

# MARKETING ANNUALS AND HERBACEOUS PERENNIALS TO LANDSCAPE INSTALLERS

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As members of the Georgia Commercial Flower Growers Association I will assume that most of you are involved in the production of annuals and herbaceous perennials. Actually don't fret if you do not grow these plants since the information covered in this article can help anyone that markets product to the landscape industry. As nursery and greenhouse operators you are involved in substantial business-to-business marketing whereas retailers are involved primarily in consumer marketing. As such, your marketing plans could benefit from an understanding of the relationships between different segments of the industry. This means that we not only understand our target customer but that we identify groups that influence the buying decisions of our target customer.


I recently conducted a survey of landscape installers to gather information that could help you and other suppliers to better market their goods and services to this industry segment. The survey was completed in early 1994. This article covers the influence of Landscape Architects on the plant material purchases by landscape installers and the factors that influence the selection a nursery by landscape installers. The findings are discussed in light of the size of the landscape installation firm so you can develop more specific marketing plans. Earlier market research demonstrated that different size landscape architectural firms in Georgia had different service requirements. The size classes established were based on the annual wholesale value of plant material purchased: small (< \$50 K), medium (\$50-\$200 K), and large (> \$200 K).

Forty-two percent of the firms (80 respondents) completed the survey which provides a solid foundation for making marketing decisions. Most of the responding firms (93%) were classified as private business. Seventy-one percent of the respondents were the owner of the firm surveyed with the remaining 29% either the manager or employee. Thus, the views discussed in this article are primarily those of the decision makers in the private sector of the landscape installation industry.

The wholesale value of plant material purchased by the respondent landscape installation firms totaled \$10.4 M. The total value of plant material purchased by landscape installation firms in the two trade associations surveyed, extrapolated to about \$25 M. The total value of plant material purchased by Georgia landscape installation firms could be two to three times this value (\$50 - \$75 M) since an earlier study estimated 400 landscape firms in Georgia in 1989. The purchases of landscape installers represents a substantial portion of the estimated \$152 M farm gate value of nursery, greenhouse, and turf products in Georgia.

Large landscape installation firms accounted for 22% of the respondents and 74% of the plant material purchased by all firms. The value of plant material purchased by these large firms ranged from \$223 K to \$2.0 M. Medium-sized firms (\$50 K - \$200 K) accounted for 33% of the respondents and approximately 21% of the total dollar value. Small firms (< \$50 K) accounted for 45% of the respondents and only 4% of the value of plants purchased. There were approximately twice as many small firms in operation as were large firms but, the large firms spent 17 times more on plant material than the small firms. The size and dollar value distribution of landscape installation firms was similar to that of landscape architectural firms where relatively few firms accounted for a large percentage of plant material purchased or specified. The fact that most of the plant material is purchased by the large firms does not imply that these are automatically the appropriate customers for all nurseries. You should consider other factors such as, the volume of plant material that your nursery is capable of supplying, proximity to the customer and, service needs of the customer. Smaller producers may find that the small landscape firms are a better fit or that you can supply large firms with one or two specialty products that are required in a quantity that matches your production capability.

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Most (> 93%) of the projects for Georgia landscape installation firms were located in Georgia. Small and medium firms conducted a higher percentage of their business in state (about 98-99%) as compared to large firms (93%). However about 30% of the plant material used by Georgia landscape installers was purchased out-of-state. There were no differences between landscape firm sizes for the percent of jobs conducted in the metropolitan Atlanta area; landscape firms conducted about 79% of their business in the metro area. Approximately 75% of the firms are located in the Metro Atlanta area. This suggests that the landscape installation industry is concentrated in the metropolitan areas and conducts most of their business where they are located. This makes for economy of sales effort since there is a large concentration of customers in a relatively small geographic area.

To determine the influence of Landscape Architects on plant material purchases by landscape installers, the installers were asked to identify the percentage of their projects designed by landscape architects. Large installation firms had a higher percentage of their projects (84.3%) designed by Landscape Architects than did small (29.0%) or medium (40.2%) sized firms. Using the value of plant material purchased by each firm and the percentage of their projects designed by landscape architects, I estimated that 76% of the plant material purchased by the Georgia landscape installers was specified by Landscape Architects. All of the large firms and all but one of the medium firms had projects designed by Landscape Architects. This demonstrates that Landscape Architects have a substantial influence on the type (variety and size) of plants purchased by landscape installers and in turn demand at your nursery. The influence of the Landscape Architect is substantially greater for the larger landscape firms. Therefore interaction with landscape architects would be particularly important to growers supplying the large landscape installation firms. However with such a high level of influence on which plants will be used in the landscape, I feel that it is important for all growers to be at least aware of what plants will be specified by landscape architects in your area of the country. In the situation where the landscape installer does not have any projects designed by landscape architects, their selection of plant material will still be influenced by plants used in the local market and many of those plants will have been selected by landscape architects.

The influence of Landscape Architects on which plants will be purchased presents an interesting marketing situation for growers. This is a case where you have a strong influencer in the market place that generally does not purchase product. If growers want to influence which plants will be in demand, an appropriate level of marketing resources should be directed to Landscape Architects. At a minimum growers should have sufficient communication with Landscape Architects to understand the trends that will influence their selection of plants or what plants are currently being specified. Some of the landscape plans are done sufficiently in advance of planting to allow growers to

respond, at least with quick turn crops. For producers such as members of the GCFGAs this is a real opportunity that does not exist for producers such as tree growers where their grow time is long. If you worked closely with Landscape Architects you should be able to monitor what is being specified and respond to much of the herbaceous material. A more aggressive marketing plan might include regular correspondence that introduces Landscape Architects to new products, highlights current product availability, and encourages Landscape Architects to specify your nursery as the source of plant material. As an association you could ensure that the results of the plant trials of Allan Armitage are received by Landscape Architects. In this way you will influence demand for herbaceous plant material.

Having directed marketing resources to Landscape Architects to influence which plants will be in demand, you are still faced with the challenge of how to ensure that plants are sourced from your nursery. The most direct benefit of marketing to Landscape Architects would be to promote new plants for which you hold the patent. In this way the landscape installer would have to purchase from your nursery or you would be assured of a royalty on each plant sold.

Landscape Architects will "tag" plants in a nursery and specify in their plans that plants need to be sourced from a specific nursery. This practice is most common for specimen-size trees but is practiced to some extent for shrubs and less so for herbaceous material. This is a practice that could be encouraged by growers.



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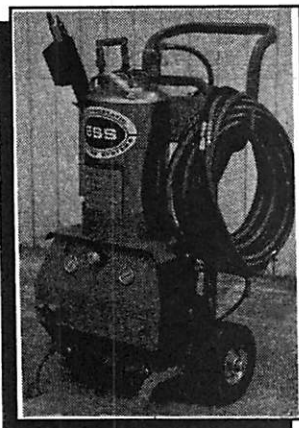
For the vast majority of plants the grower must still develop additional plans to encourage landscape installers to source from their nursery. To assist growers in this effort landscape installers were asked to rate the importance of several factors that affect their selection of a production nursery. The ranking of these factors did not vary by size of firm indicating good agreement in the landscape industry on what is important in selection of a nursery. The most important factors, based on the percentage of respondents that rated the factor as very important were, plant quality (85.3%), plant material available in desired sizes (62.7%), available plant varieties (60.0%), price (48.0%), nursery holds plant material until required for a job (33.3%), and proximity to client (29.7%). The ability of growers to satisfy the second and third rated factors could be enhanced through communication with Landscape Architects who specify plant varieties and sizes in their landscaping plans and account for 76% of the plant material purchased by landscape installers. The ability of nurserymen to supply quality plants, of the requested varieties, and in the desired sizes is of highest importance to landscape installers since over 90% of the respondents rated these factors as important or very important. About 40% of the respondents indicated that the ability of a grower to hold plant material

until it is required for a job was either not important or only somewhat important, suggesting that nurserymen could emphasize other areas of service. The landscape installers were about equally divided on the importance of the proximity of the grower to their job, with about one-third rating this factor as either very important, important, or somewhat important.

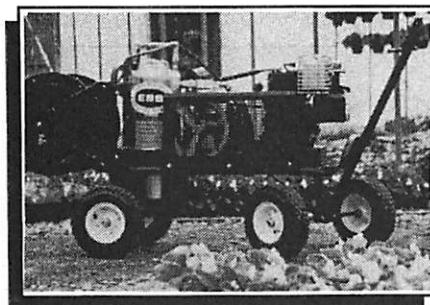
Based on my market research I suggest that growers consider a two-fold approach to marketing to landscape installers: (1) educate and communicate with the influencer, Landscape Architects, regarding which plants are being specified or should be specified and, (2) communicate with and provide the services necessary to affect the selection of nurseries by landscape installers. Based on earlier market research, I believe that landscape architects do rely on growers for information about which plants to specify. We need more growers communicating with Landscape Architects and educating them on which plants to specify and how to use them in the landscape. In Georgia we have formed a New Alliance promote cooperation between growers, landscape installers, and Landscape Architects. I would encourage members of the GCFGA to get involved with this effort.

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