Learning Your Market

How do I know what my customers want?

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Business Plan

- Most business failures are due to lack of planning
- Start small
- Allow the business to grow itself
- Tailor business to suit market
- Plan, Plan, Plan

Define marketing

- “Marketing is all the activity that eventually leads to sales.”
- Who are your customers?
- What are you selling?
  - Crops and price points
  - How much are you selling?

The Marketing Process

- Identify customers and their needs
- Develop a product or service that meets those needs
  - One you are able to grow or do
- Establish promotional programs and pricing
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What Does Your Market Look Like?

Demographics refers to the measurable characteristics of a population:

- age
- gender
- family structure
- income
- geography
- ethnicity

Where Do You Get Info?

- Demographics
  - http://www.freedemographics.com/
  - http://www.coopercenter.org/demographics
  - http://quickfacts.census.gov/
- Harrisonburg VA QuickFacts Census 2010
  - http://quickfacts.census.gov/qfd/states/51/51660.html

Where Do You Get Info?

- Harrisonburg VA QuickFacts Census 2010
  - White – 78%  (VA 69%)
  - Black – 6% (VA 19%)
  - Asian – 3.5%  (VA 5.5%)
  - VA – Up ~70% since 2000
  - Hispanic – 16%  (VA 8%)
  - VA – Up 92% since 2000

What Does it Mean to You?

- Opportunities in
  - Container gardens
  - Ornamental
  - Vegetable/edible
  - Ethnic vegetables/flowers

Harrisonburg VA QuickFacts Census 2010

- Popn change – up 21%  (VA 13%)
- Popn under 18 yr – 20% (VA 30%)
- Popn over age 65 yr – 8% (VA 12%)
- HS grad – 77%  (VA 86%)
- College grad – 32% (VA 33%)
- Home ownership – 38%  (VA 70%)
New Face: Younger Families

- Smaller, more concentrated gardens
- Fast results
- Instantly productive
  - Larger hanging baskets
  - Combo containers
  - Vegetable plants with fruit
- Goof-proof – easy and rewarding

Dan Heims, Greenhouse Product News November 2011

Older Gardeners?

- More likely to purchase outdoor living accessories
  - Pools, grills and patios
  - Larger containerized plants – trees and shrubs

Steve Larson, GreenhouseGrower.com Jan 6, 2012

Changing Face?

- Gardeners vs. Decorators?
  - “Decorators are taking over”
  - Result oriented, not process
  - Instant gratification
  - Large containers
  - Low maintenance

Anna Ball, GreenhouseGrower.com Nov 17, 2009

Typical Garden Consumer

- Is female (78.6%)
- Between 45 and 54 years old
- Likely college educated (31.6%)
- From household with income generated by two earners, typically in excess of $100,000

SAF Business & Economic Trends Committee Report, 2007

Women as U.S. Consumers

- Women account for 85% of all consumer purchases
- Women spend about $5 trillion annually…over half the U.S. GDP
- Senior women (50+yr):
  - control net worth of $19 trillion
  - own more than three-fourths of the nation’s financial wealth
  - spend 2.5 times what the average person spends

http://she-conomy.com/report/facts-on-women/
Women as U.S. Consumers

- Nearly 50% of women say they want more green choices
- 57% of women gardened within the last year

[http://she-conomy.com/report/facts-on-women/]

Marketing to Women

- Promotions appealing to women
- Create women-friendly shopping
  - Clean, good signage, attractive displays, clean bathrooms
- Promote green practices
  - Locally grown
  - Organic/Sustainable production
  - Naturally grown certification
  - Biodegradable/compostable pots


What PW Found Out From 7,000 Consumers

- 93% of the people who purchase our (PW) plants are women
- 47% garden because they enjoy watching the plants grow and change


How do consumers plan their garden?

- 67% of consumers plan for spring throughout the year
- 16% plan several months ahead of spring
- 17% don’t plan ahead — they simply buy what they see and like at stores


How consumers plan their container plantings?

- 57% simply look at what plants are available to them
- 16% buy the colors that match their house

What Does it Mean to You?

- Offer garden planning tools/seminars/newsletters year round but especially in winter months

What Does it Mean to You?

- Offer high quality (larger) plants for containers
- Prepare some “recipe” containers for display
- Choose the “hot” plants and colors
- Meets the needs of the planners
- Also attractive to the non-planner

“Hot”

- Subscribe to grower magazines
- Most are free to commercial growers
- Watch for the trend articles and consumer survey articles

What’s in store for 2012?

- Know your market and local trends
- Be critical of “surveys” & recommendations
- Easy access to information—NOW!
- Label companies – QR codes
- “Slow Gardening” Felder Rushing
- Low maintenance, high performance plants
What's in store for 2012?

- Hot colors, new plants
- Novelty has been an eternal trend
- Yellows, reds and oranges “seem to stimulate the recession weary public” with pinks and purple “for the women”
- “Color” grasses, Echinacea, Coreopsis, natives for waterwise gardening and wildlife, foliage (value color multiple seasons)

Dan Heims, Greenhouse Product News November 2011

Color in the Garden

- Traditionally, red was the most common flower color purchased
- Higher income, upscale clients more likely to purchase non-red flowers
- Decorators, not gardeners

Source: B. Behe, GMPro November 2002

Color in the Garden

- 2009 – Purple was chosen as the favorite flower color while red came in sixth
- 2010 – Pink was the favorite choice, followed by purple, blue, and red moved into fourth place

Source: Proven Winners

Pantone Fashion & Home Furnishings Color Report

- Tangerine Tango for Spring 2012
- A spirited reddish orange
- Capture a spirit of the age
- Continues to provide the energy boost we need to recharge and move forward.

Pantone.com

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What Does it Mean to You?

- Seek the advice of women!
- Be critical of all advice!
- More impulse buys based on good fit with color and fashion trends
- Plants are expendable items in quickly interchangeable design schemes – i.e., she can redecorate inexpensively

Which crops do you grow?

- Edibles
  - 2010 – 61% saw increase
  - 2011 – 59% saw increase over 2010

Edible Gardening

(Garden Writers Survey, Spring 2011)

- 64% plan to grow own vegetables
- 82% because… better quality, taste and nutrition
- 46% say it will cheaper than purchasing
- 46% will be planting in containers

Edible Shrubs, Trees, Ornamentals

- Retail sales of annuals in 2011
  - 51% saw increase
  - 28% saw decrease

- Retail sales of perennials in 2011
  - 50% saw increase
  - 22% saw decrease
WHAT AND HOW MUCH DO YOU GROW?

Production up or down?
- 61% of 100 readers surveyed said sales were up in 2011
- 34% expect sales to be up 5% to 10% in 2012
- Primary factor critical to success
  - 42% weather
  - 38% economy

What are the big growers doing?
- Increasing production of:
  - Impatiens: 43% packs, 36% 4-inch pots, 30% 6-inch baskets, 33% larger baskets
  - Verbenas: 21% packs, 29% 4-inch pots, 14% 6-inch baskets, 17% larger baskets
  - Echinacea
  - Hosta

What are the big growers doing?
- Decreasing production of:
  - Marigolds: 49% packs, 14% 4-inch pots
  - Pansies: 33% packs, 44% 4-inch pots, 17% 6-inch baskets, 17% larger baskets

BRANDING?

Nationally Branded Products
- Conduct lots of market research
- Provide point of purchase (POP) material
  - well-designed to be attractive
  - answer common gardening questions so that customers are more confident in their purchase decisions (QR codes!!)
- Frequent press promotions
Nationally Branded Products

- Recognized garden spokespersons
- 71% of the younger gardeners (18 to 44 yr) said that they would "seek out a trusted brand when buying plants" (PW, 2011)

Who’s Setting the Trends?

Proven Winners will invest nearly $1 million dollars in advertisements in consumer and gardening magazines, including Better Homes and Gardens, Country Living, Fine Gardening, Sunset and Martha Stewart Living.

-- Greenhouse Grower November 2011

Who’s Setting the Trends?

“Proven Winners and I share the mission of encouraging people to discover all the pleasures of gardening. By working together, we combine creative ideas and beautiful plants that inspire a lifelong love of gardening.”

-P. Allen Smith

Who’s Setting the Trends?

“Southern Living Senior Writer Steve Bender once said "If we ran a picture of a dead rat in a punch bowl, you’d be able to sell a million of them the next day."

-Marisa Shoemaker, GreenProfit, March 2004

Who’s Setting the Trends?

- The Martha Stewart Show hosts major industry experts
  - Allan Armitage
  - Dan Heims
  - Lloyd Traven
Sources of Trend Info

Southern Living Magazine
Women’s and gardening magazines
Garden/flower shows

Social Media

Facebook, Twitter, LinkedIn
Industry magazines
Society of American Florists
Floral Management has an excellent technology column
Offers webinars, classes at OFA ShortCourse

Plan, Plan, Plan

For more information

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