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Marketing nursery stock

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Growing nursery stock is an excellent way to use small acreages and can be profitable if you follow good production, business, and marketing practices. Application of sound marketing techniques is critical. Since most nursery crops require more than one growing season, the decisions you make at planting time will affect the product you offer to buyers several years later. The species you grow and the types of cultural practices you use are only two criteria buyers use to evaluate your product. Product quality, distribution, and promotional methods also influence their purchasing decisions.

This publication discusses marketing issues that influence the purchasing decisions made by garden stores and landscape contractors that buy nursery stock. Recommendations are based on a 1990 University of Idaho survey of garden stores and landscape contractors in selected large cities in Alaska, Colorado, Idaho, Montana, Nevada, Utah, Washington, and Wyoming.

Know your customers

Successful marketing requires knowing as much as possible about your customers. You should understand your customers' businesses, personalities, advantages and problems, and need for additional plant information. While this report provides general information about western buyers' purchasing attitudes, personal communication with current and potential customers will give you vital information about individual buyers.

Knowing your customers and their particular needs can help you maintain customer satisfaction. For instance, receiving flowering plants before they bloom may be very important to a garden center but unimportant to a landscape contractor. Retail nurseries may want smaller trees than do landscape contractors.

Important elements of your marketing program

You must offer products and services at a competitive cost. Strategies to satisfy buyer needs at a competitive cost should be a part of your marketing program. Marketing usually focuses on product, price, promotion, and physical distribution (the four Ps).

Product and related services

Product quality has the greatest influence on purchases of nursery stock by garden centers and landscapers. The University of Idaho survey found that buyers rated the following as the most important quality attributes of nursery stock: (1) absence of insects or diseases, (2) uniformity in size and quality, and (3) proper digging and handling. Other quality factors such as proper pruning, absence of weeds, and root pruning of large plants before digging were very important to some buyers. Buyers considered all of the attributes that control plant quality at least somewhat important. To keep buyers, pay attention to everything that affects plant quality.

A broad selection of different species is another market advantage. Buyers would like to get as many items from one supplier as possible.

Idaho growers have a strong market advantage in providing plant material that is better acclimated to colder-climate areas than plants grown in more sheltered or warmer areas. Slogans such as the Idaho Nursery Association's, "You Know It's Hardy If It's Grown In Idaho," should appear on your catalog and on each tree or shrub you ship.

Because you must emphasize product quality, you should know the quality of plants offered by competitors. Garden stores and landscape contractors constantly compare a grower's plant quality with

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other growers'. Strive to match or exceed the plant quality of your competitors. Most buyers who responded to the survey were satisfied with the quality of the plants and with the service they received the previous year, indicating that pulling a customer away from another grower may be difficult. If you want to enter the market or expand your market share, you will need to offer buyers something better to entice them to drop their present plant suppliers.

Services that surveyed buyers considered important were, in order of importance: supplier knowledge about plant material, notification of order shortages before shipping, regular contact with the plant supplier, and previous experience with a supplier. The factors they considered less important were a toll-free telephone number, a fax number, and acceptance of major credit cards.

Price

Plant price has an important influence on buyer decisions to purchase nursery stock, but this attribute is related to plant quality. A majority of survey respondents (60 percent) said they would try a new supplier for equal-quality but lower-priced nursery stock. A greater percentage of respondents (77 percent), however, would try a new supplier for higher-quality plants at the same price. Periodic sale prices had little influence on a respondent's decision to purchase nursery stock. Only 16 percent of respondents rated periodic sale prices as very important.

Buyers quickly notice prices that are too high or low. You can lose customers unless the *quality of your plants can justify their price*. Pricing plants higher than average without offering obviously higher quality can be a poor strategy. Know your competitors' prices for equal-quality plants.

You can penetrate new markets by offering higher-quality, lower-priced plants than your competitors. Promotional efforts using cut-rate prices and lower-quality plants will generally cost you customers rather than increase your customer base. Once you have an adequate customer base, price your products to match their quality and maximize profits.

Promotion

Buyer attitudes toward promotion vary by their business size and type. The two most highly rated types of promotional help were (1) furnishing tags explaining plant characteristics and (2) furnishing catalogs with good plant descriptions. More garden centers (67 percent) than landscapers (44 percent) rated furnishing plant tags as very important. More

small than large companies rated furnishing good catalogs as very important. Although only 10 percent of respondents rated furnishing promotional items as very important, significantly more garden centers than landscape contractors rated promotional items as very important. Only 38 percent of respondents rated furnishing plant-care instructions as very important, but this attribute was quite important to small businesses.

Use plant tags that identify the species and describe the plant's attributes. Offer higher-quality plant tags as an option. Money spent in this area of promotional help usually pays dividends.

Also pay close attention to your catalog. The catalog represents more than just a list of plants for sale. Many buyers use the crop information contained in your catalog as a selling tool at their businesses. Because your catalog creates an image of your product and business, use a high-quality catalog that lists relevant information about your plants.

Because buyers want to see the quality of your plants and compare their price and quality, you may want to use promotional efforts that enable buyers to view your product. Nursery trade shows offer an excellent channel for showing potential buyers the quality of your plants compared with the quality of your competitors' plants.

Plant distribution and shipping

Buyers regard product distribution as very important. Respondents to the survey rated "shipments on time for peak-season sales" and "plants undamaged during shipping" as the most important distribution attributes. Shipping costs were rated very important by 50 percent of the respondents, especially among buyers far from Idaho. Buyers also considered the time plants were in transit as important, but more garden stores than landscapers considered it important. Willingness to ship small quantities was very important to small firms.

Payment of shipping costs is the responsibility of the buyer. Making sure that plants arrive on time is the grower's responsibility. Growers have often lost customers because a shipment of plants arrived too late for peak-season sales.

Packaging, storing, and shipping plants affect their quality. Nothing is more aggravating to a buyer than to have a shipment of plants arrive with roots dry, containers upside-down, root balls loose, or branches broken. Plants that are reordered to replace damaged plants may arrive too late for peak-season sales. Take the time to explain to your customers how and when you will ship your plants.

Also, be sure to provide information about the plant material you are shipping. Notifying buyers of order shortages before shipping is essential. Early notification allows buyers to substitute another product or buy the plants at another grower's nursery.

You can reduce shipping costs by pooling shipments with other growers. Pooling also enables you to serve customers who order small amounts of plant materials. Good communication with other growers is a must if pool shipping is to work. You may want to consider purchasing or leasing a truck for some of your deliveries. Making your own deliveries would enable you to better address buyer concerns regarding timely arrival and damage during shipping.

Summary

Before developing a marketing plan for nursery stock, learn as much as possible about present or prospective customers and their needs. Once you have assessed customer needs, develop a marketing plan that includes the four Ps — product, price, promotion, and physical distribution. Remember that plant quality influences buyers more than anything else. However, a lack of attention to anything that influences plant price, distribution, or promotion may limit your competitive position in the marketplace.

For further reading

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