Making the Most of the Market:
Merchandising Considerations for Direct Farm Marketers

Megan Bruch, Marketing Specialist, Center for Profitable Agriculture
Tammy Algood, Area Food Marketing Specialist

November 2010

The development of this publication was funded in part by the Tennessee Department of Agriculture and USDA Rural Development.
Farmers marketing products directly to consumers through farmers markets, roadside stands or on-farm retail markets face many challenges. Having high-quality products to sell is vital, but only one piece of the puzzle. Farmers must be able to effectively merchandise products by maintaining product quality, enticing customers with attractive displays and providing excellent customer service.

Retail is detail. It takes about three seconds for people to form a first impression. Direct farm marketers should strive to make an immediate, positive impression to entice customers to invest time and dollars in shopping with them.

Shopping and buying are sensory activities. Customers use all five senses (sight, taste, touch, smell and hearing) to aid them in making purchasing decisions. Merchants who appeal to customer senses will increase their potential for making sales. Merchandising techniques help to accentuate products, appeal to customer senses and make shopping convenient and enjoyable for customers.

Direct farm marketers should also consider the image they are trying to convey to customers (i.e., positioning or brand image) when developing merchandising strategies. All aspects of a business, including merchandising techniques, that customers come in contact with should be consistent with this image. Sending a consistent message will help solidify the business image in customer minds and help customers recognize the business, thus improving the effectiveness of marketing efforts.

This publication presents basic merchandising considerations and techniques to help farmers make the most of market opportunities. Display design, signage, lighting and customer service are all important merchandising components to consider.

**Develop a Strong Foundation**

Products should not be displayed directly on the ground or floor, even in a container. Customers associate the ground or floor with dirt and would prefer not to purchase and consume food that has been on the ground after harvest. It is also difficult for customers to see products on the ground and to bend or stoop to pick up products from the ground. Products should be displayed at least at knee level.

Customers are most easily able to reach products that are displayed from waist level to about 6 inches over their heads. Elbow level is the ideal height. With typical customers between 5 foot 4 inches and 6 feet 2 inches tall, tables, shelves and counters should be between 36 and 40 inches high. Empty containers can be used to raise products off shorter surfaces. Tables or shelves should be no deeper than 2 feet so that customers can easily reach products at the back.

Sloped shelves can create an attractive and effective product display. The industry standard is 15 degrees downward slope. Depending upon the items to be displayed, a greater slope can be used. For instance, lightweight produce can be stored on shelving that slopes downward as much as 25 to 30 degrees.

**Display Design**

Table, shelf and counter surfaces should be clean and visually appealing. Merchants may want to paint or stain surfaces or utilize a covering such as a tablecloth. Whatever the method, the surface or tablecloth should accentuate the products rather than dominate the display. A solid color (non-patterned background) complementing product colors is best. A color wheel can be used to identify complementary colors – complementary colors would be across the wheel from each other. For example, for a display featuring strawberries or red tomatoes, a green tablecloth would best complement the products. For a display featuring orange pumpkins, a blue table covering would be attractive. Burlap is often a good option for use in displays, as it is durable and typically consistent with the image farmers would like to convey to customers.

**Aisles in markets** should be 5 feet wide to allow two-way traffic, strollers and wheel chairs.

This farmers market vendor draws customer interest by using a solid color tablecloth, filling containers to overflowing and arranging products by contrasting colors. Signs indicating product name and price are attached to the front of the table. Products are clean and visually appealing.
Position Products for a Dynamite Display
 Displays should be designed to accentuate and maintain the quality and freshness of the products. All products and display materials should be kept clean. Keep products at a desirable temperature and cull products with diminished quality. Items that are discarded should be out of the sight line of customers.

Products can be arranged directly on the table, shelf or counter or put into large containers such as baskets or bins in bulk. Some merchants may divide products for sale by the container. Containers, baskets and bins used in displays should be visually appealing, clean and free of stains. Containers such as old or antique boxes, crates and baskets with links to farms can be attractive in displays. Containerizers with wording inconsistent with the product should not be used. For example, for a farm that is promoting sales of product grown only on that farm, boxes indicating the source of the product as another farm, state or country should not be used, as it may make customers question the farm’s credibility.

Attract customers, give customers information they need
 Signage is an important merchandising tool. It can help done well, signage sells. Done well, signage can draw eyes of customers and create interest. For example, if you need to promote a new product, or displaying vegetables vertically, for example, this is not a problem. It is correct with the sign is often blocked by people walking or standing in front of the table. A sign with the farm name in letters large enough to see from quite a distance should be placed above head level, either behind the table or to the front of a pop-up tent, for example.

At a minimum, signs should also be used to indicate the names and prices of every product. Products without posted prices will not sell as well as products that are appropriately priced. Customers are interested in having product and price information in a retail setting. Customers do not want to ask the price of the product and often will not – many will do without the product rather than ask. They may feel that the product is too expensive or that the merchant is not credible or trustworthy if prices are not posted.

Signs may also be used to provide additional information to customers. Examples include product characteristics or descriptions, best use, ingredients, complementary product suggestions, featured product, special of the week, etc. If the sales site is not on the farm, a display of enlarged photographs may help customers connect with the farm and visualize where the products were produced.

Signs should look neat and professional and be easy to read. Characteristics of an easy-to-read sign include:
• Dark lettering on a light background
• Relatively plain font (serif fonts or italics may be pretty but are difficult to read)
• Capitalization of Each Word (NOT ALL CAPS)

Information on signs should be concise and spelled correctly. In addition, information should be truthful and consistent with any regulatory requirements that may exist for the use of special terms (such as “organic” or special claims for meat products).

Customer Service
 Customer service is also an important merchandising consideration. Excellent customer service can add value for customers and poor customer service can turn customers away.

All owners and employees serving customers should be well-groomed, look neat and be enthusiastic. Employees should be knowledgeable about the farm and the products offered so they can answer questions and make recommendations for customers. Employees should be able to tell customers about the product, product benefits, how to store it, how to cook it, favorite recipes and how to preserve it. Recipe cards and other information may be helpful to have on hand to give to customers.

Providing a way to keep customers’ hands empty can help bolster sales. If customers have something in their hands, they are often just looking and no longer shopping. Providing bags or baskets for customers to fill as they shop can help. Also, merchants may ask if they can hold items for customers at the register or checkout while the customer continues to shop.

Karen Norton of Norton Family Farm provides excellent customer service by listening intently to customers, maintaining eye contact and standing up ready to serve at a moment’s notice. She has bags and an open wrap with change close at hand to speed up service. Bountiful products are displayed in attractive baskets and packaging. She highlights product names and prices. The color red is used consistently in the tablecloth, signs and staff shirts and creates a pulled-together look. The checked tablecloth brings to mind “picnics” and “country,” so a solid color cloth would be a better choice to accentuate the product. The checked cloth calls attention to itself and creates a bit of a cluttered look.
Listening and maintaining eye contact will help customers feel valued and important. If possible, learn names and get to know something about regular customers. For new customers, use names listed on checks or credit cards. Listen to customers, as they will give hints on ways to improve or on additional products to offer. Promise only what you can deliver or under-promise and over-deliver. Merchants should always thank customers for their business and invite them to come again. Merchants can also tell customers that they look forward to hearing how they liked the products purchased and how the new recipe they gave them worked.

All necessary supplies should be on hand. This may include bags, change, display bins, a legal-for-trade scale, price signs, brochures or business cards, etc. An adequate number of personnel should be on hand to assist customers.

Farmers should find a way to "tell their story" to help build relationships with customers. Many customers are interested about the history of the farm and the farmers, the production process and philosophy, what’s going on at the farm currently, etc. Marketers can tell their story by developing a printed rack card or brochure or putting together a display with information and photos from the farm for the market.

Keeping a guest book on hand for customers to provide their names and email addresses may be a good way to gather information to stay in contact with customers and help tell the farm's story. Offer customers something of value for providing their information, such as announcements of product availability, special recipes, information about life on the farm, news of events or special offers. Be sure to indicate how often customers may receive a message and that their information will be kept private.

Additional Considerations

The sales area should be kept clean and free of clutter. Trash, personal items and excess packaging, etc. should be out of the view of customers, whether stashed in a back room, under a table hidden by a tablecloth or in a vehicle. Be conscious of undesirable odors, as they can turn customers away.

Keep displays fresh and alive by moving products around occasionally. If all items are kept in the same place all the time, customers may not see all that a merchant has to offer.

Reference
