Factors Influencing Consumers' Selection of Garden Centers

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Abstract: *A consumer-oriented survey at eighteen independently owned garden centers in North Carolina focused on why consumers selected a particular garden center and why they purchased the particular products they selected. Results indicate that potential customers are looking for garden centers that offer good quality plants, a wide selection of plant material, a knowledgeable sales staff, and a convenient location. There is also evidence that most shopping trips are planned and garden centers may be losing potential sales.*

Key Words and Phrases: *Garden centers, Consumer perceptions and attitudes, Impulse buying.*

Growing competition from mass merchandisers is causing independent garden center managers increased concern about the future success of their industry. While many independent retailers survived the 1980s with poor service, limited inventory or high prices, mass merchants such as Wal-Mart, Kmart, Home Depot, and Builders Square have focused on the nursery trade and are challenging it to be more competitive (Hicks, p. 45).

Most observers agree that the horticultural industry is becoming more market driven and growers and retailers can no longer survive by simply growing and selling the plants they enjoy (Geistlinger, p. 36). Instead, they must focus more on what the final consumer wants. In addition, many marketing consultants believe the best way for garden centers to survive in the 1990s is to avoid direct competition with mass merchants (Geistlinger, p. 37). That is, managers should concentrate on developing marketing niches and capitalizing on their comparative advantages, including supplying high- quality plant material, offering a wider selection of plants, providing better customer service, and being recognized as an information source on the care and use of plants.

The purpose of this article is to provide additional insight into consumer buying preferences by presenting and analyzing some of the results of a recent North Carolina consumer survey. Specifically, this paper will offer reasons why customers selected a particular garden center, and why they purchased the particular products they selected. This information should help garden center managers become more competitive by increasing their understanding of the demand for their products and services.

Procedure

Consumer surveys were conducted during the spring of 1992 at eighteen garden centers in five North Carolina market areas. Four retail outlets cooperated in each of the following areas: Charlotte, the Triangle[1] area, the Triad[2] area and the Asheville-Hendersonville area. Two garden centers participated in the Wilmington market area. A total of 1,807 customers were surveyed, but only 1,519, or 84 percent, of the surveys were usable. The remaining surveys were discarded because they were either incomplete or they were filled out incorrectly.

The survey was divided into two segments. The first segment was administered before the customers entered the garden center to determine what they planned to purchase and approximately how much they planned to spend. The second part was conducted as the customer left the store to identify what they actually purchased and the amount they actually spent. The second part of the survey also addressed why the consumers selected a particular garden center.

Customer Profile

The "typical" customer who responded to this survey was married, between 25 and 44 years old, worked 40 or more hours per week, had a household income between \$35,000 and \$79,000 per year, and owned a home valued between \$100,000 and \$149,999. The second largest age group was customers between 45 and 54 years old, the second most frequent income category was \$80,000 or more per year; and the second largest category for the value of homes was less than \$100,000.

Household incomes of the surveyed customers were significantly higher than those of the general North Carolina population. According to the *1990 Census of Population and Housing*, 37 percent of the state's population earned between \$15,000 and \$35,000 and 36 percent earned \$35,000 or more. In contrast, only 16.3 percent of the garden center customers earned between \$15,000 and \$35,000, while 80.4 percent made \$35,000 or more.

Similarly, 70.3 percent of the respondents estimated the value of their home was $100,000 or more compared to 21.3 percent of North Carolina's total population. Statewide, 44 percent of the garden center customers had lived in their current residence for less than five years, while 56 percent had occupied their homes five years or more.

Females shopping alone made up more than 44 percent of the customers, while male and female couples constituted almost 27 percent of the shoppers. Only 16 percent of the customers were males shopping alone, and only 12.5 percent of the shopping parties included children.

Factors Influencing Garden Center Selection

Each customer was presented a list of ten possible reasons for selecting the garden center at which he or she was interviewed. The individual was then asked to rank the three most important reasons for visiting the garden center (Table 1). Good quality plants, a good selection of plants, convenient location, a knowledgeable sales staff and low prices were, with one exception, the top five for all three selections. Friendly service edged out good quality plants for the third selection.

Among the first selections, good quality plants and a good selection of plants were ranked as the two most important factors, while convenient location, knowledgeable sales staff and low prices were ranked third, fourth and fifth, respectively. A good selection of plant material was ranked first among the second selections, and a knowledgeable sales staff was first among the third selections.

These rankings generally were the same for each market area, but the relative importance of each factor varied by location (Table 2). For example, customers in the Asheville-Hendersonville area rated good quality plants higher than customers in the other areas. Convenient location was more critical in Wilmington and the Triangle area, but it was least important in the Asheville-Hendersonville area.

Plant Quality. It was not surprising that most respondents ranked plant quality as the most important factor for selecting a garden center among the first choices. Focus group research conducted prior to the survey indicated that a majority of potential customers expected independent garden centers to have better quality plant material than mass merchandisers because garden center personnel were better trained to care for the plants.

It is interesting to note that significantly more respondents in the Triad, Charlotte and Asheville-Hendersonville markets attached greater importance to plant quality than those in the other two areas. This result could be

Table 1.
Important Factors for Selecting the Garden Center Where the Customers Were Interviewed

Factor	Selection[a]		
	First	Second	Third
	-----------------*percent*-----------------		
Good Quality Plants	62.5	13.6	8.7
Good Plant Selection	11.4	33.6	14.9
Convenient Location	8.5	11.5	10.7
Knowledgeable Sales Staff	7.3	11.9	25.1
Low Prices	3.1	10.0	12.2
Guaranteed Plants	2.0	5.9	3.8
Helpful Sales Staff	1.5	4.9	8.2
Friendly Service	1.4	6.3	8.9
Convenient Hours	0.4	0.6	3.6
Quick Service	0.3	1.0	3.4
Other	1.7	0.7	0.5
Total Sample	1,505	1,498	1,495

[a]Customers were asked to make three selections.

because a larger percentage of the respondents in these three areas were either retired,[3] 45 years old or older,[4] or both. Age may not be the single most important factor, but the older respondents consistently ranked plant quality higher than the younger customers.

These findings reinforce the belief of many garden center managers that their customers have little or no tolerance for poor quality plant material. Most managers also believe that maintaining the image that the quality of their plants is better than mass merchandisers gives them a comparative advantage over the competition. To exploit this comparative advantage, they must continue the following practices:

1. Treat all plants as perishable products. Most garden center managers take pride in training their staff to provide the proper care for the plants. In addition, independent garden centers usually have

Table 2.
Important Factors for Selecting the Garden Center Where the Customers Were Interviewed by Market Place[a]

Factor	Market Place				
	Wilmington	Triangle	Triad	Charlotte	Ash-Hen[b]
	-----	-----	*percent*	-----	-----
Good Quality Plants	51.2	51.0	67.5	68.6	73.0
Good Plant Selection	11.4	13.7	10.1	9.5	12.1
Convenient Location	14.9	16.4	4.2	5.1	2.6
Knowledgeable Sales Staff	10.0	7.4	7.7	7.9	4.0
Low Prices	3.0	2.5	3.4	3.5	3.3
Guaranteed Plants	1.5	2.5	2.0	1.3	2.6
Helpful Sales Staff	1.0	1.9	1.4	1.6	1.1
Friendly Service	2.0	1.4	1.4	2.2	0.0
Convenient Hours	1.0	0.6	0.6	0.0	0.0
Quick Service	0.0	0.3	0.8	0.0	0.0

[a]First selections only.
[b]Denotes the Asheville-Hendersonville area.

better environments to maintain the plants such as natural or covered display areas, rather than uncovered displays such as concrete or asphalt surfaces which are hotter and cause the plants to dry out faster.

2. Inspect all the plants when the shipments are delivered. Chain store buyers who deal with large volumes of plant material cannot inspect every shipment delivered to their stores. Garden center buyers, on the other hand, purchase a smaller number of plants and can personally inspect every load delivered to the store. If the plants do not meet their quality expectations, the shipment can be rejected on the spot.

Plant Selection. A good selection of plant material was the second most important reason given for visiting the garden center. Focus group research indicated customers viewed garden centers as "specialty stores" and expected them to carry a larger selection of plants than mass merchandisers. One manager estimated that a "good selection" of perennials in North Carolina would be between 200 and 500 varieties, while a "good selection" of annuals would be around 200 varieties. This particular manager specializes in perennials and carries 500 different varieties; however, he carries less than ten plants of many varieties because of perceived limited demand.

A frequently cited reason customers gave for not making a purchase was they could not find the item they wanted. Garden centers cannot stock every variety of plant available because they simply do not have adequate space to accommodate the large inventory that would be required. However there are other possible explanations why customers gave this response. Some of these reasons include:

1. The plant was available at the garden center, but the customer simply could not find it due to poor signage, no employee assistance or a poorly trained staff.

2. The customer was shopping for a plant that is not adaptable in North Carolina. This situation occurs frequently in the Triangle because of the relatively large percentage of the population that has moved into the area from other regions.

3. The customer was looking for a plant variety that has been replaced with a better performing variety. For example, newer varieties of tomatoes have replaced poorer performing varieties, but some customers still ask for the same types of tomato varieties they grew when they were children.

4. The garden center was temporarily sold out of the plant and had not received additional shipments from their suppliers.

During peak shopping periods, some owners report as many as 300 customers in their garden center at any one time and more than 2,000 total customers per day. Potential sales are easily lost if their staff is not organized to greet customers, determine what they want to buy, and direct them to the right location. Some managers have had success using "Information Centers" to help their customers. These centers are staffed by trained horticulturists who can answer technical gardening questions, identify the plants customers want to buy and direct them to where the plants are located.

Convenient Location. Statewide, 58.7 percent of the customers lived within five miles of the garden center and 81.5 percent lived within ten miles. During entry interviews, 23.7 percent of the respondents said convenience was the primary reason they decided to shop at the garden center; however, only 8.5 percent said convenient location was the most important factor in selecting a garden center.

As was previously stated, convenient location was more important in Wilmington and the Triangle area, where 14.9 and 16.4 percent, respectively, of the customers ranked it first, compared to only 2.6 percent in the Asheville-Hendersonville area. Some possible reasons for these different rankings include:

1. One of the garden centers in Wilmington is located on a major route to the beach and a large percentage of the customers were en route to their vacation homes. Many of these customers stopped to buy the plants and gardening supplies they needed to landscape their rental homes before the tourist season.

2. The concentration of retail nurseries and garden centers in the Asheville-Hendersonville area is lower relative to the other markets areas, so convenience may not be as important a consideration to these customers.

3. The percentage of retirees may have an impact on these rankings. Focus group results indicated retirees tend to view trips to garden centers as pleasure outings as well as shopping trips compared to non-retirees. Some retirees talked about spending more than half a day visiting garden centers that are twenty to forty miles from their home. Younger participants, on the other hand, talked about completing gardening projects around weekend activities or their children's sporting events. These customers typically referred to garden centers that were located within five to ten miles of their home.

However, the drawbacks of inconvenient locations can be overcome. One of the garden centers that participated in the survey is located on the extreme edge of a metropolitan area and the manager readily admits his store is inconvenient for most of his customers. Therefore he tries to create an atmosphere in which his customers have a pleasant shopping experience.

He trains his staff to give the customers friendly and helpful service. He expanded his plant inventory and taught his employees how to maintain the material. His plan seems to be working because zip code data shows that his market area extends well beyond his competitors' market areas.

Knowledgeable Sales Staffs. Garden centers were cited as the most frequently used source of technical assistance for gardening.[5] Many managers think customers will go to another garden center if they believe they have received poor information. In fact, some of the customers interviewed for this survey came to the garden center just to get help with a plant problem or to ask questions about a landscaping project.

Consumers expect to receive expert advice at independent garden centers and most observers agree the industry can capitalize on this perception to maintain a competitive advantage over mass merchandisers. Therefore, at a minimum, employees need to know basic plant information such as the best use of the plants in the landscape, planting instructions and how to care for the plants. Garden centers with a large and diverse plant inventory may need to hire one trained horticulturist or more to provide this service.

Plant Prices. The focus group studies found that customers generally expect plant prices to be higher at garden centers than the prices charged at chain stores. In this study, consumers ranked low prices fifth among their first and second reasons for selecting a garden center. However, most managers do not set prices without first considering their customers' likely response. They realize that prices cannot get out of line relative to the value consumers attach to the plant.

Garden center managers frequently use a variable pricing strategy when setting prices. That is, they match their competitors' prices on "price sensitive"[6] plants and make up any difference between their actual costs and the prices they charge by increasing the mark-up on the plants their competitors do not sell. One manager has determined he can increase sales by using variable pricing to attract customers who shop for the lowest prices. If the prices he charges for the sensitive price plants are in line with those of his competitors, customers are more likely to shop at his garden center. He is able to make up the difference between his costs and prices by selling these shoppers additional plants that his competitors do not carry.

Other Factors. Customers ranked plant guarantees sixth among the first choices for selecting a garden center. Many managers believe the competitive advantage of offering plant guarantees have been nullified because most independent garden centers and larger mass merchandisers now offer similar guarantees.

Survey respondents ranked helpful and friendly sales staffs seventh and eighth, respectively, among their first choices for selecting a garden center. However, these "people skills" are considered by many to be critical building blocks in establishing a successful business and typically go unnoticed until a customer has an unpleasant experience with a rude or disrespectful employee.

Few customers said operating hours were an important consideration in their decision to shop at a particular garden center. Respondents preferred shopping in the mornings over afternoons and rated Saturday and Friday as the most convenient shopping days. Most garden centers are open these days and times and, consequently, most consumers seemed pleased with the current hours of operation.

Quick service was rated as the least important reason for selecting a garden center, but this may be another factor that customers only notice when problems occur. While managers do not want customers to feel rushed, they do want to keep them moving through the garden center so they can maximize their limited sales area and parking facilities. Therefore, sales staffs should plan how they will determine what customers want to buy, help them select their plants, assist them through the checkout area, and then help load their purchases into their car. When these plans work smoothly, customers enter and leave the store without knowing the staff helped plan their shopping trip.

Consumer Spending Patterns

Entry and exit interviews reveal that 42.4 percent of the customers spent within the same price range they anticipated spending, while 24.6 spent less money than they thought they would, and 22.6 percent spent more money.[7] Customers who anticipated spending less than $11 tended to spend more than they expected, and those who thought they would spend over $25 tended to spend less (Figure 1). If customers expected to spend between $11 and $25, there was an equal probability that they would actually spend more or less money.

In addition, almost 70 percent of the customers were in the garden center less than 30 minutes. This statistic pleased most managers because fast customer "turnover" rates typically help alleviate parking problems. However, there is a cost associated with rapid "turnover" rates. Results indicate customers who were in the garden center less than 30 minutes generally spend less than they anticipated, while those who stayed longer tended to spend more (Figure 2).

Figure 1.
Percentage of Customers Who Spent More, Less, or the Same Amount They Expected to Spend at the Garden Center

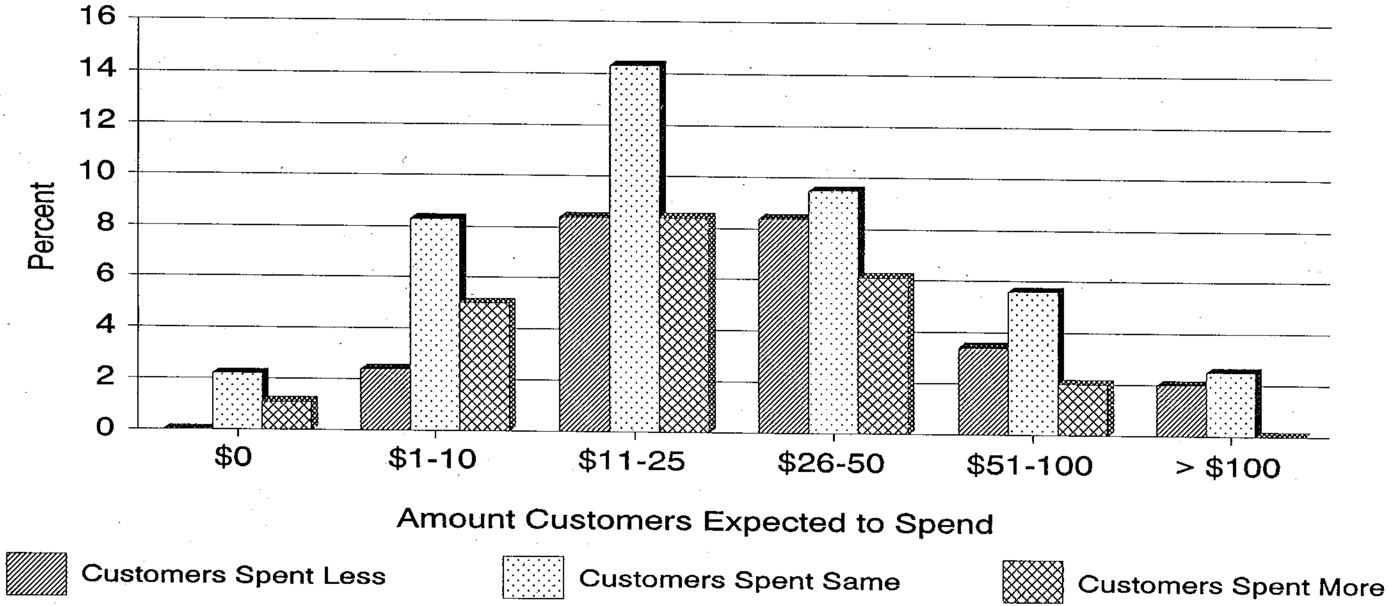
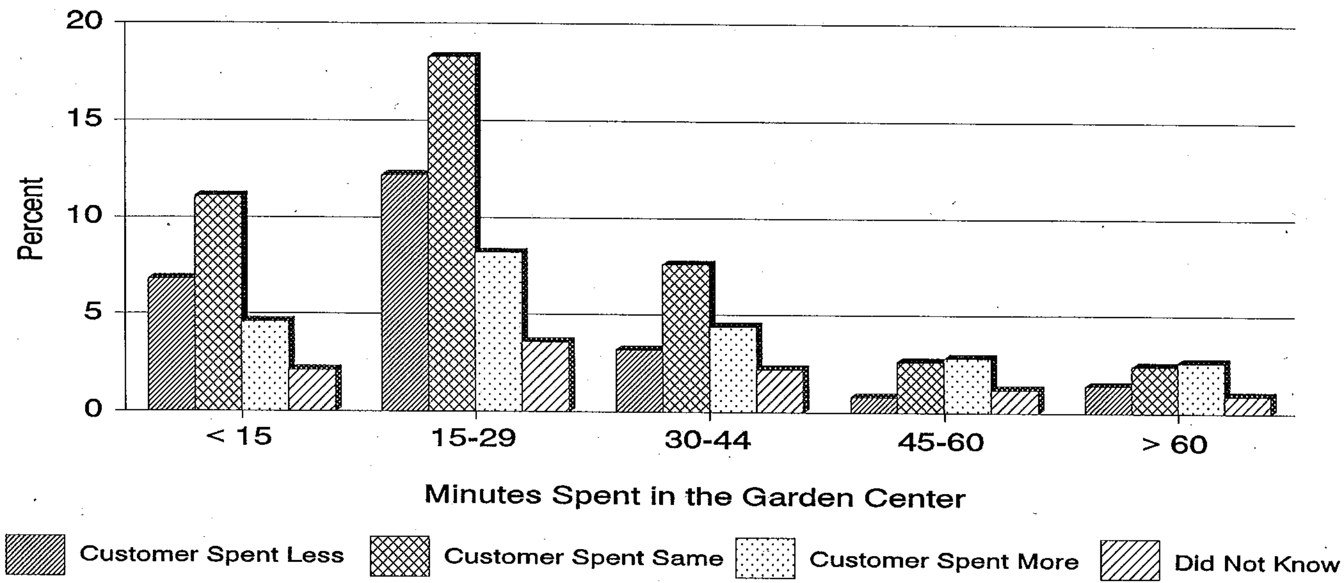


Figure 2.
Percentage of Customers Who Spent More, Less or the Same Amount of Money They Expected, Compared to the Total Time They Were in the Garden Center



One explanation for this trend is that it did not take long for customers to make their buying decisions if they were browsing or comparison shopping for a specific plant, or if they could not find specific items. Another reason could be the manager organized his staff and plant displays to facilitate quick service. Finally, employees may not be trained to suggest additional or related items or they may not feel confident in "closing the sales." Regardless, almost a fourth of the customers spent less money than they anticipated.

Consumer Purchase Decisions

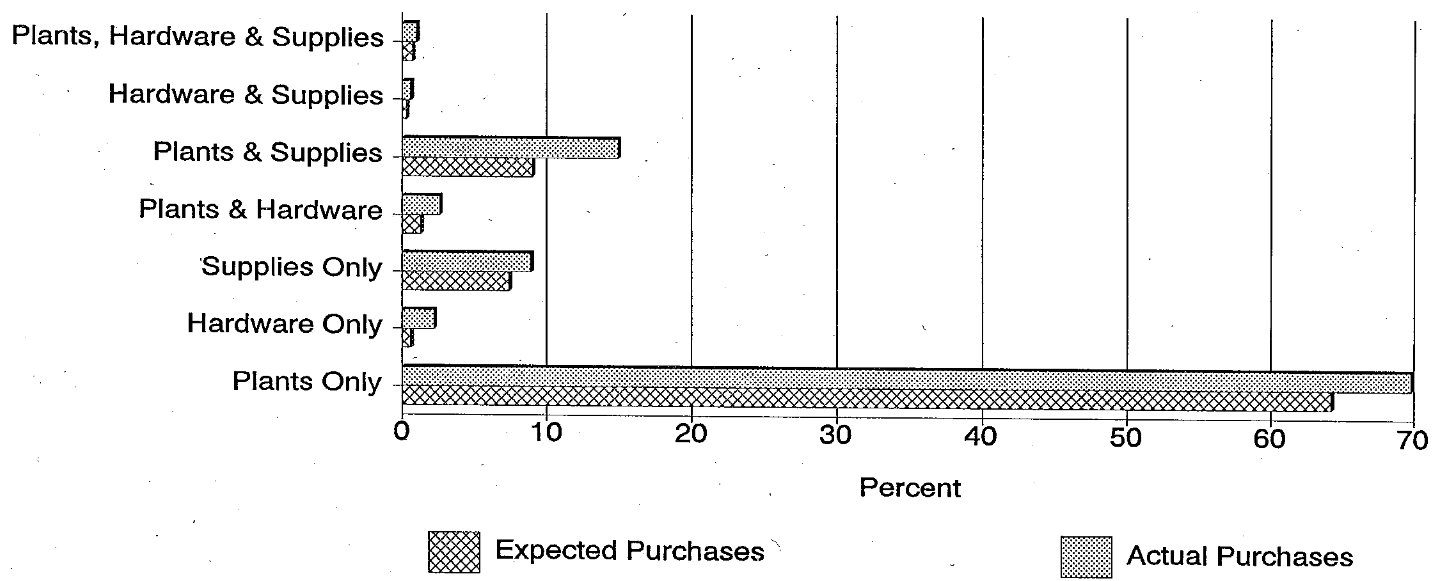
Focus group research indicated the primary reason customers shop at garden centers is to buy plants. If they want to buy gardening supplies, such as pesticides or fertilizers, or hardware, such as rakes, hoes and shovels, they usually go to mass merchandisers. Their perception is mass merchants generally sell the same quality of supplies and hardware, but charge lower prices than garden centers.

One exception to this general finding was convenience and price. That is, consumers said they may buy some supply or hardware item at the garden center if the price seemed comparable to the price at a chain store and buying the item at the garden center meant that they did not have to make another stop on the way home. Another exception was if a garden centers sold specialty items not carried by mass merchandisers. Examples of these items include special blends of fertilizer, some water gardens and pool liners, unique planting and cultivating tools, and some outdoor grills and patio furniture.

Results of the entry and exit interviews seem to support these focus group findings. More than 53 percent of the customers purchased the same type of items they intended to buy, while 2.1 percent bought fewer items; 9.3 percent purchased additional items; and 4 percent bought something entirely different.[8,9] In addition, almost 70 percent of the respondents only purchased plants while slightly more than 30 percent bought hardware or supplies or some combination of plants, supplies or hardware (Figure 3).

Among the customers who anticipated making a purchase, the most potential for impulse buying was exhibited by those who only expected to buy a plant but also bought gardening supplies. Nine percent of the respondents thought they would buy plants and supplies while 14.9 percent actually purchased items in both categories, for an increase of 5.9 percent. Plants registered the second largest increase with a 5.6 percent difference between expected and actual purchases. Overall only 6.4 percent of the

Figure 3.
Items Customers Expected to Purchase at the Garden Center, Compared to Their Actual Purchases



customers bought some hardware items compared to 25.4 percent who purchased some supply items.

Six percent of the customers said they came to the garden center to browse and 12.5 percent indicated they were price shopping. Of these, 44 percent of the browsers and 36 percent of the "price shoppers" bought nothing, while 56 percent of the browsers and 64 percent of the "price shoppers" actually made a purchase. Plants were purchased by 44 percent of the browsers and 47 percent of the price shoppers. This survey was not designed to record why customers changed their purchase decisions. However, we speculate that either the shoppers found items they liked, they believed the prices were comparable with prices at other outlets, or both.

Similar to previous results, the percentage of customers who either made no purchases or bought fewer items than they expected was higher if they were in the garden center less than 30 minutes (Figure 4). Conversely, the percentage who purchased additional items was relatively higher if they shopped 30 minutes or longer, while the percentage who made no purchases or bought fewer items decreased significantly.

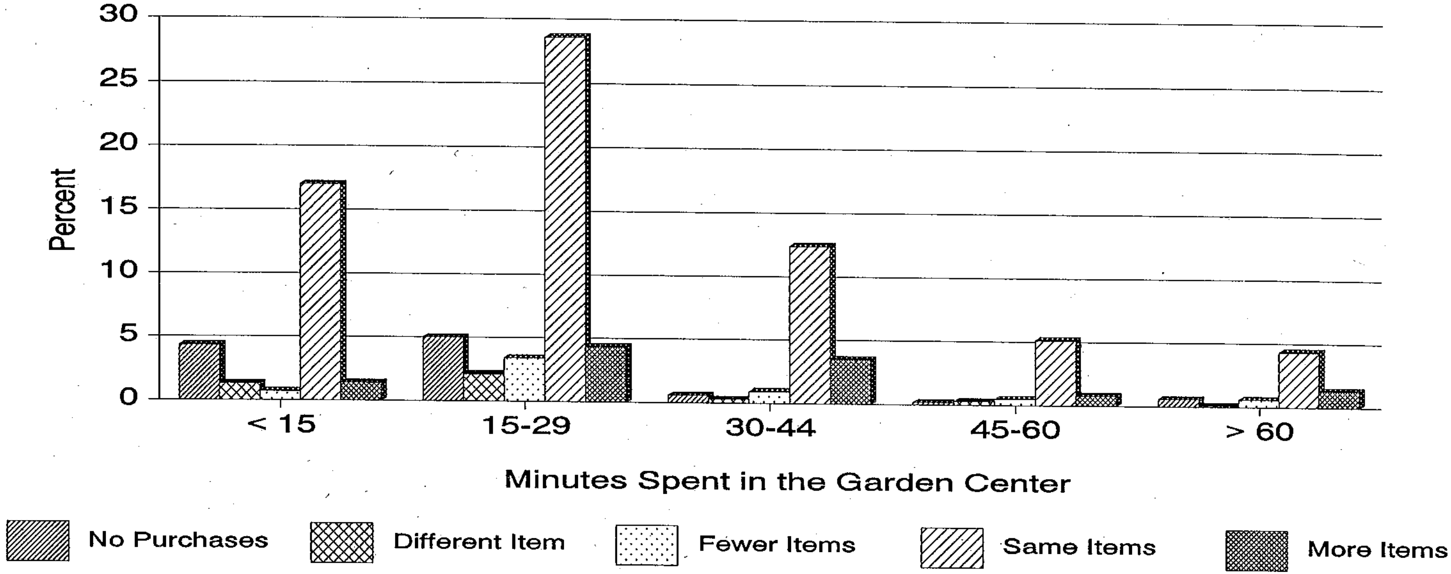
Summary and Conclusions

Customers typically view independent garden centers as "plant specialists." They expect independents to have a wide selection of high quality plant material and provide expert information on how to use and care for the plants. Mass merchandisers, on the other hand, are generally perceived to offer a limited selection of lower quality plants at cheaper prices and usually provide little or no technical information on gardening.

To market their plants effectively, garden center managers must continue to fulfill their customers expectations for quality, plant selection and accurate gardening information. Furthermore, managers should evaluate how well they provide friendly, helpful and quick customer service. These factors were rated relatively low, but, in reality, failure to provide any one of these services can limit a business's success in the marketplace.

Consequently, the impact employees have on the success or failure of a garden center cannot be underestimated. A well-trained and motivated staff will enhance a garden center's image of being a professionally run operation capable of satisfying the customers' needs and answering their questions. Professionalism is not only important in maintaining plant quality, but in providing good customer service and helping overcome market barriers such as inconvenient locations.

Figure 4.
Percentage of Customers Who Purchased the Same, More, Fewer or Different Items Than They Expected to Buy Compared to the Total Time They Were in the Garden Center



Note: Based on 1,199 total observations, which do not include those customers who were browsing or price shopping.

As competition in the green industry continues to increase, mass merchandisers will realize the potential benefits of being recognized as a source of professional gardening assistance. Some chain stores are already advertising they employ a Certified Plantsman. They may be trying to overcome consumers' usual perception of mass merchants and become more competitive with independent garden centers. The garden center industry will continue to be service oriented and the businesses that can provide good service are likely to have a competitive advantage.

Managers should not think the results of this study indicate that they can set prices at any level without considering how their customers might respond. Although consumers do expect slightly higher prices at garden centers, many customers still shop various retail outlets for the "best buys." This is especially true for the price sensitive plants and popular brands of gardening supplies and hardware that are sold at most nursery outlets.

Finally, many consultants and managers claim impulse buying accounts for a large percentage of total sales. While this study does not refute this belief, some results suggest the industry is missing opportunities for additional sales. These findings indicate many customers plan their shopping trips both in terms of the amount they expect to spend and the items they intend to buy. When customers change their buying decisions they usually spend less money rather than more. There was little evidence to support claims that a large percentage of the supply and hardware items were purchased on impulse.

Managers may want to reevaluate the layout of their business and merchandise displays. Well-designed parking lots and store layouts can facilitate movement into and out of garden centers, and good display areas make merchandise more accessible and easier to locate. A good layout, plus a trained staff to help customers locate the items they want to buy, and a plan to move them through the store, could help increase sales and maintain an acceptable customer turnover rate.

Notes

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1. Raleigh, Durham and Chapel Hill, North Carolina.

2. Greensboro, Winston-Salem and High Point, North Carolina.

3. More than 27 percent of the surveyed customer in the Asheville-Hendersonville area were retired compared to 16 percent in Charlotte; 11.9 percent in Wilmington; 10 percent in the Triad area; and 9.8 percent in the Triangle area.

4. The percentage of the respondents 45 years old or older was 46.7 percent in Wilmington; 45.5 percent in the Triangle area; 47.3 percent in the Triad area; 53.2 percent in Charlotte; and 63.9 percent in the Asheville-Hendersonville area. Also, 43.5 percent of the surveyed customers in the Asheville-Hendersonville area were 55 years old or older, compared to 30.4 percent in Charlotte and less than 24 percent in each of the other areas.

5. More than 24 percent of the respondents listed garden centers as the most frequently used source compared to 23.2 percent for magazines, 19.7 percent for friends and relatives and 12.7 percent for newspapers.

6. Price sensitive plants are defined as those plants offered for sale at most garden centers and by mass merchants and frequently used as loss-leaders. Examples include flowering annuals such as impatiens, geraniums and vinca; vegetable bedding plants such as tomatoes; and shrubs such as azaleas in one-gallon containers.

7. Slightly more than 10 percent indicated they did not know how much they would spend, or would not guess how much they would spend, at the garden center.

8. Customers purchased the same, fewer or more items in terms of plants, supplies or hardware. For example, if a customer said he or she was going to buy a plant and actually bought a plant, it was recorded as purchasing the same type of item. If customers said they were going to buy plants and actually bought plants and supplies, then it was recorded as an additional purchase.

9. These percentages do not include those customers who were comparison shopping or browsing.

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