

**2017 ACORN Conference & Trade Show  
Best Western Glengarry, Truro, NS**

**Workshop Title:** Selling Tactics for Farmers' Markets

**Speaker:** Michael Freeman, former manager of Sackville, NB Farmers' Market

**Executive Summary:** Michael Freeman offers tips, strategies and tactics for selling at farmers' markets from his experience as both a market manager and salesperson.

**Detailed Notes:**

It's important to develop a business model and plan – find a template to help you. (Michael recommends Business Model Canvas.)

Keep in mind the difference between strategy and tactics. Strategy is an overarching framework that includes goals, values, priorities, brand, and personality. Tactics are specific on the ground actions to help implement strategy.

Your goals as a vendor:

- Safeguard and foster relationships/sense of belonging
- Deliver value
- Get out your brand (product, presentation, personality, production method)
- Make money!

**Sales Toolbox:**

The sales toolbox is a continuum of tools for different sizes and stages in the evolution of business. Not one size fits all. Determine which tools and orientations you want to operationalize and decide why. Below is a list of tools which Michael follows with more detail and scenarios:

- Setting price point (ex: compare at markets; what niche, target market?)
- Sales team (benefit of having a fresh face and energy at market)
- Packaging/bundling
- Merchandising tactics to spell out value and spark interest (Farmers Markets of NS does a great job!)
- Flexible pricing (ex: sweetheart deals, bulk discounts, seconds, distress pricing)
- Frequent customer/loyalty programs
- Promotional tools (ex: samples, contests, freebies)

**Garlic Pricing Scenario:** Michael worked for a farm that wanted to support fair market price for garlic. They priced garlic at \$15/lb, the same as the garlic farmer

at the market. Michael's farm sold per pound and the garlic didn't sell well. The garlic farmer sold per bag and sold out.

As a result of the pricing structure, Michael wasted face-to-face time at the market explaining the price and weighing garlic out and not necessarily generating sales. It also generated an icky feeling and gave customers time to think about the value proposition in a negative light. As a result there was always leftover garlic and potential waste.

As a solution, make the pricing simple for people to understand. Break down rates into meaningful information. Include clear signage as part of the presentation. Bundle unit pricing to change the feel of the price (ex: \$5 per bag).

**Bulk sales:** bins with signs for price/lb. It's important to clearly represent prices whether by unit or weight.

**Packaging:** for convenience, but it doesn't work for all products (ex: cabbage) or all customers.

**Bundling:** a strategy to maximize convenience and sales. Appeals to different kinds of customers. Determine when it's appropriate to sell by bulk, by weight, per unit, bundled into units or to combine approaches. You make the unit that makes the habit ex: \$5 bag of potatoes. Higher value, presentation rich products might sell better as individual units. Bundle as savings generator: bulk rate encourages higher volume, encourages savvy customers to buy more for sharing, preserving, and pantry stocking. Bundle as value generator where value is generated by association of products. Customer is encouraged to go for the extras. ex: salsa kit (tomatoes, peppers, spices all sold as bundle).

**Bulk discounts:** ex: \$15 for ½ dozen gourmet doughnuts

Leftovers: decide where you lie on the continuum between lean sales (sell out every week) and maximum sales volume (with leftovers).

Kent's law: The more you bring, the more you sell, the more leftovers you have. Therefore, in order to maximize sales, you're maximizing leftovers. The hitch: It's way easier to sell the first half of the bin than the second half. Strategy moment: Think about what you can manage. Is your goal to maximize revenue? To minimize waste? Do you have product that is storable and easily saleable the following weeks ex: garlic)? Can you afford to bring bins and bins of stuff home? Do you have week to week storage capacity?

**Distress Pricing:**

Scenario: At the end of market with produce left, is it worth it to cut rates? There's no right or wrong answer, but it's important to know your position and flexibility.

Considerations:

- If you cut the rate, you might be able to sell more in the short run but it can undermine the price structure (generates doubt about value)
- Can undermine the price structure of the market as a whole. Producers are “in it together” and should be collaborating to ensure everyone gets the best price for their labour.
- Are there other ways to use leftovers?
- Maybe need to reassess supply control if struggling consistently with having too many leftovers (modify price, bring less to market). It’s important to look at these trends over time, not just one week.
- Do you want to generate value through scarcity? Ex: good winter spinach. Customers in Sackville know that if you want to get good fresh greens in January there will be no leftovers. Scarcity of select products encourages loyal customers to show up early and regularly and pay top dollar.

**Great ways to use leftovers:**

- As giveaways to build customer loyalty
- Trade with another vendor
- Donate to food bank or collective kitchen (good for your branding too)
- Bring to secondary point of sale (farm store, etc.)
- Sell as seconds the following week
- Freeze/transform for storability (ex: dry herbs)
- Transform into value added product
- As form of payment for sales assistant or harvest crew (staff benefit especially for low wage, and generates staff loyalty and excitement)

**Using freebies strategically:**

Scenario: The last customer of the day has \$10 in their pocket. You (the vendor) have a \$5 squash a \$4 lettuce and a \$2 onion.

Do you:

- a. Stay firm (and end up with \$9 and leftovers)
- b. Try to convince them (with potential icky feeling)
- c. Stay firm on price then offer the onion as a gift. (You still end up with \$9, but no leftovers and customer leaves with special feeling and possible loyalty.)

**Building customer loyalty:**

- Social media: Like, share, win on social media and get entered in a draw.
- Customer loyalty programs:
  - ex: free carrot for kid
  - frequent shopper rewards (ex: stamp card for just coming to the market; prize is a gift certificate draw for local restaurant)
  - punch card for individual vendor (or could be for whole market)

**Take Away Questions:**

1. What packaging/delivery tactics are appropriate to each item that you sell? (Do research at markets; think about storability, value, presentation, etc.,)
2. Are there standard formats or units that seem to work well? Why?
3. Lean sale or maximum sales? How much leftover product can I manage?
4. How can I better track sales trends?
5. Do my customers feel like they're saving or splurging when they buy my product? Does this match my goals?
6. How much flexibility can I accommodate in pricing? Where can I use it to my benefit?

**Q+A:**

Q: If tracking inventory, how do sweetheart deals figure into record keeping?

A: It depends on product type, type and size of business, etc. And it needs to be a dialogue between the office and sales teams.

Q: Any strategies for long lineups at market?

A: Round prices for ease. Have floater staff who can talk to the people in line who don't need a scale, etc.