

Marketing Strategies For Small Growers

Small growers exhibit many different reactions and strategies when a big box moves into the neighborhood; the most successful ones turn lemons into lemonade and compete by returning to some marketing basics.

By
**Robin Brumfield
and
Lawrence Martin**

Consider two small towns in America's heartland: Each has an established small grower and has been invaded by a big box store. A few years later, one grower is bankrupt; the other grower is surviving and thriving! Why did one grower finally give up and close? How did the other grower not only survive but also thrive in the shadow of a big box?

To answer these questions, we visited more than 80 greenhouses, garden centers and nurseries in the past two years. We collected data and information from them, including marketing strategies, maintenance of market share, promotional plans and programs, product mix, value-added ideas, agri-entertainment, advertising, demographics, pricing policies and market channels.

Our objectives were to determine:

- How small growers (wholesale and/or retail) cope with current trends and changing customer preferences.
- How small growers compete against the big boxes.
- What lessons growers can learn from our research results.
- How growers can incorporate these results into their existing marketing programs.
- What happens when a big box moves in?
- How small growers react and the strategies they develop.
- How the big boxes have forced small growers to re-think their marketing strategies.
- How growers can survive and thrive in the shadow of a big box competitor.

We have incorporated the research results into our presentations to growers and academics across the country. This article is the first adapted for *GPN*; look for more small-grower management articles from us featuring our research in coming months. The articles will attempt to help growers/producers formulate their own strategies, concepts and ideas to not only survive but thrive in the current, competitive green industry market.

Choose The Right Strategy

In conversations with small growers, we encountered perspectives that ran the gamut from complacency, denial and even panic to confidence and optimism. The successful growers came to terms with the reality of a changing marketplace. They have accepted that big boxes are here to stay and learned that the changing market demands different responses. When a big box appears on the horizon, smaller growers most commonly choose either a "snooze and lose" or "change and prosper" strategy.

Many wonder if big box stores are a help or hindrance to the industry. The big boxes push prices down and keep prices down, sometimes below the break-even costs of some producers. Successful growers are competing by returning to some marketing basics.

The most common success strategies are:

- Knowing and understanding production costs.
- Planting what is profitable versus what the grower likes.
- Developing a niche.
- Having a positive attitude.
- Listening carefully to what customers want.
- Adding value and service.
- Making buying into an experience.

A Changing Marketplace

A typical grower was doing "business as usual" for two generations. This grower invested little profits back into the family business: He was complacent, neglecting peeling paint, broken glass and potholes in the parking lot. His greenhouse looked old and unkempt. He and other growers didn't protest new parking meters as the town's answer to limited parking. He had half-hearted promotions and short hours. The greenhouse layout, lighting, displays and merchandising were virtually unchanged since construction. The signage was poor. He was slow to incorporate new trends and follow customers' changing needs and preferences. But, in spite of the lackadaisical management style, the business was generally still good enough to allow him to earn a good living and maintain the status quo — that is, until a big box moved down the road.

A sad but relevant example of this is what happened to the now bankrupt Frank's Nursery & Crafts. This Troy, Mich., company began as a roadside fruit stand in 1949. At the time of Frank's first Chapter 11 petition, it had 257 stores in 15 states.

Frank's marketing plan could not compete in a changing marketplace. Customers were migrating to local, upscale greenhouses and/or garden centers that promoted better quality products or to big boxes that pandered to customers who wanted cheaper prices. The lack of a response to changing customer preferences coupled with new competitors guaranteed it was only a matter of time for Frank's. ▀



The most successful growers are those that have accepted that the big boxes are here to stay; they have come to terms with the changing marketplace. (Photos: Lawrence Martin)

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Left: Investing in your business through greenhouse upkeep — maintaining updated layout, lighting and more — can help your business succeed when a big box moves in. **Right:** Developing a niche for yourself through the products you sell, both plants and hard goods, is a good marketing strategy to employ.

Coming Attractions

Look for future *GPN* articles in which we will look at how we can use data from high-priced Madison Avenue marketing firms as well as common-sense, tried-and-true, return-to-basics and “Take from the past, add to the future” strategies.

We will take a closer look at these successful strategies:

- Know your costs.
- Educate buyers about your quality, value, service, convenience and selection relative to your competitor’s.
- Don’t reinvent the wheel.
- Develop your own niche, sometimes incorporating, “Do what you do best.”
- Listen carefully to what your customers want.
- Make buying an experience — even if you are a wholesaler, make it a pleasurable experience to buy from you.
- Exploit your comparative advantage and make lemonade out of lemons.
- Upgrade your image.

We will review other real-life/real-time examples of how small growers compete against the big boxes and examine how the big boxes have made us re-think our marketing strategies. We will share and examine some data from our latest surveys.

We welcome your thoughts, ideas, comments and questions. Let us know what you think!

What Can You Learn?

Frank’s retail operations had neither the cheapest prices nor the best quality products. This was and is a death sentence in today’s competitive marketplace.

Some of Frank’s closed doors re-opened under new ownership, and one is located in eastern Pennsylvania. An owner/operator of a local, established, successful business that encompasses florist, greenhouse and garden center divisions added his former competitor’s facility to his greenhouse business. In the same facility where Frank’s withered on the vine, this local grower increased annual sales by 30 percent! Note that both the current and former businesses operated in the shadow of Home Depot (less than one-half mile away).

The new owner sells retail plants grown in his greenhouse along with retail hard goods and services. Incredibly, he wholesales some of his product to his Home Depot neighbor. So he either sells to customers directly by retailing from his own greenhouse or indirectly by wholesaling to the local Home Depot. He employs all of the successful strategies of businesses that survive in the shadow of a big box store.

The new owner’s keys to success are that he knows his costs and has developed a niche (actually two: one retail and one wholesale). He made lemonade out of lemons by buying a failed business and making it a success. He knows it is critical in the marketplace to carefully listen to what the customer wants: variety, service, an informed and friendly staff, and more convenient hours.

He also understands the value of customer service and pampering. For no additional cost, his staff pots plants that customers have purchased and carries them to their cars. He tries to make buying an experience for his customers by having a large selection of plants and other products displayed attractively with friendly, knowledgeable sales staff available to assist with purchases.

Where Frank’s marketing plan did not compete, this local grower thrives. He succeeds by responding to a changing marketplace where customers patronize upscale, local greenhouse and garden centers or migrate to big box stores that pander to customers who want cheaper prices. A sad end for Frank’s became a success story for a local grower. [GPN](#)

Dr. Robin Brumfield is farm extension specialist at Rutgers University. She can be reached at brumfield@aesop.rutgers.edu or (732) 932-9171. Lawrence Martin is a Rutgers University Extension Volunteer. He can be reached at larrymartin@rcn.com or (610) 432-8094.

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