

Supported by the Northern Ireland Regional Food Programme



Our Food Power of Good

Food NI passionately believe that Northern Ireland's food and drink is among the best in the world. There are many ingredients that go into giving NI food its alchemy: our mighty-smallness, interconnectedness, passionate producers, diverse landscape and age old traditions.

Our proximity to producers means that food and drink never has to travel very far to get to plate, meaning fresher, healthier food and a more sustainable way of growing and producing.

Our food has the power to unite, delight and shine a light on this corner of the world. By choosing local, we are doing people, place and planet the Power of Good.



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Our Food. Power of Good.

Top tips for setting up a successful Farm Shop



In association with Shrewd Foodie and The EPOS Bureau



1 Research your market

Identify your market and location: Before establishing a farm shop, you need to identify your target market and the location that suits your business best. A farm shop's main target market is local customers who are looking for locally sourced and fresh products. Look for a location that has easy accessibility, is in a busy location with good footfall, and has a high level of visibility.

The trading potential of your farm shop will be defined by the collective spending power of the local population. This is especially true during the early years of trading as you gradually establish a wider awareness and reputation of your brand.

Consider:

The size of local population - What fraction would need to shop regularly to reach the target turnover for the business based on a realistic average basket spend?

Local demographics - Are there enough households in the higher income groups to support frequent visits? In order to deliver the necessary cash margin, successful farm shop businesses often stock a high proportion of premium, artisan products and harness the 'retail experience' and hospitality elements such as a café or takeaway food.



2 Choose your location

Footfall

How many people will be passing the site on a daily basis?

Which days of the week? What time of day? What variations will you need to consider across the year to manage peaks and troughs in demand?

Which nearby attractions or businesses are driving footfall? Do they attract your target customer demographic?

Visibility

How much would the Farm Shop need to rely on remote signage versus clear sight of the Farm Shop building?

Accessibility

Entrances & Exits – are they safe? Can you secure the necessary Government signage permissions?

Local Competition

Are there any Farm Shops or similar food businesses locally that already have a strong reputation?



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3 Create a welcoming environment

Whether you are repurposing an old agricultural building or fitting out a new purpose built space, you need to work hard to create an engaging environment that feels warm, comfortable and enticing. **The longer your customers stay in the shop the more they will spend.**

Create a sense of theatre that fits with your brand. Can you use agricultural equipment or other rural themed props to define your interior space? **You should aim to surprise & delight.**

Think carefully about water, drainage, electricity, heating, IT and lighting. Will you need to install chiller cabinets and freezers? What happens if you change the layout in the future or periodically with the seasons? Plan for growth so you can ensure you have sufficient power and space available rather than making more costly changes at a later stage.

Engage a professional where possible to help you craft the right look & feel. Lighting in particular can make a huge difference to how products look on shelf and how the customer will feel walking around the shop.



4 Create the perfect atmosphere

- Make customer service your no.1 priority.
 - Your people are as important as your product range.
 - A friendly welcome from approachable staff who actively engage with customers will drive customer loyalty, which in turn will support profitability.
 - Invest in staff training and ensure they regularly get the opportunity to taste your products so they can genuinely recommend them to customers.
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5 Choose your products carefully

Think about the scope of your shop.

Are you all about **local hero products** or do you need to provide a mix of local products and also some necessities to provide a 'one-stop-shop' for the customer?

For local hero products - **create partnerships** with local food producers to source products directly, reduce food miles and keep your costs down.

Northern Ireland is blessed with some incredible local produce (see nigoodfood.com), this will set you apart from local supermarkets / convenience stores and customers will return to you for these local products which they can't easily find elsewhere.

To stock a wider range of goods and improve choice for your customers, think about **working with wholesalers** to avoid too many time-consuming direct relationships.

Providing **key essentials** such as fruit and veg, bread, milk & eggs can increase the frequency of visits but you may find it difficult to limit wastage of perishable items especially when first establishing a loyal customer following.



6 Embrace seasons and trends

A key strength of a good farm shop is how it celebrates the seasonal produce. This will delight your customers and it will keep prices competitive due to natural increases in supply.

Consumers' tastes and shopping habits change over time. Be market-aware and keep up to date with what other retailers are doing:

- Attend industry events
- Talk to suppliers regularly
- Monitor the trade press
- Use LinkedIn and Social media to keep up to date

Record what your customers are asking for and survey them for their views to keep improving your product range.



7 Not just a shop but an experience

Selling your produce is about more than just piling it high.

Encourage tastings, demonstrations and 'meet the maker' events. Consumers love the opportunity to meet producers in person and taste their products.

Offer hospitality if possible – café or takeaway. This can be a high margin component of your business if done well. It also encourages extended 'dwell time' where customers remain on your premises for longer and increase their average spend.





8 Marketing

Plan your marketing activity well in advance. Begin by thinking about signage and visibility. Take advantage of the building you have and use this as an asset – think ‘big’ and create impact, especially when you have traffic flowing at speed past your site.

Give reasons for your customers to return time and time again. Create a calendar of both local and national events that may impact your customers’ lives. Think about how your Farm Shop can reflect this in its displays. Remember to share reasons for customers to visit you in the future on every trip – share events on your till receipt, give out flyers at the checkout, have chalkboards with event dates for their diary, and most importantly get your staff enthused about upcoming events, so they will share with customers in a welcoming and natural way.

Digital advertising and social media campaigns are important to attract new customers and to retain the focus of existing shoppers. By harnessing your customers as fans, they will spread the word for you.

Encourage customers to sign up for email communications and follow up with regular news of events, your local heroes and what’s in season. Get into a routine of sending an email at least once a month to customers who opt-in to your marketing.

Staying connected to your suppliers and producers means that they can also support you and celebrate your success with you.

So much of social media and LinkedIn is free of charge, it just takes some time and dedication to build an active group of followers and keep posting on a regular basis to keep people engaged with your business.

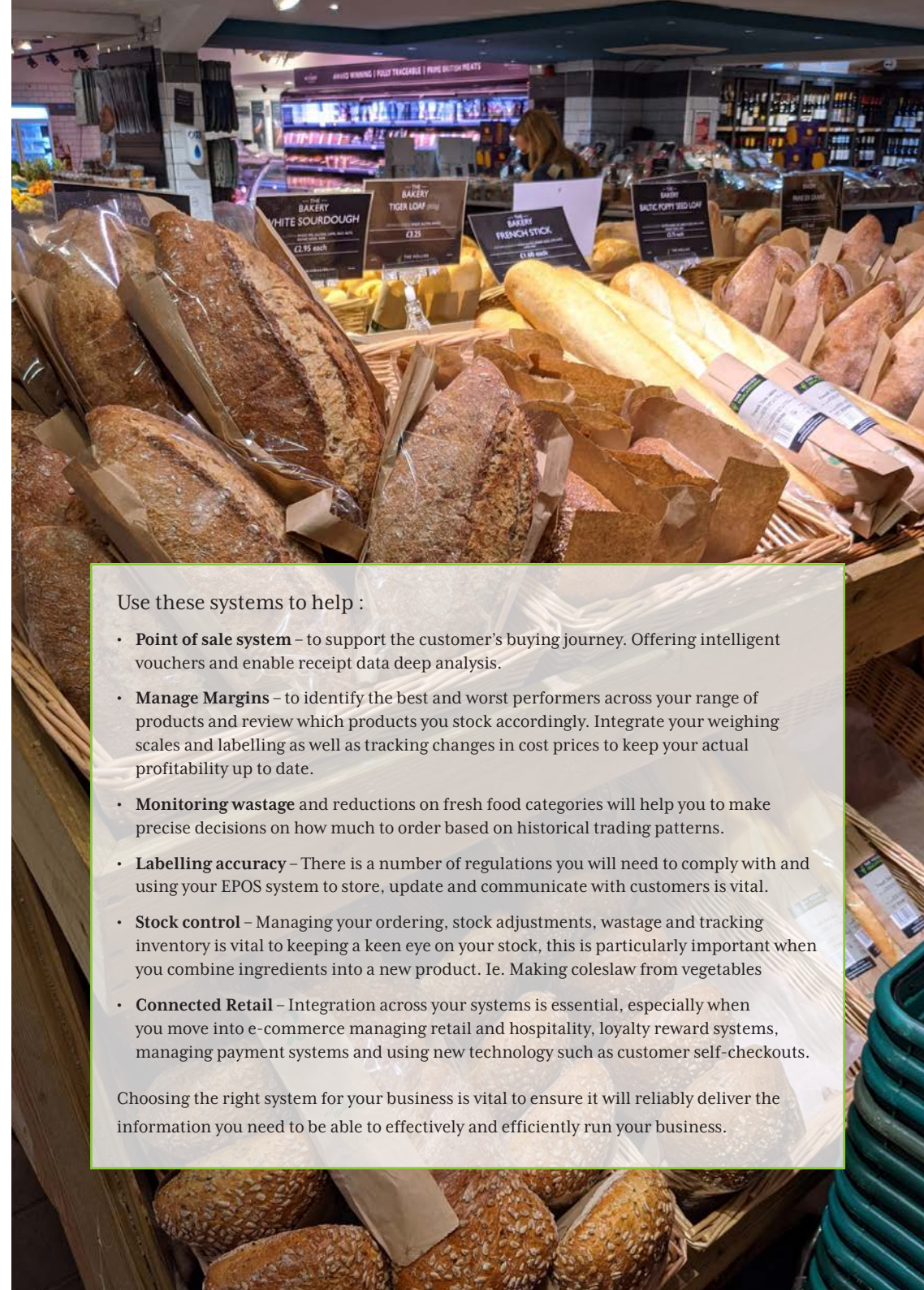
9 Know your numbers

Building a sound business plan is the first and most important step on your journey to creating a successful and profitable enterprise. Gaining tangible facts about the number of likely visitors and their anticipated basket spend will help you ensure your investment is appropriate to the returns you are likely to generate. Learning about the local traffic flows throughout the year and days of the week are going to help you anticipate the fluctuations in your demand levels. Learning about the local consumer demographics will help ensure you have hard facts and figures in which to base your anticipated basket spend, alongside looking at your competitive set.

Building a model of your predicted costs is going to be vital so you don't have any nasty surprises. Ask advice from experts and experienced retailers to learn about the costs they face and use this to build a model. For every hour you spend in research you will save more than an hour regretting and solving problems in the future.

Make sure you invest wisely in the best available systems to ensure you can track the day-to-day commercial performance of the business.

Use Electronic Point of Sale (EPOS) software solutions to make it easy to monitor daily activity. Remember, all EPOS solutions are not the same. It is strongly advised that you choose a solution that understands the nature of retailing food. One popular solution is provided by The EPOS Bureau.



Use these systems to help :

- **Point of sale system** – to support the customer's buying journey. Offering intelligent vouchers and enable receipt data deep analysis.
- **Manage Margins** – to identify the best and worst performers across your range of products and review which products you stock accordingly. Integrate your weighing scales and labelling as well as tracking changes in cost prices to keep your actual profitability up to date.
- **Monitoring wastage** and reductions on fresh food categories will help you to make precise decisions on how much to order based on historical trading patterns.
- **Labelling accuracy** – There is a number of regulations you will need to comply with and using your EPOS system to store, update and communicate with customers is vital.
- **Stock control** – Managing your ordering, stock adjustments, wastage and tracking inventory is vital to keeping a keen eye on your stock, this is particularly important when you combine ingredients into a new product. Ie. Making coleslaw from vegetables
- **Connected Retail** – Integration across your systems is essential, especially when you move into e-commerce managing retail and hospitality, loyalty reward systems, managing payment systems and using new technology such as customer self-checkouts.

Choosing the right system for your business is vital to ensure it will reliably deliver the information you need to be able to effectively and efficiently run your business.

10 Compliance - Be safe & legal

Any business dealing with staff members and customers needs to put their welfare first.

On site operations and food safety need careful attention and you should consult professional advice at the outset of your development and with any subsequent move into food manufacture on site.

There are strict regulations on monitoring product shelf life, fridge temperatures, nutritional and allergenic information and providing evidence of staff training.

There is a wealth of free information on various Government websites, so before you engage professional advice, get a step ahead by learning the basics yourself.

Accreditation bodies such as SALSA and regulatory frameworks such as HACCP provide guidance for you to follow.

