NURSERY MARKETING AND MERCHANDISING

Adapted From the California Retail Nurseryman's Manual
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Marketing is a comprehensive mix of business activities which involve planning, pricing, distribution, and promotion of desirable goods and services. The 4 P's of the Marketing Mix include:

PRODUCT Desirable goods and/or services.

PRICE Pricing strategies to meet the wants of the market and provide a satisfactory profit and return on investment.

PLACE Distribution channels and physical location of store/outlet.

PROMOTION Advertising; sales promotion (contests, events, coupons, rebates, etc.); publicity/public relations media coverage that is not directly paid for; and consultant sales.

Display Selling and Maintenance

There are various methods of promoting a garden center in order to entice potential customers into the parking lot. Once inside the store, however, customer dollars are won or lost by professional salespeople and the displays. Bear in mind that first impressions are all important.

One goal of a display is to create buying impulses by suggesting purchases that a customer did not intend to make.

A second goal is to inspire customers to buy more than they expected by linking or associating products, which help each other, such as fertilizer and bedding plants. A third goal is to make products attractive and easily available without the appearance of being 'dumped' into a basket or on a plant bed.

The display philosophy of a particular nursery will depend upon company policy. Some organizations prefer a simple 'stack and sell' approach while others have a supermarket grid system of beds. Many garden centers and nurseries are now developing themes for displays, which informally suggest uses, or groupings for products or plants.

Whichever policy is adopted by the business, salespeople have the responsibility to insure that all displays are constructed and maintained to the highest possible standard. Badly maintained or messy displays result in fewer dollars taken in at the cash register.

Customer or Traffic Flow

Every square foot of space in a nursery costs money. If at all possible, all areas should pay their way, although in reality all nurseries and garden stores have their dead areas. The first step in identifying dead areas and improving their performance is to plot the flow of customers through a store. Objective traffic analysis can be difficult for employees already involved in business activities.

The best option is to assign the manager or an employee to the specific task of traffic analysis. Provide copies of the nursery floor plan and have the observer mark the path taken by customers, noting areas where purchases were made or where customers showed obvious interest or lack of interest. Another option would be to

provide people who are not associated with the nursery copies of the nursery floor plan and ask them to chart their expected path.

Some useful pointers to look for are:

Upon entering the nursery, most customers walk away from, or skirt around the cash registers.

Narrow pathways look uninviting. This feeling is increased when goods or plants are stacked higher than normal.

Customers tend to browse only in areas of quiet traffic flow or where paths are widest.

Dead ends, or paths that appear to be dead ends are not inviting to customers.

Many customers will not venture through areas of tall plants or where they cannot see their way out of the section. If there is a shortcut to avoid such an area, most people will take it.

Adjustment space at the entrance to a center or section allows people to take a few steps or moments in adjusting to changes in light, noise, heat, etc. During adjustment, customers will not be looking at merchandise unless the display is overwhelming.

Most customers avoid badly lit, neglected, or cluttered areas.

Wet, shiny, or slippery pathways make people unsure and some customers avoid them.

Uninteresting vistas down paths or aisles deter people from shopping in those areas.

Open sight lines are important. Tall displays or plants create 'shopping shadows' behind them and should be avoided.

Negative signs on displays about terms of sale deter customers from returning.

Overflow inventory in pathways or goods left by customers can interfere with a carefully planned customer flow.

Hot Spots and Dead Spots

The main purpose of doing a customer flow analysis is that it highlights the areas, which provide maximum exposure to customers (hot spots) and the areas of poor exposure (dead spots).

Hot spots are traditionally found where traffic is heavy, such as around the ends of islands, beds, and gondolas, or in other main viewpoints around the nursery. Most impulse sales are made from hot spots, so it is essential for all salespeople to know which areas are hot and which are not.

Dead spots are areas that are not visited or noticed by many or most customers. Major reasons for dead spots are: 1) geographical - dead corners, shadows behind high trees or dead ends, 2) poor lighting, 3) merchandise out of easy reach, 4) merchandise below or above eye level, 5) too wide a bed and, 6) too long a shelf. Dead spots can result in a considerable amount of expensive sales area not living up to its potential.

Display

To be successful, a nursery must have the right products, in the right places, at the right times. Educating employees about the kinds of items that their nursery sells can enhance sales and the kinds of purchases customers make.

Impulse Items

All green and dry goods can be classified as either impulse or purpose items. An impulse item is one that is purchased by a customer who did not intend to buy that particular product on that particular day. Customers may have it in mind to replace a rose bush with a mockorange but only when they see and smell the mockorange in the nursery will they actually decide to buy it. Other items, such as colorful flowering plants, are bought on an even stronger, 'instant' impulse reaction. If an impulse is not visible or available without a search, there will be no impulse and no purchase. Impulse items should, therefore, be placed in hot spots. In some cases, however, customers who have the impulse to buy an item (a large patio plant, for example) will want to browse while picking out a particular plant. Not only is a clear sight line critical for the customer to catch the impulse, but browsing space must also be provided. Consequently, some vista lines should end with browsing areas for large items.

Surveys show that over 60% of all non-food merchandise bought in the U.S.A. is bought on impulse. Impulse items are usually highly decorative or appear to be good values. If customers, however, are overwhelmed with walls of color and impulse items when they step into a nursery, there is a danger of higher priced items, such as furniture, large shrubs, and shade trees, being obscured. Customers who are overwhelmed with low-cost impulse items will spend less, reducing the dollar sale per customer.

Staple Items

In the supermarket, staple items are things such as bread, meat, dairy products, produce, and breakfast cereals. In the garden center, staple items include chemicals, tools, bedding plants, and containers. Customers will search out these items, but no one wants to shop where there is an obstacle course. To be easily seen and found, such items should be well marked with signs, even though not necessarily located near entrances or in hot spots. By placing staple items at the ends, corners, and sides of sales areas, customer flow is encouraged around a greater portion of the nursery, provided these items are clearly marked and displayed in an attractive manner.

Some basic items are very, very price sensitive, and price becomes the main motive to buy. If promotions by a garden center are aimed at creating price awareness of a certain product line, that line can be used to pull traffic into a quiet or dead spot, but only if the merchandise and its price are very obvious.

Generally speaking, impulse items are not extremely price sensitive. In this respect color, suggested uses, and attractiveness of the products should be the central message in displaying impulse items.

Browse Products

Browse items are those which customers do not make quick decisions about. Sometimes customers need time to read instructions on packets or supporting literature. Browse items can be as large as a $1000 set of patio furniture or as small as a 65-cent packet of seeds. Provide customers time and, above all, space to select browse items. Never put the items in areas of high traffic flow, narrow areas, hot spots, or near the cash register. Such placement will deter customers from shopping and these goods will not sell very well. For example, seeds placed near the cash register for security reasons will not sell as well as if placed in a browse area (which should still be 'open' to deter shoplifting). Garden centers can increase browse sales by providing seats for customers to sit and read through books or seed packets.

Companion, Tie-In or Associate Products

As the name suggests, these are products that go together in customers' minds, or could go together if the display suggests it. Frequently, a link is created between a dry or non-plant item and a plant. To make this tie-in, use a flexible display approach rather than one that places all dry goods inside and all plants outside. Companion sales are common in other retail businesses and could be used more often in nurseries to increase the dollars spent per customer. Useful companion or tie-in sales are:

Trees - tree stakes, ties, fertilizer, mulch
Foliage Plants - leaf shine, fertilizer, containers
Bird Feeders - bird food, bird books
Bedding Plants - fertilizer, labels

Types of Displays

'Stack and Sell' Approach

For certain product lines, stack and sell displays can be very effective if built correctly. Fertilizer and soil amendments are good examples of stack and sell items. End caps at the ends of benches or islands within the store are ideal places for displays of boxed lawn seed, fertilizers, or chemicals. Bedding plants can be arranged on stacked shelves, as can colorful flowering plants - another high impulse item. The important points for success with this method are that displays be built safely and look touchable to customers. Facing the product towards the usual customer view line is an important point to remember.

Grid System

Grid systems are often used in super-markets, and many garden centers have adopted this type of layout. For staple items it can be effective, provided that signs are clear and the items are accessible. If a nursery uses a grid system for either dry goods or plants, it must encourage customers to walk methodically up and down each aisle. Aisles must be wide enough to be inviting and colorful. Interesting displays must be in view at regular intervals. Some nurseries combine a grid method with alphabetical staging of plants, which may create difficulties in keeping displays interesting and attractive. Although labels or color pictures enhance sales in any system, they are particularly useful in a grid system where items can appear uninspiring to customers.

Grouping By Use

This idea can be used to make an area of staple items more interesting. In response to customers' reasons for visiting garden centers, merchants can group products with similar uses to make them easier to locate. An example is a lawn care center that displays grass seed, sod, fertilizer, lawn herbicides, lawn pesticides, lawn tools, and lawn books. Another grouping to make life easier for those customers who have a complete job in mind would be to create a home-landscaper section which includes brick, paving material, patio rock, tubs, planters, and larger landscape-size plant material.

For plant displays, create beds or groups of low growers, privacy plants, plants with fragrance, herb gardens, and so on. Group displays can be difficult to maintain and can create inventory headaches, but they do make shopping more interesting for customers.

Grouping By Theme

Furniture stores use an extension of the grouping-by-use display method. They do not line up tables by the dozen, but surround them with tie-in items, such as bookshelves, coffee tables, and silk plants to simulate a room in a house. By doing this, a store gives ideas to customers and does not just provide what they have already decided to buy. Many customers visit nurseries to get ideas and inspiration. By grouping plants, tubs, and furniture, and by recommending which types of plants or species look good together, garden centers give ideas and inspire customers to buy more than planned. Examples of theme groupings are 'Your Fall Color Corner,' 'Patio and Poolside,' and 'Gourmet Garden Collection'. Theme gardens can either be for display only, with a sale area adjacent to the display, or items may be sold from the display. If the second option is adopted, it is very important to make the display look 'disturbable.' If the display is too neat and undisturbed, customers will not pull plants or dry goods out of it.

Rules of Display

Most garden centers use a mixture of display styles depending upon availability of sales personnel and the area available for display. Whichever styles are used, basic rules of display should be followed.

Color

Correct colors are unnoticed and taken for granted by customers. The wrong colors make them uneasy or disinterested. Colors can change with the seasons and situations. Warm colors, such as red, brown, and gold, can be used to attract attention to dead spots or distant vistas. Remember that red is associated with excitement, danger, passion, and increasingly with low price (sale ticketed items are never blue!).

Cool colors, such as blue, white, and green, often give a feeling of distance or space in a small or enclosed area. Generally speaking, these colors should not be used in dead spots, vistas, darker, or shady areas. Seasonal use of colors is valuable.

Winter:	Cool colors to reflect the season with sparks of warmth (red houseplants)
Spring:	Bright yellows, pinks, and greens to bring freshness to displays
Summer:	Lilacs, pinks, and other pastel shades to cool down the hot months
Fall:	Natural shades of brown, bronze, and gold to reflect the season

Orientation of Goods

All goods should be faced so that the front of the product or plant faces the most common sight line from the customer's viewpoint. Some businesses leave one or two gaps in a shelf or bed to suggest that someone else has just bought a similar packet or plant. This practice can help to instill customer confidence in a product.

There are different theories about whether to block dry goods vertically or horizontally. In vertical blocking, small sizes are on top shelves, medium-sized packets on middle shelves and large items on bottom shelves. With horizontal blocking, a range of different sizes of the same product are displayed side by side at the same level. Vertical blocking tends to be more popular with nursery businesses, but whatever method is chosen, the display should look tidy.

With a long gondola or plant bed (over 30 feet), there is a tendency for customers to 'switch off' and not look at products in the middle of the display. This tendency is especially noticeable with endless rows of seed packets or chemical bottles. To help overcome "switch off", something visually different can be displayed every 10

to 15 feet along a gondola or bed. The effects of hanging mini-sprayers, bags of potting mix, or books is to bring the eye of the customer back to the display and to start looking at the merchandise in more detail.

Research from supermarkets has shown that only items displayed at a certain height get full attention from customers. Within a given display, sales decrease by about 30% for items displayed above eye level and as much as 80% for items on the floor, as compared to items displayed at eye level. Consequently, items offering the greatest potential profit to a nursery should be placed in prime sales areas. Areas above a prime sales area can be used for tie-in sales, such as sprayers or seed flats. Slower moving or larger mark-up items can be placed on lower shelves, although if the slower-moving items are not tied-in or associated with the other items in the display, it may be better to block off the lower shelves and use them for storage.

Theme or Message

All displays say something to a customer, depending upon the merchandise, color, arrangement, and price. Bear this fact in mind when building a display, particularly one involving plants and dry goods which tie-in together. The message will come, in part, from signs, but the style and organization of a display sets the tone of the message. Stand back as you organize the display and ask yourself, "Is the message clear? Does the display say what I want it to say?"

Maintaining Displays

Displays can look good on Monday morning, but by Sunday afternoon displays can look 'tired'. Someone in each department should have the responsibility for regularly replenishing, dusting, cleaning, pricing, and replacing labels in their respective displays. This practice applies to green goods as well as dry goods. Dirty pots, unlabeled or unpriced plants, or container plants infested with weeds turn customers off rapidly. Restocking both dry and green goods should be regular and objective. All employees involved in restocking should know exactly what constitutes unsalable goods and what the company policy is regarding unsalable goals and restocking. All new merchandise should be placed at the back of the existing items.

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Chapter Review

A. What are the two goals in displaying merchandise?

1. _____

2. _____

B. List at least five factors influence traffic flow?

1. _____

2. _____

3. _____

4. _____

5. _____

C. Describe the concepts of:

Hot Spots _____

Dead Spots _____

D. Describe the following types of sales:

Impulse Items _____

Staple Items _____

Browse Products _____

Tie-ins _____

E. Describe the following types of displays and how they can be used:

Stack and Sell _____

Grid System _____

Grouping by Use _____

Grouping by Theme _____

F. Explain the following rules of display:

Color _____

Orientation _____

Theme or Message _____

Maintenance _____