

Oregon Small Farms Technical Report



Rapid Assessment of Five Oregon Farmers' Markets: Quantitative Results

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Introduction

In 1998, a pilot effort was launched to develop new methods for collecting consumer data in farmers' markets. A report issued at the end of that effort summarized the results from three markets in the mid-Willamette Valley (Lev & Stephenson, 1998). That report has been widely used in Oregon, and elsewhere, as a blueprint for conducting research in farmers' markets.

Based on the success of the 1998 project, the OSU Extension Innovative Grant Program provided funds to expand it. During the summer of 2000, the OSU Small Farms Program and the Oregon Farmers' Market Association conducted Rapid Market Assessments (RMAs) in five markets. The goals of this effort were to:

- ❖ Collect relevant consumer data in each market;
- ❖ Disseminate data-gathering techniques;
- ❖ Facilitate exchanges between market managers and board members around the state.

The key innovation of this project was to utilize OSU Extension personnel, and farmers' market managers and board members, rather than student assistants, to do research. Five-person teams traveled together to conduct the RMAs, which contain quantitative and qualitative components. Over the course of the project, more than twenty people served on these teams (the individual teams are specified in the separate market reports.) The quantitative component consisted of market customer-counts and DOT surveys of customers (replicating the methods used in 1998). The new qualitative research component included discussions with market managers, vendors, and board members, plus a visual inspection of each market site.

This report covers the quantitative research results. A separate report provides the qualitative results.

A word on dissemination of data-gathering methods

A major goal of this project was to encourage market personnel to adopt these data-gathering techniques. After our 1998 surveys, five markets experimented with collecting their own data (Corvallis Wednesday, Corvallis Saturday, Albany,

Newport and Yachats). As a direct result of the 2000 project, four markets later collected their own information (Beaverton, Portland Saturday, Hillsboro, and Hollywood). Their results are not included here, however. We view this spread of the research methods to be a significant project accomplishment.

Market Descriptions

The five markets¹ involved in this study were:

- ❖ Rogue Valley Growers and Crafters Tuesday Market (Ashland)
- ❖ Lane County Tuesday Farmers' Market (Eugene)
- ❖ Portland Wednesday Farmers' Market
- ❖ Hollywood District Saturday Farmers' Market
- ❖ Milwaukie Sunday Farmers' Market

These markets represent the diversity of Oregon farmers' markets. Three of them (Portland, Hollywood, and Milwaukie) are in the Portland metro area, the Eugene market is in the southern Willamette Valley, and the Ashland market is in southern Oregon. Two (Ashland and Eugene) have operated for more than 10 years. The Milwaukie market had been in operation just one year when studied. The Portland Wednesday and Hollywood markets were three and four years old respectively.

Two of the markets, (Ashland and Eugene) were started by groups of growers. Community groups organized the Portland and Hollywood markets, and the Milwaukie market was started by the city itself. While all are agricultural markets, the Ashland, Eugene, and Milwaukie markets also allow craft vendors. A more complete description of the vendor base of each market is provided in the qualitative report.

Research methods

Collecting accurate information during farmers' markets poses significant challenges. To estimate the number of people visiting each market, we counted all adults who entered during a specific 10-minute period each hour and multiplied that number by six to get an hourly estimate. Although there is the potential for inaccuracies with this method, we believe it provides a reasonable estimate of total market attendance.

We faced three constraints in gathering information from consumers. First, although we wanted to have as broad a sample as possible, we didn't have the personnel to conduct hundreds of interviews in each market. Second, we didn't want our interviews to detract from the market atmosphere. Finally, distributing questionnaires that are to be returned by mail typically suffers low response rates, resulting in response bias concerns, so we chose not to employ this survey method.

¹For the sake of simplicity the Rogue Valley Growers and Crafters market will be referred to as the "Ashland" market and the Lane County Farmers' market will be referred to as the "Eugene" market.

The method we devised addresses these concerns, but forced us to accept certain compromises regarding the number and types of questions asked. Our questions were posted on large flip charts, along with typical response. Consumers were given a set of colored dots and asked to place them next to the response that most closely applied to them (hereafter referred to as Dot Surveys). Most consumers placed their own dots on the posters. If, however, they didn't have a spare hand, we placed the dots where instructed.

The Dot Surveys allowed us to query large and representative samples of consumer at each market. Ninety percent of those who were asked to place dots on the posters agreed to do so. Afterwards, most said they prefer this survey approach (Lev and Stephenson, 1998; Lev and Stephenson, 1999). Over 2,300 people responded to our questions at the five markets. At the Hollywood Farmers' Market, an astonishing 900 consumers responded during the five-hour market. Using this approach, we are careful to ask only one person per "shopping group" to participate. We have been able to gather information from 30-40% of all shoppers in a given market.

Market Attendance and Spending

How many people come to these markets?

Market attendance figures are very useful to prospective vendors, community leaders, and neighboring businesses. Numerous factors including weather, time of year, and competing events influence attendance on a given market day. In our 1998 research, we did attendance counts several times over the season at each of the three markets. We documented that attendance at a single market varied by as much as 40% between June and August. *Because of this variation, and the single count at the markets in this study, caution is urged in making attendance comparisons.*

Market	Attendance	Spending (Per HH)
Ashland (June 26, 2000)	1194	\$15.84
Portland Wednesday (July 12, 2000)	3786	\$10.46
Eugene Tuesday (July 18, 2000)	1530	\$12.88
Hollywood District (August 12, 2000)	3606	\$17.02
Milwaukie (August 13, 2000)	1992	\$15.60

What do consumers spend?

Amount spent, plus other data, were collected on a *single pocketbook basis*. Thus if two or more adults attended the market together, and *purchased jointly*, only one was asked to respond to the spending question. As a result, there is an important distinction between the number of adults who came to the market and

the number of households represented. Spending *per household* is shown in the table.

Based on our observations, these figures probably under-represent what consumers actually spent. Because consumers buy from multiple vendors (generally 3 to 6 per market day), it is difficult for them to recall total spending. We were pleased that most respondents treated this question seriously and took the time to calculate their purchases. Based on our observations, it is much more likely that they forgot to include items, and thus *underestimated*, rather than overestimated, what they spent. Also, although we queried consumers as they left the market, some returned to make additional purchases after answering our questions.

Our 1998 research indicated that within-season (that is between one week and another) spending per household can vary as much as 30% for a given market. Thus, again, we caution against comparing markets. Based on our one-time observations in 2000, the two markets located in downtown business districts were at the bottom in terms of spending per shopper. This is probably due to the higher percentage of “casual” shoppers at these markets (see “Do Markets Attract Customers?” below). The other three markets in 2000 had similar average spending and were higher than the figures for the Albany/Corvallis markets in 1998. This may be due to higher farmers’ market prices in 2000 than in 1998, a difference in prices between the mid-Valley and elsewhere in Oregon, or a combination of the two.

Please note that we have not provided total market spending figures. A conservative estimate of total market spending can be obtained by dividing attendance by 2 (that is assuming on average that there are two adults in each shopping group) and multiplying by the average shopping figure. This will give you a figure for sales for each market for a specific week. Since total market sales vary substantially throughout the season, it would not be appropriate to estimate total market sales for a season by multiplying the total sales for one week by the number of weeks that the market is open. All of these figures are for mid-season sales when we would expect sales to be higher than early and late season sales.

Do Markets Attract Customers?

One key finding in the 1998 report was the downtown markets in Albany and Corvallis *attracted* customers, rather than served as a secondary destination for people already downtown (80-90% told us that they were there for the market). Because the managers of three markets in the 2000 RMAs (Ashland, Hollywood, and Milwaukie) were certain that their markets qualified as “destination” markets, the question was not asked in their Dot Surveys. The managers of the two weekday downtown markets (Portland and Eugene) wanted to know if customers

were coming specifically for their markets, so their customers were asked “why are you downtown today?” Their responses were:

“Why are you downtown?”

Reason	Portland	Eugene
Work	46%	28%
I live here	8%	5%
I live & work here	2%	NA
For the market	24%	45%
Tourist	7%	4%
Other shopping	2%	2%
Other (meetings, appt, etc)	11%	16%

In both instances, customers were in the vicinity of the market for diverse reasons. In Eugene, the smaller city, 45% of the customers were there for the market itself. In Portland, 24% of the respondents had made a special trip to the market. So, even weekday markets in the heart of a business district attract new people downtown.

One of the most interesting finding of the 1998 study was the high percentage of market customers who also shopped in the neighboring business district on the same trip. Since a goal in starting the Hollywood Farmers’ Market was to generate more business in the area, this question was included in their Dot Survey. The results, below, are compared with 1998 results.

“Will you be doing additional shopping in the Hollywood District on this trip? If yes, how do you anticipate spending?”

Market	%Doing Add. Shopping	Average Amount Spent
Albany (1998 average)	38%	\$4.32
Corvallis (1998 average)	63%	\$10.13
Hollywood District (2000)	47%	\$8.98

Spending data in this table is an average of all shoppers at the given market. If we calculated the average amount spent only by those who do additional shopping, **the figures turn out to \$12.05 for Albany, \$16.08 for Corvallis and \$19.12 for Hollywood.** It must be emphasized that, in most cases, consumers planned to do additional shopping after they left the farmers’ market, so our estimates are probably even less accurate than those consumers provided concerning how much they spent in the market. We believe our estimates are low because they don’t include impulse purchases.

The hypothesis that farmers' markets bring additional dollars to adjoining business districts is strongly supported by our data. The changing array of products in the market, plus a household's steady need to buy food, combines to make farmers' markets an attractive weekly destination.

What Stops Consumers from Buying More?

This question was generated to examine the fear that high prices affect purchases in farmers' markets. Consumers were asked to choose from a variety of responses (1998 Corvallis results are offered for comparison):

“What stopped you from buying more at the market today?”

	Corvallis Saturday	Corvallis Wednesday	Hollywood District
Nothing else wanted	67%	60%	55%
Couldn't carry more	13%	11%	17%
Out of money	10%	14%	14%
Prices too high	6%	8%	5%
Ran out of time	4%	7%	8%

The results for all three markets are remarkably similar. The overwhelming first choice for all markets, “Nothing else wanted,” suggests the potential to increase sales through a broadening of market offerings. More than 10% of respondents in each market selected “couldn't carry more”. Carrying loads of bulky, often-fragile produce and plants is a challenge for many consumers, so we were surprised this response didn't rank even higher. Of the three markets, more Hollywood shoppers chose this response, yet it is the only one with a fleet of free wagons for customers to use.

Despite the managers' belief that price was an important constraint for many consumers, fewer than 8% of the respondents in each market cited it. In contrast, 31% of consumers in a 1998 random mail survey of consumers in Corvallis and Albany Oregon indicated that their purchases of local agricultural products were “greatly reduced” by high prices (Stephenson and Lev, 1998). Apparently, consumers who shop at farmers' markets are more willing to pay the prices charged because of the quality products and market atmosphere. In all three markets, “Out of money” responses exceeded “Prices too high.”

Reasons for Shopping

A separate question asked consumers to specify their primary reason for coming to the market. Because the Ashland market includes crafts, and the three markets surveyed in 1998 did not, the question was modified in Ashland. Comparisons among the four markets are still instructive.

“Do you come to the farmers’ market for the products, the atmosphere, (the crafts), or some combination?”

	Albany Saturday	Corvallis Wednesday	Corvallis Saturday	Ashland Tuesday
Products only	20%	29%	19%	54%
Primarily Products	20%	25%	35%	NA
Equally P & A	53%	45%	43%	40%
Primarily Atmosphere	5%	1%	3%	NA
Atmosphere only	2%	1%	0%	5%
Crafts	NA	NA	NA	0%

In Ashland, respondents had the single choice of “Product” rather than a choice between “Products only” and “Primarily products.” The results are, nonetheless, quite similar across all four markets. The 54% in Ashland who chose “Products only” exactly matches the percentage that chose one of the two related categories in the Corvallis Wednesday and Saturday markets. While “Atmosphere only” gained few votes, the importance of atmosphere is clearly illustrated in the “Equally Products and Atmosphere” category that garnered at least 40% of the votes in all four markets. Finally, it is important to note that none of the Ashland respondents said crafts were their primary reason for coming to the market.

We found supporting evidence for this in our earlier research. In our 1998 mail survey (cited above), we asked consumers why they buy local products. “Enjoyment of the buying experience” was chosen by 30% of the respondents as “very important.” Another interesting result was that “Supporting the local economy” and “Keeping farmers in local area” both scored as highly as “Local products are better” (all three were ranked “very important” by 44% of respondents). So, patronage of farmers’ markets is based on a complex set of factors. They are not simply places where people buy food.

Finding out about the Market

Four of the five markets asked, “How did you first find out about the market?” This is an important question as markets try to make best use of limited advertising budgets. For the Ashland and Eugene markets, which had been operating for years, an “Old-timer” category was included to separate those who had patronized and the markets for more than two years, but probably couldn’t remember how they first found out about it.

	Ashland	Eugene Tuesday	Portland Wednesday	Milwaukie
“Old-timer”	60%	67%	NA	NA
Word of mouth	25%	8%	43%	35%
Saw & shopped	11%	21%	30%	22%
Newspaper	2%	NA	NA	19%
Newspaper ad	NA	1%	7%	NA
Newspaper article	NA	NA	10%	NA
Radio/TV	1%	NA	NA	NA
Flyer	0%	0%	1%	NA
Not sure	NA	3%	4%	1%
Street banner	NA	NA	NA	22%

The youngest market, Milwaukie, demonstrates the need to use a variety of methods to get the message out. Four information channels earn 19% to 35% of the credit for attracting customers. “Word of mouth” was the most significant source of new customers for all markets, except Eugene. “Saw and shopped” ranked first for Eugene and followed “Word of Mouth” for the other three markets. Newspaper ads and articles appear to have attracted new shoppers at only the two newest markets. Despite these results, media coverage and advertising may still play an important role in boosting market attendance.

Additional Questions

Hollywood asked, “How did you travel to the market?”

On foot	Bicycle	Car/motorcycle	Bus
22%	5%	71%	1%

Two markets queried consumers on changes they would like to see.

Milwaukie asked, “What would you like to see more of in the market?”

Produce	30%
Crafts	22%
Food to eat	16%
Meat/fish/cheese	11%
Social (music/kids)	9%

Eugene asked, “If you could make ONE CHANGE in the market to make it better what would it be?”

No change needed	44%
Later hours	20%
More parking	17%
More diverse hours	9%
Earlier hours	6%
Other	3%

The results in both instances are inconclusive, thus offer little guidance for change.

The Portland Wednesday Market asked, “Do you shop at the Saturday Portland Farmers’ Market or other weekend farmers’ markets in the area?”

No	Yes, Portland Sat.	Yes, Other	Yes, Both
32%	37%	15%	16%

Sixty-eight percent of the respondents also shop at farmers’ markets on the weekend. It is encouraging to the Portland Wednesday Market that 53% of the shoppers patronize the Portland Saturday Market as well.

Finally, two markets sought information about the geographic distribution of their customers.

“Where do you live?”

Ashland Market

Ashland	82%
Other Jackson County	8%
Tourist	6%
Medford	3%
N. California	2%
Josephine Co.	1%

Milwaukie Market

Milwaukie	45%
Westmoreland/Sellwood	8%
Oakgrove	11%
Gladstone	5%
Eastmoreland	3%
Oregon City	4%
Portland/other Metro	14%
Other	10%

Summary

Our use of the Dot Survey method producing encouraging results in each of the five markets that we visited. Consumers willingly participated and provided information that directly assisted in market management and planning decisions. The market managers who served as Rapid Assessment team members gained an understanding of these methods that many have already put to use in their own markets.

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