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CLUSTERING OF GROUPS OF REGULAR CUSTOMERS IN HORTICULTURAL RETAIL STORES IN AUSTRIA

Andreas Gabriel¹, Klaus Menrad¹

a.gabriel@wz-straubing.de

¹ Chair of Marketing and Management of Biogenic Resources, Straubing Center of Science, University of Applied Sciences Weihenstephan, Straubing, Germany

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A. GABRIEL & K. MENRAD

University of Applied Sciences Weihenstephan, Freising, Germany

Introduction

In recent years there were significant changes in the distribution structures in horticulture retail trade. Thereby the decrease of traditional specialized retail gardening traders in favour of the chain stores/ garden centres and the DIY sector forces the gardeners to orient their service and their marketing strategies more closely to their customers. A vague knowledge about the needs, wishes and motives of the own customers and their shopping behaviour permits only a “grey-in-grey”- marketing, which does not take into account the specific characteristics of differing customer groups in horticultural retail stores.

Material and Methods

The basis of this study forms a diploma thesis, in which a written survey of regular customers of 18 horticultural retail stores in Austria was performed in autumn 2006. The respondents were mainly identified out of the companies’ customer databases and can so be considered as regular customers who have knowledge and reference to the dedicated companies. After transferring the data in applicable variables and scales a hierarchical cluster analysis could be implemented. With approximately 800 data records, customer groups were clustered taking into account their shopping behaviour, certain attitudes to the purchasing of plants and the shopping place and socio-demographic characteristics. This classification of the customers allows a quick and concise overview of differences in their relevant purchasing criteria like the purchase frequency, the expenditure in the stores or the average age of the customer groups.

Results

According to the fixed procedure the hierarchical cluster analysis method finally differentiated seven characteristic customer groups. The consumer clusters range from “Loyal regular customers” (7.6%), who visits its gardening retail store weekly and is interested in the entire assortment, up to the “Pure gift buyer” (6.4%), who buy only occasionally a bunch flowers as a gift. With 12.4% the “Good deal hunters” are another important customer group, asking strongly on special offers, whereby the consulting service is not in the centre of interest of this group. In contrary, the “Purchase enjoyer” (20.8%) likes the purchasing activity as its own, while the range of the assortment can be strongly limited for this group. A special cluster constitutes the “Spring-time vegetater” with 9.9% of the customers who have their focus on plants for bed and balcony and have therefore only a low frequency in purchasing plants. The “Must-acquirer” (13.8%) apply little time and interest in plants but have to buy them because of the high dues of possessing presentable houses and gardens. Nearly one-third of all respondents are “Loyal everything-purchaser” who are interested in the whole assortment of the horticultural retail shops and are willing to bridge longer distances to buy the plants in their favourite store.

By putting all information in portfolio schemes, the two clusters “True regular customer” and “Loyal everything-purchaser” can be considered as important and well-funded customer groups for the traditional horticultural retail stores. They predominantly identify themselves as regular customers of the store, have a superior buying frequency and represent with an average age of around 52 years customers which are not too old to offer further on a major purchase potential in the future.

Conclusion

By the identified differing characteristics between the groups (like e.g. monetary level of the annual expenditures for gardening products, the service requirement at the point of sale or the wishes concerning the assortment), the enterprises are able to set up a catalogue of measures to bind individual groups of clients more strongly to the gardening retail store. By knowing the purchase preferences and their individual demand on the assortment and the point-of-sale, direct marketing measures can be applied exclusively on each group and can ensure an effective and successful customer relationship.