Exploring the Marketing Implication of Local Food Systems: Creating Effective Marketing and Policies Based on Consumer Motivations

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Local Food CRAZE
Dissertation Overview: Locavore Motivations

- Explore consumer motivations as a means to identify challenges and opportunities for Local food marketing strategies
- Many potential factors driving consumer trends (Vermeir & Verbeke, 2006)
  - Desire to reconnect with their food system,
  - Better quality produce
  - Support for the local economy
  - Environmental awareness

Data Overview

- Strength of approach: diversified sources of data and consumer information
- Stratified nationwide sample, N=1269
  - Knowledge Networks, balanced panels
- In-store consumer samples
  - King Soopers (N=100)
    - More conventional supermarket
  - Lunds & Byerlys Market (N=70)
    - Specialty store
Who is buying local?

Have you ever purchased any of the following types of fresh produce before?

- Local
- Organic
- Local Organic

Number of people:

- Yes
- No
- I’m not sure

Nationwide stratified sample N=1000 usable sample

Primary Produce Source

- Supermarket, 82.5%
- Specialty Stores, 1.7%
- Convenience Stores, 0.3%
- Health / Natural Foods, 4.1%
- Food Co-ops, 0.5%
- Farmers Markets, 8.7%
- Direct, 2.3%
Median WTP Comparisons (Apples)

Why: perceived benefits?

Main Reason for Purchasing Locally Grown Produce

Retail sample N=100
Customer PCE score by Primary Source of Fruits and Veggies

<table>
<thead>
<tr>
<th>Location</th>
<th>N</th>
<th>PCE Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Co-op</td>
<td>5</td>
<td>6.28</td>
<td>1.03</td>
</tr>
<tr>
<td>Specialty (gourmet)</td>
<td>16</td>
<td>5.44</td>
<td>1.24</td>
</tr>
<tr>
<td>Health/natural foods</td>
<td>42</td>
<td>5.31</td>
<td>1.15</td>
</tr>
<tr>
<td>Farmers Market</td>
<td>88</td>
<td>5.14</td>
<td>1.10</td>
</tr>
<tr>
<td>Convenience Store</td>
<td>3</td>
<td>5.13</td>
<td>.503</td>
</tr>
<tr>
<td>Direct from producer</td>
<td>22</td>
<td>4.92</td>
<td>1.87</td>
</tr>
<tr>
<td>Supermarket</td>
<td>831</td>
<td>4.63</td>
<td>1.14</td>
</tr>
</tbody>
</table>

F (1,6)=7.38, p<.01, eta²=.042
Creating Consumer Connection & Engagement

RETAILER PROGRAM

Program Goal:
Consumer Connection-Marketing Focus

- Food Access Awareness
- Connection with Consumer
- Influence Market Behavior
- Promotion Labeling Offerings
- Consumer Motivations
Consumer Confidence

• The product delivers what it promises
• Application:
  – Link motivations and benefits with certain assurances
  – USDA role
  – Private Labeling Initiatives

Best Practices

• TASTE:
  – Samples
• Freshness:
  – Labeling ‘time on shelf’, post-harvest technologies, live plants (herbs, greens)
• Confirmation of local:
  – Story of local farmer/pictures
  – State “local” brands
    • Colorado Proud
Social Norms

- What are other people that are important to me doing? “Keeping up with Jones’”
- Application: Emphasize community.
Best Practices:

• Social Marketing:
  – Facebook partnerships with growers’ and foodies’ fan bases

• Farm Tours:
  – People will meet others that find local food important

• Host Farmers Markets:
  – Indicating your support of locally grown foods
  – Build community of local buyers
Perceived Consumer Effectiveness

- Extent to which the consumer believes that their personal efforts can contribute to the solution related to an issue or problem.
- Application: Provide information about the actual implications of purchase.
Best Practices

• Environment:
  – Indicate sustainable practices by local farmers
    • Certified when possible
  – Total acreage of local foodscapes supported
    • For example, we support producers maintaining 200 acres of farmland in our County.

• Economy:
  – Indicate sales $’s that have gone to local farmers
  – List percent of produce bought locally.
Availability

• Appropriate Labeling
  – Where are local foods found in the store?
• Partner with CO proud or other state programs
Utilizing Consumer Motivations

• Expected outcomes:
  – Customer driven market selection
  – Target certain motivators to increase sales
  – Specify marketing plan for locally grown food

• Unexpected outcomes:
  – Positive connection with consumer
  – Less shrink
  – Positive perceptions in local Commerce/community

Marketing Implications:

TAKE HOME MESSAGE

• Drawing on consumer and market research
• Opportunities for retailers:
  – Transparency
  – Authenticity
  – Consumer efficacy
• Enhance educational, marketing campaigns to include messages that address PCE, social norms, and consumer confidence elements
Any Questions?
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Bushel Boy Farms was founded in 1999 in Owatonna. It began with one small greenhouse growing beefsteak tomatoes. Over 12 years, Bushel Boy Farms has added many more greenhouses and two new tomato varieties – witness and Baby Boy grape tomatoes. Bushel Boy Farms has chosen to stay local, which means both growing and delivering fresher, riper and sweeter tomatoes.