Cultivating Community Economy

Nova Scotia Farmers' Market Economic Impact Study 2013
Farmers’ Markets: ● Participating
○ Non-participating

Prepared by: Kyler Crawford
Saint Mary’s University
Sobeys School of Business

and Keltie Butler
Executive Director
Farmers’ Markets of Nova Scotia Cooperative
“The Nova Scotia Department of Agriculture is pleased to support the Farmers’ Markets of Nova Scotia (FMNS) to develop a plan to measure the economic impact of farmers’ markets on our economy. The first economic impact study of farmers’ markets in the province was completed in 2004, and significant growth has occurred since then. An updated economic impact study helps to quantify the importance these markets play in the local agriculture and food economies, not only to vendors, but to the communities and surrounding areas. Strong, vibrant farmers’ markets provide a good way for agricultural producers to connect directly with consumers.”

Paul LaFleche  
Deputy Minister of Agriculture,  
Government of Nova Scotia

“In addition to bringing local food to tables province-wide, farmers’ markets continue to feed our economy and job market in many ways. Looking beyond the many benefits that cannot be measured in dollars alone, Farmers’ Markets of Nova Scotia is currently undertaking a sector-wide analysis to map the actual dollars being harvested. A study of this magnitude has not been commissioned since 2004 with the number of farmers’ markets in Nova Scotia having tripled since that time. Therefore, we expect to find very positive numbers in terms of the economic impact of farmers’ markets in Nova Scotia.”

Keltie Butler  
Executive Director,  
Farmers’ Markets of Nova Scotia

“CFCU is a locally owned financial co-operative... that promotes and enhances the social and economic well-being of the community we serve. It was felt that this initiative would be beneficial for the local markets and since we seem to have much in common with their values and vision, it was not a difficult decision to offer our support.”

Rick Doucette  
CEO, Coastal Financial Credit Union

“Through the EIS we quickly learned lots of new, interesting details about who our customers are and how they shop. We will definitely be applying some lessons to help out markets make better choices in the future. Our customers were very excited about taking part in the dot survey, and we had many meaningful conversations because of it. It is a wonderful way of getting public input. People loved being able to see how the results were unfolding, and felt good about taking part with lots of other people. For us, engaging the customers in market planning was a big benefit of the RMA.”

Erica Brook  
Pugwash Farmers’ Market

“Completing the rapid market assessments for our farmers’ markets was interesting and helpful. It allowed us to engage with our customers in a new way, get a better look at the foot traffic into our market and allow us to see empirically the impact and benefit of our farmers’ market to the local economy.”

Ashley Marlin  
Hubbards, Lunenburg and Tantallon Farmers’ Markets

“We were impressed with the number of people who were willing to help by participating... Kids were eager to place the dots for their parents. One child needed coaching to do it, but when someone whispered to her “you can open your eyes” it went much faster!”

Elizabeth Fajta  
Wolfville Farmers’ Market
Table of Contents

About FMNS 1
Participating Markets 1
Acknowledgements 2
Executive Summary 3
Introduction 4
Methodology 4
Market Size 4
Who Showed Up? 6
Hey Big Spender! 8
Making an Impact 11
Heard it Through the Grapevine 13
What Matters Most to Our Customers 15
Next Steps 16
Conclusion 17
References 18
Appendix A 19
Appendix B 21
Appendix C 22
Appendix D 23
About FMNS

Established in 2004, Farmers’ Markets of Nova Scotia (FMNS) is a cooperative of certified farmers’ markets within the province. As a member-based cooperative, FMNS offers support and services to Nova Scotia farmers’ markets and their vendors through business development, skill building, research, advocacy and promotion. FMNS works to ensure our member markets are knowledgeable of and engaged in emerging trends.

Our Mission Statement

To develop innovative and sustainable farmers’ markets across the province.

Participating Markets

For more information or to contact a particular market, please visit: http://farmersmarketsnovascotia.ca/find-a-market/
Acknowledgements

FMNS would like to thank the Nova Scotia Department of Agriculture (NSDA) as well as Mitacs for providing principal funding to make this study possible. Mitacs is Canada’s premiere research internship program, working with over 50 universities to support research by graduate students and postdoctoral fellows. Learn more at http://www.mitacs.ca/.

Our Markets
Thank you to the 21 farmers’ markets that participated in this Economic Impact Study, as well as the dedicated market managers, employees and volunteers who gave their time and energy.

Our Vendors
Thank you to the countless vendors who accommodated us on research days and helped us promote the study to market shoppers.

Our Shoppers
Over 2000 market shoppers took time from their market visit to participate in this Economic Impact Study. Thank you for taking the time to help us learn, grow and ultimately offer an ever-better shopping experience.

Our Sponsors
Caisse Populaire de Clare, Valley Credit Union and Coastal Financial Credit Union each provided financial support to this project by sponsoring a farmers’ market in their community.

Special Thanks
Special thanks to Bob Giffard of Crown Media for the creation of our online reporting portal and to Spencer Creelman for all layout and design work related to this study.

Spencer Creelman Visual Communication
Executive Summary

This report contains the results of Farmers’ Markets of Nova Scotia’s 2013 Economic Impact Study, along with analysis and recommendations. The study was commissioned to measure the economic impact that farmers’ markets have on the communities in which they are located, as well as to gather relevant customer data to help markets make informed operational decisions. Given that the farmers’ market sector in Nova Scotia has seen greater than three-fold growth since the previous provincial impact study (2004), FMNS and the Nova Scotia Department of Agriculture felt that conducting this research was greatly needed and would prove invaluable.

The study saw 21 of 43 Nova Scotia markets participate, with each collecting study data on a “typical” market day between July 12th and August 30th, 2013. Market patrons were asked to participate in a brief interactive survey, recording their responses on posters, with market representatives providing assistance as needed. Information gathered was aggregated and analyzed to obtain a “one-day snapshot” of activity within the sector, as well as provide baseline measurements that can be tracked over time and built upon.

Key findings included:
• The average market saw 1373 patrons on the day of the study.
• The average patron spent $16.50 at the market.
• That same patron spent $15.37 at other area businesses as part of their trip to the market.

Information on marketing effectiveness and consumer motivations was also gathered.
• 45% of respondents are long-term market patrons (2+ years). A significant number of patrons (31.6%) responded with some variation of “Word of Mouth”.
• Over 65% of respondents shop at farmers’ markets to support “local” with motivations ranging from a desire to support local businesses to a desire for locally-sourced, sustainable food. The market being an experience - a destination - was noted by 30% of respondents as their motivating factor. Meanwhile, both “Low Prices” and “Convenience” combined to account for less than 5% of responses.

The findings of this report clearly demonstrate that farmers’ markets are economic drivers for their communities. With each market patron spending an average of $31.87, divided between the market and surrounding businesses, NS farmers’ markets are a proven example of community economic development. Full information on questions posed and responses collected can be found in the body of the report.

Going forward, this report serves as a starting point for tracking growth, customer spending and other data. By repeating this “dot survey” methodology (outlined in Appendix A), individual markets can now track their figures and benchmark themselves against either their own original results or the provincial average. Repeating province-wide data collection multiple times within one year would allow FMNS to calculate annual figures and further articulate the economic impact of Nova Scotia’s farmers’ market sector.
Introduction

This study was undertaken by Farmers’ Markets of Nova Scotia (FMNS) with three specific objectives in mind:

1) To establish and share quantitative data, demonstrating the economic impact of Nova Scotia farmers’ markets, both directly and indirectly.

2) To encourage and support Nova Scotia farmers’ markets to establish baseline measurements, thereby enabling continued evaluation and ultimately evidence-based change and growth.

3) To aid Nova Scotia farmers’ markets in learning more about their customers and communities with the goal being an ever-better service, shopping and social experience.

Methodology

Our approach was based on the Rapid Market Assessment (RMA) methodology developed by Oregon State University’s Larry Lev and Garry Stephenson. RMA is a simple, low-cost method that allows markets to gather valuable information without requiring large investments of money or time from market staff, vendors or patrons.

Data collection took place from mid-July to the end of August (2013). Each participating farmers’ market completed all components of the study within one market day as dictated by the methodology.

Training for market managers and organizers was provided by FMNS, available to markets both in the form of a classroom session or via webinar. This training provided market personnel with the necessary tools and knowledge to in turn train their teams on how to engage patrons and gather the information required. A copy of the training booklet can be found in Appendix A.

The table below outlines the information collected and the method by which it was obtained. As anticipated by the methodology developers, not every survey participant responded to every question; therefore the sample sizes for each question do vary.

The data from the first four questions allows us to calculate the economic impact that markets have on their community, both directly through spending at the market and indirectly through spending at other area businesses. These results will be discussed later in the report (see p.11), and details of the calculations used to arrive at these results can be found in Appendix B.

Market Size

For the sake of aggregating data, markets were grouped based on their number of vendors:

- Small = <20 vendors
- Medium = 20-39 vendors
- Large = >40 vendors

Nova Scotia is home to a wide diversity of farmers’ markets including seasonal and year-round, rural and urban markets. Care was taken to ensure representation from across the spectrum. All farmers’ markets in the province were invited to participate in the 2013 Economic Impact Study.
### Attendance Count
- Markets counted the number of (adult) patrons arriving through all entrances for ten minutes every hour.
- This number was multiplied by 6 to obtain a per-hour figure. These results were then summed to give the total number of patrons for the day according to the length of the market.

<table>
<thead>
<tr>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 markets, 28,833 total patrons</td>
</tr>
</tbody>
</table>

### Group Size
- Survey participants were asked how many adults were in their “shopping group” with this term being defined as a group shopping and managing their money together (i.e. a couple, family, individual, etc.). The total number of shopping groups at the market that day was calculated by dividing the total market attendance count by the average group size.

<table>
<thead>
<tr>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>3004 respondents (or shopping groups)</td>
</tr>
</tbody>
</table>

### Spending at the Market
- Participants were asked how much money they had spent (or planned to spend) at the market on that day.
- Response choices were given in $10 increments, from $0 to $110+.
- Responses per choice were multiplied by the dollar value of the choice and totaled to obtain the grand total spent at the market on that day.

<table>
<thead>
<tr>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2772 respondents</td>
</tr>
</tbody>
</table>

### Spending at other businesses
- Similar to above, participants were asked how much money they had spent (or planned to spend) at area businesses as part of their trip to the market.
- Response choices were again given in $10 increments, from $0 to $110+.
- An example of this would be a customer who travels from another neighborhood, town or city to attend a market, filling their car up at a gas station by the market and/or stopping in at a nearby hardware store to make a purchase. This information shows us the role markets play in attracting consumers to a community for their diverse shopping needs.
- Responses per choice were multiplied by the dollar value of the choice and totaled to obtain the grand total spent at area businesses on that day by market patrons.

<table>
<thead>
<tr>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2542 respondents</td>
</tr>
</tbody>
</table>

### How did you hear about us?
- Participants were asked “how did you hear about this market?” and given the following response options: “Radio Advertisement”, “Print Advertisement”, “Social Media”, “Market Signage” and “Long-Term Patron”. The latter response was designed for patrons who regularly attended the market and could not necessarily recall how they originally heard about it.
- These responses were created collaboratively by attendees of FMNS’ 2013 Annual General Meeting.

<table>
<thead>
<tr>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2387 respondents</td>
</tr>
</tbody>
</table>

### Why do you shop here?
- Participants were asked “why do you shop at the market?” and given a list of possible responses and asked to select the one which best represented their top reason for shopping at the market. In cases where more than one answer was applicable, patrons were advised to select only their single most significant reason.
- Choices were: “To Support Small Business”, “To Support the Local Food Movement”, “Low Prices”, “Convenience” and “It’s a Fun/Social Experience”.
- If a patron felt that none of the choices represented their most significant motivation, they were invited to record an alternative choice. These responses were not counted as part of the study, but they were retained to gain insight for the future and will be discussed later (see p.15).
- The 5 response choices were crafted collaboratively by attendees of FMNS’ 2013 Annual General Meeting.

<table>
<thead>
<tr>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2434 respondents</td>
</tr>
</tbody>
</table>
Who Showed Up?

Attendance

As Figure 1 shows, the average attendance at participating markets on the day of the study was 1373 patrons. Markets with greater than 40 vendors (categorized as large markets for the purpose of this study) attracted an average of 2435 patrons, while small and medium markets averaged quite similar attendance, 562 and 587 patrons respectively.

Average Attendance by Market Size

![Average Attendance by Market Size](image1)

Figure 1

Average Attendance by Market Size

- Overall
- Large (>40 vendors)
- Medium (20-39 vendors)
- Small (<20 vendors)

Figure 2

Average Attendance by Market Medium (20-39 vendors)

- Overall
- Large (>40 vendors)
- Medium (20-39 vendors)
- Small (<20 vendors)

Figure 3

Average Attendance by Market Large (>40 vendors)

- Overall
- Large (>40 vendors)
- Medium (20-39 vendors)
- Small (<20 vendors)

Figure 4
Shopping Group Size

The term “shopping group” or “shopping unit” refers to a group shopping and managing their money together such as a couple or family. A shopping group may also be an individual. For the purposes of this study, respondents were asked how many adults were in their shopping group – children were not counted. As illustrated in Figure 5, the average shopping group was 1.9 adults.

Markets vs Museums

Attendance numbers from this study lend themselves to an interesting comparison. In 2011, the average Nova Scotia museum attracted an average of 383 visitors per week. In comparison, all but three of the 21 participating markets recorded attendance greater than 383 adult patrons on the day of the study. In fact, the average market attendance for this study was more than 400% greater than the average attendance of a NS museum.

In addition to their economic contribution, Nova Scotia farmers’ markets, not unlike museums, hold great cultural significance, preserve tradition and invite education. Our province has a long history of farming, fishing and artisan production, a history NS farmers’ markets maintain and celebrate each week.

Currently, many Nova Scotia museums receive financial support from the provincial government. At the same time, NS farmers’ markets are not receiving core funding and even project-based funding is currently very limited. Surely an entity providing both economic and cultural benefits to its community is worthy of similar support, and this provides a case for why markets should seek to build partnerships with a variety of stakeholders.

[See the ‘References’ section for information on the Ministry of Economic and Rural Development and Tourism’s Key Tourism Indicators, where you can compare your market’s attendance with museums and other attractions in your area.]

Now What?

Suggestions for Markets

• Since this study provided a one-day snapshot of attendance figures, the next step is for markets to incorporate regular attendance counts into their operations. Consider some of the following questions that can be answered by conducting regular attendance counts:
  o How is attendance affected by holidays, seasonal fluctuations, etc.?
  o When are your peak times? How can you attract customers during the slow periods (i.e. an early bird special)?
  o Is there a lull in the season that may be the perfect time for a special event, such as a winter carnival or local artists’ showcase?

• It is important that you select a counting method that your market can execute consistently. The method used in this study, and prescribed by the authors of RMA, was designed to require very little manpower. Round-the-clock counting can also be used, as can a variation of the approach used in this study (for example counting 20 minutes per hour). Again, the important thing is that your market utilize the same counting method each time, so that the results yielded are consistent.

1 It should be noted that this attendance data is comprised of one day at each participating market and does not necessarily reflect broader attendance trends. Rather, it is a snapshot of activity on one particular day. Weather, special events and seasonal variations all affect market attendance. Participating markets were asked to take into account these factors and to choose a market day to conduct their RMA that did not include special events, etc.

2 “Key Tourism Indicators”, Government of Nova Scotia – Economic and Rural Development and Tourism

3 “The Nova Scotia Museum” is an umbrella organization receiving funding from the provincial government and operating 27 museums around the province - http://museum.novascotia.ca/
Hey, Big Spender!

Customer Spending Habits

The average market customer in the study spent $16.50 per visit. Given that the average NS farmers’ market was found to welcome 1373 shoppers per day, each spending an average of $16.50, the result is $22,654.50 circulating in the surrounding local economy from just one market on just one day. As illustrated in Figure 6, customers at large markets averaged slightly more per visit ($18.09) than the overall average while those shopping at medium and small markets spent, on average, slightly less ($15.61 and 14.90). The average amount spent by a shopping group, Figure 9, was $34.25, with the average group size being 1.9 persons as explained above. Figure 7 provides a breakdown of shopping group spending by market while Figure 8 illustrates customer spending by market.
So What?

As seen in Figure 6, customers of larger markets spent on average 15.6% more than customers of medium-sized markets and 21.4% more than those of smaller markets. While a number of factors contribute to these differences, vendor mix is of particular importance. Larger markets, due to sheer size, tend to have a broad selection of vendors and products. This does not mean however that a smaller market cannot offer a well-rounded mix (see ‘Now What’ for suggestions on how to do this). Regardless of size, a market with the right vendor mix can capture more of a customer’s ‘share of wallet’, offering a breadth of products and encouraging customers to do more of their shopping at the market. For example, a customer may go to a farmers’ market for vegetables, but also need to purchase meat and bread. If these products are available at the market, they may decide to purchase bread and meat as well, resulting in a net increase in market sales. Looking at it from another angle, that same shopper may need the same three items but have limited time to shop. If they could pick up all three items from their local market vendors they would, but if they have to go elsewhere for one of the three items they may decide that a single trip to the supermarket is more efficient. By offering a wider variety of complementary products, a farmers’ market can capture more ‘share of wallet’.

Household Spending on Food.

According to Stats Canada, the average Nova Scotia household spends $7,557 on food annually, or $147.33/wk. If we equate ‘household’ to ‘shopping group’, we can see that the average shopping group spent just over 23% of their weekly grocery budget at the market on the week of the study. This makes it clear that markets have room to grow when it comes to capturing share of wallet, particularly when one takes into consideration the fact that not all market purchases are food products.

Now What?

Suggestions for Markets

- Tracking spending per customer (SPC), along with attendance numbers, is important, because it allows markets and vendors to understand whether an increase (or decrease) in revenue is being caused by a change in attendance or a change in the shopping habits of customers.
- By repeating the dot surveys regularly and tracking changes in SPC, markets can begin to understand how their customer’s buying habits change throughout the market season. Depending on what statistics your market wishes to track, alter the makeup of questions asked. For example, simply asking the number of shoppers in each group and the amount spent allows SPC to be tracked. Keep in mind that a maximum of 5 questions is recommended by the RMA creators.
  - Do customers spend more during the holiday season? How much more?
  - If a market has more vendors at certain times of year than others, does this affect people’s buying habits? Evidence from this study appears to indicate that more vendors results in greater SPC. Test this hypothesis at your market.
  - If a market changes locations, do people’s buying habits change as well? Is this an increase or decrease?
- The importance of right vendor mix cannot be overstated. Large markets, due to their sheer number of vendors, typically offer variety – but do not underestimate the importance of managing vendor mix at all sizes. Vendor mix does not simply equate to size; small and medium-sized markets can offer an excellent blend of products and services by managing vendor mix. All markets should assess their vendor mix and seek to identify opportunities to improve. But what is the right vendor mix? In many ways, it comes down to your specific market and the community it serves. Use the dot survey methodology to find out what your customers would like to see:
  - Classify your vendors in 4-6 categories, for example “Fresh fruit and vegetables”, “Meat, dairy and poultry”, “Artisan and craft”, etc.
  - Ask consumers (via a dot survey) what they would like to see more of at the market. Have them place a dot in the category which they would like to see more of, and provide post-it notes where they can record specific details. This way, your market can grow to meet the wants and needs of your shoppers, seeking vendors and encouraging entrepreneurs of the most-wanted categories.

“Vendor mix” does not necessarily mean one vendor of each type - quite the opposite, in fact! Market customers want and expect choices;
what one shopper seeks in a loaf of bread is
different from what another is looking for (i.e.
hearty, perfect for pairing, sliced for sandwiches,
etc.). Having multiple vendors selling within
one category also encourages vendors to offer
quality product and to differentiate themselves
by telling ‘their story’ – both being key strategies
to farmers’ market success.

• If buying habits are affected by the number
  of vendors and vendor mix, markets can try a
  number of tactics and track their effectiveness by
  monitoring SPC.

  o Expose shoppers to new vendors with a “Try
    Something New” campaign or by having a
different “featured vendor” every week.

  o Ensure customers know what is available by
    providing a list of vendors whether it be online,
    posted at the market, or both. This can be
    particularly valuable at large markets or those
    with unique layouts.

  o Your market may want to research and
    consider creating market “sections” by locating
    complementary products near each other. An
    example of this would be locating a baker next to
    a vendor selling jams and preserves.

**Customer Habits.** Markets can learn more
about the overall food purchasing habits of their
customers (and where the market fits into them)
by conducting dot surveys with questions targeting
this information.

 o For example, by combining a question about
   spending at the market with one about overall
   weekly spending on groceries/food, markets can
   see what percentage of their customers’ total
   grocery bill they are capturing. As discussed above,
   the average NS household spends $147.33 on
   food each week. This study found that the average
   market shopping group thus spent 23% of their
   household food budget at the farmers’ market on
   the day of the study.

 o Another useful question to ask is “How often do
   you shop at the market?” Questions around how
   patrons heard about the market provide some
   insight but directly asking how often a patron
   attends the market will give a clearer picture of
   their habits and their relationship insight to the
   market.

---

4 This term refers to how much of a customer’s total spending goes to one
particular business (or in this case, collection of businesses). For example,
if a customer spends $800/month on groceries and $200 of that is spent at
the farmers’ market, the market has a 25% share of that customer’s wallet
for groceries.

5 “Average household food expenditure, by province”, StatsCan, http://
www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil132d-eng.htm
Making an Impact

The Economic Impact of Farmers’ Markets

In addition to bringing fresh, local food to Nova Scotia tables and providing a social and cultural gathering place, farmers’ markets have a strong economic impact on their communities. Through business incubation, entrepreneurial opportunity, the creation of jobs, and the circulation of money locally, farmers’ markets fuel local economy. In addition, farmers’ markets can be rightly praised by their local business communities for drawing shoppers into the area. Measuring the economic impact of our farmers’ markets thus must include mapping the spending habits of market shoppers both within the market and at surrounding businesses as part of their market trip.

Customer spending at market is understood as “direct economic impact” (represented in both Figure 7 and Figure 10) while market shopper spending at surrounding businesses can be described as “indirect economic impact” (Figure 11). By combining direct and indirect spending, we arrive at the total per capita economic impact of a farmers’ market on its community – on average $31.87 per market shopper, per market visit. Figure 12 illustrates both the provincial average ($31.87), termed “overall” and the average dollar amount broken down by market size. The dollar amount can then be multiplied by average market attendance, 1373 (Figure 1, page 6), resulting in a one-day total economic impact of $43,757.51 per market for the day this study was conducted. While this is beyond the scope of this study, with 43 farmers’ markets across the province, the sector could be said to have a market day economic impact of $1,881,572.93.  

---

6 This figure should be viewed as an estimate rather than a confirmed statistic given the limitations of the study - specifically that data was collected on only one day from each participating market and that 21 of the province’s 43 markets participated. Also, it should be made clear that the indirect impact numbers represent impact on the individual communities rather than on the province as a whole.
So What?

The success of farmers’ markets at attracting consumer spending warrants both mention and celebration. By attracting large numbers of people to a central location within a community, markets effectively draw consumers within immediate distance of other local businesses. It is here that we can clearly see a key dimension of impact that markets have on local businesses and on local economy even beyond market-based vendors.

An estimated impact of nearly $2 million is certainly something to celebrate and to invest in. Share this information with your local government and business community, inviting them to contribute to the sector and its impact; see “Next Steps” on page 16.

Small Markets. An interesting observation was that smaller markets reported the highest numbers in terms of indirect economic impact, $16.55 per customer compared to $15.15 for medium-sized markets and $14.88 for large markets (see Figure 9). A likely explanation is that these markets are found in smaller communities and areas with generally lower population densities. In these areas, people must travel further to reach services and are more likely to shop once in town. If the market were not attracting them to the local town, they may well have chosen to make their shopping trip to a different, most likely larger, community.

Given that economic development is of particular significance to many of these smaller communities, markets in these jurisdictions would do particularly well to highlight their economic impact to local government, their business community and other development organizations (again, details on how to do this can be found in the “Next Steps” section).
Heard It Through the Grapevine

How are customers hearing about farmers’ markets?

We now know how many customers visited our markets on the day of the study, as well as how much they spent while they were there. Our next question was how did market visitors find out about the farmers’ market?

How Did You Hear About the Market?

As Figure 14 illustrates, a very substantial percentage of market customers (45%) fell under the heading “Regular/Long-Term Patron”. This category was designed to capture long-term customers who may not recall exactly how they heard about the market. The second most common answer was “Word of Mouth” (31.6%). Together, these two responses accounted for over 75% of responses.

The remainder of the responses varied to an extent depending on the individual market and their use of each method. Market signage and social media received significant responses showing that markets should make an effort to fully take advantage of these tools. Signage is key for obvious reasons – you want people to know that you’re there, right? Both signage and social media are also tied to word of mouth in that someone looking for the market has to be able to locate it, find its operating hours, etc. This appears obvious, but it should be taken by markets as another reason to evaluate the quality and location of their signage, as well as look into ways in which they can more prominently advertise their location, hours and offerings.

So What?

These findings are in line with those of a study conducted on behalf of FMNS at the Halifax Farmers’ Market in 2004, however they also demonstrate a few interesting changes. The 2004 study reported 68% of customers heard about the market by word of mouth, while 30% “had always known” of the market or heard from family/friends. In 2013, these were in a way reversed (45% long-term patrons, 31.6% word of mouth). While there is likely overlap in these two responses (word of mouth can come from friends, right?), the salient point here is that in both studies patrons learned of the market through the same channels. Word of mouth, as well as loyalty and community support, are alive and well in Nova Scotia!

Social media was not as commonly cited as the first three responses, but it was still chosen by 8% - not too shabby. The fact that Facebook, Twitter and the like continue to grow rapidly, as well as the low cost of employing these channels, makes social media worthy of inclusion in a market’s marketing strategy.

Finally, while print and radio advertising lagged behind, they cannot be easily discounted. Since we did not collect data on which channels were utilized by which markets, this study could not determine whether print and radio were ineffective in and of themselves or simply not utilized by markets. We suggest markets review the responses for their market in light of their use of each method. Details on specific results from this question can be found in Appendix D. Markets are invited to contact FMNS if they would like to learn more about marketing training that can help them spread the word about their market more effectively.
Now What?

Suggestions for Markets

• Aside from “Regular/Long-Term Patron” responses, word of mouth was clearly the most common channel through which people heard about the market. Markets can take advantage of this by having existing patrons help spread the word! This can be done through some type of “Tell a Friend” or “Bring a Friend” promotion. See Appendix C for an example of a “referral contest” that has proven very successful in a number of industries.

• A major difference between the 2004 research and this study is the rise of social media as a marketing tool. Services such as Twitter and Facebook can be simple, low-cost ways to spread word about your market and events that are taking place.
  o Start a Facebook business page to promote your market and encourage patrons to check out your page by posting signage at the market. This will allow them to keep up-to-date on the latest market happenings, as well as easily and quickly spread the word to their friends.
  o Encourage vendors to be active on social media as well. Posting information about their offerings or tweeting pictures of fresh products ready for market day is a simple way to keep customers thinking about the market and, again, also allows them to pass word on to their online network.

Evaluation. It is important to be able to gauge the effectiveness of promotional campaigns, so repeating dot surveys regularly is recommended here as well. Response choices can be adjusted to reflect your market’s conditions; for example, there is no need to include radio advertising if the market does not advertise via these means. If your market decides to try the referral contest campaign mentioned above (and outlined in Appendix C), conduct a dot survey asking the question “How did you hear about the farmers’ market?” and include among the possible answers, “Referral Contest”.

Fullerton & McNeil, 2004
What Matters Most to Our Customers?

Why do customers choose farmers’ markets?

Survey participants were asked their principal motivation for shopping at the farmers’ market. The most popular response was “To support the local food movement” (45.8%), with the runner-up responses being “It’s a fun, social experience” (30%) and “To support small business” (19.9%). Interestingly, “Low prices” and “Convenience” were fairly insignificant in terms of responses, in combination accounting for under 5%.

Participating markets also had the option of allowing customers to record their own reason if none of the suggested responses seemed appropriate. Of these “other” answers, a significant number of respondents valued the quality of farmers’ market products (fresh, organic) and the uniqueness/selection of products available compared to larger/other retailers.

So What?

Perhaps the most significant finding arising from this question is that consumers placed a very low priority on price. This is important as it demonstrates that most farmers’ market consumers are not particularly price-sensitive and tend to make their decisions, to attend the market and to purchase from the market, based on other factors.

When vendors are making pricing decisions, they should be careful where they are finding their reference points. After all, just because two products may appear interchangeable in function does not mean that they are in the eyes of the consumer. Imagine a grocery chain is selling their store brand strawberry jam for $3.99/jar while a market vendor is selling their homemade strawberry preserves made from organic, locally sourced ingredients for $6/jar. The market vendor may appear to be overpricing this item, however the study suggests that the typical market patron will be more concerned with the quality of the product and the desire to support a local merchant than with the price differential.

The aforementioned 2004 survey’s findings also support the fact that price is not a priority concern to the average market shopper. While that study did not offer a predetermined list of responses, participants did not note price within their top 5 motivations for shopping at farmers’ markets – further evidence that price is not a significant factor for most market patrons.

What is Your Main Reason for Shopping at the Market?

Figure 15

Now What?

Suggestions for Markets

- Value, value, value!
  - Market customers don’t seem to worry about price, but they do look for value – this means they want to feel like they are getting a fair return on their dollar. These results show that they believe local, organic products and thriving small businesses are valuable, and so they are likely willing to pay a premium for market products compared to those from large retailers. Vendors should think about how they tell their ‘story’ and differentiate themselves and how they are communicating the advantages they offer over supermarkets and big-box stores (fresh, local, unique, etc).

- o
Next Steps

In addition to the ideas outlined up to this point, there are countless ways that markets and supporting community organizations can put this data to use. Here are a few more suggestions:

### Build Bridges

- Request a general meeting, or meetings, with local government representatives and other stakeholders. These may include:
  - Your MLA
  - Municipal councilors
  - Local chambers of commerce
  - Small business associations
  - Business development organizations and Regional Development Authorities
  - Universities and colleges often have an associated business development organization
  - Examples include CEED and Sobey School BDC (Halifax), XEDC (Northern NS) and the Lunenberg/Queens RDA
- Prepare a presentation, formal or informal, about your market. Include your market’s history, a current snapshot of operations (size, vendors, etc.), plans for the future and financial realities. Discuss the economic impact of farmers’ markets across the province and speak to your market in particular. Have printed materials ready for those present to take away. You are encouraged to print and share the ‘Cultivating Community Economy’ highlights handout or use the data contained in this report to create one of your own.
- We recommend using this opportunity, and this information, to ask for something specific such as grants, core funding, or a partnership. Alternatively (or additionally), you may simply use this as an opportunity to build stronger relationships and to start a dialogue.

### Strengthen Your Market

- Use the information from this study to help your market and your vendors make sound business decisions.
- FMNS offers a number of training courses that can help you fully leverage this information in the name of your market. Beginning January 2014, we strongly encourage you to register for FMNS’ newest training program, “Essential Skills for Farmers’ Markets”. Visit http://farmersmarketsnovascotia.ca/training-and-workshops/ for details on all upcoming training opportunities through FMNS.

Lastly, do not feel as though your market is limited to using the data provided; feel free to rework the information your market has gathered as well as province-wide data into a format that suits your purposes and paints an accurate picture of your farmers’ market. If you would like access to the survey data used to create this report, please contact Kel-tie Bulter, FMNS Executive Director, at fmns@farmersmarketsnovascotia.ca. If you would like help on related design word, FMNS recommends Spencer Creelman (hello@spencercreelman.com).

### Invite a Diverse Crowd

- Host a ‘Community Night’ for customers, vendors and the general public to raise awareness and share information on your market, it’s history and the economic impact you have on the community.
- Try to find a new or novel location, like the local library or a community center, to host an information session. Gathering in another location to share this information may allow you to reach a new audience.
- Make this community night a larger event with other attractions like live music or a community supper featuring products from your vendors.
Conclusion

As you can see, Nova Scotia farmers’ markets act as significant economic drivers for their communities. On the day of the study the average market saw 1373 patrons, with each spending an average of $16.50 at the market. This means that a typical market moved $22,654.50 from customers to local agricultural producers and small businesses during just one day of operation. In addition to this number, the typical market patron also spent $15.37 at other local businesses throughout the course of their trip to the market resulting in $21,103.01 moving from consumers to area businesses in just one day.

The next step in building a complete picture of the farmers’ market sector and its impact on the province is to repeat this study multiple times throughout the year to account for week-to-week and seasonal fluctuations, resulting in annual figures.
References


Appendix A

Farmers’ Markets of Nova Scotia Economic Impact Study 2013: Training Handout

I. Background
Rapid Market Assessment:
- Developed by Oregon State Extension Service (http://extension.oregonstate.edu/catalog/pdf/sr/sr1088-e.pdf)
- Proven method developed specifically for farmer markets
- Simple, low cost, and efficient methodology

II. Benefits for Your Market
Rapid Market Assessment:
- Helps inform business, strategic and marketing plans
- Determines benchmark or baseline measures
- Provides customer feedback
- Allows you to compare your market to other markets
- Measures the economic impact of your market

III. Rapid Market Assessment in 4 Easy Steps
This section will guide you through the most relevant aspects of the rapid market assessment for both indoor and outdoor farmer markets. For more detailed information, please refer to the Tools for Rapid Market Assessments Report.

Step #1. Map your market
- Mark or pay attention to high traffic areas
- Contingencies (wind, weather, shelter)
- Make contingencies plans for weather
- Which direction does the wind blow? Are some areas windier than others?
- How often does it rain? What does the market do if it rains?
- How often is it really hot? What does the market do to protect customers and vendors if it is hot?
- How does weather vary by season?

#2. Attendance counts
To be part of this Economic Impact Study, your market must conduct an attendance count on the day of the study. If your market is open multiple seasons (e.g. spring, summer and fall), it is highly recommended that you do an attendance count each season, or once a month, to avoid only recording your highest or lowest attendance. For the purpose of this study, attendance counting involves counting adults entering the market.

- Note date/weather/any other factors (e.g. events) that may impact attendance
- Develop count sheet (or contact FMNS for a template)
- When should counts be conducted?
  - Each hour the market is open
  - Same time period each hour
  - 10 minutes each hour (from 25 minutes past the hour to 35 minutes past the hour)
- Where are counts conducted?
  - At each entrance point (see Map your market)
  - If the market is outdoors or people enter from all directions, use imaginary lines to divide “count areas” between volunteers.
  - Use hand tally counters to count adults entering the market (counters are available at office supply stores for roughly $12)
- Enter counts on count sheet
  - Tracking entrants by zone allows further insight into busiest areas

#3. Dot surveys
Dot surveys are a fun and quick way to gather information from visitors.

- Note date/weather/any other factors (e.g. events) that may impact attendance
- Know your market. Perform the survey when your typical customer is there.
- The unit of measure is shopping group. A shopping group is a group of adults who are shopping together or managing their money in common, e.g. family, group of friends.
An individual can be a shopping group if they are shopping alone.

Remind participants that they are answering for the group.

- How often should dot surveys be conducted?
  - For the purposes of the EIS one survey will be conducted
  - We highly recommend further surveys be conducted to track seasonal changes in customer base (e.g. regulars vs. visitors) and much more.

- What are staff requirements?
  - Two staff (or volunteers) must be present
  - One staff/volunteer recruits participants, one assists them in placing dots

- Preparation
  - Ensure you have enough count sheets prepared
  - Questions and answer categories should be on poster
  - Legibility of questions is important
  - One question per sheet/one response only per question (no split responses)
  - 3/4” vs. 1/2” dots - smaller dots allow greater # of responses per sheet
  - Posters can be “seeded” with random dots to encourage participation. Make sure the positions of these dots are noted so that they can be discounted during analysis

- Five questions to ask:
  1. How many adults are in your shopping group today?
  2. How much have you and your shopping group spent (or will you spend) at the _______ Farmer’s Market today?
  - A dot on the line can be considered $5, e.g. on line between $10 and $20 is $15.
  - Can have the respondent write in amounts greater than the maximum
  3. How much have you and your shopping group spent (or will you spend) shopping or eating at other local businesses today?
  - Define “local businesses” as businesses within the same community/area as your market
  4. How did you hear about our market?
    - 1) Print advertising, 2) Radio advertising,
    - 3) Social media (Facebook/Twitter/etc),
    - 4) Market Signage, 5) Word of Mouth,
    - 6) Can’t recall/long-term visitor (for patrons who may not remember how they first heard of the market)
  - Markets can also provide another flip chart where participants can give specifics, i.e. “which print publication?” However, this information will not be part of the EIS and therefore not reported.
  5. Which of the following best describes your top reason for shopping at the market?

  - Participants must select only one response
  - 1) Support small business, 2) Support “local food” movement, 3) Low prices, 4) Convenience, 5) Fun / Social Experience

- Location
  - Display questions on flip charts/paper (stand-up easels or hung on a wall)
  - All in one location; high traffic area that will not inconvenience vendors, at an exit if possible
  - Affix securely (e.g. easel, tent pole) - watch for wind!
  - Provide a table for participants to leave their bags/purses while responding

- Analysis/Reporting
  - Count sheets (per entrance and sum total)
  - Dot posters
    - Two people needed for analysis
    - One places checks on dots and verbalizes number of dots for each category, other person records the number
  - Present tabular results in percentages
  - To calculate economic impact use the following formula: (Total counts/average shopping group size) * average amount spent
    - Repeat for Question #2 and #3
  - Record data in electronic forms provided and return to FMNS by August 1st
  - Data will be used to create 2013 Economic Impact Study report

---

### IV. Materials & Budget

All items can be purchased from a stationary or office supply store.

- Flip chart paper pad (about $12-$50 each depending on type)
- Dots (about $5 per dot color)
- Markers (about $1 each)
- Tally counters (about $12 per counter)
- Clip boards (about $2 each)
- Pencils/pens (about $1 each)
- Easel (optional) (about $12-$60 each depending on type)

Total = about $60 to less than $200
Appendix B

Economic Impact Calculations

In order to calculate the direct and indirect economic impacts of markets (individually and collectively), the following calculations were used. Direct economic impact refers to the impact of spending by groups at market vendors, while indirect economic impact is the amount spent at other businesses in the local area during a group’s trip to/from the market.

\[
\frac{\text{Attendance}}{\text{Average Group Size}} = \text{Total # of Shopping Groups}
\]

\[
\frac{\text{Total Spent at Market}}{\# \text{ Groups}} = \text{Average Economic Impact (Direct) per group}
\]

\[
\frac{\text{Total Spent at Local Businesses}}{\# \text{ Groups}} = \text{Average Economic Impact (Indirect) per group}
\]

Dividing these average impact numbers by the average group size yields the impact per market patron.
Appendix C

Referral Contest

• Hand out cards such as the example below containing market details and a space for patrons to write their names.

My friend goes to the Market and I want to know what all the fuss is about!

• Have market patrons spread the word about your market to friends, family, and colleagues handing out referral cards.
• When a new customer visits the market, having been referred, have the individual drop their card (with the name of the person who referred them) into a fishbowl (etc.) located at the entrance of the market or in a central area.
• At the end of the contest period, award a gift basket of vendor products (or similar prize) either by random draw or to the person who referred the most new customers.
• You can also include a space for the new customer to write their name and hold a second draw for the new customers.
• Try a ‘one-month window’, ideally during a slower period. This means, for example, cards would be handed out to patrons starting the last week of March and throughout the month of April, with the draw taking place the last week of April.
• Make sure to promote the draw date as a special event. You may want to make it so that customers have to be present on the draw day to win.
## Appendix D

### How Did You Hear About the Market?

<table>
<thead>
<tr>
<th></th>
<th>Print ad</th>
<th>Radio ad</th>
<th>Social Media</th>
<th>Market signage</th>
<th>Wordof Mouth</th>
<th>Regular/LT Patron</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argyle</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>11</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Bridgewater</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>9</td>
<td>25</td>
<td>38</td>
</tr>
<tr>
<td>Hubbards</td>
<td>10</td>
<td>0</td>
<td>26</td>
<td>12</td>
<td>50</td>
<td>0</td>
<td>98</td>
</tr>
<tr>
<td>Lunenburg</td>
<td>11</td>
<td>0</td>
<td>22</td>
<td>0</td>
<td>42</td>
<td>0</td>
<td>75</td>
</tr>
<tr>
<td>Mahone Bay</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>11</td>
<td>17</td>
<td>19</td>
<td>54</td>
</tr>
<tr>
<td>Tantallon</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>15</td>
<td>6</td>
<td>0</td>
<td>46</td>
</tr>
<tr>
<td>Kentville</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>16</td>
<td>25</td>
<td>35</td>
<td>83</td>
</tr>
<tr>
<td>New Ross</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>16</td>
<td>29</td>
<td>41</td>
<td>91</td>
</tr>
<tr>
<td>Wolfville</td>
<td>2</td>
<td>3</td>
<td>11</td>
<td>17</td>
<td>123</td>
<td>200</td>
<td>356</td>
</tr>
<tr>
<td>Halifax Seaport</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>30</td>
<td>140</td>
<td>172</td>
</tr>
<tr>
<td>VG Partners for Care (Halifax)</td>
<td>0</td>
<td>0</td>
<td>33</td>
<td>26</td>
<td>22</td>
<td>159</td>
<td>239</td>
</tr>
<tr>
<td>Musquodoboit</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td>24</td>
<td>26</td>
<td>44</td>
<td>104</td>
</tr>
<tr>
<td>New Glasgow</td>
<td>1</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>56</td>
<td>33</td>
<td>106</td>
</tr>
<tr>
<td>Truro</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>21</td>
<td>95</td>
<td>193</td>
<td>332</td>
</tr>
<tr>
<td>Pugwash</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>25</td>
<td>31</td>
<td>23</td>
<td>82</td>
</tr>
<tr>
<td>Baddeck</td>
<td>2</td>
<td>0</td>
<td>6</td>
<td>10</td>
<td>21</td>
<td>29</td>
<td>68</td>
</tr>
<tr>
<td>Sydney</td>
<td>6</td>
<td>10</td>
<td>21</td>
<td>33</td>
<td>129</td>
<td>115</td>
<td>314</td>
</tr>
<tr>
<td>Inverness</td>
<td>12</td>
<td>3</td>
<td>5</td>
<td>11</td>
<td>16</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Mabou</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>10</td>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>Port Hawkesbury</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>69</td>
<td>45</td>
<td>189</td>
<td>254</td>
<td>755</td>
<td>1075</td>
<td>2387</td>
</tr>
<tr>
<td><strong>2.59%</strong></td>
<td>1.9%</td>
<td>7.9%</td>
<td>10.6%</td>
<td>31.6%</td>
<td>45.0%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>