



## **Role of Point-Of-Sale Information and Plant Quality on Consumers= Purchase Decisions**

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### ***Introduction and Background***

Will the garden center industry (as the marketer) and the environmental horticulture industry (as the plant source) change as much and as rapidly in the first decade of the new millennium as the industries did in the last decade of the twentieth century? Marketing will be a key factor as retailers and grower-wholesalers of ornamental plant materials who are alert to shifts in consumer demand benefit from new marketing opportunities. To make the right merchandising (advertising, promotion, pricing, display, information) decisions, retail managers need to be aware of influences on consumer purchase decisions.

It is easier (and more profitable) to get more money from current customers than it is to get more customers. Who are the customers at retail garden centers in selected rural and urban markets in Georgia? And once these customers are on the premises, what influence on their purchase decisions are point-of-sale (POS) or point-of-purchase (POP) information and plant quality (appearance)?

### ***Methods***

A survey was developed to collect information that would help garden center managers and grower-wholesalers identify what and how should plant materials (and sales information) be conveyed to customers to encourage new and repeat sales. The survey concentrated on:

- ' identifying characteristics, including demographics, of garden center customers;
- ' determining the key merchandising factors (selection, quality, prices, information) that influence the customer=s decisions to purchase plant materials; and
- ' assessing consumer satisfaction with the environmental horticulture offered at the surveyed sites.

The surveys were completed on-site using undergraduate agribusiness marketing student interviewers who were enrolled in AAEC-3200, Selling in Agribusiness, the fall of 1999. The garden center sites selected represented both rural and urban consumer markets; only the aggregate information is presented, although there were statistically significant differences between the rural and urban centers on some issues.

### ***Results and Observations***

**Customer Profile**

	<b><u>% Rural Customers</u></b>	<b><u>% Urban Customers</u></b>
<b>Age:</b>		
less than 18	0 %	0 %
18 - 24	2	3
25 - 44	32	46
45 - 54	37	29
55 - 64	14	10
65 or older	15	12

**% of All Customers****Household Incomes:**

less than \$ 15,000	2 %
\$ 15,000 - \$ 34,999	18
\$ 35,000 - \$ 79,999	49
\$ 80,000 or more	31

**Residential Information:**

Detached House	70 %
Condo/Apartment/Multiple Unit	19
Mobile Home	11
Average Tenure in Residence	9 years
Owner	80 %
Renter	20

**Dollars Spent at Retail for Plants Purchased (estimate of annual expenditure), 1998 - 1999:**

none	9 %
less than \$ 50	17
\$ 50 - \$ 100	33
more than \$ 100	41

**Composition of Shopping Party:**

Female Only	44 %
Female and Child(ren)	5
Male Only	16
Male and Child(ren)	2
Male and Female Together	27
Family Unit	6

**Average Distance Traveled to Garden Center:**

Rural Center	16 miles
Urban Center	20 miles

## Garden Center Profile

### **Important Factors in Selecting a Garden Center:**

(customers rated ten factors on Likert Scale of 1 to 4, 1 being most important)

	<u>% Reporting Factor as Most Important</u>
Quality Plants	56 %
Green Goods (Plants) Selection	12
Point of Sale Information	10
Knowledgeable Sales Staff	8
Convenient Location	5
Competitive (Low) Prices	4
Hard Goods (Non-Plant) Selection	2
Friendly Service	1
Convenient Hours	1
Quick Service	1

### **Items Customer Came to Buy Compared With What Actually Purchased:**

<u>Priority Item</u>	<u>Wanted</u>	<u>% of All Customers</u>	<u>Bought</u>
Advertised Specials	50 %		72 %
Plants (annuals, ground covers, bulbs, foliage)	12		61
Shrubs (and other landscaping perennials)	5		12
Trees	3		2
Gardening Hardware/Supplies	7	27	
Comparison Shopping	13		1
Browsing or Just Looking	10		7

### **Sources Customers Used for Technical Assistance:**

(customers ranked ten sources as to most likely to use and/or frequency of use)

	<u>% of All Customers</u>
Garden Center Staff	25 %
Point-Of-Sale Information	23
Landscaping or Gardening Horticulture Books	12
Internet	10
Extension Service	8
Television, included Walter Reeves	7
Friends and Relatives	5
Magazines	5
Experience or Trial-and-Error	3
Other Sources	2

### **Regular Customers to This Site:**

(Aregular@being defined as at least 4 times in the past year)

Rural Garden Center	91 %
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***Summary Comments***

Repeat sales are the lifeblood of the garden center industry, especially with the availability of retail garden centers in urban locales. Promotions (advertised specials) draw customers to the garden center, and once on-site, customers seek assistance (general information, technical knowledge, ideas or suggestions, help, problem solving solutions, needs satisfaction) from the garden center staff. Customers also use the placards, tags, banners, signs, labels, videos and related visible devices for additional data points and help in making purchase decisions.

Quality sells, but **A** quality defined is inconsistent among shoppers. How customers evaluated quality ranged from emphasis on size to color to general appearance to uprightness to one customer's canopy or plant size-to-container size ratio **B** subjectivity and perception variables relying on the visual, rather than price.