AN ASSESSMENT OF THE DEMOGRAPHICS AND SPENDING BEHAVIOR OF ATTENDEES AT SAN LUIS OBISPO'S DOWNTOWN FARMERS' MARKET

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ABSTRACT

AN ASSESSMENT OF THE DEMOGRAPHICS AND SPENDING BEHAVIOR OF ATTENDEES AT SAN LUIS OBISPO'S DOWNTOWN FARMERS' MARKET

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The purpose of this study was to assess the demographics and spending behavior of attendees at San Luis Obispo's downtown Farmers' Market. With the current 2011 economic recession in America, this study evaluated its affect on the Farmers' Market attendee demographics and purchasing motivations. Using a questionnaire distributed to 200 participants at Farmers' Market, this study concluded that most people are motivated by price when shopping for produce and the majority of Farmers' Market attendees' spending behaviors have been affected by the economic recession. Furthermore, this study found there is a preference for organic produce to be bought at the downtown Farmers' Market instead of at a general supermarket. It is recommended that the vendors at the San Luis Obispo's downtown Farmers' Market lower their prices on produce, so it can be more affordable to more attendees during this current 2011 economic recession.

Keywords: farmers' market, produce, economic recession, San Luis Obispo, consumer spending

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Chapter 1

INTRODUCTION AND REVIEW OF LITERATURE

Background of Study

The United States of America has seen a recent decline in the once booming economy. Many Americans no longer have the luxury of having a disposable income. Instead, people are more concentrated on buying what they feel are essentials. Such thinking and actions have forced overall consumer spending to lessen. Saving money, for many, is more important than purchasing fresh and nutritious food. Such healthy food is usually priced higher and hence may no longer be a top priority.

An emerging trend for Americans is to "go green," which means they use locally made products and eat organically grown food. However, most people will not "go green" if they cannot afford to do so. Many people are on a tight budget, and "saving green," meaning they mostly buy what is less expensive. Furthermore, the decline of the economy is trickling down and may be hurting the majority of Americans, which in turn may influence the trend of buying organic food.

In San Luis Obispo, the most popular community event is the town's downtown Farmers' Market (D. Cotta, personal communication, December 2, 2010). Downtown Farmers' Market is every Thursday night and is orchestrated by the San Luis Obispo Downtown Association. On average, 120 food and produce vendors are stationed along downtown's main street every Thursday in hopes of making a profit, promoting their business's name, and providing fresh food to the people of San Luis Obispo (San Luis Obispo County, California, 2010).

This study will attempt to answer the question of which community members regularly attend Farmers' Market. It identifies the demographics of the participants such as their age, sex, and educational level in order to evaluate whether or not they are determining factors when making nutritional purchases. Furthermore, this study will attempt to answer if the income one earns impacts the motivation to buy produce at Farmers' Market or at a local grocery store and if people are willing to pay more for the organic produce. The purpose of this study was to assess the demographics and spending behavior of attendees at San Luis Obispo's downtown Farmers' Market.

Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: ABI, Hospitality and Tourism Complete, and Proquest. This review of literature is organized into the following topic areas: consumer spending in the economic recession and trends in farmers' markets.

Consumer spending in the economic recession. Due to the continuing financial issues facing the United States in the wake of an economic recession, consumer spending has been on a decline. America is in, what's called, a "financial crisis." A financial crisis is generally defined to be "a wider range of disturbances, such as sharp declines in asset prices, failures of large financial intermediaries, or disruption in foreign exchange markets" (Allen, 2009, p. 116). De Bonis, Giustiniani, and Gomel (1999) touched on this very concept while explaining why America is also in a financial crisis. De Bonis et al. reasoned that America is in a crisis, "because the real economy is seriously and adversely

affected, including negative impacts on employment, production, purchasing power, as well as the possibility that large numbers of households and firms or governments are fundamentally unable to meet their obligations" (p. 263). This topic section will cover the unemployment and financial statistics of 2010 in comparison to past years, explain the repercussions of the recession and the consumer spending habits resulting from it.

The American economy peaked in December 2007, and the US entered a recession in January 2008 (Stauss, 2010). Since January 2008, America has seen a downfall in financial expenditures due to a lack of financial income. Hence, 2009 was the worst economically thriving year that America had experienced. Stauss reported, "With substantial job losses, consumer spending began to retrench to a rate of 2.5% in the second half of 2008 and 0.7% in the first half of 2009" (para. 3). The economy is suffering due to these high unemployment rates. According to The Global Progress Report (2010), because US economy was slow in recovery, with the high unemployment rate and increasing public debts, there has been this economic downturn (p. 3). The economy has become rigid and inflexible, and people feel it is important to hold onto their valuable dollars.

The Consumer Expenditures (2010) reports, "Average annual expenditures per consumer unit fell 2.8 percent in 2009" (p. 1). Such a fall from one year to the next has never happened since the CE started publishing data in 1984. It showed that in 2007, the average income was $63,091, in 2008 it was $63,563, and in 2009 it fell to $62,857. In comparison, the average American annual expenditures were $49,638 in 2007, $50,486 in 2008, and $49,067 in 2009 (Consumer Expenditure).

There are many reasons contributing to why Americans are significantly decreasing their annual spending. A main reason is because many people are rapidly

losing their jobs, causing their financial stability to be weaker. Kessler and Seltzer (2010) wrote:

> The unemployment rate doubled from five percent in January 2008 to 10 percent by December 2009. On average, more than 700,000 Americans were losing their jobs every month towards the end of 2008 and the beginning of 2009, an astonishing pace of layoffs and the most since the U.S. Bureau of Labor Statistics began tracking the data in 1948. Just as significantly, many of these lost jobs are not expected to return for quite some time, if at all, particularly in industries hardest hit by the current crisis such as construction, retail and financial services. (p. 19)

With a lack of job opportunities, consumers consequently will spend less money on stocks, housing developments, and other luxury items. President Obama tried to help fix this problem by developing programs, such as Cash for Clunkers, where people were given the opportunity to trade in certain old cars for newer models with a significantly smaller price tag. Through this program, the President advocated an increase in government spending and encouraged Americans to feel safe spending their money (Kessler & Seltzer). It is important for people to realize the economy acts like a domino effect. When people buy items or services, they put more money back into the financial flow.

The Consumer Expenditure Survey (2010) was released for the sole purpose of showing where consumers spend their money. The report shows that the biggest part of consumer's budget is allocated towards housing, which is approximately one-third of their overall spending. The remaining income then was reported to be allocated towards apparel/services, motorized oil/gas, and healthcare (Consumer Expenditure). From 2007

to 2009, however, money allocated from consumer incomes to these components had decreased. Everyone's individual budgets had shifted due to the new priorities and for many Americans, due to their income drop.

With unemployment reported to be below 10%, Crowley (2010) also reports that almost seven million of those Americans have been unemployed for more than six months (para. 2). Foreclosures and bank closings are exceeding last year's levels, while home sales have slumped.

Former Federal Reserve Chairman Alan Greenspan said, "We had a major economic acceleration coming out of the economic crisis, and it was very impressive, And then it's like we've hit an invisible wall" (as cited in Crowley, 2010, para. 2). This economic collapse has shocked many government officials and American citizens. Our nation has improved since the first quarter of 2009, but still the economic crisis hit enough people that many are still suffering from negative consequences.

Recently, researchers have been looking back in history to find the cause for such a crisis. Many attribute the change in the economy to the change in management structure and technology. A new era has produced a new way and standard of living. According to Allen (2009), a more relaxed, technically advanced, innovative, and individualistic approach has emerged replacing the hieratical, organized, and discipline focused government with a set of technical rules that once made up America's basic construction (p. 113). And with this new age of technology in existence in the twenty-first century, researchers are interested in finding out how America got to this financial state. Historically, the spending habits of Americans are changing each year depending on individual household incomes. Allen reports that average results have been: "(1) house prices decline 36 percent over 5.0 years; (2) equity prices decline 56 percent over 3.4

years; (3) unemployment rates increase 7.0 percent over 4.8 years; and (4) GDP per person declines 9.3 percent over 1.9 years" (p. 111). The solution has been to increase spending. Seemingly, the most effective way to do this is to encourage this declining economy to support local American-made goods and services.

On a positive note, people are doing just that. A current trend, in this economy, is to buy locally. People understand the value that this kind of purchasing power can bring, and they realize its potential is worth sometimes paying a little more. Kessler and Seltzer (2010) said that years 2009 and 2010 are monumental years due to the fact that their economies unstable causing the value of the dollar deteriorate (p. 21). However, there is hope for a positive future and things are finally looking up for America. Customers are gradually increasing spending to more normalized levels, for product demand has increased (Kessler & Seltzer, 2010). Hence, one of the most popular ways for Americans to spend their money is through purchasing items that enhance personal health and environmental sustainability. Going out of one's way to purchase produce at a farmers' market, for example, is just one of the ways Americans might be showing that they are willing to put natural, organic, and sustainability as top priorities during these trying financial times.

Trends in famers' markets. This section provides an overview and insight into what makes farmers' markets so popular in today's economy. McLaughlin (2005) stated, "In five years, the number of farmers' markets nationwide rose nearly 30%, to 3,706 in 2004, according to the Department of Agriculture" (para. 7). This section will break down the different components that make farmers' markets so successful. It will cover the farmers' perspectives on the farmers' market, how the farmers' market works, farmers' markets in comparison to supermarkets, nutritious information about the

produce provided at farmers' markets, and the latest trends that are developing in relation to farmers' markets.

Farmers are the essential element that make farmers' markets possible. They often spend long, hard hours in the hot sun, fundamentally growing their income. Unfortunately, as the American economy suffers, so does their ability to sell their fresh produce. It has become harder for many farmers to meet the supermarket's high quantity and produce demand standard. Hence, more supermarkets are outsourcing and obtaining a majority of their produce supply from distribution warehouses. According to Eastwood (2000), supermarkets don't sell locally grown produce because farmers are unable to get it to them in high volumes. So often times, farmers are forced to sell produce at places like farmers' markets, where potential shoppers go less because of the inconvenience factor (p. 33). As a result, this causes many farmers to sell less food and essentially forces them to raise their prices. This might be frustrating, but local farmers have no other way to stay in business without looking for alternative places to sell their products. They might want to keep their produce prices low so consumers can purchase it, but in reality they need to make enough money to first support themselves. Govindasamy et al. (1998) stated, "In today's economy, small growers find it very difficult to compete against large commercial producers, both at the domestic and foreign level" (p. 1). Overall, this competitive market is forcing many local farmers to turn to the a community-oriented environment of farmers' markets.

Brooker, Eastwood, and Gray (1993) defines farmers' markets as a place for direct marketing. "Direct marketing of specialty products from producers to final consumers is generally defined as a transactional situation where producers sell products to final consumers without the assistance of middlemen" (p. 127). Farmers' market is a

place where there is only a one-stage channel of direct money exchanged for a variety of produce. The farmer, who grew the produce, sets up a booth and figures a price for every piece and pound of produce that they brought with them to the market that day. The farmer sees who is purchasing their food, and the customer sees who is growing their food. There is a sense of satisfaction from not only the farmers, but also the consumers. Furthermore, Lyon, Collie, Kvarnbrink, and Colquhoun (2008) said there are four different categories in regards to the reasons in which customers like farmers' markets:

> The 'atmosphere' category was used when customers exclusively or primarily spoke of the social aspects of meeting people they had maybe not seen for a while or the fun and friendliness of the occasion. 'Direct dealing' encompassed statements that customers felt it right to support the local farmers and food businesses and that their dealings with producers were direct; that there was a tangible assurance of quality and freshness. Responses that focused on the experience of wandering around the traditional open air market as distinct from supermarkets were termed 'something different'. Finally, for the 'other' category, some customers simply mentioned the practicality – for example, parking and location. There were statistically significant differences between towns, but the modal response was always 'direct dealing.' (p. 26)

Other than the fact that farmers' markets provide consumers with the opportunity to directly deal with their grower, research says that the consumers also appreciate the atmosphere, the different feeling and practicality that farmers' markets can provide. According to Lyon et al. (2008), consumers seek simple authenticity to provide them with a deeper emotional value to the social event of buying food (p. 29). The atmosphere at a farmers' market is just that. Farmers' markets strive to be sincere, wholesome and

local. All of these characteristics are not normally found at corporate supermarkets. Overall, the experience at a farmers' market is different, which makes the willingness for customers to travel to them, all that greater. Eastwood (2000) stated, "As the price of produce falls relative to other outlets (supermarkets in particular), WTT [willingness to travel] is hypothesized to increase, and as the quality of produce at farmers' markets increases, the WTT is expected to increase" (p. 33). According to Eastwood, customers then expect the quality of produce at farmers' markets to exceed the quality of produce at supermarkets. Hence, customers also feel entitled to pay less for produce in order to compensate for the extra travel costs underwent for them to get to famers' market (p. 33). Therefore, farmers' markets need to be substantially better than supermarkets for them to continue to be successful. The farmers' market experience needs to be attractive to the everyday consumer, that which widely incorporates the atmosphere of the market, the quality of produce sold, and the actual price of the produce.

Farmers' markets are famous for providing a community-oriented atmosphere for customers to purchase quality produce. However, they lack a prominent reputation for providing low-priced and affordable produce. Lyon et al. (2008) reports:

> While farmers' markets are a colourful addition to urban shopping, they are periodic, relatively expensive and provide for a very limited range of consumer requirements. In fact, they are the antithesis of supermarket ubiquity, price sensitivity, wide product/service range and extended opening hours. (p. 1)

Hence, many consumers are still turning to their neighborhood supermarket to purchase their produce.

The supermarket accessibly offers a wide range of produce, all in one section of the store. Furthermore, a supermarket is open seven days a week, often 18 hours a day.

The simple fact is that it is seen as more "convenient" to purchase the week's produce simultaneously with the rest of one's groceries. According to Eastwood (2000), consumers find supermarkets more than just convenient, but also cheaper. Their willingness to pay money to travel further to a farmers' markets, while the farmers' market is open, is then substantially lower (p. 34). For people, shopping for all their groceries at once, on their own time, it is easier for many in today's busy world. "In terms of everyday food shopping, supermarkets were reliable, more convenient and substantially cheaper" (Lyon et al., 2008, p. 27). Lyon et al. continues by saying the following:

> [Super]Market shopping is different. Customers wander through the stalls having a look at what is on sale, sometimes seeing things that were not normally on sale locally and that better reflect seasonal changes, and perhaps see people they have not met for some time. The pace of market shopping is slower and opportunities for sociability are greater. The atmosphere is different and recognized as such either directly or by contrast with their normal shopping in supermarkets. (p. 28)

The atmosphere at a supermarket can be described as fast paced, commercialized, and profit driven, versus the atmosphere at a farmers' market is more calming, relaxing, and community driven. According to Sommer, Stumpf, and Bennett (1984), when going to a farmers' market, you are trading convenience for better flavor, lower prices, and better social atmosphere (p. 135). When a person goes to the supermarket, they have one goal in mind, and that is to buy. But when a person goes to a farmers' market, they come willing to socialize with their family, friends, and fellow community members. Often times, attendees are not there for the sole purpose to purchase "pesticide free" produce.

Many prefer the atmosphere of a farmers' market, rather than a supermarket's atmosphere. Potentially, another reason why consumers are unhappy with the supermarket atmosphere is because of the process in which the food actually arrives at the store. According McLaughlin (2005), the route for supermarket produce is from the farm, truck, warehouse, storage room, and finally onto supermarket shelves" (para. 12). The process feels commercialized, giving the impression that produce quality is not high. Lyon et al. (2008) reported that his customer surveys results overwhelmingly showed that "good quality" was the main reason why people buy farmers' market produce (p. 25). Still, more factors contributing to the unappealing nature of supermarket produce continues with the fact that the customer has no idea who neither grew nor handled the food. Lyon et al. (2008) continued, "Beneath this, there is a deeper detachment of producer from retailer. This reaches its zenith in 'own' brand food – where food producers and processors remain anonymous – but the detachment applies more generally" (p. 28). The customer has absolutely no knowledge about who grew the produce, or even where the produce was grown. Wallgren (2006) stated:

> Globalization has had a considerable impact on the food supply system. The food we eat can be produced on the other side of the world and found in or local food store at almost any season of the year. As a result of the increasing globalization of the food supply system the production and consumption of the food origin has become separated. As a consequence the traceability of food origin has decreased and the dependence on expert systems has increased. (p. 234)

By supermarkets not buying locally, it also prevents their produce being organic. A lack of organic food consumption is a negative for people trying to maintain a healthy lifestyle.

Essentially, a healthy lifestyle requires one to be aware of their nutrition intake. Research says one needs to consume a certain amount of fruit and vegetables a day to be and stay healthy. Eastwood (2000) references the Food Guide Pyramid recommendation that says, "The Healthy Eating Index (HEI) includes three to five and two to four servings per person per day of vegetables and fruit, respectively" (p. 32). However, the current obesity numbers are as high as ever before. Johnson (2010) reported that in 2010, 34% of American adults are considered obese. He suggests the reason for this might be that the public is not educated enough on the importance of being healthy and living a nutritious life.

A potential solution to the lack of education issue is to educate and encourage everyone to increase their daily produce intake. According to Eastwood (2000), there is a limited amount of fresh grown produce at supermarkets (p. 41). Farmer's markets are the place where customers can purchase those essential fruits and vegetables. They provide fruits and vegetables that are strong in freshness, quality, and nutritional attributes that cannot be matched by supermarkets. Distribution networks are not used.

Looking at the freshness, quality, and nutritional attributes that compose produce sold at a farmers' market, one might also wonder which demographics are most interested in getting this daily intake. Govindasamy et al. (1998) stated that consumption of fresh produce tends to increase with age, and Caucasians tend to consume proportionately more produce than other races. This report that Caucasians and older people often consume the most fresh produce infers that they have the most knowledge on the importance of consuming produce, and/or they have the financial capability to do so. "Nutritionists say that the problem is partly due to lack of nutrition knowledge and access to healthier foods" (Corum, Rosenzweig, & Gibson, 2001, p. 209). However, there are

many people vigilantly working to change the demographics of people eating healthy, fresh produce by utilizing today's fresh, new trends.

Current trends tend to focus on getting all types, ages and economic levels involved in the participation of farmers' market. Farmers' market focuses on the integration of various cultures and an exchange of ideas. Farmers' markets make it a priority to incorporate an eclectic mix of produce that's new to the attendees of the market. With the responsibility of embracing a diverse community also comes educating the shoppers about what is new and available for their dinner. "The key is to educate the consumer. You need to provide recipes, cooking tips, and nutritional information about the product, because it's new to them" (Corum et al., 2001, p. 196).

In Santa Fe, New Mexico, they have tried a new program called FFM (Friends of the Farmers' Markets). This program acts to give greater recognition to New Mexico's farmers' markets, as well as to increase support among consumers and institutions that grow sustainable agricultural products and produce. The program states its purpose as trying to enhance various marketing opportunities for family farmers, so New Mexico can preserve their agricultural traditions (Corum et al., 2001). In San Francisco, the Ferry Plaza encourages consumers to learn different ways to cook their ingredients bought at the Ferry Plaza's Farmers' Market. They have activated a "Shop with a Chef Program" in which a local chef is asked to go shopping at the farmers' market with an allotted amount of money. Then it is the chef's job to do a demonstration about what they've bought, why they bought it, and what others can do with it. Spectators listen to the demonstration, sample the food, and take what they have learned home to their own kitchen (Corum et al.).

These programs hope to promote farmers' markets in a positive way. They want attendees who continually come to farmers' market, to utilize different farmers' produce. Similar programs have teamed up with farmers' markets to, more specifically, reach certain age groups. For instance, in Decorah, Iowa, they developed the Farmers' Market Senior Nutrition Program which allows their senior citizens to receive and use coupons that can be redeemed at their farmers' market for produce. With the idea of involving youth in the excitement of eating fresh produce from the farmers' market, Santa Monica, California, activated the Farmers' Market Salad Bar Program in their Malibu school district. This alternative option has been shown to be a success. Another successful venture has been collaborating with the homeless shelters in cities like Seattle and Portland. The farmers' markets have been connected with such agencies to provide the shelters with leftover, unsold produce, and offer odd jobs to those in need. A more nationwide program to form in America, however, has been the Community Supported Agriculture (CSA) programs. The CSA programs involve consumers purchasing a membership in exchange for a basket of produce delivered to the customer's home or picked up at a certain location or the farm. According to McLaughlin (2005), "the popularity of CSAs proves that consumers are in the market for both organic and specialty produce" (p. 1). CSAs specialty produce has recently become offered at farmers' markets instead of exclusively at gourmet chains and supermarkets. Since such trends are growing rapidly and the results positively cause attendance rates and purchasing power at farmers' markets to increase, fresh produce bought at farmers' market, during this current economic recession, is also growing.

Summary. The review of literature provided information about the consumer spending in the economic recession and trends in farmers' markets. America has recently seen an increase in unemployment rates and financial burdens; hence, there has been a drop in customer spending. The economic recession has brought on financial consequences that have affected overall consumer behavior. However, despite such an economic decline in America, this section also addressed why farmers' markets are still so successful in today's economy. Farmers' markets entail an appealing atmosphere and process. They provide an environment where farmers can market nutritional produce, which encourages many consumers to purchase less from supermarkets.

Purpose of the Study

The purpose of this study was to assess the demographics and spending behavior of attendees at San Luis Obispo's downtown Farmers' Market.

Research Questions

This study attempted to answer the following research questions:

1. What are the demographics of attendees at the downtown Farmers' Market?
2. What are the motivations for people to shop for produce at the downtown Farmers' Market?
3. What are the spending behaviors of the attendees at the downtown Farmers' Market?
4. Is there a preference for organic produce for attendees at the downtown Farmers' Market?

Delimitations

This study was delimited to the following parameters:

1. Information on San Luis Obispo downtown Farmers' Market was gathered from local attendees at the downtown Farmers' Market event.
2. Demographics, spending behavior, motivations, and preferences were analyzed.
3. The data were collected during the winter of 2011.
4. Information for this study was gathered through self-administered questionnaires.

Limitations

This study was limited by the following factors:

1. This study used convenience sampling preventing generalizability to a larger population.
2. The instrument used in this study was not tested for validity or reliability.
3. Only subjects at the San Luis Obispo's Farmers' Market were asked to participate in this study.

Assumptions

This study was based on the following assumptions:

1. It was assumed that the subjects would respond honestly and to the best of their knowledge.

2. It was assumed that the subjects were attendees at San Luis Obispo's Farmers' Market.

Definition of Terms

The following terms are defined as used in this study:

Disposable income. The money made by a person that is easily spent on frivolous, unnecessary items.

Farmers' Market. An outdoor event a community has that features entertainment and numerous vendors selling local produce and food.

Green. Green is a word to describe the trend of purchasing locally made items.

Organic. used to describe an item that lacks chemicals and pesticides

Sustainable. practices one does to preserve the environment for generations to come

Chapter 2

METHODS AND PROCEDURES

The purpose of this study was to assess the demographics and spending behavior of attendees at San Luis Obispo's downtown Farmers' Market. This chapter is organized by the following sections: description of subjects, description of instrument, description of procedure, and method of data analysis.

Description of Subjects

The subjects of this study were the attendees at the San Luis Obispo Farmers' Market. The city of San Luis Obispo consists of about 42,963 people (U.S. Census Bureau, 2010). Approximately 48.6% are female, and 51.2% are males. Eighty-four point one percent of people are Caucasian, and an average household in San Luis Obispo has an income of $31,926. Furthermore, San Luis Obispo County is a very popular tourist destination. In 2006, there were 8.3 million visitors. Tourism generated around $1.1 billion in travel expenditures, resulting in an estimated $66.4 million in taxes (San Luis Obispo County, 2010). One of the most popular and famous events to attend in San Luis Obispo is the Thursday night downtown Farmers' Market (D. Cotta, personal communication, December 2, 2010). It is estimated that about 7,000 people visit the Farmers' Market weekly during the Winter season (D. Cotta, personal communication, December 2, 2010). Subjects were asked to participate in this study by completing questionnaires that were distributed through convenient sampling.

Description of Instrument

The self-administered questionnaire was distributed and analyzed to find the answers to the previously stated research questions (see Appendix A). The researcher designed this questionnaire to measure the motivations for the sample population to shop for produce, their spending behaviors, the preference for produce, and their demographics. Questions prompted the participant to write in their average weekly spending, to rank importance, to agree or disagree with statements, and to circle their responses to demographic questions. The Cal Poly Human Subjects Approval Committee, lead by Dr. Steven Davis, reviewed the Informed Consent form in order to give this study approval to conduct data distribution and collection (see Appendix B). A pilot study was first conducted on Thursday, November 18, 2010, where a total of ten people were given the questionnaire. The researcher then distributed the questionnaire and the Informed Consent form to participants on Thursday, January 13, 2011.

Description of Procedures

To distribute the instrument, the researcher and the researcher assistants went to San Luis Obispo's downtown Farmers' Market on Thursday, January 13, 2011 at 6:00 p.m. Two researcher assistants stood at the corner of Higuera Street and Osos Street, and the researcher and one research assistant stood at the corner of Higuera Street and Chorro Street. The researcher and researcher assistants stood in their designated areas and distributed the self-administered questionnaires in the form of convenient sampling. As subjects walked by, they were asked to participate in the completion of the questionnaire. If they gave consent, the participant was handed a pen and clipboard with the questionnaire attached. In exchange for these items, the participant was then handed a

complimentary 2011 calendar. The researcher and researcher assistants continued this process until 9:00 p.m.

Method of Data Analysis

Data from the questionnaire were collected and analyzed using Microsoft Excel. Limited demographic variables (e.g., income, area of residence, education level, gender) were collected and then analyzed using frequency and percentage to answer the first research question of what are the demographics of attendees at Farmers' Market. To answer the second research question pertaining to what are the motivations for people to shop for produce at Farmers' Market, data were collected and analyzed using frequency and percentage. These questions prompted the participant to rank which given response was the most important consideration to them when purchasing produce. To answer the third research question pertaining to what the attendee's spending behaviors are when they are at Farmers' Market, several questions and analytical techniques were utilized by asking "yes" or "no" questions that asked why the participant is at Farmers' Market and how much they spend on produce at Farmers' Market and weekly at a supermarket. Data were collected and analyzed using frequency and percentage. To answer the final research question pertaining to whether or not there is a preference for organic produce, participant was asked if they prefer to purchase produce at Farmers' Market or a supermarket. Data were collected and analyzed using frequency and percentage. In addition, cross tabulations were collected and analyzed in correlation to income level, gender, age, and education level to weekly produce spending. Cross tabulations were also analyzed in relation to the participant's area of residence to their preference on produce

purchasing location; and the participant's average weekly produce spending to their overall amount of money spent at Farmers' Market that night.

Chapter 3

PRESENTATION OF THE RESULTS

The purpose of this study was to assess the demographics and spending behavior of attendees at San Luis Obispo's downtown Farmers' Market. Self-administered questionnaires were distributed at the San Luis Obispo's downtown Farmers' Market on Thursday, January 13, 2011. A total of 200 surveys were collected. The researcher and research assistants stood on Higuera Street and asked Farmers' Market attendees that walked by to participate. The total population was 7,000 and 200 (2.90%) agreed to participate in this study.

Demographic Results

This section presents the results of the questionnaire that was conducted in order to answer the research question, "What are the demographics of attendees at the downtown Farmers' Market?" Of the 200 subjects participating in this study, females (n = 105, 52.50%) outnumbered males (n = 95, 47.50%).

Subjects also ranged in age, income, education level, and residency. The largest number of participants were between the ages of 18-21 (n = 76, 38.00%). The breakdown of age groups is included in Table 1.

Table 1
Participant's Age Groups According to Frequency and Percentage

Age Groups	*f*	%
Under 18	8	4.00
18-21	76	38.00
22-30	63	31.50
31-45	23	11.50
46-60	17	8.50
Over 60	13	6.50
Total	200	100.00

The participants were asked to circle their income bracket. Many (n = 95, 47.50%) of participant's household income was $20,000 or less. The breakdown of income levels is included in Table 2.

Table 2
Participant's Income Levels According to Frequency and Percentage

Income Level	*f*	%
Under $20,000	95	47.50
$20,000- $24,999	6	3.00
$25,000- $29,999	12	6.00
$30,000- $34,999	5	2.50
$35,000- $39,999	7	3.50
$40,000- $44,999	3	1.50
$45,000- $49,999	6	3.00
$50,000- $54,999	8	4.00
$55,000- $59,999	6	3.00
$60,000- $64,999	9	4.50
$65,000- $69,999	10	5.00
Over $70,000	34	17.00
Total	200	100.50

Note. Due to rounding of numbers, percentages are more than 100%.

Participants were also asked to identify their current education level. Many identified with having some level of a college education (n = 99, 49.50%). For a complete presentation of these findings, see Table 3.

Table 3
Participant's Education Level According to Frequency and Percentage

Education Level	*f*	%
Grade School or Less	7	3.50
Some High School	5	2.50
High School Graduate	18	9.00
Some College	99	49.50
College Graduate	45	22.50
Post Graduate Work	26	13.00
Total	200	100.00

Participants were asked which description best described their current residency. Of the 200 subjects participating in this study, local college students (n = 95, 47.50%) outnumbered local residents (n = 85, 42.50%) and visitors to the area (n = 20, 10.00%).

Results to Motivation Research Question

This section presents the results of the survey that was conducted in order to answer the research question, "What are the motivations for people to shop for produce at the downtown Farmers' Market?" Participants were asked to identify which of the three options was considered most important to them when deciding to buy produce. Of the 200 subjects participating in this study, price (n = 121, 60.50%) outnumbered organic (n = 51, 25.50%) and convenience (n = 28, 14.00%) as the most important consideration factor. As Table 4 shows, the gender respondents associated with also reflects this view,

for both males and females responded that they consider the factor "price" as the most important consideration factor when they purchase produce.

Table 4
Participants by Most Important Factor and Gender According to Frequency and Percentage

	Gender			
	Male		Female	
Most Important Produce Consideration	*f*	%	*f*	%
Price	59	29.50	62	31.00
Convenience	9	4.50	19	9.50
Organic	27	13.50	24	12.00
Total	95	47.50	105	52.50

Results to Spending Behavior Research Question

This section presents the results of the questionnaire that was conducted in order to answer the research question, "What are the spending behaviors of the attendees at the downtown Farmers' Market?" Participants were asked to fill in a dollar amount with what they feel is the average amount of money they spent (or will spend) on produce at Farmers' Market that night. The average mean given was $9.74 and standard deviation was $11.00; with a high of $60.00 and a low of $0.00. Then participants were asked to fill in a dollar amount with what they felt was the average amount of money they spend on produce weekly, either at Farmers' Market or at a supermarket. The average mean

given was $23.13 and standard deviation was $17.14; with a high of $100.00 and a low of $0.00. When asked if the participant thought the economic recession has affected their spending habits, when buying groceries, the majority of the participants answered yes (n = 121, 60.50%) rather than no (n = 79, 39.50%).

Results to Preference Research Question

This section presents the results of the questionnaire that was conducted in order to answer the research question, "Is there a preference for organic produce for attendees at the downtown Farmers' Market?" Participants were asked if they prefer to buy their produce at Farmers' Market, rather than a supermarket. The majority of the participants answered yes (n = 143, 71.50%) rather than no (n = 57, 28.50%). As illustrated in Table 5, participants with some level of a college education answered yes the most.

Table 5
Participants by Education Level and an Agreeable Response to Preferring to Buy Produce at Farmers' Market According to Frequency and Percentage

	Response			
	Yes		No	
Education Level	*f*	%	*f*	%
Grade School or Less	4	2.00	3	1.50
Some High School	3	1.50	2	1.00
High School Graduate	12	6.00	5	2.50
Some College	65	32.50	34	17.00
College Graduate	39	19.50	6	3.00
Post Graduate Work	20	10.00	7	3.50
Total	143	71.50	57	28.50

In follow up, participants were also asked if their primary reason for attending Farmers' Market was to shop for produce. The majority of the participants answered no (n = 137, 68.50%) rather than yes (n = 63, 31.50%). As shown in Table 6, the majority of the participants, in the same age group, who answered no to this question were between the ages 18-21. However, the older participants, between the ages 45-60, answered yes, they were primarily at Farmers' Market to buy produce.

Table 6
Participants by Age and an Agreeable Response to Buying Produce Being their Primary Reason for Attendance According to Frequency and Percentage

	Response			
	Yes		No	
Age	*f*	%	*f*	%
Under 18	2	1.00	6	3.00
18-21	18	9.00	58	29.00
22-30	20	10.00	43	21.50
31-45	7	3.50	16	8.00
46-60	12	6.00	5	2.50
Over 60	4	2.00	9	4.50
Total	63	31.50	137	68.50

The results presented in this chapter indicate that price is the most important factor when participants decide to buy produce, due to the fact that the economic recession has had an effect on their spending habits. Also, the presented results show that the majority of participants prefer to buy their produce at Farmers' Market, rather than a supermarket, and these participants mostly have some level of a college education. However, participants were not at Farmers' Market to primary purchase produce. A detailed summary and a discussion of the findings will follow in Chapter 4.

Chapter 4

DISCUSSION AND CONCLUSIONS

This study was developed to assess the motivations and spending behaviors of attendees at San Luis Obispo's downtown Farmers' Market. This study attempted to evaluate which attendee demographics think purchasing organic produce is important despite being in an economic recession. This concluding chapter will include the following: summary of the study, a discussion of the findings, including limitations, conclusions based on research questions, and recommendations for the San Luis Obispo Downtown Association and future research.

Summary

The purpose of this study was to assess the demographics and spending behavior of attendees at San Luis Obispo's downtown Farmers' Market. This study was delimited to local attendees at the downtown Farmers' Market, whose demographics, spending behavior, motivations, and preference data were collected and analyzed during winter of 2011 through a self-administered questionnaire. A popular community event in San Luis Obispo is Thursday night downtown Farmers' Market, where approximately 120 vendors gather in hopes of making profit during the economic recession. The United States is currently in the wake of an economic recession, causing consumer spending to decline. However, research has shown that in spite of this financial crisis, farmers' markets are still successful in today's economy (McLaughlin, 2005). Farmers can market their nutritional produce, which in turn still encourages many consumers to purchase less from supermarkets.

For this study, a self-administered questionnaire was developed and distributed by the researcher and the researcher assistants at the San Luis Obispo's downtown Farmers' Market on Thursday, January 13, 2011. As attendees walked by, they were asked to participate in the completion of the questionnaire. A total of 200 subjects participated in this study in the form of convenient sampling. Data from the questionnaire were then collected and analyzed using Microsoft Excel. Frequency and percentage were tabulated for every question, and cross-tabulations were utilized to compare two different question's responses.

This questionnaire collected responses from slightly more females than males, who were between the ages of 18-21, identifying with some level of a college education, and earning a household income of $20,000 or under. The results show that both genders overwhelmingly felt that price is the most important factor that influences their decision-making process upon purchasing produce. Furthermore, the majority indicated that the economic recession had affected their spending habits. When asked if the participant preferred to purchase their produce at Farmers' Market, rather than a supermarket, the majority answered that they prefer the Farmers' Market. Yet, most participants also confirmed that they were not at Farmer's Market, that night, to purchase their produce.

Discussion

This study answered the proposed research questions. To conclude the first research question, asking what the demographics of Farmers' Market attendees are, it was revealed that the majority was female, between the ages of 18-21, having some level of a college education, earning an average household income of $20,000 or less, and having identified with some level of a college education. To answer the second research question

of what are the motivations for people to shop for produce at Farmers' Market, the results showed that most people look at the price, over its organic quality or available convenience. The third research question investigated the spending behaviors of Farmers' Market attendees. The results showed that, on average, attendees spend $9.74 on produce while at the Farmers' Market and $23.13 total on produce weekly. Furthermore, the majority of the participants affirmably responded "yes" to the fact that the economic recession has affected their spending habits. Lastly, the fourth research question of whether or not attendees prefer organic produce found, in conclusion, that attendees prefer to purchase produce at Farmers' Market instead of a supermarket. However, most were not at the Farmers' Market to primary shop for produce.

Overall, this study was consistent with much of the previous literature and research done on the topics of America's economic recession and farmers' markets. For instance, most participants responded that their spending habits have been negatively affected by the economic recession. This confirms previous research on the subject of America's current economic recession causing consumers to spend less than before (Stauss, 2010). It has been said that it has become harder to make a profit in today's economy; hence many people are spending less. Also, research has shown that Farmers' Markets are thriving and are successful in spite of the economic recession because of the quality produce and enjoyable atmosphere that they provide (McLaughlin, 2005). The participants in this study confirm this research by responding that they do prefer to go to Farmers' Market to purchase produce, rather than just a supermarket. They also responded in saying that purchasing produce is not their primary reason for being present at Farmers' Market, so it must also be for another reason.

This study's research was limited due to a limited access to data collection. Questionnaires were distributed through convenient sampling. Most responses came from participants in college between the ages of 18-21. Also, the study was only able to evaluate the responses of attendees at San Luis Obispo's downtown Farmers' Market on January 13, 2011. Furthermore, the population of attendees on January 13, 2011 was approximately 7,000 and this study's population consisted of only 200 participants, which is not a representative sample.

Due to the finding and conclusions of this study, it is shown that the issue of America's current economic recession has indeed affected Farmers' Market attendees' ability to purchase produce. Price is an influence to many participants, and the economic recession has had an effect on their spending behaviors. Motivations for purchasing quality produce at Farmers' Market parallel with how much consumers are willing to spend on produce. This study broke down who the demographics were who bought their produce at Farmers' Market, instead of at a general supermarket. The results reiterate that attendees are not primarily present at Farmers' Market in order to purchase produce. The San Luis Obispo downtown Farmers' Market could possibly sell more produce if the economic recession was not such an influencing factor. However, since farmers cannot be forced to lower their prices, it is suggested that the San Luis Obispo Downtown Association could do more to promote the importance of healthy living in order to encourage attendees to pay more for the Farmers' Market produce. If the San Luis Obispo Downtown Association were to hold educational seminars on why Farmers' Market produce is more fresh and nutritious, then hopefully more people would be willing to spend more of their money on their produce. If the benefits are valuable

enough to the individual, then the San Luis Obispo Downtown Association should see more attendees purchasing the Farmers' Market produce.

The San Luis Obispo Downtown Farmers' Market is a special event geared for the recreational purposes of the San Luis Obispo community. This study gathered research on its attendees and evaluated the participant's data to discover just how much America's current economic recession has affected overall consumer spending at local farmers' markets. Such conclusions made in this study, related to the topic of the American economy, can also be applied elsewhere in the field.

Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. Many attendees at the downtown Farmers' Market are females, who were between the ages of 18-21, identifying with some level of a college education, and earning a household income of $20,000 or under.
2. People are motivated to shop for produce at the downtown Farmers' Market for the price of the produce.
3. The spending behaviors of the attendees at the downtown Farmers' Market have been affected by the economic recession.
4. There is a preference for organic produce to be bought at the downtown Farmers' Market instead of a supermarket; however attendees are not primarily present at Farmers' Market to purchase produce.

Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. Continue to offer the experience of the San Luis Obispo's downtown Farmers' Market.
2. Suggest farmers reduce their prices on produce to encourage an increase in sales.
3. Consider offering education seminars, free of charge for people of all ages, which explain why Farmers' Market produce is fresh and nutritious.
4. Future research should examine the correlation between the current economic status and its influence on consumer spending.

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APPENDIXES

APPENDIX A

Questionnaire

San Luis Obispo Downtown Farmers' Market Questionnaire

Please take a few moments to complete this questionnaire. Participation is completely voluntary and your responses will remain anonymous. Thank you!

1. How much money did you (will you) spend on produce at the Farmers' Market tonight?

   $ _____

2. How much money do you spend on produce weekly? (either at a supermarket or here)

   $ _____

3. Please rank what you consider important when buying produce (1 = most important, and 3 = least important):

   ____ Price
   ____ Convenience
   ____ Organic

4. Do you prefer to buy your produce at the Farmers' Market rather than a supermarket?

   YES NO

5. Are you here at Farmer's Market to primarily shop for produce?

   YES NO

6. Please circle your household's annual income:

< $20,000	$20,000- $24,999
$25,000- $29,999	$30,000- $34,999
$35,000- $39,999	$40,000- $44,999
$45,000- $49,999	$50,000- $54,999
$55,000- $59,999	$60,000- $64,999
$65,000- $69,999	>$70,000

7. Do you think the economic recession has affected your spending habits when buying groceries? YES NO

8. Check the description that best describes you:

   ☐ Local resident ☐ Local college student ☐ Visitor to the area

9. Education level:

- ☐ Grade school or less
- ☐ Some high school
- ☐ High school graduate
- ☐ Some college
- ☐ College graduate
- ☐ Post graduate work

10. Gender: ☐ MALE ☐ FEMALE

11. Age: _____

Thank You, Enjoy Your Night!

APPENDIX B

Informed Consent Letter

INFORMED CONSENT TO PARTICIPATE IN A STUDY ON THE SLO DOWNTOWN FARMERS' MARKET

A research project on the San Luis Obispo downtown Farmers' Market is being conducted by Morgan Thompson as a senior project in Recreation, Parks and Tourism Administration under the direct supervision of Dr. Marni Goldenberg. The purpose of this research is to assess the demographics and spending behavior of attendees at the San Luis Obispo downtown Farmers' Market.

You are being asked to take part in this study by completing a self-administered questionnaire. Your participation will take 3-5 minutes. Please be aware that you are not required to participate in this research, and you may discontinue your participation at any time without penalty. You may omit any items you prefer not to answer.

There are no risks anticipated with participation in this study.

Your anonymity will be protected through an anonymous questionnaire. Please ensure anonymity by not writing your name on the questionnaire. Potential benefits associated with the study include improvement in the San Luis Obispo Downtown Association's participation with Thursday night's Farmers' Market.

If you have questions regarding this study or would like to be informed of the results when the study is completed, please feel free to contact Morgan Thompson at 707-694-1063, mothomps@calpoly.edu. If you have questions or concerns regarding the manner in which the study is conducted, you may contact Dr. Steve Davis, Chair of the Cal Poly Human Subjects Committee, at (805) 756-2754, sdavis@calpoly.edu, or Dr. Susan Opava, Dean of Research and Graduate Programs, at (805) 756-1508, sopava@calpoly.edu.

If you agree to voluntarily participate in this research project as described, please indicate your agreement by completing the attached questionnaire. Please keep this form for your reference, and thank you for your participation in this research.