

# 2010 AAEA Extension Competition



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

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## Local Food CRAZE





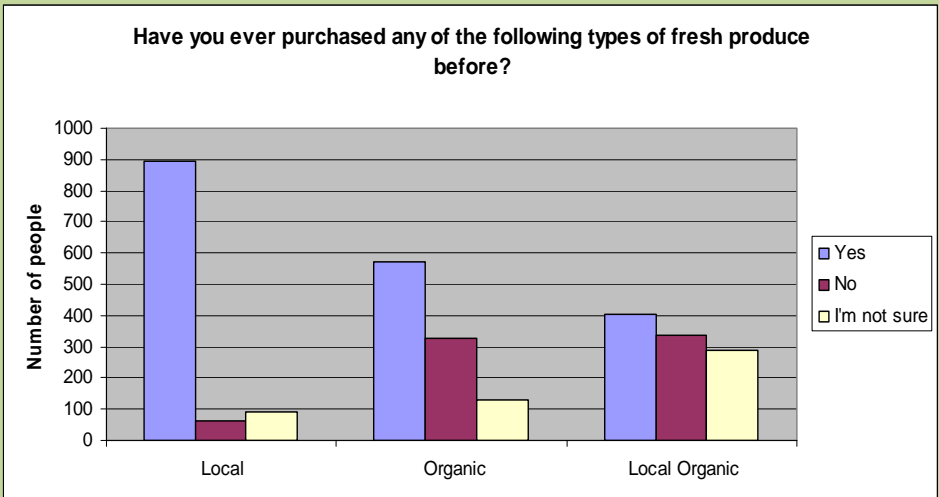
## Dissertation Overview: Locavore Motivations

- 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

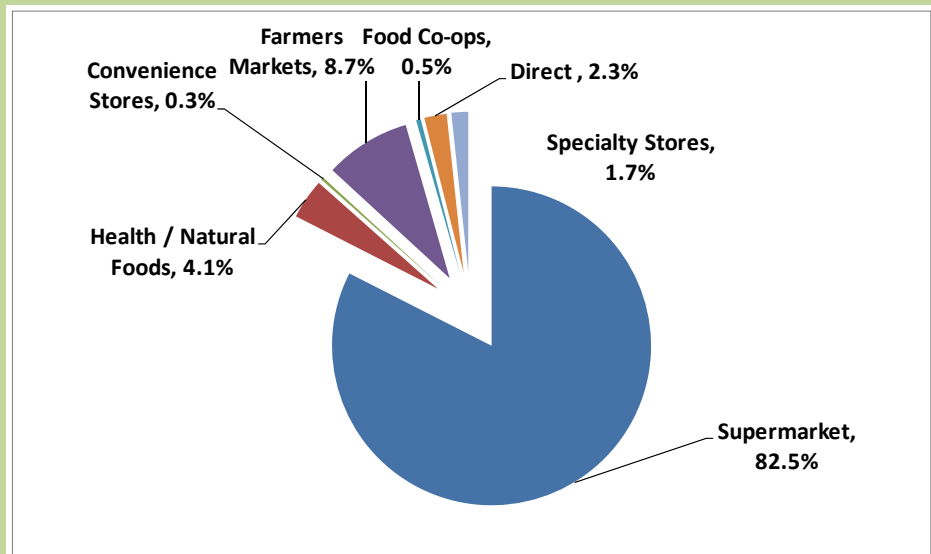
- Strength of approach: diversified sources of data and consumer information
- Stratified nationwide sample, N=1269
  - Knowledge Networks, balanced panels
- In-store consumer samples
  - King Soopers (N=100)
    - More conventional supermarket
  - Lunds & Byerlys Market (N=70)
    - Specialty store

## Who is buying local?

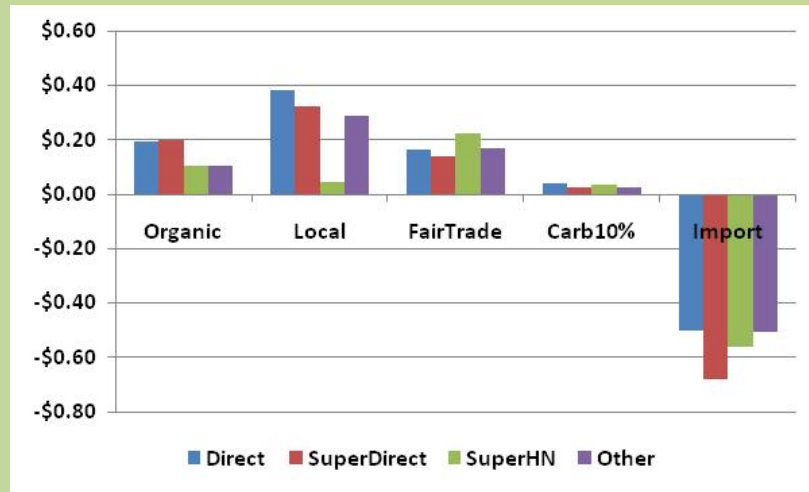


Nationwide stratified sample N=1000 usable sample

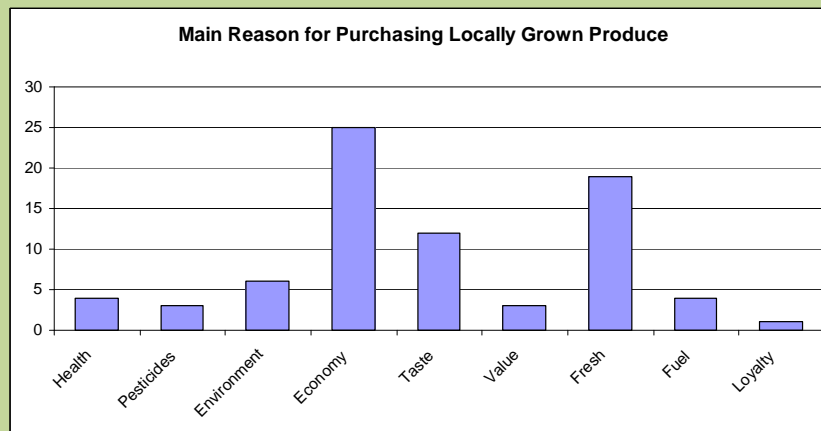
## Primary Produce Source



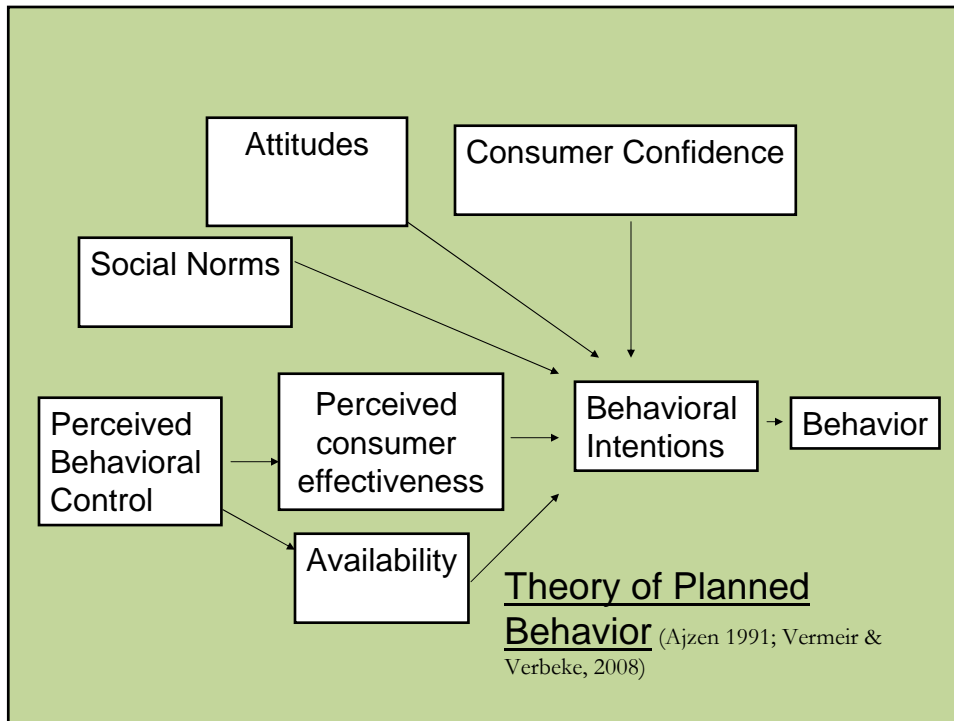
## Median WTP Comparisons (Apples)



## Why: perceived benefits?



Retail sample N=100



### Customer PCE score by Primary Source of Fruits and Veggies

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

F (1,6)=7.38, p<.01, eta<sup>2</sup>=.042

# Creating Consumer Connection & Engagement

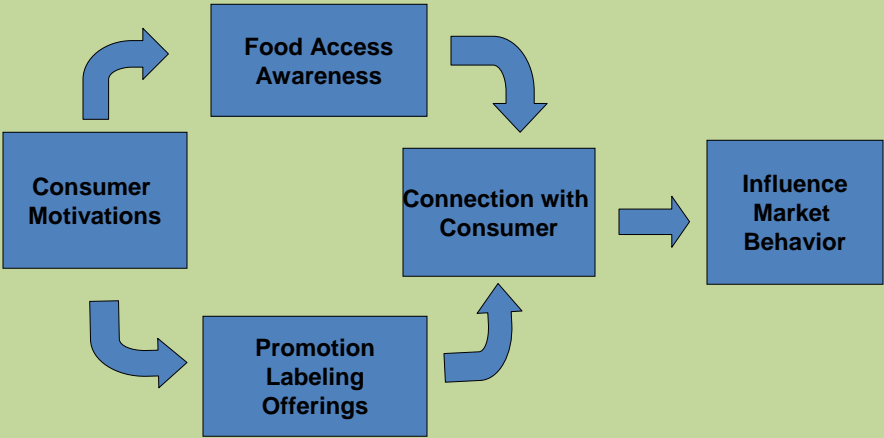
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## RETAILER PROGRAM



### Program Goal:

### Consumer Connection-Marketing Focus



## 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

**SUNFLOWER FARMERS MARKET**  
*Serious Food... Silly Prices*

Home Sale Flyers Locations News About Us Nutrition Events Recipes

### Welcome to Sunflower Farm

*Photo courtesy of the Denver Post Supply*

It's another beautiful day here at Sunflower Farms! A lot has happened since planting our first crops one year ago: the first harvest has come and gone, we survived our first winter and those baby goats aren't so little anymore. But what hasn't changed is our goal to provide fresh, local, organically grown produce through our unique Community Supported Agriculture model. Along with our founder, Mike Glitland, we're proud to be first grocery chain in the U.S. to own and operate a commercial-scale farm. And what does that mean? It means farm-fresh vegetables are on their way to your home!

Starting June 19th, we'll be offering 100 memberships to our weekly Veggie Box subscription program. How does this work? Each week we'll pack a 75 bushel box for you that is chock-full of the freshest seasonal organic vegetables and herbs. But here's the best part - we harvest these veggies and herbs when picked within 24 hours of the time you pick them up. Of course, since this is Community Supported Agriculture, we also welcome and encourage any members to visit us on the farm, roll up your sleeves and pick your own vegetables.

The Veggie Box subscription program is more than just a great way to provide healthy food for you and your family; it also makes a difference. Through membership fees, our growers are able to raise capital at the beginning of the planting season and buy seed without having to worry about losing the farm. Conscious consumers will also recognize the fact that locally grown produce provided by Community Supported Agriculture is not only body healthy, but earth healthy as well. We're very proud to provide our community with a place they can call their own.

**NOW OPEN**  
New location in Colorado  
**Albuquerque, NM**  
CLICK HERE

**NOW OPEN**  
New location in Colorado  
**Greenwood Village, CO**  
CLICK HERE

**WE'VE CUT PRICES ON OVER 5,000**  
items including all fresh produce!

Specials & Fun

Facebook YouTube RSS/Subscribe

Watch SUNFLOWER on **WORLDLY abc NEWS**

**SUNFLOWER**  
Farm-fresh produce delivered to your door.



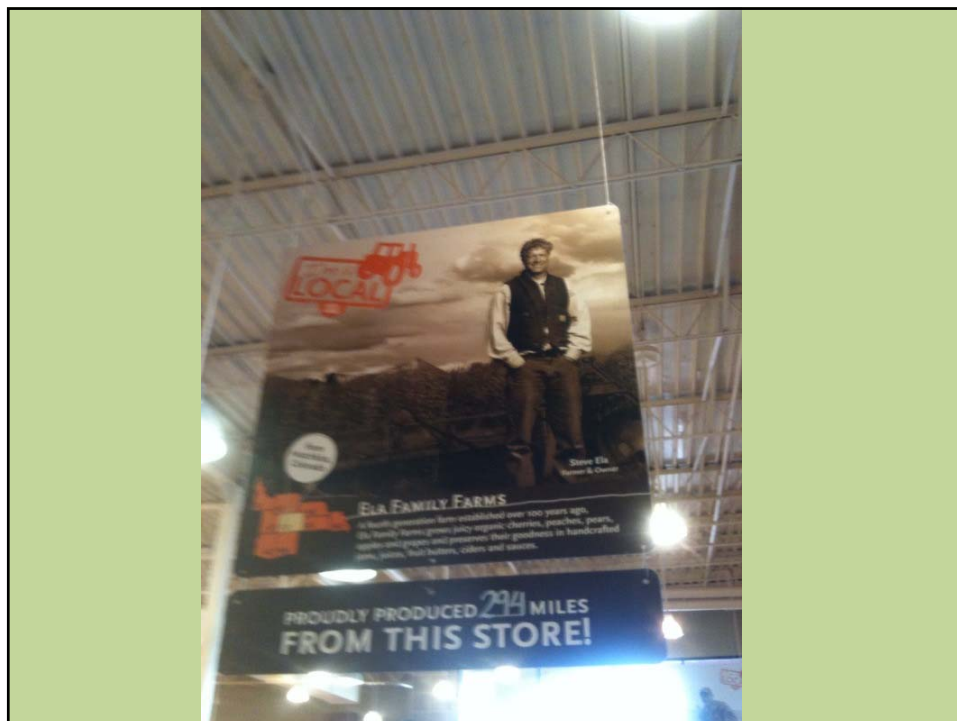
## Perceived Consumer Effectiveness

- 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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