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## **Cost Effective Promotion for Local Foods and Direct Markets: Evaluation of Colorado's Technical Assistance for Local Food Supply Chains**

Dawn Thilmany, Martha Sullins, Megan Phillips, and Allison Gunter

Ever since Time magazine proclaimed "Local" the new organic in the food sector, it has drawn increasing attention to local foods. In response, marketing and business technical assistance programs targeting direct market producers, regional food hubs, and food retailer efforts to promote local foods are proliferating. This paper describes the evaluation approach and outcomes for three Colorado-based local food marketing programs. In addition to illustrating how new programming efforts may be affecting consumer awareness, network building and economic contributions of food systems, we discuss the appropriate roles for Land Grant extension and research professionals, including development of cost effective methods to provide evaluation and technical support to food marketing efforts.

*Key words:* local foods, marketing and promotion evaluation

Increased demand for local foods is evident in the growth of direct marketing channels and in the number of farmers using those channels to move their products. USDA's Agricultural Marketing Service counts nearly 7,200 farmers markets in the United States, in 2011—a 150% increase from 2,863 in 2000 (USDA Agricultural Marketing Service, 2011). Moreover, the number of community-supported agriculture programs has expanded from a handful to more than 12,500 participating farm operations in the last 25 years (USDA Census of Agriculture, 2007). On the supply side, the most recent estimate of direct sales from the 2007 Ag Census is that 136,817 farms (6% of all farms) sold a little over \$1.2 billion in agricultural products direct to consumers (USDA, Census of Agriculture, 2007).

And consumers are expected to continue buying local products. Packaged Facts estimates that consumer demand for locally grown food could increase from about \$5

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Dawn Thilmany is a professor at Colorado State University, Martha Sullins is the small farm extension specialist for the state of Colorado, and Megan Phillips and Allison Gunter are graduate research assistants at Colorado State University. We are appreciative of the anonymous reviewer comments. Any remaining errors are the sole responsibility of the authors. The authors gratefully acknowledge partial funding by the USDA Federal State Marketing Improvement Program and the Colorado Ag Experiment Station, which supported this research.

billion in 2007 to as much as \$7 billion annually by 2012 (Tropp, Ragland and Barham, 2008). A 2008 national survey of consumer buying patterns for produce showed that the majority of shoppers in all market outlet categories indicated that buying locally grown produce was of either moderate or great importance to them. Specifically, 35% of consumers surveyed noted that buying locally produced fresh produce was of great importance to them, and another 44% said it was of moderate importance (McFadden, Thomas and Onozaka, 2009).

In response, numerous federal, state and local programs have emerged to promote local food offerings with a variety of messages ranging from support of the local economy, to keeping land in farms to "Know your Farmer, Know your Food." Yet, the effectiveness of local and direct promotional activities has received relatively little attention. And, the appropriate role for Land Grant researchers and Extension personnel is not clearly defined. There are some studies that note the positive effects of increased consumer demand, but many of these studies simply imply or estimate the effects of a shift, offering little insight into what specific marketing and promotion methods were effective in raising awareness and creating that demand. This paper initiates a discussion of these issues in the context of several Colorado local food promotional campaigns as a means to highlight the nature and efficacy of programs representative of the technical assistance and joint promotion emerging in many states.

To begin, we provide an overview of several recent projects in Colorado that evaluate the changes in consumer awareness, market engagement (buying or shopping in specific places) and economic outcomes for a variety of cost effective promotion strategies. The first program that will be evaluated is Be Local Northern Colorado, a regional promotional campaign targeted at many consumer products, but with a particular focus on local foods. The next program is Colorado Proud, a state branding program sponsored by the Colorado Department of Agriculture. The last program is an online resource, Colorado MarketMaker, which provides an easy to use platform for businesses to advertise, conduct market research, and find local products.

Because local food issues are so place-based, it seems both relevant and useful to look at a number of different approaches to marketing as well as to the evaluation of promotion campaigns. We note the programs considered here are defined so generally it is difficult to frame the outcomes that need to be assessed, therefore this team inferred what types of knowledge and behavioral changes may be most aligned with, and gained consent with the marketing programs on the evaluation approach. Preliminary analysis shows that desired measurable outcomes ranged from consumer awareness to economic welfare to the size of producer networks (where participation was allowed to proxy for engagement and perceived value by food businesses).

So, after we give some details on each program, we will discuss the agreed upon evaluation approach (even where the intended outcomes were somewhat poorly defined)

and discuss if the evaluation results give some results that may help future targeting of each program's efforts. In short, this paper may inform the field on not only evaluation approaches, but also, how marketing assistance can include coaching partners about how to frame their program resources in ways that lead to more well-defined outcomes. The intent is that this overview of a diverse set of Colorado evaluation projects will illustrate some lessons on the role of marketing specialists in developing evaluation approaches and interpreting results that are relevant for other regions of the United States as well.

### **Background and Previous Research on Local Food Systems**

Overall, the effectiveness of local and direct promotional activities has received relatively little attention. Yet, it is important for buy local campaigns to consider some assessment of their marketing programs so that they determine where their investments are most impactful in terms of changing consumer perceptions and buying patterns (Hilchey, 2000). But before effective evaluation can occur, it is important to consider what all the intended outcomes of local promotion may include. Most local food promotion studies can be sorted into three categories: increasing consumer awareness and demand; strengthening producer supply networks and market visibility; and, changing consumer behavior to increase local economic activity (which implicitly may require the former two outcomes as well). Although there is a tremendous volume of literature that covers these issues, for brevity, those most closely linked to the Colorado projects we consider are discussed here.

#### *Consumer Awareness*

Over the past decade, it has been noted that regional and local origin labeling is gaining prominence, as one of several ways for food enterprises to signal quality in the marketplace (McCluskey and Loureiro, 1993). Of greatest relevance to this discussion, state agricultural product labeling has been used as a marketing strategy to differentiate specific states' agricultural commodities from those of other states. However, the findings on awareness are not always positive (Patterson et al, 1999), and most studies note that the awareness is only valuable if the state's quality reputation for a product is a positive indicator.

Studies have generally grouped the evaluation of awareness with some form of product valuation or hedonic analysis, which is also of interest for a couple of the studies considered here. However, the simple value of information on product availability (through awareness of product offerings in a state) may have value to the consumer and their welfare alone (Nurse et al, forthcoming). Thus, a discussion of the intended

outcomes for programs must be discussed at the time resources are invested so it is clear whether increases in awareness are sufficient, or merely a proxy for a program's intention to improve the economic welfare of producers.

### *Producer Networks and Supply Chains*

Producers targeting direct markets often rely on lower-cost promotional activities to advertise their products and connect with their customers. The only data series available to explore growth in direct marketing is the Census of Agriculture, and the 2007 Census reports nearly 137,000 farms had direct sales totaling a little more than \$1.2 billion. Direct sales represented about 0.5% of all sales in 2007, yet this is a 50% increase from 2002, with an additional 20,000 more farms each selling about \$2,000 more per farm each year (Thilmany and Thomas, 2009). Overall, average direct sales per farm increased from \$6,958 to \$8,853 annually from 2002 to 2007. In short, there appears to be a market restructuring that is significant enough to warrant attention.

Hilchey (2000) argues that collaborative promotional campaigns allow individual growers to spread their marketing costs over the larger group that is participating in the campaign. However, the USDA is only beginning to track how the previously noted direct sales are morphing into larger, networked efforts to distribute through larger institutional channels (Low and Vogel, 2010). A pilot study from the USDA-ARMS data shows that, when considering collaborative marketing efforts, the "direct sales" volume in the United States may be significantly higher (\$4.8 billion) than just those efforts where individuals sell to households (\$1.2 billion).

In response, an increasing number of public and nonprofit stakeholders have taken up the challenge to promote on behalf of local foods (for example, state brands and Buy Fresh Buy Local campaigns). Other stakeholders believe that building online directories of direct market producers (Food Routes), farmers markets (USDA AMS) and food system enterprises (MarketMaker) is the appropriate role for third parties who want to improve market information to consumers and buyers.

To justify continued efforts, evaluation of such programming seems warranted, especially as investments increase. For example, Sonoma County, California, is spending over \$150,000 on its annual buy local campaign (Hilchey, 2000). As producers begin to rely on these lower-cost promotional campaigns and marketing channels to get the word out about their products and convey product attributes to their customers, it is increasingly important to measure the effectiveness of these strategies. If many organizations are investing in buy local and other cost effective promotional strategies (i.e. Hinrichs and Allen, 2008; Hilchey, 2000), what are the economic benefits to producers and to communities from these promotional strategies?

Other states have begun undertaking similar evaluations, with links to effectiveness of state branding programs (Carpio and Isengildina-Massa, 2009). The level of evaluation varies from analysis of visitation numbers, to surveys on awareness and effectiveness, but comparison of studies is challenging given the MarketMaker platform has changed its format several times. It is important to note that the common themes that producer networks and shared promotion have with the evaluation of awareness outcomes, but one may also observe that the gains one might expect from the “network aspect” of community promotion programs (cross promotion between producers or producers and the chefs who buy from them) will be difficult to assess.

#### *Buy Local and Community Economic Development*

Buy local campaigns are typically educational campaigns targeted at consumers in order to encourage the purchase of locally produced items as a form of economic development and stimulation. Such initiatives stem from historical initiatives to direct and mobilize consumer purchasing, sometimes referred to as “buycotts” whereby consumers selectively purchase only from producers considered deserving of support (Hinrichs and Allen, 2008). The most prominent example of this is the “Buy American” advertisements used by the U.S. automakers after the collapse of the automotive industry. Buy local campaigns are often implemented by nonprofits or governmental organizations seeking to increase awareness around local economic issues. Hinrichs and Allen (2008) also identify other themes employed to engage consumers: aesthetics (which includes taste, perception of freshness, and viewshed, for example), community, environment, equity and health.

Past studies on local purchasing by Civic Economics and Iowa State University have focused on estimating the effects of a shift in market share from corporate chains to direct markets. For example, a study in Kent County, Michigan estimated that a 10% shift in market share could create 1,600 jobs and add \$137.3 million to the total county output (Civic Economics, 2008). It is argued that these numbers are possible because of economic multiplier effects and the prevention of income leakage. That is, a dollar spent at a local business will be spent several more times, as opposed to a dollar spent at a chain, which is more likely to leave the local economy immediately. These ambitious attempts to link increased awareness and changed consumer buying behavior are increasingly common, however, the rigor of the assessment does not often meet the standards of the agribusiness field. So, again, a more careful discussion of the evaluation that is occurring, the outcomes that can be reliably assessed, and what questions that leaves for the field to explore more rigorously is needed. This paper is intended to begin that discussion.

### **Approaches to Evaluating Local Promotional Campaigns**

This section will provide a background of three Colorado buy local or joint promotional campaigns and the surveys, in-store experiment, and cost-benefit analysis that were used to quantify the effectiveness of the campaigns. In addition, the narrative provides some insights on the role of those providing marketing technical assistance (from Land Grant institutions and traditional Extension programs as well as the growing number of nongovernmental organizations (NGOs) focused on food systems) in helping to frame and evaluate the intended outcomes of local food projects.

The first study assesses the economic impact and sustainability of a citizen pledge to support local businesses in Northern Colorado during a defined time period—the Be Local 20/20 Challenge. The second study examines consumer willingness and motivations to pay for local, Colorado produce—the Colorado Proud apple study. The third study looks at investment in and articulated benefits from Colorado MarketMaker—an online mapping and research tool for consumers, food producers and manufacturers, which is free for public use but required substantial investment by state partner organizations to develop.

A quick summary of the background, organizational aims and role that Colorado specialists played in these programs follows.

#### *Study 1—Be Local Campaign*

The Be Local 20/20 Challenge, conducted in the last four months of 2009 asked residents of Northern Colorado to pledge to spend \$20 of their normal weekly household budget at local independent businesses, implying a shift from national chains for twenty weeks. Be Local is based in Larimer County, Colorado, whose population is approximately 300,000 with a median household income of \$56,281 (U.S. Census Bureau, 2011). This pledge implies a \$400 shift per person in consumer expenditure from outside chains stores to local businesses, with potential economic multiplier effects. Participants in the Challenge were encouraged to track their spending at local businesses, share their local purchasing experiences in an online forum, and challenge their friends and coworkers to participate. Participants were also encouraged to use a locally based coupon book, as well as the Be Local web site; more information available on the web at [www.belocalnc.org](http://www.belocalnc.org). In short, the intent was to shift short-term buying behavior, but also, raise awareness of local businesses and influence long-term buying habits.

Be Local solicited participants for the Be Local 20/20 Challenge at downtown events and social networking sites. At the time of the solicitation, community members were also educated about Be Local Northern Colorado's other economic development efforts, including the aforementioned coupon book and a series of Winter Farmers' Markets.

After completing the challenge, participants were asked to complete a fifteen-question Internet survey that was posted in the Be Local e-newsletter and sent via email. The goal of the survey was to determine any changes in consumer behavior as a result of the Be Local 20/20 Challenge, to estimate expenditures with local businesses, and to verify effective outreach activities on behalf of Be Local Northern Colorado. Of the 634 pledged participants, 149 submitted the survey, and seventeen started the survey but didn't submit it. Survey results were used to determine the effectiveness of the Be Local 20/20 Challenge in achieving its goals.

### *Study 2—Colorado Proud*

Colorado Proud is the state-based marketing program that the Colorado Department of Agriculture has used for 11 years to promote Colorado products to consumers, akin to programs identifying state businesses in other states. The program has tracked awareness of its program for several years, using its primary media partner, 9News in Denver, Colorado. Although their research has been useful in assessing changed awareness, it is not independent of a vested stakeholder (the media partner), and not within the context of the markets where purchases are made. In 2009, Colorado State University conducted a study to examine consumers' motivations for purchasing local products identified as Colorado Proud, and USDA certified organic apples, with the intent of estimating how much consumers are willing to pay for each of the two labels. Together, these two sets of data provide some insights on how effective Colorado Proud has been in influencing consumer's market choices.

For the Colorado State University study about Colorado Proud apples, three hundred shoppers were recruited to participate in an in-store experiment in partnership with a large food retailer in Northern Colorado. Shoppers were approached in the fresh produce department of the grocery store and asked to participate in a research experiment in exchange for a free gift. It should be noted that this study took place in a food retailer that had a fairly long-term partnership in co-promotion with Colorado Proud. The intent of this project was primarily to assess differential willingness to pay between local and organic apples, but also, to illustrate the importance of local produce availability to the retail partner who had a long-term investment in the Colorado Proud promotional campaign.

To assess how product offerings affected supermarket choice, consumers were asked how important it was for them that the grocery store carried Colorado Proud products. Preferences for Colorado Proud and other produce attributes were analyzed by means of factor analysis, a statistical process useful in reducing the information in a larger dataset into key factors that explain differences among shoppers.



*Study 3—Colorado MarketMaker*

Colorado MarketMaker is a statewide link within a national online network of states who have adopted a common platform to highlight food businesses. Although the buyers and sellers can make almost nationwide connections now, several states have participated as a way to elevate their state branding programs, like Colorado Proud. Beyond support of state-based marketing programs, the platform is intended to be a low cost per listing marketing directory and networking system, so the intended outcomes are sales connections and visitation (as a proxy for buyers receiving better market information).

To assess the cost and impact of Colorado MarketMaker (CMM), we used two tools: 1) an analysis of the investment cost of the program compared to its benefit as quantified through customer use; and 2) an online survey conducted at two different time intervals to determine the promotional impact of CMM as reported by a sample of businesses using it over a six-month period. The survey was conducted using a sample of food businesses that created their own profiles in the system, and those whose data had been transferred from an existing Colorado Department of Agriculture directory (half of which were Colorado Proud designees and half of which were not). The sample was further refined to assure diversity in geographic location and products. Survey questions concerned their awareness of CMM; how actively they managed their online profiles; how effective they felt the site was for expanding their business and its image in the marketplace; any sales they could attribute to their marketing via CMM; and any insights they may have gained on how their competitors were marketing their products as a result of browsing CMM. The survey was administered in March 2010 and again in September 2010.

**Discussion of Promotion Evaluation and Relevance to Marketing Technical Assistants**

The results from the Be Local 20/20 Challenge survey, the Colorado State University and 9News Colorado Proud studies, and the Colorado MarketMaker cost-benefit analysis and survey are presented with a focus on two issues; what the results say about potential effectiveness with respect to intended outcomes, and also, what lessons were learned about the delivery of the programs and how they will be evaluated in the future.

Analysis of the surveys given to those who took the 20/20 Challenge shows that the effectiveness of local food promotional campaigns varies; Tables 1 and 2 suggest that although some participants increased the amount they spent locally, a vast majority reported no change. In another question, participants were probed about the level of difficulty of completing the Challenge, and it was reportedly low, as many were already buying many items locally. So, respondents were asked to indicate a more realistic and

challenging amount of money to spend that would effectively increase their local spending. A slim majority indicated an ability to pledge \$30-\$50 (34%).

**Table 1. How Much Did/Do You Spend at Local Independent Businesses Every Week?**

	Before 20/20 Campaign		During 20/20 Campaign		After 20/20 Campaign	
<i>Less than 20/20</i>	22	15%	15	10%	18	13%
<i>\$20-\$30</i>	58	39%	52	35%	48	33%
<i>\$30-\$50</i>	33	22%	44	30%	43	30%
<i>\$50-\$75</i>	20	13%	20	13%	17	12%
<i>\$75-\$100</i>	8	5%	10	7%	9	6%
<i>More than \$100</i>	8	5%	8	5%	9	6%
<i>Total</i>	149	100%	149	100%	144	100%

Source: Be Local 20/20 Participant Survey, 2010

**Table 2. Change in Spending Habits at Local Independent Businesses**

	Before to During 20/20 Campaign		During and After 20/20 Campaign	
	Count	% of Respondents	Count	% of Respondents
<i>No Change in Behavior</i>	109	73%	124	86%
<i>Increased Two Categories</i>	8	5%	2	1%
<i>Increase One Category</i>	22	15%	7	5%
<i>Decreased One Category</i>	7	5%	8	6%
<i>Decreased Two or More Categories</i>	3	2%	3	2%
<i>Total</i>	149	100%	144	100%

Although most survey respondents indicated that participating in the 20/20 Challenge did not change their regular behavior, the campaign did affect a small fraction of people. About 5% of participants increased their frequency of local purchases over the course of the Challenge, whereas 90% of respondents did not change the frequency of their purchases at all. This is mostly because the average person was already spending some

amount of money at local businesses on a weekly basis. Similar to frequency of purchasing, few people actually changed how much they spent at local independent business (Table 2). Nearly 70% of survey respondents indicated no change in their spending habits across the Challenge (responses to before, during, and after questions were identical). Only 3% of respondents changed their behavior during the Challenge, and then returned to their previous expenditure levels. A very small number of people reported continued increases in local expenditures, even after the completion of the Challenge.

Be Local Northern Colorado realized that the campaign could have other outcomes, including increased awareness about the number of local businesses and use of other “business network” services such as the coupon book and Web directory. When provided a list of eight activities related to Be Local Northern Colorado and buying local (Table 3), the majority of respondents participated in three or four activities (44%), while 46 respondents were slightly engaged (31%) by participating in one or two related activities, and 32 respondents participated in five or six activities (21%). Overall, this program may have been framed in a way that did not allow for the outcomes expected (sustained, increase involvement in local food systems). Casual observation suggests this is because the promotion of the program was primarily targeted at existing members of the network, so the marginal change expected would be lower than if awareness and engagement were secured from those less involved in buying local.

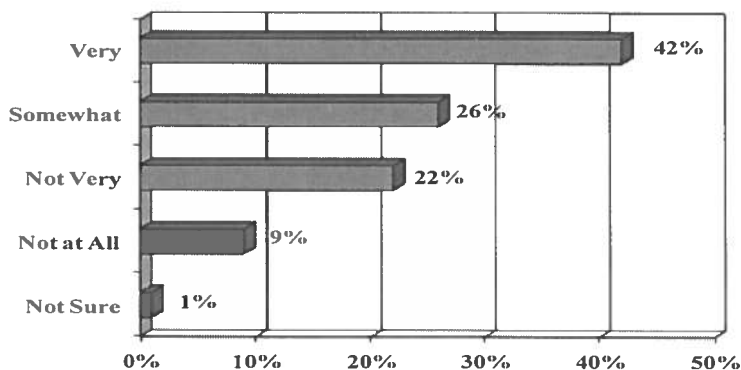
**Table 3- Associated Activities in Conjunction with 20/20 Campaign**

	Count	% of Choices Selected	% of Respondents
<i>Like getting Pledge reminders and updates</i>	52	10%	35%
<i>Added your own 20/20 Story on the Be Local NC Website</i>	22*	4%	15%
<i>Learned about and followed the Economic Multiplier</i>	26	5%	17%
<i>Used the Be Local Coupon Book to fulfill your pledge</i>	92	19%	62%
<i>Used SearchBeLocalFirst.org to find businesses, products, or services</i>	28	6%	19%

Source: Be Local 20/20 Participant Survey, 2010

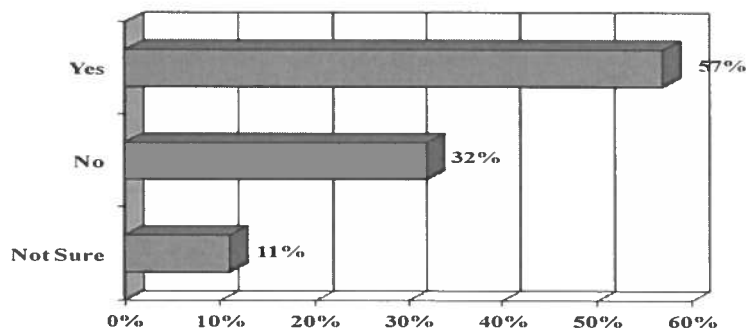
*Colorado Proud*

As a reminder, this promotional program focused on increased awareness of Colorado products, expectations that awareness would lead to more purchases, and then, a more targeted analysis on valuation of Colorado apples. Figures summarizing the 9News Survey results from 2010 provide some insight into broader awareness about the Colorado Proud program. Figure 1 shows that there is fairly strong familiarity with the program (68% somewhat or very familiar). Figure 2 goes further in asking whether the Colorado public seeks out food retail sites that use the program, and the majority do, which provides a strong message for the retailer partners that the Colorado Proud program relies upon to increase availability of local foods.



Source: Costanigro et al, 2011.

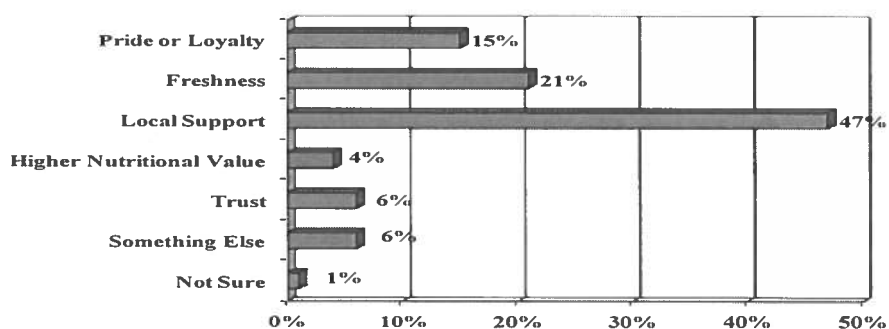
**Figure 1: How familiar would you say you are with the Colorado Proud Logo? September 2010 Survey**



Source: Costanigro et al, 2011.

**Figure 2: Are you looking for the Colorado Proud logo more often when you are shopping? September 2010 Survey**

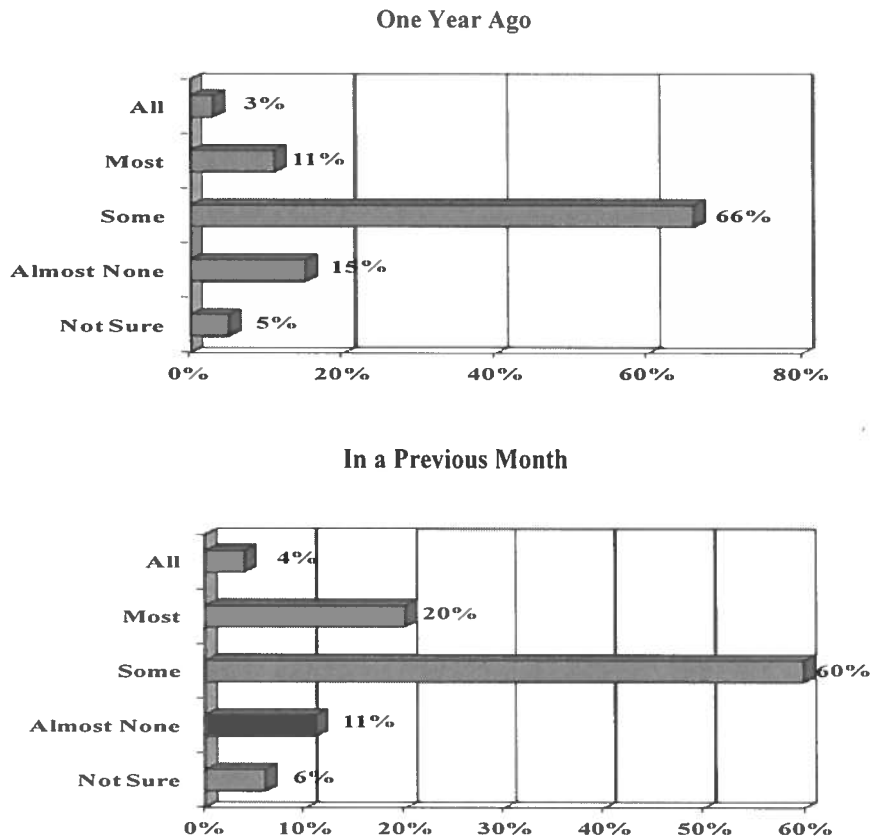
Knowing the motivations as to why Coloradans may look for Colorado Proud products can help those involved in Colorado Proud more effectively frame the marketing program in the future. Figure 3 shows shoppers' motivations for purchasing Colorado Proud products. General support for local businesses is the most common motivation (of the choices provided), followed by the perception that freshness may be better, and pride and loyalty in the state's foods.



Source: Costanigro et al, 2011.

**Figure 3: If price and quality were equal between Colorado products and non-Colorado products, what would be the ONE reason that would convince you to purchase more Colorado grown and produced products?**

Finally, the outcome really intended from the program is increased sales for Colorado food enterprises, and Figure 4 suggests that a larger share of Coloradans were buying Colorado products for most (20 vs. 11%) of the time in August 2010 relative to the previous year, which coincides with an increase in awareness and searching for the program.



Source: 9News Survey, 2010

**Figure 4: How much of your food purchases were Colorado products in August 2010 (compared to one year ago, September 2009)?**

In their study with local and organic apples, CSU found similar levels of awareness and search intentions for Colorado Proud (Table 4), a nice reinforcement of the 9News survey findings. Costanigro et al. (2011) were also interested in motivations, so they used factor analysis to show that more public-oriented food attributes drive shoppers who are seeking local, followed by a couple of factors with more private benefits (time saving or eating quality). Specifically, Colorado Proud shoppers also ranked “environmental impact”, “social fairness”, and “preserve farmland” higher than average. In their choice

experiment, willingness to pay for the organic label was estimated to be 20 cents/lbs; while the willingness to pay for the local label is \$1.18 on a per pound basis.

**Table 4-Attitudes about Colorado Proud among Produce Shoppers-Fall 2009**

Question	Response	Percentage of Sample
<i>Were you planning to buy apples today</i>	No	44.6%
	Yes	55.4%
<i>Aware of 'Colorado Proud'</i>	No	27.1%
	Yes	72.9%
<i>Looked for 'Colorado Proud'</i>	No	35.4%
	Yes	64.6%
<i>Importance of 'Colorado Proud' (scale 1-7)</i>	Mean	45.0%

Source: Costanigro et al, 2011

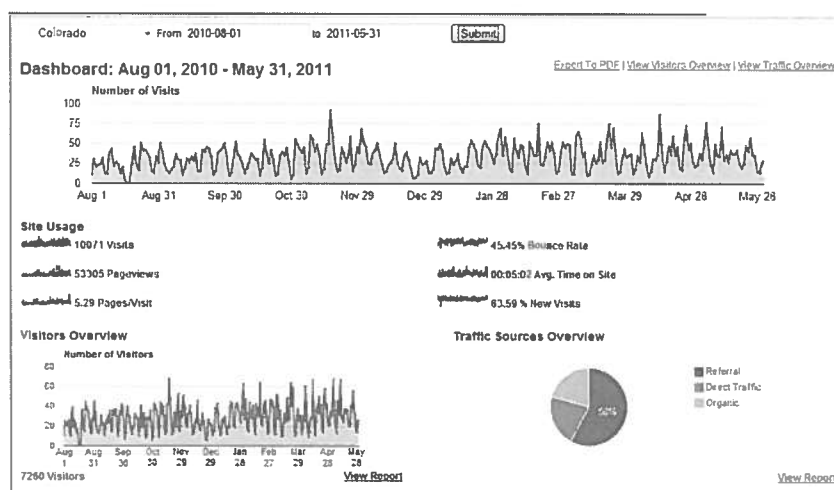
Together, these results suggest that Colorado Proud can be confident in promoting its benefits to participating food companies and, as we will discuss later, buyer motivations could be used to craft effective marketing messages that connect to the most interested Colorado Proud buyers. This demonstrates an example of how marketing research and technical assistance can be used to more rigorously evaluate impacts of the program, similar to the work by Carpio and Isgeldina in South Carolina. However, this research went further in exploring motivations, as that may help retailers and producers in developing marketing messages that resonate with consumers.

#### *Colorado MarketMaker (CMM)*

The primary focus of CMM, and thus its outcomes, is increasing the state's food business network, linking producers to buyers and raising the visibility of Colorado enterprises. The first indicator used to evaluate the effectiveness of the Colorado MarketMaker project (which also integrated Colorado Proud participants and labeling), is the number of visitors. Figure 5 is a screenshot captured from the administrative site of CMM, which illustrates the types of data that are available for analysis (with a more limited set of enterprise-specific information available to each business contact). This screenshot shows that there has been significant visitation to the site, many of the visitors are unique (rather

than returning interested parties) and they spend a fair bit of time on the site (five minutes per visitor). It is impossible to translate this to sales, but it does allow for direct comparison across states, or in comparison to other online partners that may drive potential customers to any food company (and such statistics are more commonly used in the age of Google marketing and analytics).

Comparing this to the total investment made in Colorado MarketMaker (\$60,000 including a “cash-neutral” \$30,000 labor investment that was redirected from previously managed directories) provides a useful benchmark. From August 1, 2010 to May 31, 2011 there were a total of 10,071 visits to the website, including 7,269 unique visitors and over 5 page views per average visit (Figure 5). With respect to the directory function, as of May 31, 2011, there were 20,917 listings in the Colorado MarketMaker directory, including approximately 550 active users. This is a diverse set of companies with over 92 wineries, while restaurants and food service enterprises represent the fastest growing set of new and active profiles.



Source: Colorado MarketMaker, administrator site, 2011

**Figure 5: Visitation to the Colorado Market Maker Website during the first 10 months of availability**

So, for the \$30,000 direct investment by Colorado to join the MarketMaker database, the cost per visit since August 2010 was \$2.98 and the cost per directory listing was \$1.43. These seem reasonable, but once you realize that the cost per active user since August was \$51.11, one limitation of this type of evaluation becomes evident: without some benchmark of other costs per user or listing, from previous projects or projects



targeted at other sectors, these numbers are difficult to interpret. Perhaps one role for those providing marketing assistance is to develop some benchmark numbers that represent reasonable directory costs, such as users per dollar invested or expected sales per dollar invested. So far, such benchmarks have not been developed by the CMM team.

The online business survey indicated a growing awareness (75% surveyed had heard of CMM) but still very light “engagement” with the tool, if one considered the frequency of profile visitation and updating. But, this is not surprising given it was released several years ago, and still has had little marketing and promotion from either CDA or CSU. There is some optimism about the impacts of the new marketing tool among respondents to the survey, but concerns that more directed marketing and technical assistance from the CDA and CSU partners needs to occur for the program to take hold.

In short, the longest running, most broadly defined among the programs studied here, Colorado Proud, is effective in raising consumer awareness. However, limited availability of foods labeled with Colorado Proud may represent a significant barrier to consumer purchases; thus limiting the effectiveness of sales growth through promotion. Colorado MarketMaker is one tool that could both increase the perceived availability of Colorado Proud foods and strengthen the network of food businesses that conduct supply chain commerce with one another.

There are a number of governmental, University and NGO efforts to provide marketing technical assistance to local food systems and state marketing programs. Since local food issues are so place-based, it is a struggle to recommend “best practices” to evaluate outcomes or, more basically, to determine what the outcomes of local foods programs might be (and this answer may vary by stakeholder). However, this is a task that may be appropriate for multi-state Extension and/or research teams to take on.

### **Conclusions and Future Research**

This paper provides an overview of several recent Colorado projects designed to evaluate the usefulness of cost effective promotion strategies, including Colorado Proud, Colorado MarketMaker, and a regional Be Local campaign. For most of the programs, consumer surveys gathered respondents’ information at retail stores, online and through phone surveys. These approaches are fairly common in the agribusiness marketing field, but when programs are so generally defined (for example, all foods grown and manufactured in Colorado are included in Colorado Proud), the ability to evaluate outcomes may be more complex. Awareness is an important and necessary outcome, but it may not be sufficient to justify investment unless buying behavior changes or, more importantly, producer or consumer welfare improves.

In addition, a survey of food businesses was used to evaluate their perceived impacts from participation in buy local programs. Given the low response rate by participating

businesses, new methods to track the food business managers' perceptions of effectiveness for the joint marketing programs are needed. These business managers are the most likely source of information on increased sales, higher or more stable prices or improved profitability because of local marketing programs, but they do not seem eager to share information at this stage. Perhaps with increased network coordination, such as that offered through joint media buys in the Colorado Proud program or Colorado MarketMaker business spotlights, some successful case studies can be developed. State marketing programs may seek assistance from their academic and Extension partners in developing more creative ways to assess positive outcomes.

Finally, since so much commercial activity occurs as business-to-business relationships, it is also important to evaluate how Colorado Proud may be used to strengthen alliances among farmers, ranchers, retailers, chefs and the ultimate buyer. Moreover, Colorado MarketMaker is stretching the Colorado Proud directory and networks online and to a national set of buyers, which challenges the Be Local intentions of some state programs, but might lead to an assessment of whether Colorado products are of value to buyers and visitors in other regions of the US.

This paper highlighted both the promotional approaches and outcomes of several Colorado programs that are representative of collaborative marketing programs going on throughout the US. Beyond the simple statistics on increased awareness, changed buying behavior and buyer motivations, this discussion was intended to demonstrate how promotional efforts may be better targeted if participating organizations clearly delineate their intended outcomes, ways they will evaluate whether they have attained those outcomes, and brainstorm creative methods to gather market and consumer information. However, in an era of decreasing public investments in many programs, it may not be sufficient to demonstrate increased sales. So, careful consideration of net gains (less investment) may be necessary.

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