

Getting the Product Mix Right[©]

Tim Kane

Prides Corner Farms, Prides Corner Farms, 122 Waterman Road, Lebanon, Connecticut 06249, USA

Email: tkane@pridescorners.com

INTRODUCTION

I am the Sales, Marketing and Inventory Manager at Prides Corner Farm in Lebanon, Connecticut. Prides Corner is a 142 ha (350 acre) nursery that services customers in the northeast quadrant of the USA, from Maine to northern Virginia and west into Ohio. Our nursery, like most in this country, has taken its share of lumps since 2008, when the recession started hitting hard. But, unlike many growers, our sales have remained strong throughout this period of time. We have become an even more important asset and business partner to our customer base. There are many reasons we have remained successful during these trying times. One of the main reasons is that we have worked hard to get our product mix right.

Our journey to getting our mix right did not start when the recession hit. We have been working on this task in earnest for more than a decade, which meant we were well prepared when hard times hit. Our long term attention to our product mix is tied closely to our company philosophy, our goals and our customer base. These influences and our diligence have combined to create in Prides Corner, a unique, diverse, market driven company that is as healthy as any grower in America. The story of how we got the mix right is a work in progress. The process never ends. How we got to where we are today is a story that requires a little more explanation, about what make Prides Corner Farms tick.

REACHING THE GOAL

Our goal at Prides Corner is a simple one: We must remain relevant to our customer base. Being relevant means we have to follow the path that our customers want us to. Unfortunately in our industry, we are all guilty of spending too much time looking at what we like – and hoping it sells rather than looking at what the customer and consumer wants. It doesn't matter if it is convenient or easy for us, it only matters what the customer likes and how we can satisfy those needs. The more customer needs you can satisfy, the more relevant and the better business partner you become.

To know what your customers wants, you have to first know who they are. At Prides Corner, our customer base is 60% independent garden centers, 25% rewholesale distribution yards, 20% landscapers and 5% grocery stores. It is a diverse group, but it is dominated by independent garden centers. We love our customer base but they tend to be as diverse as they are independent and opinionated. I have concluded that the expression “as difficult as herding cats” probably originated from dealing with the buyers/owners of independent garden centers.

It might not be easy to get customers to be on the same page with you but there is common thread of needs and wants throughout this diverse group of garden centers. You have to find out what those common threads are in order for you to get you product mix right. We are constantly asking our customers what they want, what they need, what they cannot find, what their customers are asking for, and what we can provide to be a better partner for their business. By continually asking questions and taking the temperature of our customer base, we have found these common threads of what they want.

WHAT CUSTOMERS WANT

- **NEW!** New is the most important word to a garden center buyer.
- **Limitless Variety.** They are “Plant Heads” and most buyers love to buy for themselves and hope that consumer tastes confirms what the buyer likes. This is not always the best way to buy and is one of the biggest problems at the garden center level, but something that a grower always must deal with.

- **Branded Programs.** For all of you that are out there saying it is only about the plant, you are wrong. For the consumer it is all about the package. Most know nothing about plants and are looking for the right “package” to empower them to make a successful buying decision. Branded programs and their packaging make that possible in an industry that is woefully lacking in the ability to serve customers face to face.
- **The Ability to Buy in One Place.** Buyers have a busy life and the grower’s job is to make their life easier. It is easier for them and more profitable for you if they see your product mix and determine you have the critical mass of material and delivery logistics that will allow them to cut out those vendors who do not.
- **The Ability to Control Inventory.** The ability to buy from one grower predominantly allows for smaller, more frequent deliveries and less having to make a minimum load from many vendors, which results in overbuying at the garden center and rewholesale level.
- **One Further Complication.** You have to be able to be all things to all people. Your message and your products have to satisfy the garden center buyer, the landscaper and the consumer – which means diversity coupled with a story that resonates with all three. Add in to this list of wants and needs a few other factors from the consumer and the prevailing market place that have had a strong influence on what sells including:
- **Changing Tastes.** People get bored with the same old thing. This goes for garden center buyers, consumers, and landscapers. Color is “king” these days, which standbys such as *Taxus*, *Ilex*, and barberry (*Berberis*) do not meet. They also “lack cool” for today’s consumer.
- **Invasive Plants.** More and more states are legislating against plants these days. *Euonymus alatus* ‘Compactus’ is a poster boy for this. While we still sell a considerable amount, we have provided a raft of substitutes that are better plants, just as colorful, more attractive, which generate more sales than burning bush alone.
- **Generational Changes.** While many retain fond memories of a particular plant from their parent’s or grandparent’s yard, most consumers want to make their own statement with their landscapes – and new plants coupled with many choices make this possible.
- **Green and Locally Grown.** Consumers, especially those in younger generations, are more intent on being good environmental stewards. They increasingly embrace buying locally grown food. These factors have a strong influence on the plants they purchase for their landscapes.

TWO METHODS TO GET THE RIGHT PRODUCT MIX

There are two methods Prides Corner has used to get the product mix right in light of these factors outlined above. Each has led to increased sales and the ability to better respond to the needs and wants of our customers and the consumer.

LINE EXPANSION

Expansion of existing product lines is one of the ways we have gotten the mix right. By line expansion I mean the addition of taxa grown of a particular genus leading to a much deeper, more diverse selection for the customer. Examples of Line Expansion at Prides Corner:

- **Hydrangea.** Sales from *Hydrangea* have exploded over the last decade, and we have added dozens of new selections. While we still have considerable sales of plants in this genus that we have grown for years, a dizzying number of new selections in the Endless Summer[®] line and in Proven Winners[®] have led to far more selling, and far more demand by our customers.
- **Syringa.** Everyone still craves old fashioned lilacs – it is one of the few “generic” plants consumers actually recognize. But, the garden center buyer only wants lilacs that bud and bloom at the garden center which means out with the old and in with the new! hyacinthflora lilacs always bloom and bud for the garden center and the consumer loves them; in fact, they are hard pressed to find the difference between them and grandma’s plant. Bloomerang[®] Purple is a Proven Winner[®] reblooming lilac that has taken off over

the past couple of seasons and boosted sales immensely.

- **Buddleja.** A staple in our industry that has seen a renaissance with better forms, better colors, and sizes that are easier to work with. Prides Corner is still selling many of our “old school” cultivars, but dwarf forms such as Lo & Behold[®] ‘Blue Chip’ have opened up far more sales, while striking colors coupled with dense form in ‘Miss Molly’ and ‘Miss Ruby’ have led to even more.
- **Heuchera.** Twenty years ago there was a green leaved selection and a dark leaved selection like *H. villosa* ‘Palace Purple’ and that was it. Today there is a dazzling selection of colors, leaf shapes and plant sizes, combined with a great story of how easy they are to grow in the landscape that has led *Heuchera* as a group to be one of the top five selling perennial genera at Prides Corner.
- **Roses (Rosa).** Fifteen years ago our sales were dominated by old fashioned garden roses. Today, while we still sell quite a few of the old teas and floribundas, roses have become a year round landscape product dominated by easy care, disease resistant shrub roses like Flower Carpet[®] roses, Drift[®] roses, Knock Out[®] roses and David Austin[®] roses. They have extended the rose selling season for us and for our customers with a product that is easy to sell at all levels.

PLANT BRANDING

The influence of plant branding has been enormous at Prides Corner and we have led the industry charge to embrace them. Many look at brands as an unnecessary complication, just another colored pot and big tag on which to waste money. Further, many think that the plants that define particular national brands just aren’t as good as some of the plants they have been growing for years. For those who think that way, you are missing the point.

Brands create a story about a group of plants that consumers find helpful if not essential in making a buying decision easier. We prefer not to think about the ugly truth of consumer plant buying which is: “Consumers fear buying plants – and our industry contributes to this fear in how we market, display and sell our plants.”

Consumers fear making the wrong decision. The story that brands tell helps the consumer feel more empowered to make the right decision and to buy emotionally, something that we ‘plants people’ do with most items in our lives. With plants, we are blinded by our own knowledge and are mystified when consumers leave the garden center empty handed – even in the spring. What we cannot see is how our neat, alphabetically arranged stores that are artificially segregated into annual, perennial and woody pieces with a sea of generic plants, makes absolutely no sense to the consumer. They want definition, information, and to be emotionally influenced; branding, as is also done with products at grocery stores, clothes stores or home centers, provide that for the consumer.

Garden center buyers and growers have tended to dislike, disregard, or disrespect brands for many reasons. They are missing the point and an opportunity. The point is that we are in the business to sell plants, not just love them. If branding helps sell plants and improve the bottom line. The opportunity is to tag along with the advantages that branding brings which are: (1) A distinctive package that consumers gravitate to, (2) Marketing materials for a display that will stand out in a sea of generic at the garden center, and (3) A story that someone has crafted for each brand with their promotional money to spread the story of the brand. Why not take advantage of these opportunities?

Here are examples of how particular brands have worked to get the mix right at Prides Corner, added sales and helped make us a better partner to our customers.

- **Proven Winners[®] (PW).** The pipeline is always filled with new plants, there is great name recognition in the market place for PW and they offer numerous marketing opportunities. We are doing huge sales numbers each year with PW plants, sales that 10 to 15 years ago were negligible. These sales are still growing annually.
- **Endless Summer[®].** A plant that has revolutionized the *Hydrangea* genus. As with PW there is great name recognition for the brand in the market and great marketing opportunities provided for the garden center. The unseen influence of this brand has

been the need for every other breeder to find the “Next Endless Summer.” While these plants have not sold anywhere near those of Endless Summer, the cumulative effect of their sales has been tremendous. Being deep in *Hydrangea* selections is not a problem it seems; they all are selling at this point all due to the influence of Endless Summer.

- **Goodness Grows Edibles™**. This Prides Corner house brand has provided a great vehicle and a great story for garden centers to take advantage of the strong locally grown influence for food. Consumers, especially during this recessionary economy, have turned to growing more vegetables, fruits and berries at home as well spending far more at local farmer’s markets that seemingly every town has these days. With the advent of better genetics there are better homeowner oriented fruit plants that have made home growing easier. Couple that with a strong want for heirloom veggies that actually taste like veggies instead of cardboard and a program that financially benefits Plant A Row for the Hungry, you in Goodness Grows Edibles a program that is perfect for today’s consumers, today’s economic reality and our garden center customers.
- **Brazelberries®**. This is a new program for 2013 that I expect will have a huge influence on the market and will lead to big sales. Many of the same factors listed above for Goodness Grows Edibles apply here but with the added advantage of revolutionary Raspberry and Blueberry plants and promotional money that could make this brand the Endless Summer of fruit plants.
- **Sara’s Superb Herbs®**. Another Prides Corner house brand that established Prides Corner in the eyes of our customers as a market leader. Before the advent of this program which was conceived in 2001, Prides Corner had not grown herbs but we were intrigued about providing a great story and great marketing to a generic product while providing a larger size than was available on the market and tying it all to a cause that consumers could relate to. All these factors came together perfectly and, 10 years later, we are selling over 75,000 1-gal herbs per year while providing increased category sales at the garden center and a contribution of nearly \$250,000 to Easter Seals over the life of the program.
- **Pink Ribbon Plants™**. A brand that we did not create but have taken on as one of our house brands. This program is a collection of non-proprietary plants of our choice dressed in pink containers that benefits a cause that a garden center’s customer base (80+% women) can relate to. It also offers a vehicle for garden centers to have events that will make them the focus of publicity in their communities. People are always willing to help a good cause, and breast cancer research is a cause that resonates with the garden center customer.
- **American Beauties Native Plants™**. This is a brand that Prides Corner co-owns with North Creek Nursery. It is national program that has seven licensed growers throughout the USA. The program focuses on regional native plants and their naturally occurring cultivars and combines them for the garden center in a way that makes it easy for the consumer to be successful landscaping in difficult areas, while providing an island of habitat for native critters. This program benefits the National Wildlife Federation and provides a way for homeowners to feel they are doing the right thing with their landscapes, while giving them an avenue to certify their landscape as a wildlife habitat through the NWF. Even better for the garden center, it takes generic plants that were sold mostly for reclamation work and puts them front and center in the garden center, while providing an unbeatable feel-good story for the homeowner. Prides Corner always sold native plants, but we are selling more than triple the amount we did five years ago. We are also getting the margin we want for these plants, while providing great tools to the garden center to sell more.
- **Volcano® Phlox**. We sold negligible amounts of Garden Phlox at Prides Corner before we got involved with Anthony Tesselaar products, including Volcano Phlox. These plants have resonated with our customer base, i.e. Garden Phlox has a longer bloom time, shorter, more manageable height and care in the landscape, and increased tolerance of powdery mildew. We are now selling out of this product to the tune of 45,000 plants annually, at a premium price – much to the pleasure of our garden center

customers.

SUMMARY

As you can see, Prides Corner has done a lot of work to make sure we have gotten the right product mix, and that work continues every day of every year. The right product mix along with outstanding logistics and a maniacal focus on our customer base has made us important to our customers and a better business partner. This has enabled us to weather the economic storm as well as any nursery in America. Every nursery can and must do the same if they wish to survive.

