analysis of the assessment and make recommendations for stores to hold effective Meet the Farmer events.

Local Products in Grocery Stores is the Future

Research indicates that desire to support local business is one of the key drivers in choosing a grocery store for most consumers (Tsoodle et al., 2011). Market trends indicate that consumers increasingly demand to know where their food comes from and how it is produced. This trend transcends gender, education level, geographic location, and income level. The age of awe and fascination with mass-produced goods is waning, replaced by a desire for community and homegrown products.

However, despite a desire to buy locally grown products, convenience remains a key determinant of where people buy their groceries. The Mintel firm conducted a survey to better understand American consumers’ interest in buying local products. The conclusion of that research is that although Americans are “drawn to the selflessness of living local” their decision whether or not to purchase local items ultimately comes down to convenience. “Consumers want to purchase local products – namely the local produce that they tend to most associate with their own health – but they don’t want to go out of their way to get them” (Grabowski, 2013). It is worth noting that “*grocery stores where people already shop*” was the location most cited by respondents as a place

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where they buy local food (89%) – which reinforces the importance of grocery stores. This core value of convenience coupled with a desire for local products points to a key opportunity for grocery stores to fill a much-demanded niche in the intersection of local products and convenience.

Why Are People Buying Local?

Consumers are demanding locally grown and produced goods for a variety of reasons. Research indicates that “private factors,” which include freshness, quality, health benefits and food safety, are the primary factors motivating people’s local food purchases (Grabowski 2013, Bond et al 2008, Nurse & Thilmany 2010, Ostrom 2006, and Schneider & Francis 2005). However, “public factors” are of primary significance to a smaller group of local food shoppers and of secondary (but still significant) importance to the group most concerned with private factors. “Public factors” include “giving back to the community,” “keeping dollars in the community,” “supporting small farmers,” “farmers receiving fair returns,” and various other social and environmental issues (Bond et al 2008, Nurse & Thilmany 2010, Ostrom 2006, Schneider & Francis 2005). Some evidence indicates that low-income shoppers are mostly concerned with the health of their families when choosing food or considering local options, but that they also demonstrate high levels of concern for the well-being of their immediate communities (Webber and Dollahite 2008). In summary, shoppers are concerned with the health benefits associated with local foods, but are also attracted to local foods because of the perceived benefits to their communities.

Community Engagement is Important

In light of the mix of public and private factors that motivate shoppers to buy local products, it is no surprise that the degree to which a grocery store is engaged with the local community has been shown to increase loyalty to the store and shoppers perception of the higher value of the goods, which leads to increased patronage and a willingness to pay a premium for goods (Landry et al., 2005). Community engagement, or the extent to which a store has connections to and interacts with the community, is important for creating trust between people and supermarkets in locations where people have previously mistrusted chain stores or corporations. Creating community engagement is a function of knowing the community well, bringing the community together, and creating a reciprocal relationship with the community. For example, when stores show customers how buying local products from their store affects the local economy and community, or when they provide a place of congregation for community members such as by offering cooking classes, a sense of community is created.

Meet the Farmer Events Enhance Community Engagement

Meet the Farmer events provide the grocery chain a chance to create a sense of community and are therefore important to their strategy of improving their position as a family- and community-based grocery store. By hosting Meet the Farmer events, customers have the opportunity to meet the people who grow their food or produce their favorite sauce or spread, enforcing the idea that the stores consistently offer products that support the local economy and community. Additionally, some studies have shown that when customers are able to taste local products before they purchase them they are more likely to have a positive attitude towards them and pay a higher price for them (Avitia et al., 2012)

The Observation and Assessment Process

Data Collection

Event observations and assessments took place at stores in five communities. The research team used four different tools to gain insight into the processes and effectiveness of the Meet the Farmer events. A *store observation form* was used to assess the store offerings and environment, as well as promotional activities for the event. Photos were taken of the store and event to verify and enhance written observations. A *vendor observation form* was filled out for each vendor, noting their promotional activities and interactions with customers. A *manager interview* was conducted at each store to understand the process of organizing and promoting the event, and to assess current community engagement activities. Finally, brief *customer intercept surveys* were conducted to assess the consumers' interactions with promotional activities, attitudes towards the event, and current buying behaviors and intentions.

Data Analysis

The process of summarizing and interpreting the data to produce helpful recommendation was an iterative process and varied according to the data collection tool.

The store and vendor observation data was compiled and summarized by one of the data collectors and then used as discussion guides at research team meetings. These discussions focused on the strengths and weaknesses of each store or vendor, as well as the commonalities and differences among stores or vendors. Recommendations that emerged from these meetings were compiled in a common document and revised by a member of the data collection team. Recommendations were then compared to the existing literature and recommendations that could not be validated by research were excluded, leaving only evidence-based recommendations.

Each manager interview was recorded and uploaded to a secure web-based learning platform. Data collectors summarized and distributed their interview notes to the rest of the research team as a basis for group discussion. Recorded interviews were reviewed and compared to notes taken by data collectors to ensure that all essential aspects of the interview were captured. The revised notes were then reviewed and discussed by the team after which recommendations were formed, compared with existing evidence, and finalized.

Customer surveys were transferred from a paper form to the online survey platform, Qualtrics, after which results were examined looking at responses within and between stores. The team examined differences in response to the event by age and gender, as well as by interest in purchasing local products. This tool was also used to gauge effectiveness in changing attitudes towards local products and the store, as well as used to collect narrative feedback on the event. After this process recommendations were formed based on group discussions, recommendations were compared to existing evidence and then refined.

Results

Summary of Vendor and Customer Results

Overall, the events were well received by both vendors and customers in terms of perceived effectiveness in increasing sales and attitudes towards local products. Vendors viewed this type of event as essential for improving sales for smaller businesses and enhancing relationships with both the company and the customers. Customers consistently indicated that this event led them to seek out and purchase local items and increased their likeliness of shopping at that store again. Many customers indicated that this event was important for connecting community members with local goods. Of the 9% of surveyed shoppers who attended this event intentionally, many had learned of it through a community organization, such as the Robeson County Reading Council, with which they were involved.

However, many overarching trends from the data indicate room for improvement in both the promotion and implementation of the event. Store observations indicate a lack of store signage promoting the event or North Carolina grown products both inside and outside of the store. A lack of appropriate and effective signage and promotions also became apparent through the customer surveys, as the majority of respondents were unable to identify that the event featured local products. Additionally, most customers indicated that they had not heard of this event prior to attending it, indicating a lack of effective promotion. Finally, many vendors indicated that there was a lack of communication with store staff, which led to a lack of signage for their table and a lack of emphasis on the “local” nature of their products.

Summary of Manager Results

Interviews with the store managers revealed that managers are consistently enthusiastic about and capable of organizing and orchestrating successful in store “meet the farmer” events if they have sufficient staff time to allocate to the tasks and/or sufficient support from regional/corporate offices. They have all realized through interaction with customers that increasing local food availability is very important for fulfilling customer desires and securing customer loyalty.

A key factor in managers’ perceptions of whether the event was well planned was the amount of time between the event and the date at which it was originally planned. While some managers – particularly those with longer periods of planning time – were able to handle the inviting of vendors on their own – others need helped from a corporate staff member (in charge of local food sales) in contacting vendors. This was particularly true in the case of recruiting farmers, often underrepresented at these events (which more heavily featured prepared food vendors). Most found that vendors were overall responsive and interested in attending the event, but many stores had vendors back out due to the time commitment required.

The largest challenge managers identified in planning a successful event was related to promotion of the event (both advertising in advance and in-store signage). These managers were reliant on their corporate advertising department to send out email blasts and arrange in-store signage the day-of. In some cases, signage did not come on time. The consequence was that many customers were unaware that the event was designed to promote *local* food. While many managers may have been interested in coordinating promotion (email blasts, signs and social media) themselves, they lacked sufficient time in their own or their staff’s schedules to allow for this. This finding indicates the important need for either (a) strong relationships between managers and

corporate advertising offices or (b) the creation of in-store positions dedicated to community relations and promotions to successfully promote in-store events.

Managers generally relied on vendors to be informed and prepared for marketing products to customers. This was generally true of most vendors who are comfortable and familiar with such events. However, if the representation of farmers at events increases, it may become more important to work with farmers (particularly those who do not participate at farmers' events or other direct sales environments) ahead of time to prepare them.

Recommendations

Recommendations to improve the quality and effectiveness of Meet the Farmer and similar events are organized into categories for ease of use for store managers and other store employees. This section begins with store-wide recommendations to improve the store environment and improve local food positioning of the company all the time, not only during events. Following the general recommendations is a section focused on possible improvement for the in-store promotions for the event. Following that are recommendations for vendors and promotional activities.

Store-wide Recommendations

1) Consistent labeling is important. Data collected during the events and conversations with store employees indicates there is no consistent method of identifying and labeling local products in the stores. What makes a product "local"? Where it was manufactured? The source of its distribution? The size of the business? The majority of people do not think of "local" food as coming from beyond state boundaries, and many think it should come from within the county or surrounding counties. Also, research has shown that the majority of people think of "local" products as those that are "natural" and "pesticide-free" (Ostrom, 2006).

According to research, one of the largest threats to grocery stores attempting to market products as "local" was the perceived disingenuous nature of the stores. Shoppers, especially younger ones, are more likely to spot inconsistencies in labeling and conclude that there is no authentic support of local producers behind "local" labeling. Furthermore, a study conducted in 2007 demonstrated that North Carolinians are interested in purchasing local food that is clearly labeled (Kirby, 2007).

One potential way to start the process of labeling local foods consistently is to **have different local flags or logos for products coming from different places** (e.g. "grown within the county," "within the state," "within the south", or using a recognized local brand such as "Piedmont Grown" or "Appalachian Grown."). This will help increase the perception of authenticity, and consumer's trust (E. Deluca, personal communication, June 14, 2013).

2) Combine "local" with "family values." While positioning as "local" is important, in order to appeal to shoppers who do not necessarily buy local products for health benefits, it is also important to position the company as being centered on "family values" as well. To compete with Wal-Mart, grocery stores should remember that the competitor has been successful by creating an image of American family-values and "humbleness" (Arnold et al, 2001). Instead of

pursuing a “superior” local image, the company could succeed with some shoppers by emphasizing that it is affordable and local and resonant with family-values.

- 3) **Expand Meet the Farmer events to rural stores.** Research indicates that rural communities highly value local foods and supporting local economies (Webber & Dollahite, 2008). While rural stores are often some of the lowest grossing stores for a grocery chain, they represent an area of potential growth. By demonstrating rural stores’ commitment to local products and producers, companies can increase their customers’ perception of community engagement, and therefore strengthen their customers’ loyalty and patronage.
- 4) **Let customers know they are making a difference.** According to research, if customers see that their purchases are “making a difference,” either economically, socially, or environmentally, patronage will increase (Campbell, 2011; Thilmany et al, 2008; Vermeir & Verbecke, 2006; Nurse & Thilmany, 2010). Customers should feel that even their own small purchases contribute to real, tangible social and environmental impacts. There are several ways to make this a reality:
 - **Create signage of farmers with information about their farm and display them close to their products.** If there are particular well-known farmers in the store’s local area, they should be featured on in-store posters. This helps shoppers know “what kind of farmer” the store supports (E. DeLuca, personal communication, June 14, 2013). Identify the producers by name, name of farm, and location.
 - **Provide information about the benefits of buying local in stores.** Organizations such as the Center for Environmental Farming Systems (CEFS) author such publications and could be viewed as a trustworthy external source.
 - Center for Environmental Farming Systems (<http://www.cefs.ncsu.edu/index.htm>)
 - Carolina Farm Stewardship Association (<http://www.carolinafarmstewards.org/>)
 - USDA: Know Your Farmer Know Your Food (<http://www.usda.gov/wps/portal/usda/knownyourfarmer?navid=KNOWYOURFARMER>)
 - **Display diagrams in stores showing that the money spent on local products goes back to the local community.** Simple pie charts, bar graphs, or percentages could be effective.

Store Environment and In-Store Promotions Recommendations

- 1) **Emphasize that the event is featuring local products.** Customer feedback indicated that less than half of respondents knew that the event featured local products. To improve the company’s positioning as carrying more local products than its competitors, this “*your place to buy authentically local food*” message is essential. There are several ways to carry this out:
 - **Feature several large banners and signs outside the store to emphasize the “local” theme of the event.** Several store observations found that either the exterior event signs were small, hidden, or did not mention that the event featured “local” products.

- **Utilize in-store signs.** Store observations indicated that the only in-store sign with information about the event was at the entrance. Increasing the number of signs, especially in areas around vendors, will improve the message that the vendors are featuring local products.
- **Set up roadside “Farmers’ Markets.”** Setting up a roadside stand in the parking lot achieves several purposes. Consumers often rely on sensory experiences to make purchasing decisions, and a roadside stand affords customers the chance to browse, smell, and touch local products (Avitia et al, 2012). Additionally, roadside stands have traditionally been connected with local products, communicating to consumers that the theme of the event is “local.” Finally, a roadside stand may encourage individuals to stop and shop at the store.

2) Emphasize that the store carries local products all the time, although local products are seasonal and therefore vary. It is not only the *actual* availability of local items in stores that affects whether the shopper will purchase the product, but also the “*perceived product availability*,” or the *belief* that customers hold *prior* to entering the store that the product they desire will be available (Campbell, 2011). In other words, advertising campaigns that lead people to expect local products even before they set foot in the store could be effective. Even though not all local products are available all the time, it is important to demonstrate to shoppers that the company is committed to stocking local products while they are in season. This could be done in a few ways:

- **Emphasize this information on in-store marketing materials**, such as on signs and check-out bag stuffers.
- **Continue to stock the demanded local products.**

3) Feature more Farmers. Vendor and store observations showed that there were very few actual farmers at the events. Although other locally-produced items are important, fresh produce is the category of food consumers are mostly likely to say they attempt to purchase locally (Grabowski, 2013). By bringing in more farmers to the event, the company will be meeting consumers’ expectation about what “local” products are, while simultaneously improving their shoppers’ perceptions of the stores’ engagement in the community.

4) Connect the event with its impact on the community. To connect this event to a company’s desire to enhance its real and perceived engagement with the community, it is important to demonstrate to shoppers the effect that buying from local vendors is having on their community. Providing information on the social and environmental benefits of local food can increase both intent to purchase and actual purchase (Hanss & Bohm, 2013).

- **Display event-specific posters demonstrating how buying local products from these vendors will benefit the community.**
- **Provide brochures from organizations such as the Center for Environmental Farming Systems (cefs.ncsu.edu) at vendor stands.**
- **Work with county extension field staff on strategies to connect local purchasing to benefits in the community.**

5) Connect this event with the company's wider efforts to sell local products. Because one of the goals of the Meet the Farmer events is to improve customers' perception of the company as a carrier of local products, it is important to use the momentum of the event to point shoppers to the store's wide range of local products. This will also affect customers' "perceived product availability" mentioned above.

- **Create signage that communicates, "Remember to look for local labels."** This could increase purchasing, particularly amongst low-income shoppers. A study indicated that while low-income rural shoppers associated positive benefits with local food (Webber and Dollahite 2008), they were not accustomed to actively seeking out local labels in stores (Zepeda and Leviten-Reid 2004).
- **Place additional "local" tags around non-featured local items on the day of the event.** This could help shoppers feel that the whole store, not just the featured vendors, is centered on local products.
- **Create distinctive local labels.** Make sure that local labels have a distinctive look so that they will not be confused with other labeling.

Vendor Recommendations

1) Ensure vendors are well prepared for the event. Many vendors indicated that they did not know what to expect at this event, or understand the "local" theme. Preparing vendors for events has been shown to improve the success of similar "Meet the Farmer" events (R. Pirog, personal communication, May 17, 2013). When vendors and farmers are prepared, they are able to work synergistically with the company to improve its positioning, build relationship with customers, improve the store's perceived community engagement, and increase sales of local products.

- **Provide the handout included in the appendix to vendors, especially farmers, before the event to communicate expectations and opportunities to farmers.**
- **Ensure that each vendor has signage with information about the farm or business, emphasizing that it is a local producer.** When a vendor does not bring signage, providing it would ensure consistency at events.
- **Encourage vendors to provide recipes featuring their products to customers.** The vendor observation tool indicated that popular vendors handed out recipes. Additionally, research has indicated that encouraging more people to prepare meals from scratch could potentially lead to a higher likelihood that people will purchase local food and increase local food sales (Cranfield et al., 2008).

2) Provide information to customers about vendors' relationship to the company.

This will benefit all parties by improving customers' perceptions of the stores' long-standing engagement with the local vendors, while also serving to strengthen the relationship between the store manager and vendor. This information could include, among other things, how long the vendor has been selling to the store and the story behind how the connection was made.

3) View this event as a way to build relationship with local vendors. This will strengthen stores' relationships with local vendors and improve the sustainability of the supply of local product in each store, which will help the store to stock more local products. There are several ways to tangibly do this.

- **Encourage someone from the local company to attend the event, rather than an industry representative.** Vendor observations indicate that several of the individuals conducting the sampling, especially those from beer and wine companies, were either store employees or industry representatives.
- **Encourage each store to arrange for the vendors to attend, rather than someone from the corporate office.** This will facilitate and build relationships between the company and local producers, particularly with farmers.
- **Host a post-Meet the Farmer event gathering at each store so that vendors can build relationships with managers and heads of department.** According to research, when farmers or vendors visit stores, the goal should not only be for them to interact with customers, but also to talk with store staff so that the staff know how to market items to customers on a daily basis (E. DeLuca, personal communication, June 14, 2013).

Promotions Recommendations

The majority of customers surveyed at Meet the Farmer events were not aware that the event was taking place until they entered the store. In order to improve the attendance and advance the goals of the events, improving promotional activities is essential. There are several methods of achieving this.

- 1) Tap into community organizations.** Of the few customers who were aware of the event and attended intentionally, many of them learned of it through a community organization to which they were connected, indicating that this channel of promotion has the potential to be effective. By reaching out to community organizations the company achieves two goals: increasing their community engagement and promoting the event.
- 2) Increase use of social media promotion.** Some customers learned of the event through emails or Facebook, indicating that increasing the intensity of promotion using these channels could be effective. This method of promotion appeals to younger and more technology-savvy shoppers, a valuable and growing customer segment.
- 3) Utilize vendors to promote the event.** A potential new channel to access for event promotion is the vendors themselves. According to the vendor observation tools some well-known vendors attracted shoppers to the store to specifically buy their product. Therefore, by providing vendors with marketing materials about the event, this channel of promotion could prove to be effective.
- 4) Advertise weekly local specials on TV.** Anecdotal evidence suggests that using local media, especially targeted at particular audiences (i.e. "foodies") is effective in increasing overall sales

of local foods (Dreier & Minoo, 2009). This is an untapped method of promotion for Meet the Farmer events, but seems a worthwhile endeavor.

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