FARM OUTLET CUSTOMER PROFILES

Julie Leones[1]

Who are the visitors to direct farm marketing operations and what are they looking for? This section helps to provide answers to these questions based on information on customers from visitor surveys at direct marketing establishments in several states including Arizona, Illinois, Wisconsin, Michigan, Ohio and New York and national surveys of produce consumers conducted for ***The Packer*** magazine. Trends that affect the character of the general population in the U.S. and Arizona are very likely to affect direct marketing operations and are worth considering. Visitation to farm market outlets in other states differs from that in Arizona in the distance that visitors are willing to drive, in the percentage of visitors who are women and in their reasons for visiting the area. There are similarities between visitors including how they learned about the direct marketing outlets, educational levels and the types of produce products that they are looking for.

General Demographic and Produce Purchasing Trends

Several of the best known demographic trends in the U.S. are worth noting. We are an aging population. Over half of our population was over the age of 33 in 1990. We are becoming more urban. Urban dwellers represented 87.5% of the Arizona population in 1990 compared to 55.5% in 1950. We are becoming more racially and culturally diverse. Almost 20% of the Arizona population belonged to a racial minority in 1990 compared to 13% in 1950. More women are working full time. Fifty-five percent of all Arizona women over 16 years of age were in the work force in 1990. The U.S. Department of Labor predicts that by 1995 a full 80% of women aged 22 to 44 will work outside the home. The average household size is shrinking. Single-person households accounted for one fourth of all households in Arizona and the U.S.

What do these trends mean for direct farm marketers? They mean that a larger share of their customers are likely to be older. Older visitors may be more inclined to buy prepicked rather than pick your own produce. Customers are likely urban dwellers who are not only visiting to buy produce but as a form of recreation or a way to get out of the city. More customers are likely to be looking for specialty produce because more of them are from diverse cultural and racial backgrounds. Fewer women have time for canning and preserving produce. Consequently, more women may be interested in buying products for fresh consumption or be interested in already preserved or baked products such as jams, jellies, pies and breads. Purchases per household may be less because of smaller household size and lack of time to can.

Women still make the bulk of all food purchases in the U.S. A full 86% of the produce buyers surveyed for ***The Packer <u>Fresh Trends</u>*** edition were women. Women are more sensitive to price than men and are more likely to try new or unusual fruits and vegetables. The percentage of women making purchasing decisions in households with children under 18 is a whopping 99%. However, because visits to direct farm market outlets are often a family affair and are often seen as a form of recreation, a larger number of men and children are likely to be involved in making purchasing decisions. Also, customers may be somewhat less concerned about price than they would be in a supermarket.

Lessons from Surveys of Farm Outlet Customers

Table 1 summarizes the findings based on customer surveys in six states. The Ohio survey is somewhat older than the other surveys. The Illinois surveys were conducted for strawberry U-pick operations only. The results show that the customers to Arizona direct marketing establishments are less likely to be women and are younger than those in many of the other state studies. Customers in all the studies tended to have relatively high levels of education. The average household size in two studies was between two and four people. Like Michigan customers, over a third of the Arizona customers are first time customers.

What really sets the Arizona customer apart from customers from the Northeast and Midwest is their willingness to travel longer distances to purchase at direct farm market outlets. Perhaps because of the distances traveled, more Arizona visitors come on the weekend than in New York. Several of the studies provide data that suggest that visiting farm outlets is a recreational experience. However, the freshness, quality, taste and prices for produce strongly influence customer opinions of the farm outlets.

Without exception the most common way for customers to have learned of a particular farm outlet was by word of mouth or because a friend or family member told them about it. A large percentage of customers had seen signs for the outlet as they were driving in several states.

When asked about what they wanted or how the outlets could be improved, customers commonly identified improving advertising, signs and instructions, and adding to services such as tours, rides, restrooms, and parking. However, most surveys indicate that there is a high level of customer satisfaction with the farm outlets. Apples, corn, peaches, strawberries, tomatoes and pumpkins were commonly mentioned by customers as products they either would like to buy or did buy during their visit.

The per person expenditures at farm outlets are not easy to compare due to differences in the years when these studies were conducted and differences in the types of farm outlets where the interviews were conducted. In the Michigan study, per person expenditures were highest at U-picks and wineries and lowest at festivals. Expenditures at roadside stands and farmers' markets were intermediate (at about $7.30 and $8.75 per person, respectively).

In summary, older retired customers represent an important market for direct marketers, but not the only one. Arizona customers are more likely than Eastern customers to drive distances of 70 to 80 mile to visit farm outlets. However, because of the distances, they are generally coming predominantly on weekends and appear to be very interested in having a farm experience with their family or friends. The next article in this section examines customer characteristics from the Arizona study in more detail.

Julie Leones[1]
Extension Economist
Department of Ag & Resource Economics
Cooperative Extension
The University of Arizona
Tucson, AZ 85721

Table 1. Comparison of Visitor Profiles from Various States

Characteristic	Arizona	Illinois	Wisconsin	Michigan	New York	Ohio
Sample size	904	136	873		856	474
% female	55%			65%	75%	
avg. age	approx. 35-45	53-55	49	45	25-40	45-64
% with some college education	69%		60%	65%	65%	
Household size		2.9-3.0	2-4			3.3
% first time visitors	32%			39%	9%	
% coming from within 20 miles	less than 11%	approx. 75%	80% within 40 miles		78%	93%
Most common way to learn of U-pick	word of mouth (45%)	word of mouth (66%)	word of mouth (55%)	word of mouth (51%)	word of mouth	
% visiting on weekend	71%				52%	
Purpose of trip	buy ag products (79%)	pick strawberries, 70% consider it recreation		54%-vacation & vacation and other 10% buy ag products	select fresh berries at reasonable prices & for recreational experience	
What customers like about direct marketing operation	rural or farm experience, produce freshness and quality		quality, service, fair prices			freshness, taste, ripeness of produce
What customers dislike			few (only 15% cited dislike)			distance from home, prices, parking and traffic problems
What customers want	better advertising & signs, restrooms, improved roads				improve field conditions, parking, advertising, ease of picking, instructions (3-7%)	Add services-extend hours, post hours, sell snacks, rides, tours, etc.
Products they usually purchase or want to purchase	apples, corn, pumpkins, tomatoes			cherries, corn, strawberries, blueberries, peaches, apples, raspberries, eggs, lettuce, melons, tomatoes		apples, sweet corn, peaches, cider, cantaloupe, tomatoes, strawberries, pumpkins, honey, peppers
Where visitors spent their money & how much they spent per person	$14 for nonlocals, $9 for locals	$6 per visit		spent the most: wineries and U-Picks ($12-13) spent the least: festivals ($.71)		avg. annual expenditure at roadside markets: $45

Sources: Courter, J.W. "Pick Your Own Strawberries-1970 to 1990." University of Illinois, H88.
Cottingham, John and G. Palzill. "A Profile of Consumers at Roadside and Pick Your Own Markets." University of Wisconsin Direct Marketing, 20, November, 1990.
Propst, Dennis, P.S. Newmyer and T.E. Combrink. "Direct Marketing of Agricultural Products to Tourists. Michigan State University CES # 12, 1986.
Crispin, Monica. "Profile of the PYO Customer." In: *Small Fruit Newsletter*, Vol 1(6), June, 1986.
Watkins, Edgar & Bruce Bradley. "Ohio Customers and Their Roadside Markets." Ohio State University, ESS-562, MM381 1979.

FROM:

Direct Farm Marketing and Tourism Handbook.

Disclaimer

Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, James Christenson, Director, Cooperative Extension, College of Agriculture, The University of Arizona.

A PROFILE OF VISITORS TO FRESH FARM PRODUCE OUTLETS IN COCHISE COUNTY, ARIZONA

Julie Leones, Douglas Dunn, Marshall Worden and Robert Call[1]

This profile was compiled from 904 customer interviews conducted at farm outlets in Cochise County between mid-July and the end of October, 1993. The full results of this study are available in a separate extension bulletin.

The more than 20 farm outlets in Cochise County include pick-your-own farms, and orchards, roadside stands and some retail operations. They offer a variety of products and services including apples and apple bakery products, pistachios, meats, vegetables, honey, live plants, hay rides, fishing ponds and animal displays.

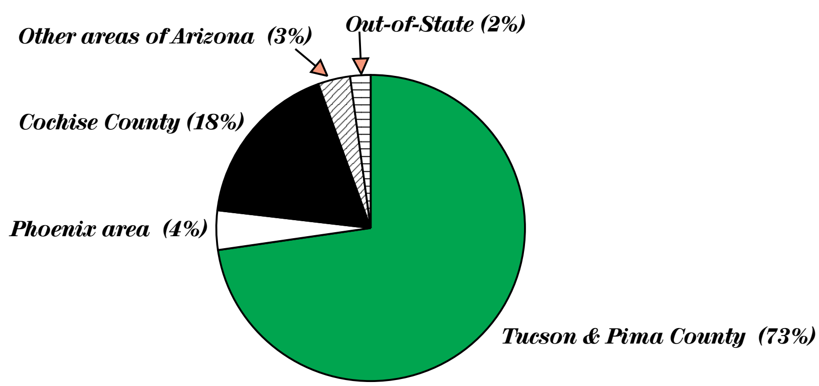
Many of the visitors to the outlets come from the nearest metropolitan area, Tucson, which is located over 80 miles away. The willingness of visitors to drive this far to buy fresh produce is somewhat unique. An important characteristic of these visitors is that nearly half of them indicated that what they liked best about visiting the outlets was the opportunity to have a farm or rural experience. In other words, many of these visitors are more interested in having an experience than in necessarily buying produce.

Visitor Characteristics

Almost three-quarters of all visitors to the farm produce outlets in Cochise County were from metropolitan Tucson or elsewhere in Pima County, and 18% were local visitors from Cochise County. Only 2.1% were out-of-state visitors (Figure 1). Of the 83% of visitors to the farm outlets that were from outside of Cochise County, 77% came to Cochise County for the primary purpose of buying fresh farm produce. Sixty-four percent of all outlet visitors can be defined as agricultural tourists because they were visitors from outside the county who came to the area primarily to visit the farm outlets (Figure 2). Out-of-county visitors traveled in groups averaging 4.22 people per party. However, their median party size was 3 people. The average or mean is

Figure 1. Origin of Visitors to Farm Outlets

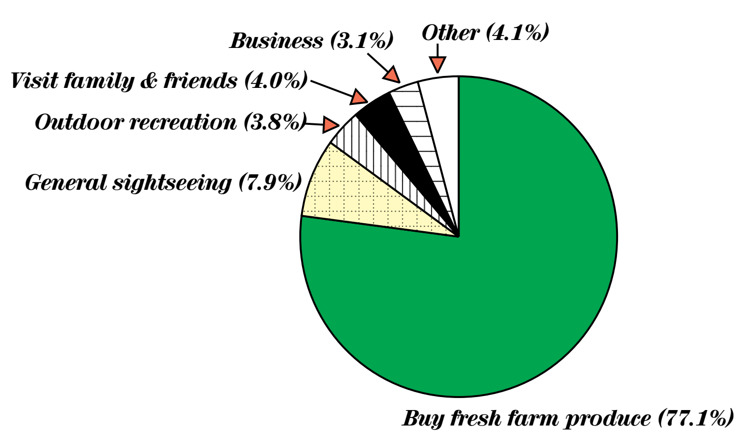
(Number of responses = 890)[1]



[1]Fourteen of the zip codes provided were nonexistent.

Figure 2. Purpose of Trip by Out-of-County Visitors

(Number of responses = 746)



somewhat larger than the median because of the number of large groups, especially groups of either older people or children, that visited the farm outlets. While 85% of the visitors were Caucasian, Hispanics represented over 8% of all visitor parties (Figure 3). The mean family income was $42,300, well above the Arizona mean for 1990 of $35,400 (Figure 4). Respondents had an average of 14.3 years of education (Figure 5) and many were professionals or working in management positions. Twenty percent of all respondents were retired and about one-quarter of all visitors were over the age of 60 (Figure 6).

Non-local visitors were different in important respects than local visitors. They were more likely to bring children, they were looking for a different mix of products, they made fewer trips to the farms over a single season. Non-local visitors were also more likely to indicate that what they liked best about visiting the outlets was the opportunity to have a farm or rural experience.

Roughly 44% of the out-of-county visitor parties, but only 39% of the locals, brought children. Children under the age of 18 represented 29% of all visitors. Unlike similar studies in other parts of the country, women did not constitute the overwhelming majority of visitors. Approximately 55% of all visitors, whether from Cochise County or from outside, were female. The difference may be because the trip to Cochise County is viewed more as a family or group experience rather than exclusively as a trip to secure fresh fruits and vegetables for preserving.

Trip Characteristics

Out-of-county people who came primarily to visit farms spent an average of half a day in the area. Visitors who came to the area for reasons other than purchasing farm produce (e.g., for general sightseeing, to visit family or friends, or for outdoor recreation or camping) averaged 1 3/4 days in the area. Agricultural tourists generally visited 2 or 3 fresh farm produce outlets during their stay. For almost one-third of the out-of-county visitors, this was their first trip to the farm outlets (Figure 7). A surprisingly high percentage, 21% of local visitors, were making their first trip to the farm outlets. These percentages indicate potentially large annual increases in the number of visitors at the farm outlets. Less than 20% of non-locals visited outlets six times or more versus almost 40% of locals. Repeat visitation during the season was common. Thirty-seven percent of out-of-county and 70% of local respondents had visited the fresh farm outlets at least twice during the previous season (Figure 8). Nearly half of the local respondents visited the outlets four times or more.

Only 5% of the visitor parties that come mainly to visit farms, stayed overnight, while 31% of visitor parties coming to Cochise County for other reasons who also visited farm outlets stayed overnight. Almost two-thirds of all visitor parties that stayed overnight chose to stay in Willcox.

Eighty-two percent of all out-of-county travelers visited local farms only and did not visit any other local attractions on this trip. The most popular other attractions visited were the Chirachuas and the Rex Allen Museum which were visited by 4% and 3% of the out-of-county visitors respectively (Figure 9).

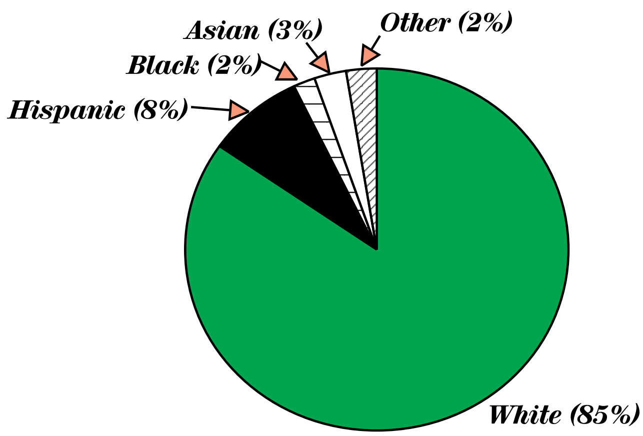
What Visitors Want

An overwhelming 97% of all visitors interviewed planned to return to the farm outlets. Forty-four percent of all visitors indicated that what they liked most about visiting the farm outlets was the experience of being on a farm or in a rural place (Figure 10). The next most commonly cited reasons for liking the outlets were the freshness of the produce (28%) and the quality of the produce (19%).

Over three-quarters of the visitors made the trip in search of specific products (i.e.,

Figure 3. Racial or Ethnic Background of Visitors

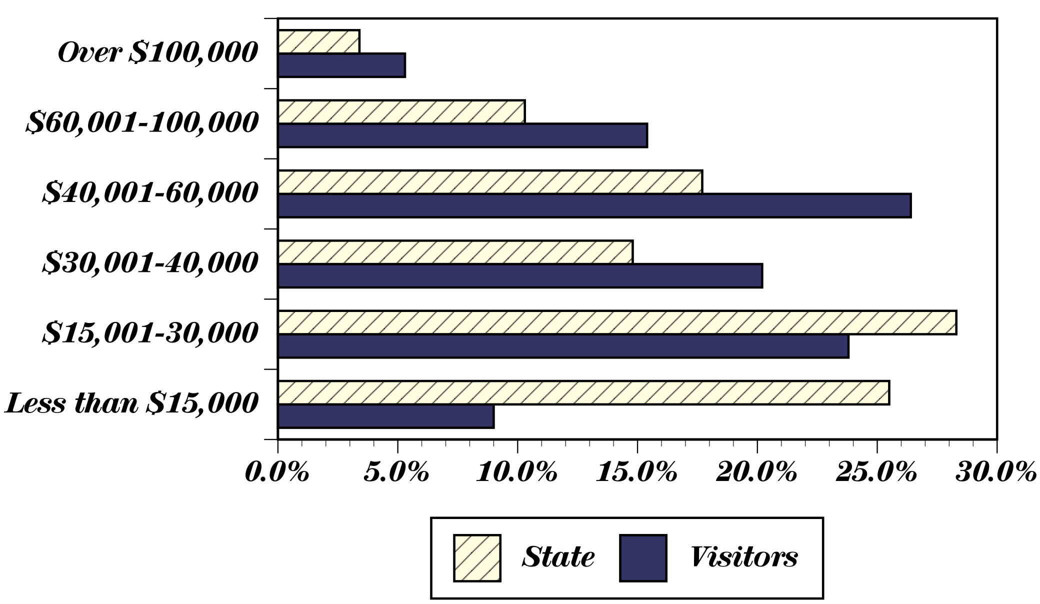
(Number of responses = 816)[1]



[1] Eighty-eight respondents did not answer this question.

Figure 4. Income Level of Visitors Compared to State Average

(Number of responses = 857)[1]

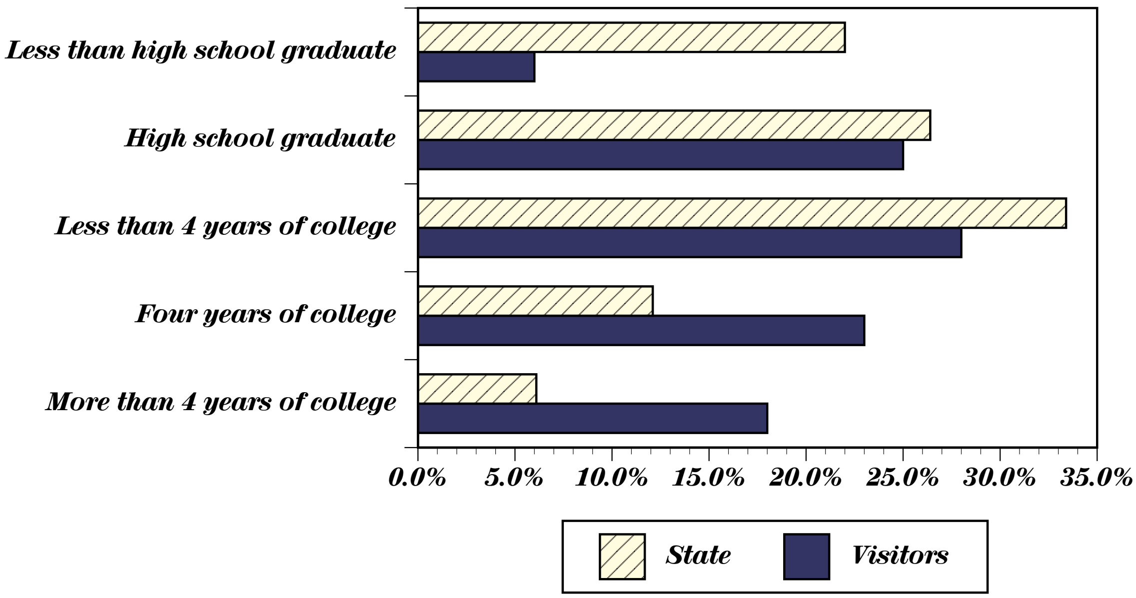


[1] Forty-seven respondents did not answer this question.

Source: Survey data and 1990 Census of Arizona Population and Housing. Summary Tape File 3A (Corrected). U.S. Department of Commerce, Bureau of the Census.

Figure 5. Education of Visitors Compared to State Average

(Number of responses = 904)



Source: Survey data and 1990 Census of Arizona Population and Housing. Summary Tape File 3A (Corrected). U.S. Department of Commerce, Bureau of the Census.

Figure 6. Age Distribution of Visitors

(Number of visitors in interviewed parties = 3600)

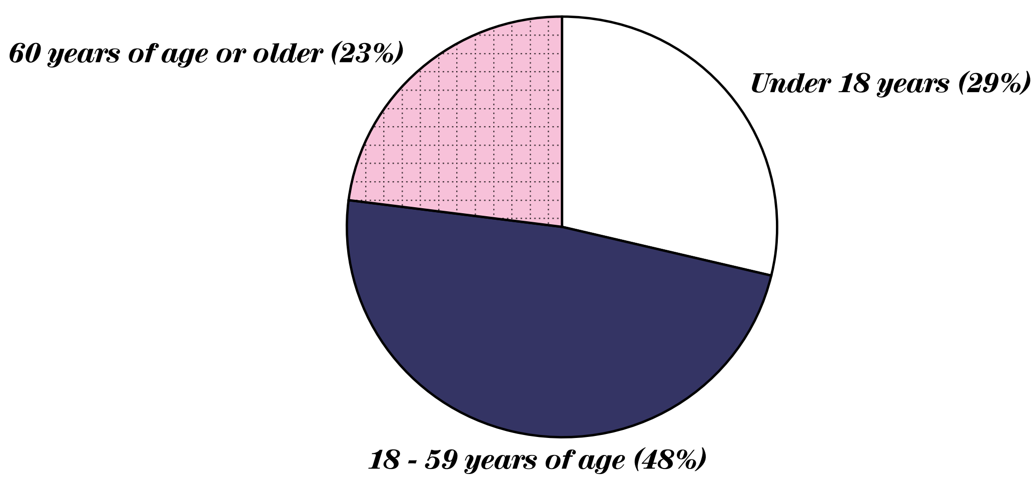


Figure 7. Times Respondents Had Visited Farm Outlets in This or Prior Years

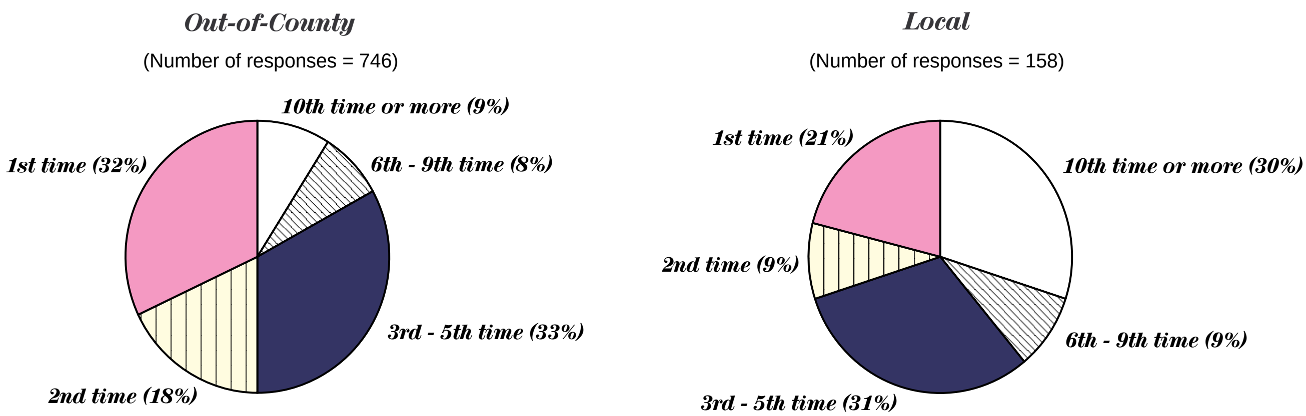


Figure 8. Times Visited Last Year

(Number of responses = 904)

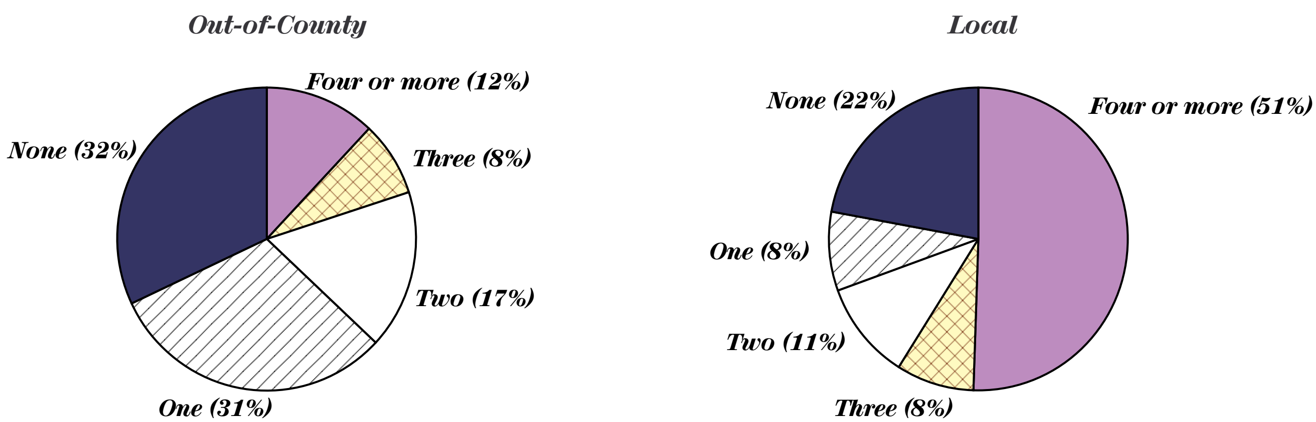


Figure 9. Other Attractions Visited by Out-of-County Visitors

(Number of responses = 746)

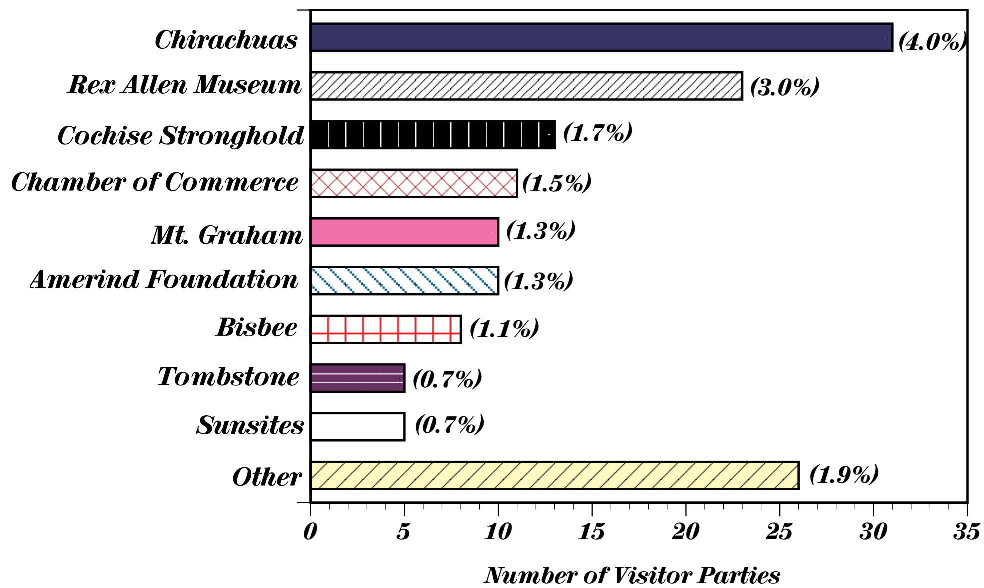
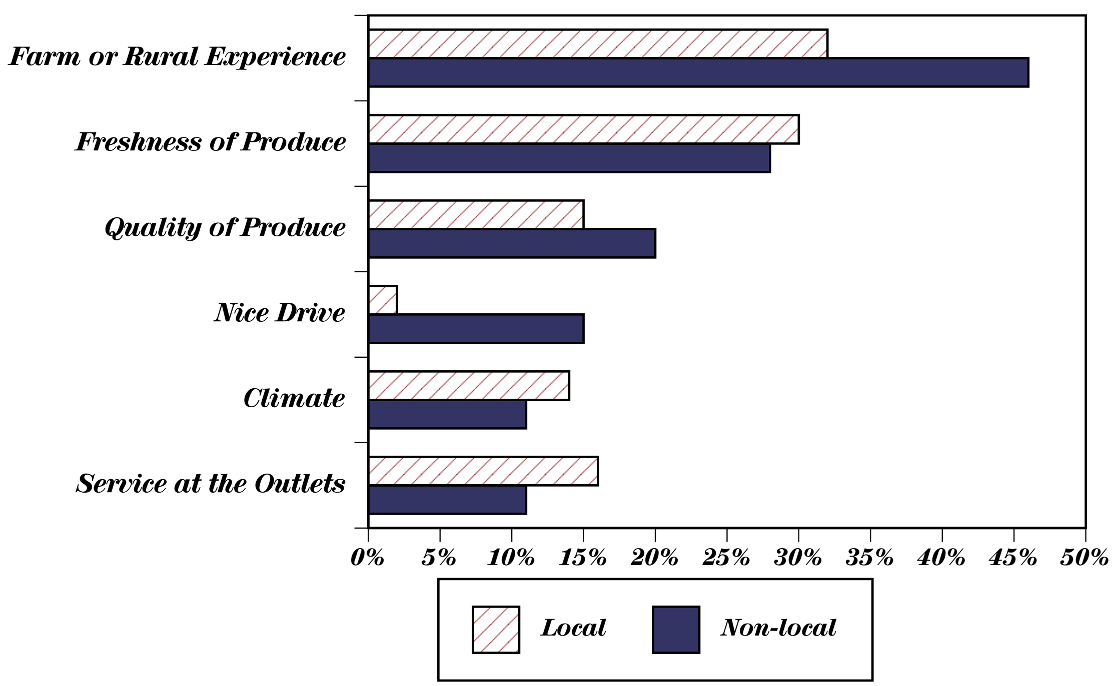


Figure 10. What Respondents Liked Most About Their Visit to the Farm Outlets

(Number of responses = 904)



Note: Visitors could give multiple responses.

76% of non-local and 86% of local visitors). Almost one-third of all visitors were looking specifically for apples (37% of non-locals but only 9% of local visitors). The other most popular products in descending order were: sweet corn, pumpkins, tomatoes, peaches, string beans and squash (Figure 11).

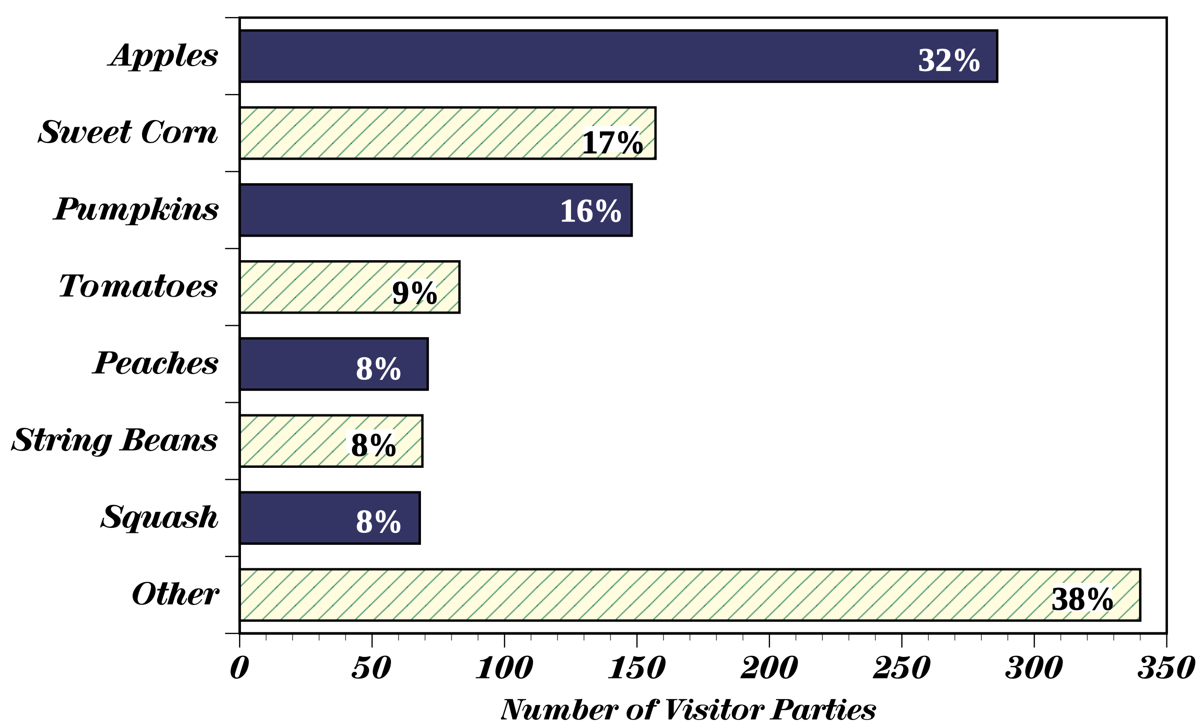
Although visitors appear to really enjoy their current experience, they had suggestions for improvements. The most common suggestions were to improve signage, provide better rest rooms, improve the roads and do more advertising, each of which were mentioned by 5% of all respondents. Sixty-two percent of all respondents had no suggestions for improvement.

When asked if there were other types of food products or produce they would like to buy, the most commonly mentioned products were berries, especially strawberries, peaches, cherries, peas, lettuce, and various types of corn (sweet, pop, white and yellow). A number of products that people mentioned are already available in the area. However, they may not have been available at the particular farm outlets that the respondent visited. This is one indication of the need for the farm outlets to promote each other and make referrals directing customers to other operations that have these products. It is also an indication of the need to inform customers about <u>when</u> certain products are available during the season.

Visitors indicated that they would be interested in doing other activities while they were in the area. The most commonly mentioned of these activities were riding horses, swimming, fishing, farm tours, seeing crafts, and hiking or camping. Suggestions for various types of fairs and festivals also were common.

Figure 11. Specific Products Visitors Came For

(Number of responses = 904)



Visitor Expenditures

An estimated 19,032 non-local visitor parties went to one or more of the Cochise County farm outlets during the 1993 late summer season. This represents approximately 81,450 visitors. These visitors spent an average of $58.00 per party, of which $42.00 was spent at the farm outlets. Over one-half of the visitors spent money in local restaurants and almost one-fourth bought gasoline locally.

The total expenditures by out-of-county visitors are estimated at $1 million during the 1993 season, of which $768,000 was spent at farm outlets.

Conclusions

Visitors to Arizona fresh farm produce outlets differ from visitors to U-pick operations in other states in the distance they are willing to travel to visit the outlets and by the fact that the farm experience is such an important reason for their trip. Typical visitors are Caucasian with above average income and education. Visitors are generally coming out only as part of a day trip and are traveling in small groups. They do not tend to visit attractions in the area other than the farm outlets. Over three-quarters of the visitors come to the outlets looking for a specific product.

References

Leones, Julie, Douglas Dunn, Marshall Worden, Robert Call. Agricultural Tourism in Cochise County, Arizona. Visitor Characteristics and Economic Impacts. The University of Arizona Cooperative Extension Bulletin, 1994.

[1]Julie Leones, Douglas Dunn, Marshall Worden and Robert Call, Cooperative Extension, The University of Arizona, Tucson, Az.

FROM:

Direct Farm Marketing and Tourism Handbook.

Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, James Christenson, Director, Cooperative Extension, College of Agriculture, The University of Arizona.

TOURISM TRENDS AND RURAL ECONOMIC IMPACTS

Julie Leones[1]

When agricultural direct marketers view their business as a tourist attraction as well as an agricultural enterprise, many new sources of information and opportunity become available. This chapter provides tourism related information that is useful to direct farm marketing operations. A visitor to a farm or ranch who wants a farm or rural experience as much as to buy agricultural products is a tourist. The number of visitors to farm outlets who are interested in a farm or ranch experience is increasing.

Some of the most successful direct marketing operators recognized the potential of selling a farm or ranch experience early. As Al Bussell of Bakersfield, CA puts it "We're in the entertainment business now." The Goulds of Goulds Orchards in Rensselaer County, New York call it "showbiz farming". It is definitely not for everyone, but for operators willing to allow the public on their farm or ranch, it can be lucrative.

In a study of agritourism in New York State, 63% of the 17 farm tour enterprises contacted had increased in size between 1986 and 1991. All but one of the remaining enterprises had stayed the same size. Over 3/5ths of all visitors were school children who paid admission for the tour. Admissions for children ranged from $.50 to $1.75 while the typical adult admissions were $2.50 to $3.50. The biggest problems cited by tour operators were dealing with visitors (especially interruption of farm activities and visitors' treatment of animals), liability insurance, labor and marketing (Hilchey).

Catering to 'agricultural tourists' is especially important at direct farm marketing outlets that are located farther away from urban centers. More distant farm outlets will have to offer more than just products to stay competitive as new farm outlets spring up near major urban areas. One way to stay competitive is to understand what visitors are looking for in a farm experience and to provide services that appeal to visitors.

Understanding visitors is an important step towards dealing with them and marketing to them. The previous two articles in this section describe visitors to farms in greater detail. Here we look at general tourism trends that may affect agricultural tourism.

Tourism Trends

Tourism is coming into its own as an economic activity in the U.S. Expenditures by foreign visitors to the U.S. contribute significant amounts to our balance of payments. Total expenditures by out of state visitors to Arizona were estimated at $ 8.3 billion in 1993. A lot of tourism activity, however, is generated within the state. While this activity does not bring new income into the state, it does keep some income from leaving the state. From a local community's perspective whether a dollar is from a Phoenix visitor or a Hermosillo visitor, it is new income in their community.

A couple of important trends have shown up in recent tourism studies. Aside from growing as an activity, tourism is changing shape. People are taking more short vacations rather than one long vacation each year. There is a growing interest in vacations that involve doing or experiencing. Hence, the growth in the "new" tourisms: ecological, cultural, heritage and agricultural tourism. Finally, there is a steady increase in outdoor recreation by tourists (Hilchey).

These trends are due to demographic, economic and cultural changes. These changes include the aging of the U.S. population, the shrinking size of households and the increasing urbanization of the U.S. population. Other trends affecting tourism are the increase in the number of two earner households and the increasing interest of the U.S. populace in the environment.

Economic Impacts of Tourism

Tourism is an activity that involves a large array of retail and service businesses. The sectors most affected by tourism are hotels and other lodging facilities, eating and drinking establishments, and amusement and recreation facilities such as theme parks and ski resorts. One of the largest expenses in these industries is salaries and wages for employees. Often these employees are from the local area. However, for some businesses that are highly seasonal, employees may come from outside.

Some communities worry about relying too heavily on tourism. Some of the negative aspects of tourism may include the highly seasonal nature of employment, the low average wage level in tourism related industries, the congestion and increases in prices of products and real estate that tourists can cause. However, well managed tourism can complement other economic activities in a community. One positive aspect of tourism is its ability to bring new money into the community. Multipliers in industries that serve tourists are relatively high because wages and salaries are such a large part of the industries' total expenses. The impacts of tourism can be increased by selling local products and by helping local people retain ownership of businesses that serve tourists. Agricultural tourism is particularly high in impacts because the labor used, business ownership and the products sold are usually local.

There are two basic ways for a community or a business to increase revenues from tourism. Either increase the number of visitors or increase the amount that each visitor spends. This is why local chambers of commerce have devoted so much of their resources to attracting more visitors to the area. In an area that may have limited visitor accommodations, attracting day visitors may be the most effective strategy to pursue. However, in communities that do have hotels and other lodging, convincing visitors to stay overnight is the most effective way to increase visitor expenditures. Not only do such visitors spend additional money on lodging, they eat more meals in the community and have more time to shop in local stores. In most surveys of visitors, shopping is one of the most popular vacation activities.

An effective way for individual businesses to increase their sales to visitors is to offer a range of products and services that will keep the visitor at their outlets longer. Many grocery stores are arranged to slow shoppers down because typically the longer a person is in a store, the more they are likely to spend.

In the study of agricultural tourism in Cochise County, 81,450 non-local visitors spent close to one million dollars and generated $1.9 million in sales impacts in the county. While the average expenditure per visitor party was $58, overnight visitors spent $130 per visitor party (these figures translate into $12 and $47 respectively per visitor). Overnight visitors spent nearly four times as much as day trip visitors.

To convince a visitor to make an extended trip to an area, there have to be enough activities or places to visit. In rural communities there may not be enough to do in a single community to keep a visitor in the area for more than a few hours. If a group of communities work together and promote their whole region, they may be much more successful in both attracting visitors and convincing them to stay more than just for a day. This is why although attracting tourists is a competitive affair, businesses that cooperate with each other in order to attract visitors are more likely to succeed than those businesses that decide to 'go it alone'.

Other sections of this manual provide more information about who visitors are and what they want, and on effective means of advertising and promoting 'agricultural tourism'.

References

Hilchey, Duncan. Agritourism in New York State. Opportunities and Challenges in Farm-Based Recreation and Hospitality. Farming Alternatives Program. Department of Rural Sociology, Cornell University, Ithaca, NY, June, 1993.

Leones, Julie, Douglas Dunn, Marshall Worden and Robert E. Call. Agricultural Tourism in Cochise County, Arizona. Characteristics and Economic Impacts. Arizona Cooperative Extension, The University of Arizona, Tucson, AZ, June, 1994.

Sources of Information on Tourism

Your local Chamber of Commerce

Arizona Office of Tourism
1100 West Washington
Phoenix, AZ 85007
(602) 542-3126 Fax: (602) 542-4068

Arizona Hospitality Research and Resource Center
School of Hotel and Restaurant Management
Northern Arizona University
P.O. Box 6024
Flagstaff, AZ 86011-6024

Travel Industry Association of America &
United States Travel Data Center
2 Lafayette Centre
1133 21st Street N.W.
Washington, D.C. 20036
(202) 293-1433

Travel and Tourism Research Association
P.O. Box 58066
Salt Lake City, Utah 84158
(801) 581-3351

United States Travel and Tourism Administration
Department of Commerce
H1862
Washington, DC 20230
(202) 377-2404

Julie Leones[1]
Extension Economist
Department of Ag & Resource Economics
Cooperative Extension
The University of Arizona
Tucson, AZ 85721

FROM:

Direct Farm Marketing and Tourism Handbook.

Disclaimer

Neither the issuing individual, originating unit, Arizona Cooperative Extension, nor the Arizona Board of Regents warrant or guarantee the use or results of this publication issued by Arizona Cooperative Extension and its cooperating Departments and Offices.

Any products, services, or organizations that are mentioned, shown, or indirectly implied in this publication do not imply endorsement by The University of Arizona.

Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, James Christenson, Director, Cooperative Extension, College of Agriculture, The University of Arizona.