

Happy Trails
On-Farm Retailing 101



*Valley Farm
Market*

Factors that are critical for on-farm retailing success!

Table Group Exercise:

With others at your table, please develop a short list of critical success factors. Then prioritize your list to the top three.









Decide what you want!

Table Group Exercise:

1. Identify your main competitors.
2. How are you different from your competitors?
What products & services do you offer that are unique?

Discover what the Customer Wants!

How can we get customers to come to us?

What reason will we give them become loyal customers?

What current customer expectations are not being met by our competitors? – Study the competition, also study how our customer's shop.

What products and services will we offer that are unique?

Decide what you want!

“Create an experience when customers only expect to get a result!”

Change their current shopping habits – come to us

Strategic Offer:

Ambience – Wholesome Farm atmosphere

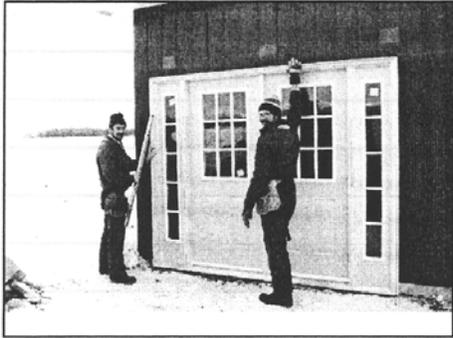
Education – The key to the experience

Price – initially low, Low GM%

Customer Service – Raving Fans Customer Service

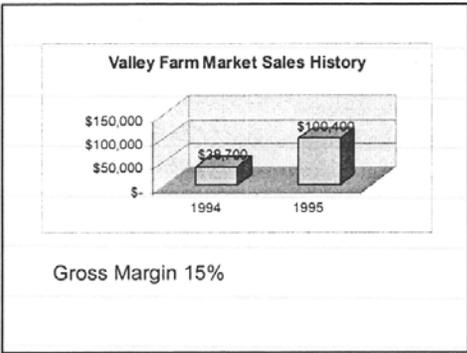
High Quality – work with local butcher shops

Measure, Measure, Measure – customer feedback









The Peggy Noble Story

Table Group Exercise:

With others at your table, please discuss what you would do in this situation.

'96 Valley Farm Market Strategies

- Increase the %-age Gross Margin

% Gross Margin

$$\frac{\text{Selling Price} - \text{Cost}}{\text{Selling Price}}$$

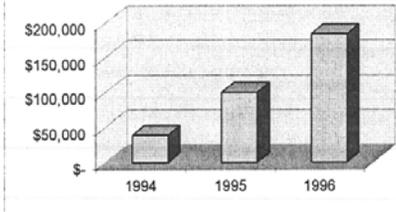
~~**% Mark-up**~~

~~$$\frac{\text{Selling Price} - \text{Cost}}{\text{Cost}}$$~~

'96 Valley Farm Market Strategies

- Increase the %-age Gross Margin
- Increase the average purchase per customer
- Add **Unique** new products – each one with the power on it's own to bring in repeat customers.
- Self Directed Education -The 'Valley Difference' Signage
- Give them what they want vs. what we think they should have. More Self- indulgent products ie: tarts, pies
- Act on Customer feedback – barn smell, etc. – Add convection oven in market, baking pies & breads

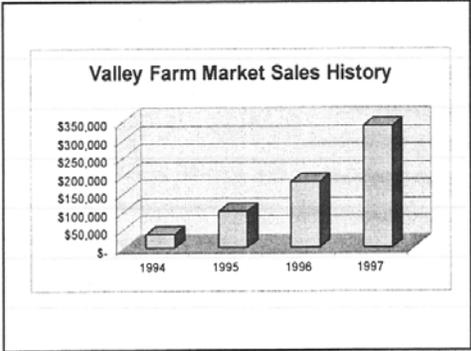
Valley Farm Market Sales History





- '97 Valley Farm Market Strategies**
- Increase the %-age Gross Margin
 - Add our own unique products and experiences – Strawberries – 15 varieties
 - Increase repeat visits - Loyalty program – Buy 5, get one free (train the customer new habits)
 - Displays – pile it high and watch them buy





'98 Valley Farm Market Strategies

Create a WOW customer experience

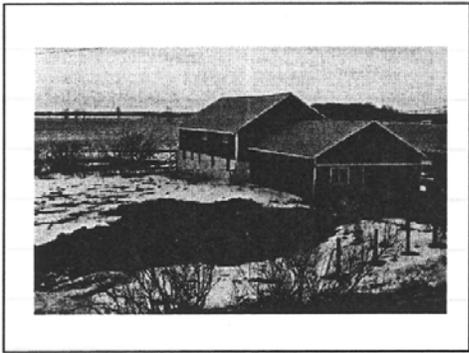
Table Group Exercise:

Please discuss how you can create a WOW experience at your farm market. Think of things that are not easily replicatable by the competition. (products and services)

'98 Valley Farm Market Strategies

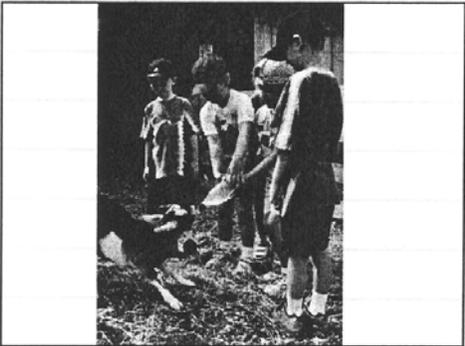
- Create a WOW customer experience. Customer's gave us the clues, for example: Do you have animals my kids can see? The Whole(some) Farm Experience – tours, schools, families etc.
- Continue to add unique farm products



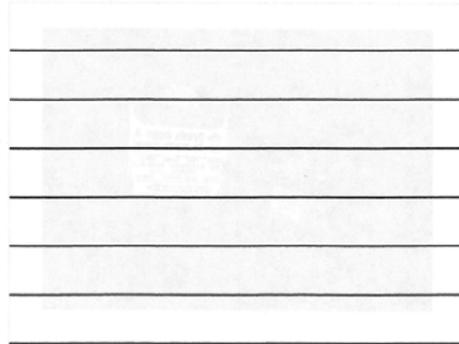
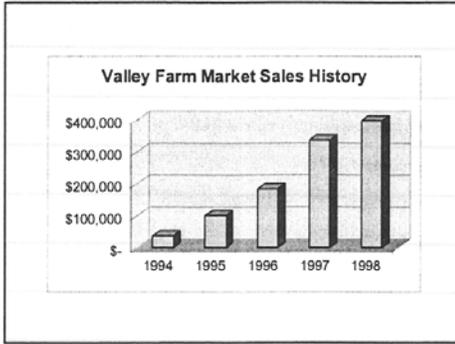




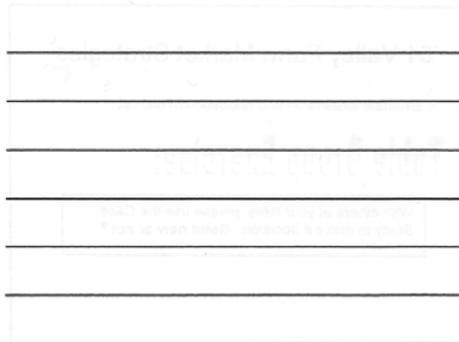
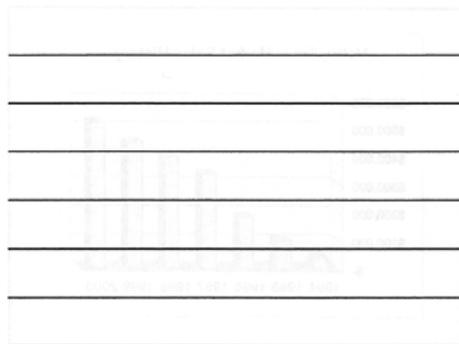


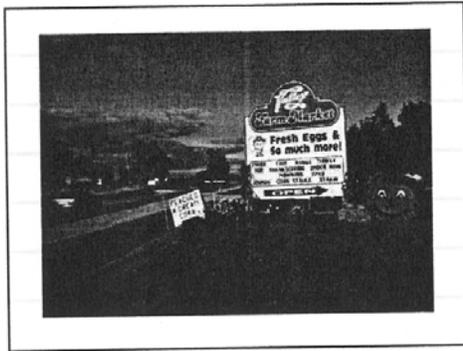


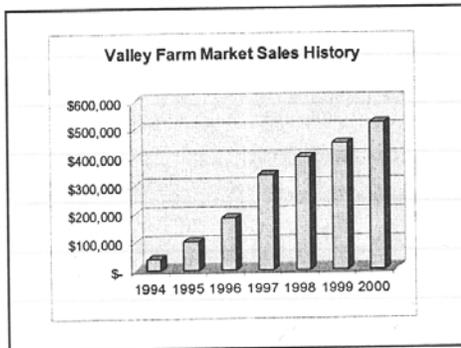




- ### '99-00 Valley Farm Market Strategies
- Evaluate Expansion and relocation
 - Investigate fruit wines, highway visibility
 - Purchase Land on highway for increased visibility
 - Increase %GM
 - Increase average purchase amount, larger package discounts.
 - Increase value added products - Valley Farm Market pies, decorations, crafts
 - Increase staff and training







'01 Valley Farm Market Strategies

- Evaluate Expansion and relocation of Market

Table Group Exercise:

With others at your table, please use the Case Study to make a decision. **Build new or not?**



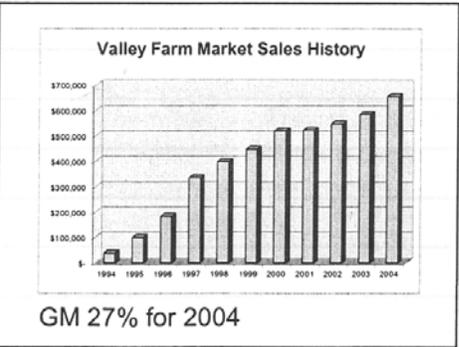
Impact of Competition 2001

Approval and Building of New Garden City IGA 5km to the West – 4-4.5 Million project. – open 24 hrs

Announcement of a 2.5 Million expansion of IGA 7km to our East

Both Local IGA installed huge commercial bakeries and put a strong focus on looking like a friendly farm market atmosphere – signs Farm Fresh with Farm scenes.

Stay the course for now – Small but profitable



2004 Highlights

- 12% growth in Sales 656,000 at GM 27%
- Aggressive focus on drawing people away from the supermarkets. Big price specials on products that we grow used as lost leaders. Other events at the farm.
- Advertising "Want farm fresh gotta come to the farm" Experience the country at home by taking some of it with you.
- Measures: (NI / hour of labour) and (\$ Sales / sq. foot retail space).
- More Staff training, sell the experience



Critical Factors of Success

- **Unique Products and Services** – unmatched customer service, marketing & WOM
- **Continual renewal** – keep it fresh, changing displays etc.
- **High Quality** – Products, Service, People
- **Patience** – Grow as you go! Start low gradually increase prices and GM, continual research and planning
- **Measure, Measure, Measure** – costs, customer feedback, what sells (\$/sq. foot), can't manage if you can't measure
- **Know your Competition**
- **Form alliances/partners** with suppliers and competitors

Now the rest of the Story!

THANKS PLODD!

– it's been our pleasure to serve you!

Critical Factors of Success

Individual Exercise:

Identify your own critical factors and respective strategies that are crucial for your business!
