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How to be Market-Driven

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Marketing is in the news. We read about it, hear about it—everywhere we turn we're told about the virtues of marketing: How marketing can be the key to our business' success; that the nursery industry will continue to thrive if we all get down to the business of marketing; That without marketing there would be no market; And a product without a market is like an airplane without wings—it won't fly.

I don't disagree, the logic is sound, but what we fail to hear or understand, is how? What does marketing consist of? Where do you begin? How can you practically implement marketing without spending a fortune. What can you, as nursery owners and managers, do to assure a market is ready and willing when you're ready to sell.

You do this by becoming market-driven. By letting the market be your guide, your road map to your business decisions. By setting your antenna on your market and letting them shape your business. This does not mean printing a bigger and better catalog or hiring another sales representative. Convincing your market to buy is important but its only the final step to a process that begins before you make that first graft, or plant that first plant. It's a process that penetrates every aspect of your business. It's realizing that you're in business, not only because you enjoy growing plants, but because you're serving your customers' needs.

To explain how a company can become market-driven I will use examples of **how not to be market-driven**. Each illustrates a fundamental flaw in marketing strategy. Some you may be able to relate to, since they are often heard in the industry. I will also use each example to explain a major step to becoming market-driven. Steps that are essential in assuring your business has a market—and a future.

HOW NOT TO BE MARKET-DRIVEN: I.

When Making a Business Decision, Only Listen to Your Neighbor, Spouse, or Fellow Grower. Getting assistance from friends and family is fine—if you're planning a family reunion, but they should not be relied on to direct your business. Only your market, your current and future customers, can give you the information you need to succeed. It's your market that will give you the best indication of what to grow, to what size, and what services to offer. I'm not saying to ignore the advice of neighbors and other growers but to temper it with what the market is demanding. Just because you can grow exactly what the neighbor does is no guarantee a market will appear when you're ready to sell.

So, the first step to becoming market-driven is listening to your market. It's

listening to your customers, former and future, before making any decision about your business. It's asking yourself, before you install a new inventory system, or purchase a new piece of equipment—is this good for the customer? Is this what the customer wants?

Listening to your market does not mean taking everything they say as gospel or trying to incorporate each of their whims indiscriminately. To be market-driven means *determining what is most important to your customer and then letting that information guide your decisions*. It's taking a customer's perspective—putting their shoes on when looking at your own business. In the customer's eyes you're selling more than just a plant. A customer will be appraising your product and your business in its ability to fulfill his needs—in most cases this goes beyond just obtaining a 1-gal rhododendron or a grafted maple.

For an example, let's say you grow grafted conifers. Each of your potential customers will be viewing your conifers in terms of what is most important to them. To a new grower who plans to grow your conifers on, your expertise and guidance can be just as important as the plant. To a garden center, your ability to deliver on time, and to a collector, your reputation. Each looks beyond your plant to see if you can satisfy their particular needs.

The first step in marketing—or to be market driven, is to listen to your market when thinking and planning for your business. It's understanding that your product is fulfilling their wants—not yours. It's listening to what is most important to them.

HOW NOT TO BE MARKET-DRIVEN: II.

Consider Anyone and Everyone to be Your Primary Market. The second example of how not to be market-driven is having only a vague notion of who your customers are. It's having little idea who buys your product and what they do with it once it leaves your nursery. It's trying to be everything to everybody.

Unfortunately, trying to appeal to everybody usually leads to not appealing to anybody. The nursery market is not homogeneous. A landscape contractor has different needs than a garden center. Each is looking for a different mix of plants and services so each in turn can serve their own customers. Each is turning to a grower for not just plants but an entire list of criteria that is important to them.

Consider the toothpaste market. A fairly generic product—one toothpaste is very similar to any other, but then why over 20 brands? It's because the industry has been very successful in designing each toothpaste brand to appeal to a certain group of customers. They've realized that each group considers toothpaste important for different reasons. Whether its fresh breath or whiter teeth, each toothpaste is answering the needs of a particular group.

To be market-driven requires you to target your efforts. To look at your market as a collection of very distinctive groups, each with a distinctive list of criteria in judging your product. It's selecting whom you want to serve, and then honing your products and services to most appeal to your target. It's realizing that each group turns to you for different reasons. It's saying to yourself that you're in business to serve the local garden center market or the East-coast landscaper.

It's OK to target more than one group. You just need to realize that each is turning to you for a different set of reasons. That each group has different wants and perceives you and your business in slightly different ways. What is important

to your landscape customer might be irrelevant to a garden center.

Keeping in mind who your market is and what is important to them will make your decisions easier. Right from the beginning you'll have a much better idea of what to plant, to what size and what else to offer. Knowing your audience will help you design your catalog or write an ad that speaks directly to your customer.

HOW NOT TO BE MARKET-DRIVEN: III.

Become a Victim and not a Player of the Market. Becoming a victim of the market occurs when you let the market attack you, instead of you attacking the market. It's having little idea of whether or not what you grow will sell. It's taking the first price offered because you have no idea if another customer will appear. Victims of the market believe they have no control and spend their time in fear wondering if a market will appear.

To be market-driven means doing your homework. It's taking control of your business by keeping an eye on the market and understanding how it will affect your actions. It means finding out that the current price of primroses would never cover your expenses—before you plant—not when you're ready to sell.

Proper marketing requires knowledge. You don't have to conduct fancy market research. You just need to keep your eyes open. It means talking to your customers to find out how their business is doing. It's spending the time to find out what happens to your plants—after they leave your nursery. It's asking your garden center customers what sold and if not sold, why? It's asking your landscape customer what type of projects they're working on and what they expect in the future.

Taking control also means doing your homework before you get started. It's getting on the phone before you plant and finding out whether or not there's a market for the plant you love to grow. And if there is, who else is supplying it, at what time of year, in what quantities and for how much.

And finally taking control means studying your competition. It's becoming a catalog collector and studying what they have to offer that you're not offering. It's understanding why customers are buying from them instead of you.

A market-driven company acquires knowledge—knowledge of the market, of their customers and their competitors.

HOW NOT TO BE MARKET DRIVEN: IV.

Use Price as Your Best Weapon to Attract and Keep Customers. There's nothing wrong with wielding price as an incentive to attract and keep a customer—if, you happen to be a commodity. If you believe you're selling wheat and that your wheat kernel is very much like everybody else's wheat kernel then you have no other choice but to compete on price. And being a commodity can be profitable if you know you're the lowest cost producer. But for the majority of nursery growers this doesn't apply—not everybody can make money by competing on price alone.

Fortunately, in the nursery industry you are not bound by the restrictions of selling a commodity. You have the ability to put together a mix of products and services that sets you apart from other growers—to design a unique “value-package” that avoids the headaches of competing on just price.

The fourth step a market-driven company takes is, therefore, designing this value-package. It's finding a mix of product and services that removes your product

from the commodity mode by offering your customers more than just a plant.

You do this by making best use of your strengths and your competitors' weaknesses—to find a mix that appeals to a given market. For example, a small wholesale greenhouse grower I know, knew he couldn't compete with the bigger nurseries in town. So he decided to use his strengths in location (center of town), selection and service (they have a retail site at the same location) to target local charity groups that sell plants to raise money. By supplying the right mix of plants and services he created a captured market for his plants—at his stated price, not theirs.

When considering your value-package don't be fooled by customers who claim they only care about price. A major buyer of a discount chain told me that the lowest price doesn't guarantee that he can turn around and sell that plant. What's important to the buyer is a plant that performs for the customers—that will sell, even given the notoriously poor conditions at the store. If a grower can provide a plant and services that assures the retailer he can sell that plant then he's willing to pay more. Price does not make the sale.

Another danger about competing on price alone, is that it won't build customer loyalty. A buyer who says he's only looking for price has no allegiance to your nursery if he believes he's only buying a commodity.

To be successful, a market-driven company must take the time to design a value package that raises the value of their product. To avoid competing on price alone requires realizing that you're selling more than just plants.

HOW NOT TO BE MARKET DRIVEN, FOLLOW EMERSON'S ADVICE: V.

If a man can write a better book, preach a better sermon, or make a better mousetrap than his neighbor, though he builds his house in the woods, the world will make a beaten path to his door.

-Ralph Waldo Emerson, 1869

Even if you can write a better book or grow a better plant, there is no guarantee your business will succeed. Emerson was a great poet but not a great business strategist. In today's world, where products (and growers) proliferate, the market will not tromp to your door, even if you think you have the best. Great authors go unpublished each day while sensationalized and lurid novels become best sellers. The key to business success is not only knowing what the market demands but making sure you let them know that you can provide it. It's not sitting home quietly hoping success will knock.

As you probably have guessed, this final step to a market-driven company is promotion. It's letting the market and customer know what you have to offer. It's letting the world know you're in business and telling them why you're good.

Promoting your business does not mean making big bold statements that have no substance or placing a screaming pink cover on your catalog. Like the icing on the cake, it does no good if the cake tastes bitter. To get them to come back for a second bite you have to clearly explain what your value-package is and why it's important to a potential buyer.

A good promotion informs. You keep a customer's interest by telling them clearly and concisely what you have to offer and why you're good. It explains how your package of products and services, addresses their needs. It goes beyond just

proclaiming in an ad, “Bare-root Seedlings For Sale” A good promotion will also explain why these seedlings are important to the customer. It points out what the customer needs to hear: **“excellent future survival, largest selection, best form!”**.

Promotion also does not end with a catalog or a trade show. It’s a process that occurs year-round. Whenever you speak to a customer, fill an order, or talk to another grower you are promoting your business. This occurs, because every action you take reflects back on your business. Every action shapes an image in your customer’s mind of what kind of business you are. Not returning a phone call, or being late on filling an order, all reflect on your ability to provide your value package. You can print a spiffy catalog that totes your customer service, but as soon as you ignore a customer’s request, you’ve lost the benefits of your catalog.

HOW TO BE MARKET DRIVEN

In conclusion, to be market-driven means simply using the market as a guide, a road map to building your business. The steps don’t require a great infusion of money or a great deal of your time. It just requires following these simple steps:

- I. Place your market first by listening to what is most important to your market, not what is most important to you.
- II. Target your efforts to specific customer groups. Avoid trying to be everything to everyone.
- III. Do your homework. Don’t become a victim of obvious market trends or events.
- IV. Build a mix of products and services to avoid having to compete on price alone.
- V. Promote! Tell them why you’re good.