

How Population Affects Bedding Plant Sales

Demographics can tell us what the next step may be to better bedding plant sales.

By Bridget Behe

The more you know about your customers, the better you can connect with them and understand their needs. There are some publicly available characteristics about people in your market area (income, home value, education) that are known collectively as demographic characteristics.

Peter Drucker (the managerial guru of our day and author of *The Essential Drucker*) shows us the power of demographic information. "Demographic events have known lead times; for instance, every person who will be in the American labor force by the year 2000 has already been born. Yet because policy makers often neglect demographics, those who watch them and exploit them can reap great rewards," said Drucker in a 2002 *Harvard Business Review* article called "The Discipline of Innovation." Every American who will buy bedding plants this year has already been born. If we pay attention to demographics and changes that are likely to come, we could predict some changes in bedding plant sales. Seemingly simple to do, but as Drucker indicated, even the savviest business managers may fail to see these trends.

PURCHASING BEDDING PLANTS

Both businesses and consumers purchase bedding plants. With no data on the purchases by

businesses, we turn our attention to the millions of Americans who buy bedding plants each year. What do we know about them now? The National Gardening Survey on consumer gardening expenditures gives us some key insight about the gardener of today. Approximately 41 percent of the 108 million U.S. households engaged in flower gardening in 2002. Generally, the higher the level of education and household income, the higher the percentage of flower gardening participation. More women and married people engaged in flower gardening than men or single and divorced people. On average, flower gardening expenditures were about \$74 per household (for those households who participated in flower gardening).

What are the changes to come? Most certainly, these gardeners are going to get older. As they age, we should expect gardeners to have some changes in work, leisure and lifestyle.

GENERAL GARDENING CHARACTERISTICS

How do Americans use bedding plants, and when can we predict people might buy them? Americans use bedding plants in and around their homes to decorate their yard, porch, patio or other outside living environments. When do Americans begin creating a home of their own? Many people in this country are typically in the work force between the ages of 16 and 70. Most

people who pursue an advanced education are finished with school by age 22. Home ownership peaks between the ages of 30 and 50.

There is a not-too-surprising relationship between home ownership and bedding plant purchases. The more people in your market area own homes, the greater bedding plant sales are likely to be. Are new sub-divisions being built? Is the population in your market area increasing? Is the occupancy rate of homes and rental housing high? What is the average income or home value of households in your market area? Check your census data to find out.

LESSONS FOR THE AGES

If the prime bedding-plant purchasing age is 35-50, what percentage of our American population is in that group? What changes can we expect?

With 30 percent of Americans now between the ages of 35 and 55, it is no surprise that bedding plant sales have steadily climbed as this group has aged. Collectively called Baby Boomers, these Americans have fueled our economic growth as they changed from fast-food clerks to business managers and executives. They have built the large homes and been the force behind the tremendous increase in landscape service demand.

Yet, we know for certain that the Baby Boomers will get older. As these people begin to



Finding Demographic Information


Where can you find information on demographic trends? With Internet access, there is a wealth of demographic information at your fingertips. Simply look up your state and county data on-line at <http://quickfacts.census.gov/qfd/index.html>. One trade magazine that annually publishes this type of demographic information is *Sales and Marketing Management*. Each year, a special July issue called the "Survey of Buying Power" is sent to subscribers. It lists age and income distributions by county, along with a lot of other useful demographic information. Check your local library, as it may be a subscriber.

retire (within the next 5-10 years), their lifestyles are likely to change. Watch the Boomers closely to see if they downsize in retirement. If they do, bedding plant sales are likely to follow. If they no longer have large homes, with yards and large porches, how many bedding plants are they likely to need? Not that they alone keep the bedding plant industry going, but they are the best customer today. What will they do with their time in retirement? If they garden, good for us. If they play golf (and want someone to garden for them), still good for us. If they move into retirement homes with no patio or yard, bad for us. We need them to keep gardening as a part of their retirement lifestyle to maintain our current bedding plant sales or we need to find new markets.

Who comes behind the Baby Boomers? Only 17 percent of the American population is in the next group: Gen-Xers. They are now ages 25-34 and beginning to purchase their first homes. They are more experienced and focused and will buy into gardening for different reasons. We will need to market gardening as an experience to the Gen-Xers, not as a home improvement. Active and passive gardening experiences are both valuable to Gen-Xers. We need to be aware that there are far fewer of them (by about half) than the Boomers, so competition for their gardening dollars will intensify.

Behind Xers come children of Boomers (called the Millennial Generation) who will become an even more powerful economic force in our country. They are economically powerful now and will increase their spending power as they grow older. However, they were raised with Game-Boy and X-Boxes and are often unaware of the joys of gardening. They are the most culturally diverse age sub-culture in the United States. How well we integrate gardening principles from Asian and Hispanic cultures, then market these products and experiences to this generation will be a precursor to our success with them.

Changes in the population (demographics) are seemingly simple to identify, yet few businesses really follow or anticipate how changes will affect their firm. It makes good business sense to know more about the demographic characteristics of your market area.

Check with your library or online and see what your market looks like today. Think ahead 5-10 years, and you may begin to anticipate some changes your competitors won't even know about until they are before them. 

Bridget Behe is professor of horticulture at Michigan State University and has conducted extensive research on horticultural marketing, business management and demographics. She can be reached by phone at (517) 432-2450 or E-mail at behe@msu.edu.

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