

# Tracking Sales

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## Know your customer

One of the costliest mistakes that new farmers can make is to be so in love with their own product(s) that they fail to assess how the customer feels about it. Direct market outlets (i.e. farmers' markets, farm stands, Community Supported Agriculture operation's, pick your own sites) have built in systems for evaluating how customers feel about your product. The market is an honest, sometimes harsh, place where customers vote with their dollars and with their feet. If you want to maximize your profits stay in touch with your customers' needs, wants, and wishes.

Here are a few easy, inexpensive methods you can use to monitor how your customers really feel about your product.

### Track repeat customers.

What is the percentage of your first time customers that come back a second, third and fourth time? When customers come to your market the first time it indicates a willingness to support you. Consider it a 'first date' — they like what they see but they aren't making any commitments. When they come back the second and third time it indicates that they feel they are getting good value from the exchange. This is when the real relationship begins. Regular, loyal customers are a great group of individuals to test market new products. They already know what you are capable of producing and can tell you honestly whether a new product makes the grade or not.

### Track your sales closely.

It is important to know what people are buying, what they are *not* buying, and why. Be alert to items that are staying around too long. Pay particular attention to what your most loyal customers are buying a lot of — that is your indicator of how the market values your product. It is also helpful to notice whether sales are evenly distributed across all customers or whether a few customers are buying a lot of a particular product. For example, you could sell one jar of pickles to 24 different customers or one customer could buy all 24 jars. In the first case you have a broad spectrum of customers making a purchase. If most of them come back and buy more of the same product that lets you know the product has broad taste-appeal. If sales are restricted to just a few customers that might indicate that your product is an acquired taste which



means you need to think long and hard about whether that product will develop enough of a customer loyalty to be worth your time in producing it.

### Be honest with yourself.

If you have an item that is not selling well and doesn't develop a customer loyalty then reassess your commitment to that product. It may be that your price is higher than a competitor, or it may be that the product doesn't have broad market appeal, or it may be that customers don't know what it is and how to use it. But it is also possible that your customers are telling you that the quality is lacking. If that is the case, you need to set your ego aside and stay open to improving the quality or discontinuing the product. You may have to do some market research to find out why a product isn't selling. Sometimes customers (especially those that have a relationship with you) will be reluctant to say that your product isn't very good so they may not come right out and say they don't like it. And then again, some will be only too happy to share the unpleasant truth. Develop a thick skin, learn to smile and say, "thank you for the feedback".

Always let your customers know that you want to hear what they think and that you are open to suggestions for improvement. Keep comment cards handy so they can respond anonymously if they prefer. And, on market day, spend some time at the cash register so that you can see firsthand who's buying what.

### Collect Contact Info.

If you are serious about direct marketing, one of the most important things you can do is to know who your customers are. Use every opportunity to collect a mailing list of your customers. Names, addresses and phone numbers are useful to have. Even if you are not comfortable with technology, by all means capture email addresses too—someday you will be glad to have that information. How do find out this information? Have signup sheets available near the cash register, slip an invitation to sign up into every customer's bag when you're cashing them out, take contact information from checks used for payment. It may seem like a lot of work to compile this



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information but it will pay dividends down the road when it is time to do a customer survey.

### **Customer Surveys.**

Every 18 to 24 months it is a good idea to survey your customers. Find out what they like, ask if there are additional products they would like you to offer. Find out how they feel about your prices relative to the quality of your product. Ask if they refer you to friends and family. Inquire about your hours (if you have a farm stand) or whether coming to the market is convenient for them (if you sell at a farmers' market). Once you have this information you can make adjustments that will pay off in terms of increased customer satisfaction.

Putting together a survey may seem like a daunting task but it can be prepared during the winter and then sent out 3-6 weeks into your peak season (or sooner if you have a very short season).

Sending out your survey does not have to be overly expensive. You can leave copies in your sales area, you can email copies, or, if you already send out a newsletter you can just add the survey to your newsletter. The advantage of having an electronic survey to send out is that you won't have to transfer the information from paper surveys to your computer in order to compile all of the results.

Remember, when it comes to surveys, less is more. Keep surveys short, usually no more than 5-6 questions. Use language that is clear. Ask only one question at a time. And keep the design simple.

For more information on how to design a customer survey and some sample questions look for our factsheet *Designing Customer Surveys for Direct Farm Markets*.

### **Appreciate the assistance.**

The information that your customers have to share with you is valuable. When you conduct a customer survey, acknowledge that gift by offering them something in return for their participation. It could be a small discount on their next purchase, a coupon toward future purchases, or a free sample of a new product. The gift does not have to be large or expensive but should be sincere. It will increase participation and make your customers feel good about helping you.

### **To find more on direct marketing**

- **National Sustainable Agriculture Information Center.** ATTRA (<http://www.attra.org/>) provides many useful resources for farmers in the form of in-depth publications on production practices, alternative crop and livestock enterprises, innovative marketing, organic certification, and highlights of local, regional, USDA and other federal sustainable ag activities.
- **Agricultural Marketing Resource Center.** AgMRC (<http://www.agmrc.org/>) is an electronic, national resource for producers interested in value-added agriculture. Browse commodities and products, investigate market and industry trends, study business creation and operation, read research results and locate value-added resources.
- **Northeast Organic Farming Association of Vermont.** NOFA-VT (<http://www.nofavt.org/annual-events/direct-marketing-conference>) holds an annual Direct Marketing Conference to provide a networking and educational opportunity for farmers' market managers and vendors and farmers marketing through Community Supported Agriculture and farm stands
- **UVM Extension Women's Agricultural Network.** WAgN (<http://www.uvm.edu/wagn>) holds workshops and classes on marketing topics of importance to small-scale farmers and direct marketers.