

## **Creating a Farmers' Market Living Lab: Lessons Learned in Growing a Farmers' Market**

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### **Abstract**

The United States has experienced rapid growth in the number of farmers' markets over the past decade, but there has been little empirical research on how to increase sales at farmers' markets. We conducted multiple experiments at the Historic Lewes Farmers Market to test approaches to increasing sales and SNAP redemptions at the market at the stand and market levels. The research identified approaches that significantly increased sales and SNAP redemptions. This research demonstrates the value of real-world experimentation and research in identifying marketing best practices for farmers' markets.

**Keywords:** direct marketing, evaluation, experiments, farmers market, living lab, measurement, sales, SNAP

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## Introduction

Sales growth is critical for the long-term viability of farmers' markets and to the success of the many farmers whose livelihoods depend on direct sales. However, while there are many ideas and lots of impressions of what works to increase sales, there is little systematic information or hard evidence on what actions effectively increase sales and attendance at farmers' markets. To address this gap, we used our market as a "living lab" in which to test ideas to improve sales and attendance not only at our own market but at markets nationwide. Because we had over 10 years of data on sales and attendance, we were in a good position to systematically test ideas. We conducted a total of 17 experiments, many of which were replicated.

## Background

Founded in 2006 by volunteers from the community of Lewes, Delaware, the Historic Lewes Farmers Market is a nonprofit organization and a producer-only farmers' market with 35 local farmers/producers. In our first 11 years, from 2006–2018, the market drove approximately \$6.5 million in sales for participating farmers/producers. The market accepts SNAP (Supplemental Nutrition Assistance Program) benefits and offers a match to help stretch these customers' food budgets. The Historic Lewes Farmers Market was a valuable asset in carrying out research that can serve to both improve sales at the market and to provide data that can help other farmers and markets across the country. The farmers' market was used as a "living lab"—a place where we could conduct experiments in real time, with actual farmers and customers, and analyze real-world results.

## Methods

We conducted two types of experiments: At the market-stand level, we tested ideas at a single market stand and measured and compared sales before, during, and after the trial at that stand. At the market level, we tested out ideas at the market and compared overall market sales and/or attendance to the same week the prior year and the weeks before and after the trial.

## Results

We conducted multiple experiments, summarized below, over a 2-year period. These include the results of experiments that may be helpful to farmers or to farmers' market managers and lessons learned from attempts to increase the use of SNAP benefits at the market.

### *Photos Placed on Coolers*

Farmers and producers frequently keep products for sale in coolers rather than on display. We found that placing photos of the products on the exteriors of coolers increased sales by an average of 26%.

### *Recipe Cards*

We were surprised that simply adding recipe cards to market stalls did not have much impact on sales, although many customers took the recipe cards. We then explored ways to improve the impact of recipe cards on sales and found that offering simple, easy-to-prepare recipes for unfamiliar produce; positioning the recipe cards next to the main product in the recipe; and using the recipe cards as an opportunity to talk and engage with customers all led to an increase in sales.

### *Customer Loyalty Cards*

We experimented with two approaches for customer loyalty cards. In one, customers received \$5 in free produce after accumulating card punches for \$50 in purchases. In the other, customers received an entry to win a picnic basket stocked with barbeque items for a group picnic for every 5 weekly purchases. Sales increased 39% year to year in the latter case and decreased 12% in the former. However, in the case in which the sales declined, the farmer's health problems had resulted in fewer goods being brought to market.

### *Meet the Farmer Presentations*

We conducted five Meet the Farmer presentations, which involved a presentation by the farmer along with a high-quality, one-page biography handed out to participants. Sales increased very little (an average of 1%) on the day of the presentation, but sales the week after each presentation increased an average of 41% (impacts ranged from -17% to 79%). Farmers who provided samples during their presentation saw the largest increases in sales.

### *Market Pairing Demonstrations*

We experimented with Market Pairing events that involved a demonstration by a local volunteer demonstrating a recipe that could be made at home in 20 minutes or less and that used products from at least two farmers. At each Market Pairing demo, we provided recipes and signage listing the products used and the market stalls where the foods could be purchased. This boosted sales of featured products by an average of 20%. We found that the improved sales continued into the following week. We think this was so effective partly because it was a third-party endorsement of a product and partly because the recipes were more approachable than those offered by professional chefs.

### *Market-Wide Special Events with Samplings*

We evaluated the impact of holding market-wide special event days. Typically, each special event day included a demo and/or sampling of market products accompanied by a thank you sign recognizing the farmer who donated the product. Producers whose meats were featured in our Father's Day grilling demonstrations saw their sales increase by 15%–30%, with an average increase of 25%. We also saw a 5% increase in overall market sales compared to the same week the prior year and a \$1.47 increase in the average amount spent per customer. On Customer Appreciation Day, producers who donated samples experienced sales increases of 7%–8%. On

Kids' Day, sales for the two farmers donating a kids' snack sample went up by 27% and 6%. There was a 3% year-over-year increase in total spending at the market on Kids' Day and a 13% increase in market attendance, but average spending per customer decreased by \$1.55.

### *Advertising Test*

We held a free raffle to test the effectiveness of our advertising channels. We ran advertisements announcing the raffle in our online channels (including email newsletter, social media, and website) and in our weekly newspaper advertisement, using a different "secret phrase" for each version. Anyone could enter the raffle for free, but they received two entries if they mentioned one of the secret phrases. This allowed us to identify where the customer had found out about the raffle. We found that far more customers had seen our newspaper ad than our online marketing, by a ratio of 2:1. We share this not to recommend one type of advertising over another, but to encourage analysis of marketing strategies.

### *Activities to Attract More SNAP Customers*

We evaluated the impact of undertaking an integrated set of activities to attract more SNAP customers. These activities included distributing bilingual promotional cards, meeting with staff at local social service agencies and community organizations to describe the market SNAP matching dollar program, offering SNAP families a promotion on Kids' Day, and opening a new market more accessible to public transportation. In the first year of conducting these activities, we saw 57% year-over-year growth in new SNAP customers, a 24% increase in total SNAP customers, and a 31% increase in SNAP dollars issued. Approximately one-third of the growth in new SNAP customers came from the new market.

## **Conclusions**

Real-world experimentation at farmers' markets can provide valuable insights about the effectiveness of activities to increase sales and attendance at farmers' markets.

## **Acknowledgments**

This research was supported by the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service through grant 15FMPPDE0099. The content of the research report/presentation is solely the responsibility of the authors and do not necessarily represent the official views of the USDA.