

Knowing the End Consumer: A Grower's Collaboration in Launching a New Plant Brand[®]

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INTRODUCTION

This paper is an honest evaluation and presentation of a moment in time in the life of an Irish nursery. It's about the mounting difficulties that have to be faced and the solutions that have to be found in the face of a very severe recession. Irish consumers are now talking about how much they save, not how much they have spent — and that is a problem for all businesses. In the last year Sunhill Nurseries has experienced a 30% drop in turnover with the most recent months showing an even greater drop. This is an enormous jolt to a system that had only seen year-on-year turnover increases in the last 20 years. Other nurseries have had a similar experience.

CONSEQUENCES OF THE RECESSION

One consequence for us was that our labour had to be drastically reduced — a situation that had to be handled carefully because if handled poorly this can have a negative impact on the remaining employees. It is important to insulate the morale of those left on the nursery to show them they have a future, while supporting those who leave.

There was a large proportion of unsold stock left on the nursery, which leads to its own difficulties in terms of space and cash flow.

We have had to reduce our purchase of liners in comparison to previous years and our liner order will also be reduced in 2010 and 2011.

Because of the recession, banks are either unable or reluctant to lend money, even to well-established businesses. This leads to serious difficulties in being able to balance purchases and payments on the nursery.

To help maintain the business I also reduced pricing on my plants, introduced special offers, and accepted the need to make deliveries with less than full loads.

The nursery faced reduced profit margins, while actually needing higher margins to survive — this is the real crunch area for the survival of our industry, the reduction in cash flow. While sales and turnover figures are a good indicator of progress, cash flow is vital to the heartbeat of the business.

Positive Thinking. By Autumn 2009 the Irish economy was at a stage where, to a large extent, we were unable to influence events around us. Nurseries have to concentrate on what they know, on what they are good at, and keep believing in themselves. This strangely can lead to some positives. For example, we became more flexible and streamlined as a business as we had the opportunity to change some very dated practices to make us more efficient. We found we had more time and space to undertake operations such as pruning, tying, and spacing on time. Perhaps surprisingly, on a personal level, meeting these new challenges has given me renewed motivation.

Another positive has been our increased use of government agencies. Nurseries such as Sunhill cannot exist in a vacuum. Bord Bia [the Irish Food Board] and Teagasc (The Irish Agriculture and Food Development Authority) are the relevant Government agencies and both provide invaluable help through site visits or even at the end of a phone — very important, as we are, by and large, a small and fragmented industry.

COLLABORATION IN THE LAUNCH OF A NEW PLANT BRAND

The recession meant it was a time for changes and readjustment, to be innovative and different. This led to our collaboration in launching the new MyPlant™ brand which was the brainchild of Pat FitzGerald at FitzGerald Nurseries (FitzGerald, 2009).

Launching a new product in such a challenging environment seems strange, but has some advantages, as it is the perfect testing ground for a new product — any product that sells in a recession has staying power in the market and sales can only increase as the economy recovers.

The new MyPlant brand meant a chance to offer something new to our customers and, more importantly, to differentiate Sunhill from our competitors during a difficult sales period. The product launch forced us to look beyond the nursery, beyond the garden centres, at exactly what the end consumer really wants.

Market research for MyPlant showed that the consumer wants inspiration, convenience, and value. The Irish consumer is very sophisticated, well educated, and well travelled. They expect the best, are open to new ideas, are fashion conscious, and demand the best service.

This data formed the basis for growing and marketing the new plant range. To consumers MyPlant attributes included the following:

- A new product range — this created interest in the market place
- It proved good value for the money
- Good quality, large plant size, and a generous pot volume were all part of the mix
- MyPlant plants offered opportunities for instant gardening

For retailers, the brand had good product information and back up with large colour labels, information leaflets, point of sale display boards, and a helpful website. A good top up delivery service is available alongside the other products from the nursery.

Both consumers and retailers benefit from the regular introduction of new varieties into the range.

Benefits of the Collaboration. Sunhill Nurseries is essentially a small nursery operation, in a country with a small population. But this new range allowed us to put new plans together, to progress ideas with a new focus on our customers. It also gave our staff more of a focus; they feel empowered, in control and have a new confidence in the future.

Matching plants to a product profile allowed the nursery to plan production, have almost year around sales, and have phased deliveries.

MyPlant has proved to be a success despite the recession. It has become an important product line, forming an increasing proportion of our sales. The success of the MyPlant range is a result of consumers being able to readily identify the lifestyle choice that the brand represents.

There is a good level of interaction and interconnection between the different horticulture sectors in Ireland. The stronger the ties we weave between nurseries — the more co-operation and the more successful our industry will become. The nursery sector's current strength has been built over the years by the research, development, and improvement of successive nurseries. Plants are still, and will remain, the main reason the gardening public visit garden centres, and we should hold this securely in our sights.

LITERATURE CITED

FitzGerald, P. 2009. Using Plant Propagation Technology for Improved Plant Marketing. *Comb. Proc. Intl. Plant Prop. Soc.* 59:248–251.