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A Target Consumer Profile and Positioning for Promotion of the Direct Marketing of Fresh Produce: A Case Study

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A consumer survey was used to identify the proportion of consumers who shop for produce at farmers' markets. A profile of the target market was developed. Characteristics of produce which are most desirable to consumers when making their purchase decision were identified. Consumers' perceptions of the characteristics of produce sold at farmers' markets versus supermarkets were evaluated. The most desirable characteristics of produce which provide farmers' markets produce with a relative advantage over supermarket produce were identified for use in a promotional campaign.

The efficient marketing of food products requires the seller to determine the most profitable marketing mix. The marketing mix is the combination of the product, price, place, and promotion. The component of the marketing mix, place, is the channel of distribution chosen by the seller. The primary channel of distribution used by farmers of fresh fruit and vegetables is a shipping point market (Kohls and Uhl, 1998). However, an increasing channel of distribution for fresh produce is direct sales to consumers through roadside markets, U-pick operations, and farmers' markets (Kohls and Uhl, 1998).

Direct marketing of produce through farmers' markets in California has become an important distribution outlet for farmers since the introduction of California certified farmers' markets in 1978. A certified farmers' market is a location approved by the local county agricultural commissioner where agricultural products may be sold by certified producers directly to the consumer (California Department of Food and Agriculture, 1990).

This study examines produce consumers in San Luis Obispo County, California. Farmers' markets in San Luis Obispo County are typically located in highly visible parking lots which provide convenient parking. Although farmers' markets such as those in San Luis Obispo County have achieved growth in sales during the 1990s, supermarkets have emerged as a significant source of competition. Supermarkets often sell local produce products with point of purchase material

identifying them as locally grown. In addition, supermarkets sell nationally branded produce products and ready to eat produce products. In order to continue growth throughout the 1990s, it is important for managers of farmers' markets to understand the size and the composition of their target market and the characteristics of produce which motivate consumers to purchase at farmers' markets.

When produce is distributed through the use of shipping point firms, the promotion of the product is the responsibility of the shipping point firms and the retail grocer. When direct sales is the channel of distribution chosen by the grower, the responsibility of the promotion becomes that of the grower (Kohls and Uhl, 1998).

Promotion is an important component of the marketing mix because it generates awareness for the product and persuades consumers to buy it. Information concerning the times and locations of farmers' markets must be communicated to consumers through the use of a promotional campaign. In addition, consumers must be made aware of the types and characteristics of the products available at farmers' markets.

Before an effective promotional campaign can be developed, a profile of the potential consumers must be evaluated and a target market developed. After the target has been identified, an appropriate message must be developed to communicate to the target.

The words, graphics, and sounds used in a promotional campaign to describe the produce sold at a farmers' market communicate the positioning of the produce. For example, the produce may be positioned as premium quality. Or, it may be positioned as fresh and convenient to purchase. An effective promotional campaign will commu-

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nicate the characteristics of the product which are desired by the target consumers.

Recent studies by Eastwood and Brooker, Eastwood, and Gray examine the customers at farmers' markets in Tennessee. The studies provide a profile of consumers and factors that impact the consumer's decision to shop at a farmers' market. The purpose of this research is to examine both produce consumers who shop at farmers' markets and those who do not shop at farmers' markets. Both consumer groups are examined to determine the proportion of consumers who shop at farmers' markets for produce and the demographic characteristics of the consumers who shop for produce at farmers' markets compared to consumers who do not shop at farmers' markets. In addition, this research will identify the characteristics of produce which are most effective for a successful positioning. They are the most desired characteristics of produce and they are the characteristics which farmers' market produce have a perceived competitive advantage over supermarket produce.

Research Procedure

This research examines consumers in San Luis Obispo, California. In 1995 there were 243 certified farmers' markets throughout California (Southland Farmers' Market Association, 1990) serving a population of 10,399,700 households (U.S. Bureau of the Census, 1991). San Luis Obispo County has 95,773 households (U.S. Bureau of the Census, 1991) and fifteen of the state's certified farmers' markets. It has only 1% of California households, but it has 6% of the state's farmers' markets. Gross agricultural sales from San Luis Obispo County farmers' markets reached \$3 million in 1994 (San Luis Obispo County Farmers' Market, 1994).

The data for this research was collected through personal interviews using a consumer survey instrument. Questionnaires were administered randomly in San Luis Obispo County within the cities of San Luis Obispo, Morro Bay, and Arroyo Grande between April 20 and May 16, 1995. The respondents represented male or female heads of households. The questionnaires were completed at various times of day and at numerous public locations including supermarkets, banks, and shopping malls. Surveys were not conducted at local farmers' markets to avoid a bias. A

total of 404 surveys were completed. The income and age distributions of the sample reflect those of San Luis Obispo County (U.S. Bureau of the Census, 1991).

Target Market Size

Before a consumer can shop at a farmers' market, they must be aware of its location and hours of operation. Therefore, awareness of the individual farmers markets in San Luis Obispo was evaluated. Approximately 85% of consumers were aware of at least one of the 15 farmers' markets in the county. Awareness levels for individual farmers' markets ranged from a low of 9% to a high of 34% for each individual market.

Although 85% of consumers were aware of at least one local farmers' market, only 37% of the consumers interviewed indicated that they had shopped for produce at farmers' markets in the past 12 months. Ninety-five percent indicated that they shopped for produce at the supermarket. The proportion who have shopped at supermarkets for produce corresponds directly to the finding in *Supermarket News* that the produce section of a supermarket is shopped by 95% of all customers (*Supermarket News*, 1995).

Demographic Profile Comparison

In order to compare the target market of consumers who shop at farmers' markets to those who do not, two groups of consumers are identified: shoppers and non-shoppers. Shoppers are defined as those persons who have attended a farmers' market at least once in the 12 months before the questionnaire was administered. An examination of the demographic profile of farmers' market shoppers indicates that they tend to be older, more likely to be married, and more likely not to be employed compared to non-shoppers. Shoppers are in the middle and higher ends of the income distribution. The education levels and gender are similar between farmers' market shoppers and farmers' market non-shoppers. This demographic profile is consistent with that of retired shoppers, potentially indicating a large proportion of retired shoppers at farmers markets.

The profile of the age of respondents in Table 1 indicates that shoppers at farmers' markets tend to be older with 33% of shoppers over the age of 55. Non-shoppers tend to be younger with 45%

under the age of 29. This result is similar to that found by Brooker, Eastwood, and Gray in their analysis of Tennessee's New Farmers' Markets.

Table 1 shows that shoppers are more likely to be married than non-shoppers. Fifty percent of shoppers are married while 39% of non-shoppers

are married. Non-shoppers are more likely to be low income consumers. Thirty-seven percent of non-shoppers have an income level below \$20,000 while only 17% of shoppers have an income level below \$20,000. Fifty-eight percent of

Table 1. Demographics of Total Sample, Shoppers and Non-shoppers.

	Total Sample (n = 404)	Shoppers (n = 151)	Non-Shoppers (n = 253)	Chi Square ^a
<u>Age</u>				
18 - 24 years	23%	11%	30%	41.6*
25 - 29 years	13%	10%	15%	
30 - 34 years	10.0%	11%	9%	
35 - 39 years	12%	12%	11%	
40 - 44 years	11%	10%	11%	
45 - 49 years	6%	6%	6%	
50 - 54 years	7%	7%	7%	
55 - 59 years	4%	7%	3%	
> 60 years	14%	26%	8%	
<u>Gender</u>				
Male	41%	37%	37%	1.4
Female	59%	63%	63%	
<u>Marital Status</u>				
Married	44%	50%	39%	24.8*
Living with Partner	9%	9%	9%	
Single	36%	23%	44%	
Separated/Divorced	7%	11%	6%	
Widowed	4%	7%	2%	
<u>Income Levels</u>				
< \$20,000	30%	17%	37%	23.1*
\$20,000 - \$24,999	8%	8%	9%	
\$25,000 - \$29,999	10%	13%	8%	
\$30,000 - \$34,999	10%	14%	7%	
\$35,000 - \$39,999	9%	13%	7%	
\$40,000 - \$49,999	9%	10%	8%	
\$50,000 - \$59,000	7%	10%	6%	
\$60,000 - \$69,000	6%	5%	6%	
> \$70,000	11%	10%	12%	
<u>Employment Status</u>				
Employed full time	50%	50%	51%	19.3*
Employed part time	21%	12%	27%	
Not Employed	28%	37%	22%	
<u>Education Levels</u>				
Grade school or less	1%	1%	2%	2.7
Some high school	3%	3%	3%	
High school graduate	10%	11%	8%	
Some college	47%	44%	50%	
College Graduate	26%	29%	24%	
Post graduate work	13%	12%	13%	

^a Tests for independence between shoppers and non-shoppers.

* Significant at the 0.05 level.

shoppers are in the middle income range of \$20,000 to \$49,999. Only 39% of non-shoppers are in the middle income range of \$20,000 to \$49,999. There are similar proportions of shoppers and non-shoppers with income over \$50,000. Eastwood found that consumers at the Knox County Farmers' Market in 1993 tended to be older than 25 and in higher income levels.

Table 1 shows significant differences in the employment status of shoppers and non-shoppers. A greater proportion of non-shoppers report part time employment. In addition, a greater proportion of shoppers report being not employed. The term "not employed" includes retired persons. This result is similar to that found by Brooker, Eastwood, and Gray in their analysis of Tennessee's New Farmers' Markets. They found that retired individuals were the dominant group among shoppers in Tennessee's new farmers markets.

Positioning of Farmers' Market Produce

A successful product positioning is based on the factors which motivate consumers to purchase the product versus other products. The product which is examined here is produce sold at a farmers' market. The competitive products are produce sold in other locations such as supermarkets. In order to develop a successful positioning, the characteristics which are desirable to consumers when they shop for produce must be identified. The most desirable characteristics should be used in the development of a product positioning. Further, the most desirable product characteristics which consumers perceive the product to also have advantages over competition must be stressed.

In order to understand how consumers perceive produce sold at farmers' markets, consumers rated produce sold at farmers' markets and produce sold at supermarkets on the characteristics which were rated for desirability. It is important to note that consumers develop perceptions about products, in this case, produce sold at farmers' markets, from advertisements, word of mouth, public relations, the media, and the experience of shopping at a farmers' market. The perceptions about a product provide the consumer with the information they use to decide to purchase a product. It is the responsibility of the promotional campaign for a product to communi-

cate the appropriate information to consumers who have not had experience with the product. The promotional campaign also reinforces the perceptions of shoppers at farmers' markets.

Desirability of Characteristics

Fifteen characteristics which describe produce were rated on a five point desirability scale (Clancy, Shulman, and Wolf, 1994). Price, quality, and convenience characteristics were rated multiple times using different phrases as a cross validation of their desirability to consumers. Consumers were asked the following question:

"Please rate the following characteristics you look for when shopping for produce where:

- 5 = Extremely desirable;
- 4 = Very desirable;
- 3 = Somewhat desirable;
- 2 = Slightly desirable;
- 1 = Not at all desirable."

Analysis of the mean ratings of the interval data indicates that the characteristics are divided into three groups: very to extremely desirable characteristics, somewhat to very desirable characteristics, and slightly to somewhat desirable characteristics.

The desirability mean ratings are presented in Table 2. The very to extremely desirable characteristics for San Luis Obispo consumers when shopping for produce are those concerning taste, freshness, quality, price, value, convenience to buy, and ease of access to the product.

The somewhat to very desirable characteristics are those concerning convenience of use and locally and organically grown products. The slightly to somewhat desirable characteristics are a variety of characteristics: a familiar brand, pre-cut and packaged, and purchased without needing cash.

These results are similar to the findings of Eastwood, Orr, and Booker. Consumers indicated that quality and value were more important to them when purchasing produce than a locally grown product.

A Comparison of Produce Sold at Farmers' Markets versus Supermarkets

In order to understand how consumers in San Luis Obispo perceive produce sold at farmers' markets relative to produce sold in supermarkets,

respondents rated produce sold at farmers' markets and produce sold at supermarkets on the characteristics which had been rated for desirability. Respondents answered the following question(s):

"Based on your perceptions, please use the following scale to describe how these characteristics describe the produce which can be purchased at farmers' markets (supermarkets):

- 5 = Describes completely;
- 4 = Describes very well;
- 3 = Describes somewhat;
- 2 = Describes slightly;
- 1 = Does not describe at all."

Table 3 shows that produce sold at farmers' markets has a relative advantage over produce sold at supermarkets on four of the seven very to extremely desirable characteristics of produce. Farmers' markets rated higher on: fresh looking, fresh tasting, is a high quality product, and good value for the money. Supermarkets rate higher on the very to extremely desirable characteristics: convenient to buy and easily accessible. Farmers' market produce and supermarket produce rate

similarly on the very to extremely desirable characteristic, is reasonably priced.

Farmers' market produce rated higher on the somewhat to very desirable characteristics: locally grown, sold by grower, and grown organically. Supermarket produce rated higher on the somewhat to very desirable characteristics: convenient to use and always available. Supermarket produce rated higher than farmers' market produce on all of the slightly to somewhat desirable produce characteristics.

The comparison of the mean ratings indicates that consumers perceive that farmers' markets' produce is fresher looking, fresher tasting, a higher quality product, and a better value for the money than supermarket produce. These characteristics provide farmers' market produce with a competitive advantage over supermarket produce. However, consumers perceive supermarkets to have produce which is more easily accessible and more convenient to buy than produce sold at farmers' markets. These characteristics are weaknesses for farmers' markets and inhibit consumers from shopping for produce at farmers' markets.

Table 2. Desirability Ratings of Produce Characteristics for Total Sample.

	Mean Rating Based on 5 Point Scale (n = 404)	Standard Error of Mean (n = 404)
<u>Very to Extremely Desirable</u>		
Fresh looking	4.64	.03
Fresh tasting	4.59	.03
Is a high quality product	4.55	.03
Good value for the money	4.40	.04
Is reasonably priced	4.27	.04
Convenient to buy	4.07	.04
Easily Accessible	4.06	.05
<u>Somewhat to Very Desirable</u>		
Convenient to use	3.85	.05
Grown locally	3.79	.06
Always available	3.72	.06
Sold by grower	3.42	.06
Grown organically	3.19	.06
<u>Slightly to Somewhat Desirable</u>		
Pre-cut and packaged	2.87	.12
A familiar brand name	2.78	.06
Purchased without needing cash	2.73	.08

Table 3. Mean Ratings of Produce Sold at Farmers' Markets versus Supermarkets.

	Farmers' Markets (n = 264)	Supermarkets (n = 264)
<u>Very to Extremely Desirable</u>		
Fresh looking* (t = 13.35)	4.48	3.65
Fresh tasting* (t = 15.25)	4.43	3.47
Is a high quality product* (t = 12.84)	4.38	3.57
Good value for the money * (t = 5.57)	4.23	3.34
Is reasonably priced (t=1.47)	3.88	3.57
Convenient to buy* (t = -9.88)	3.53	4.24
Easily Accessible* (t = -2.39)	3.88	4.36
<u>Somewhat to Very Desirable</u>		
Convenient to use* (t = -4.22)	3.76	4.06
Grown locally* (t = 12.26)	4.41	2.64
Always available* (t = -11.52)	3.06	4.08
Sold by grower* (t = 22.88)	4.29	2.18
Grown organically* (t = 18.56)	3.96	2.49
<u>Slightly to Somewhat Desirable</u>		
Pre-cut and packaged* (t = -5.16)	2.80	3.89
A familiar brand name* (t = -6.61)	2.58	3.56
Purchased without needing cash* (t = -12.28)	1.79	4.16

* Indicates statistical significance at the .05 level using paired t-test.

Marketing Implications

The case study presented represents an area that has more farmers' markets per household than the population of its state. The study indicates that the target consumer for produce sold at a farmers' market in this region is a smaller group than the general produce purchaser with significantly different demographic characteristics.

The target farmers' market shopper in San Luis Obispo County is older, in the middle and higher income ranges, married, and part-time employed or unemployed. Similar findings were found in Eastwood's studies of Tennessee farmers' markets. However, since farmers' markets are geographically constrained, caution must be taken in using these results for farmers' markets in other geographic areas. The findings do suggest that the target farmers' market consumer is different from the typical produce consumer. Therefore, the identification of the target is important to the development of a promotional campaign.

Since the target consumer is significantly different from the general market consumer, an efficient promotion campaign to inform and persuade potential consumers to purchase produce from a farmers' market must use targeted media vehicles. The campaign must develop a message

that communicates the characteristics of produce which are desirable to the target and are competitively strong. The research shows that the produce purchasers want produce which is: fresh looking, fresh tasting, high quality, a good value, reasonably priced, convenient to buy, and easily accessible. The characteristics sold by grower and locally grown are not as desirable as the perceived freshness and convenience of the produce.

Table 4 summarizes the results of a comparison of the mean ratings of farmers' market and supermarket produce. It shows the characteristics of produce which are perceived advantages for farmers' market produce, perceived advantages for supermarket produce, and those which are similar for both farmers' market produce and supermarket produce. The comparison of the mean ratings indicates that the very to extremely desirable characteristics which provide farmers' market produce with a competitive advantage over supermarket produce are: fresh looking, fresh tasting, a high quality product, and a good value for the money. These characteristics are key positioning elements. They must be used to describe the produce sold at a farmers' market in a promotional campaign for a farmers' market.

Farmers' market and supermarkets are perceived to be similar with respect to price. It is im-

portant for farmers' markets to remain at parity or to improve on this characteristic. Thus a promotional campaign must continue to reinforce the perceived value of the produce sold at farmers' markets.

The perceived disadvantages of farmers' market produce for very to extremely desirable

characteristics are convenience characteristics. Consumers' perceptions of these characteristics may be improved in a promotion campaign by generating more awareness of the convenient parking and times of local farmers' markets.

Table 4. Perceived Advantages of Produce Sold at Farmers' Markets versus Supermarkets.

	Farmers' Market Advantage	Supermarket Advantage	Farmers' Market and Supermarket Parity
Very to Extremely Desirable	Fresh looking Fresh tasting Is a high quality product Good value for the money	Convenient to buy Easily accessible	Is reasonably priced
Somewhat to Very Desirable	Grown locally Sold by grower Grown organically	Convenient to use Always available	
Slightly to Somewhat Desirable		Pre-cut and packaged A familiar brand name Purchased without needing cash	

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