



E-marketing and E-commerce in the U.S. Green Industry

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Industry Overlook - 2018

Plant & Flower Growers*

Industry at a Glance

Key Statistics
Snapshot

Revenue
\$13.5bn

Profit
\$1.0bn

Annual Growth 13–18
-0.7%

Exports
\$510.5m

Annual Growth 18–23
1.2%

Businesses
32,631

Nursery and Garden Centers

Industry at a Glance

Key Statistics
Snapshot

Revenue
\$40.6bn

Profit
\$1.7bn

Annual Growth 13–18
1.5%

Wages
\$4.3bn

Annual Growth 18–23
0.3%

Businesses
17,773

Flower and Nursery Wholesalers

Industry at a Glance

Key Statistics
Snapshot

Revenue
\$11.0bn

Profit
\$428.6m

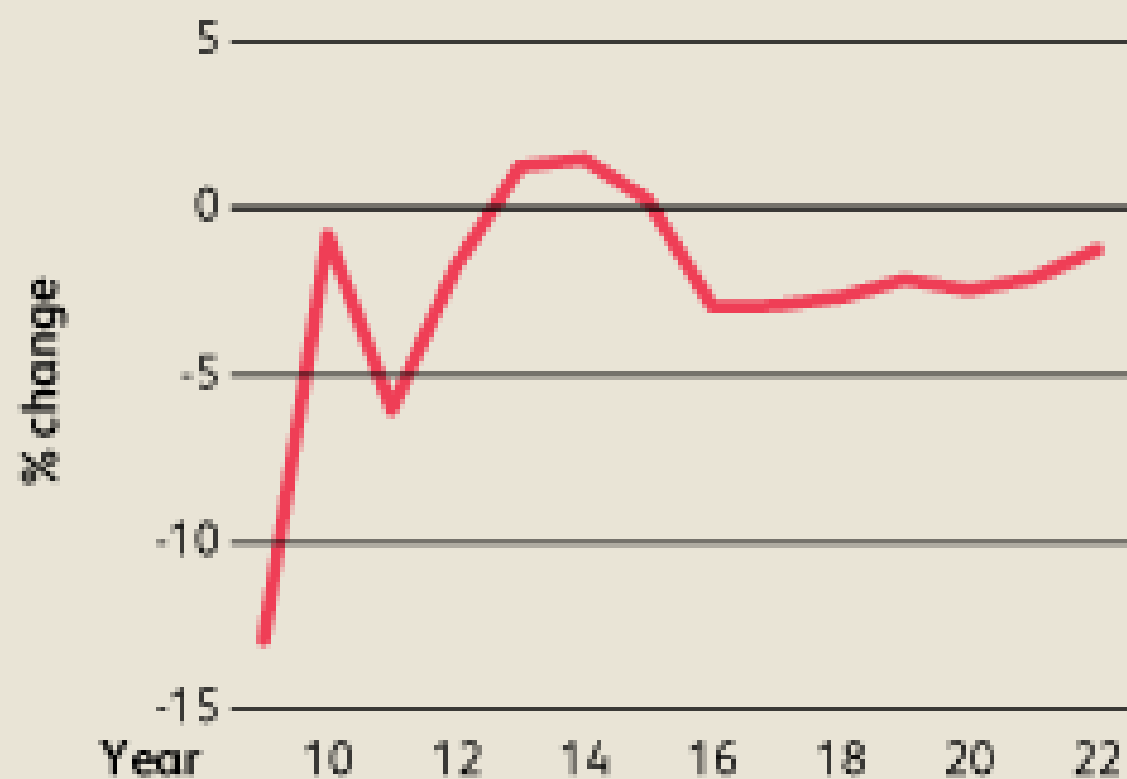
Annual Growth 13–18
-0.5%

Wages
\$1.9bn

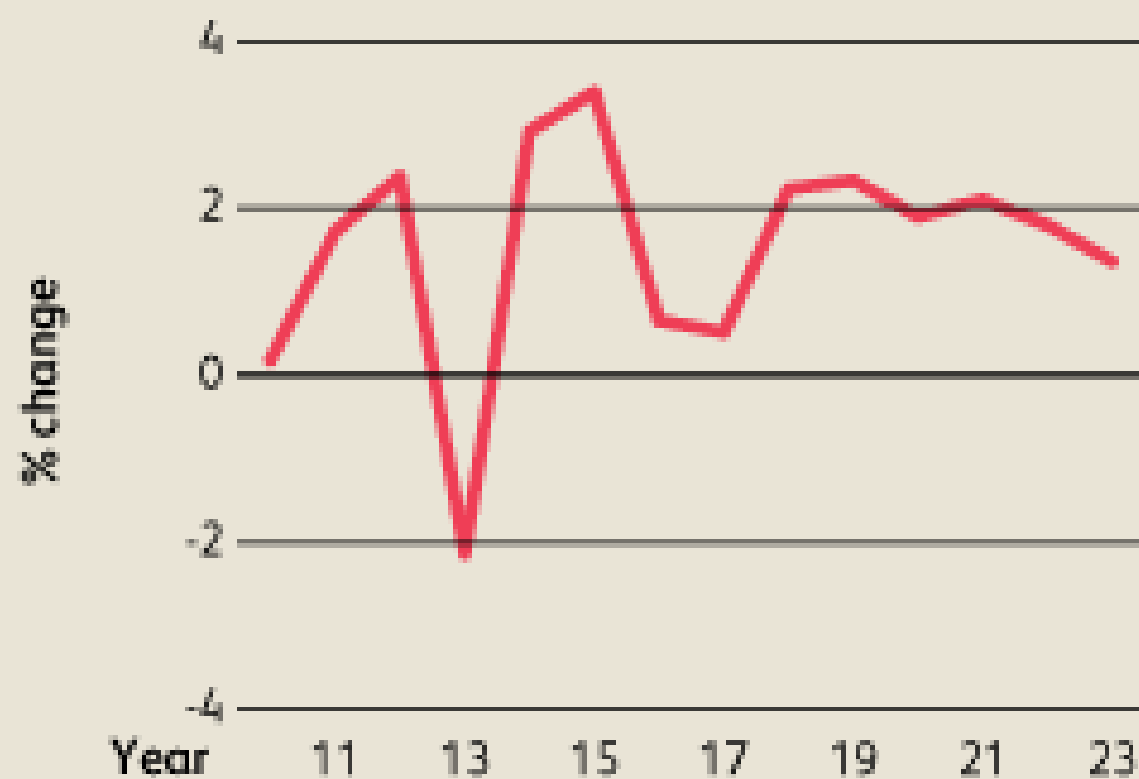
Annual Growth 18–23
-2.7%

Businesses
9,858

Demand from florists

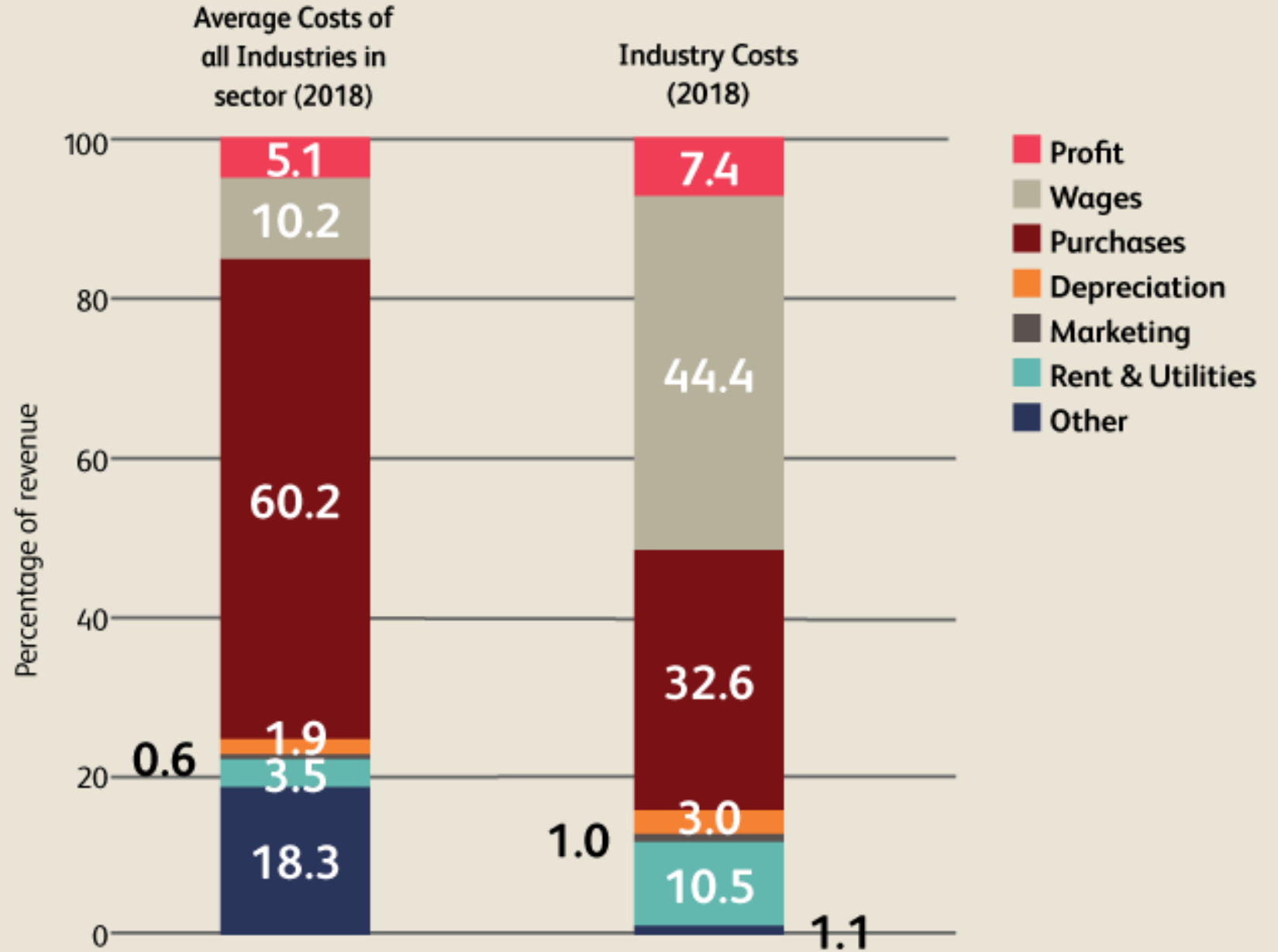


Per capita disposable income

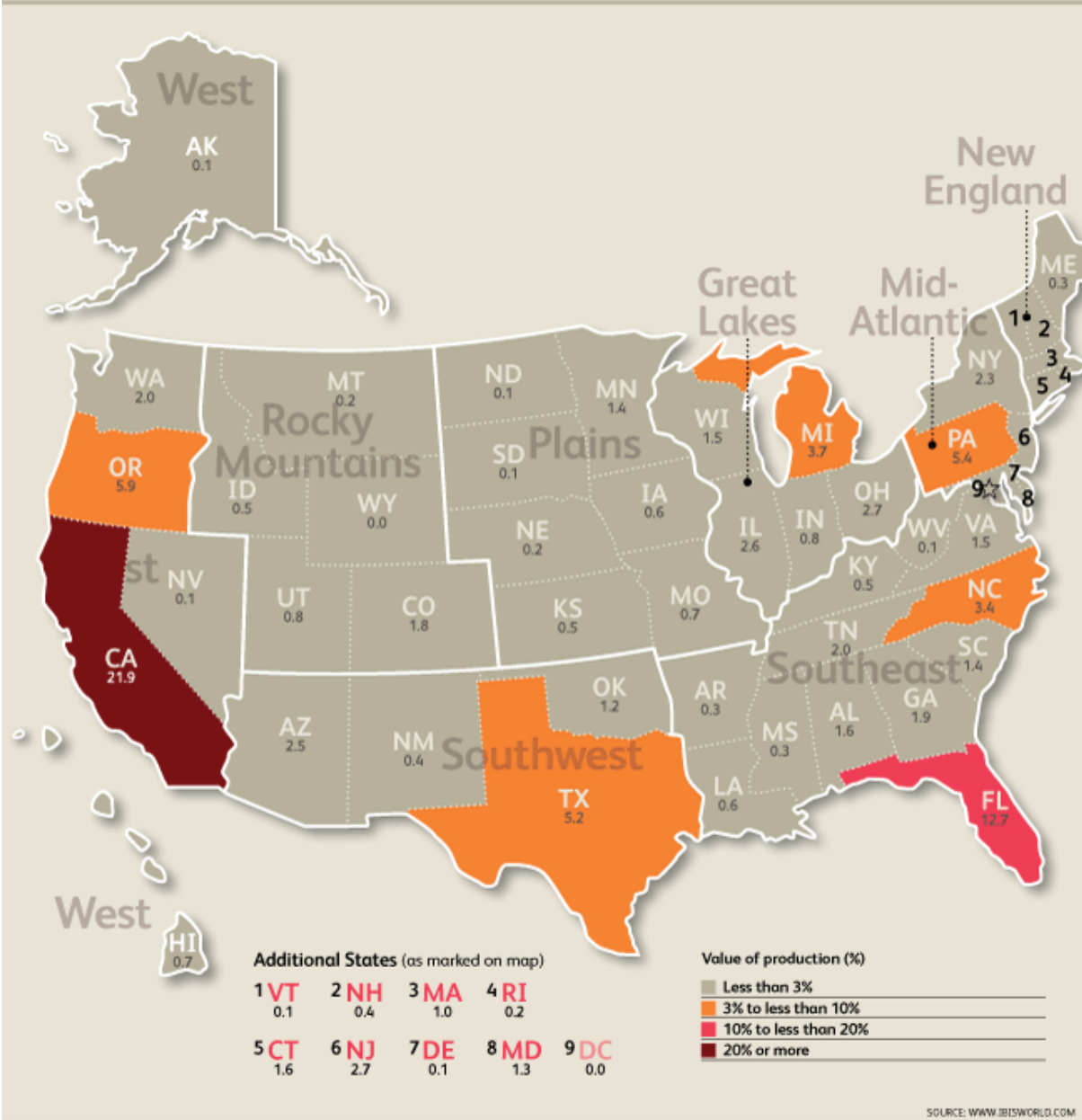


Key Costs Plant & Flower Growers

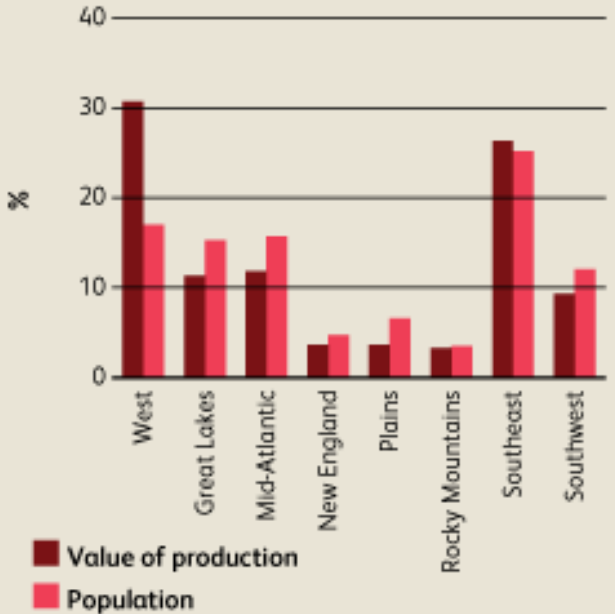
Sector vs. Industry Costs



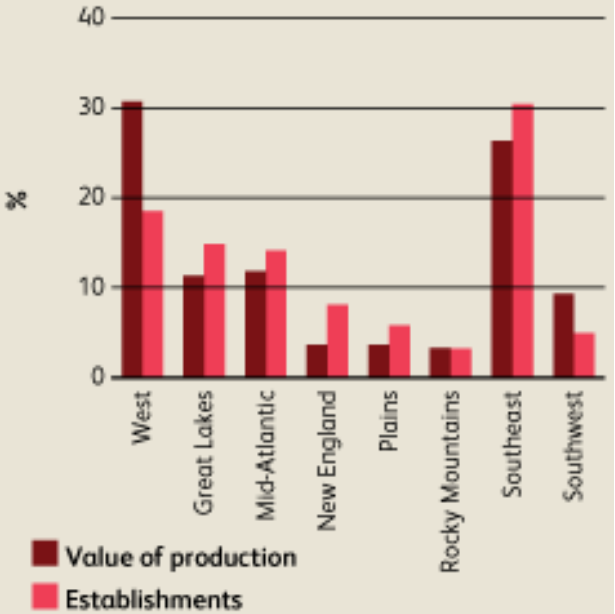
Plant & Flower Growers



Distribution of value of production vs. population



Distribution of value of production vs. establishments



SOURCE: WWW.IBISWORLD.COM

The Industry and online strategies

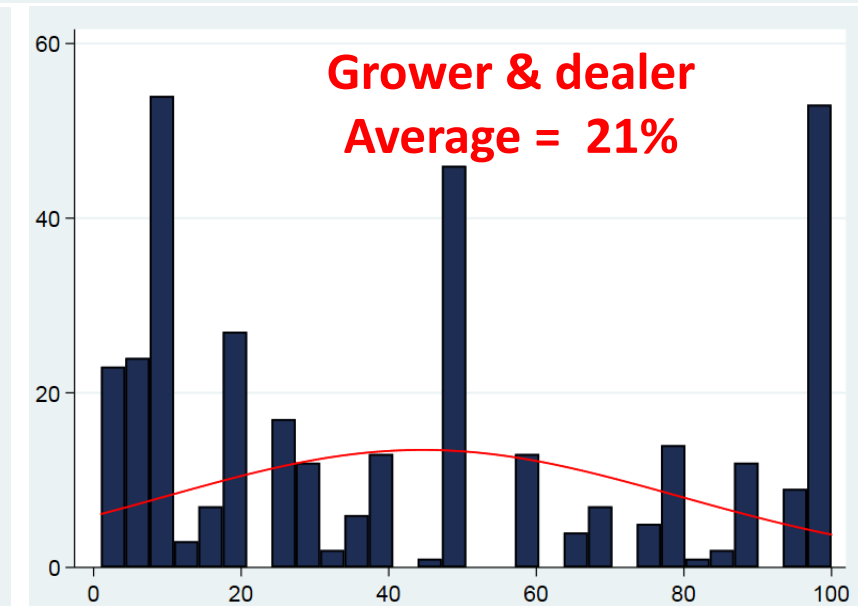
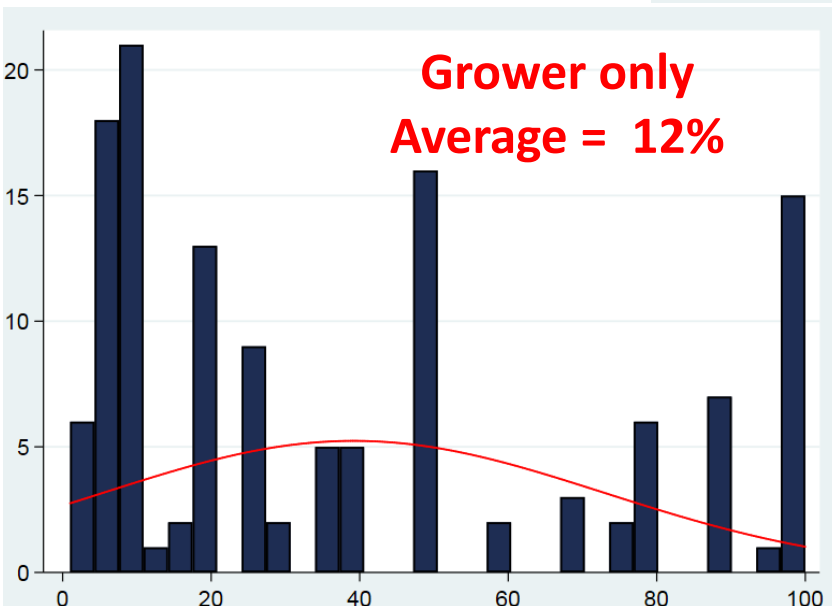
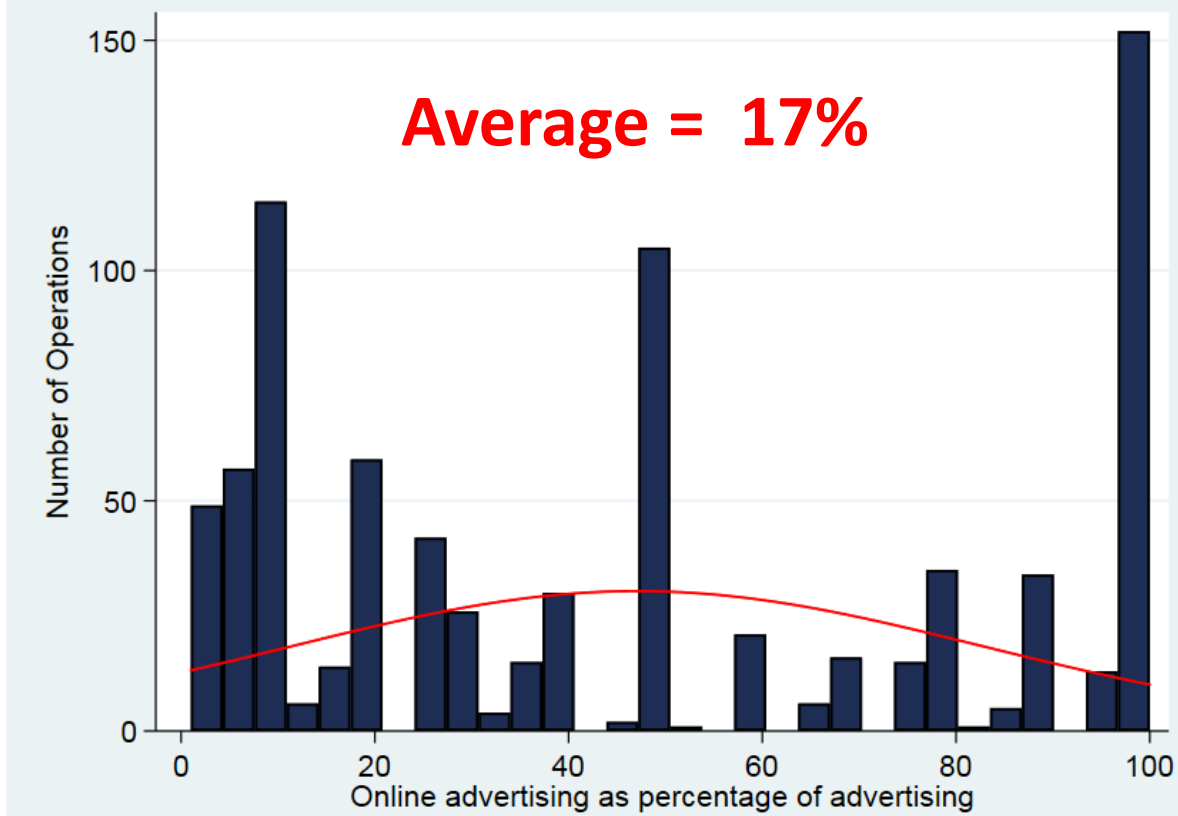
- Maturing industries, like the Green Industry, often will increase marketing expenditures to remain viable and competitive (Carlton and Perloff, 1999)
 - Barton and Behe (2017): some segments have become stagnant or declined, indicating that the industry is maturing.
 - Promotion and marketing become especially critical to increase market share, maintain the customer base, and generate profit.
- Technology-based marketing has become more prevalent because more consumers use the internet daily, especially for social media
 - Over $\frac{3}{4}$ of adults use social media
- Green Industry operations can use online strategies to boost revenues, build new partnerships, and pursue up- and down-stream integration strategies.
- Little is known about who are the businesses selling online and what drives them of adopting online sales and how those factors influence different operations within the industry

- **Green Industry:** wholesale nursery, greenhouse, and turfgrass sod producers, landscape design, installation and maintenance firms, and wholesale and retail distribution firms such as garden centers, home stores, mass merchandisers with lawn/garden departments, brokers and re-wholesale distribution centers, and allied trades suppliers of inputs to the industry
- **Online advertising:** the “strategic process of creating, distributing, promoting, and pricing goods and services to a target market over the internet or through digital tools” (Hooker et al., 2001)
- **Online sales:** transactions that occur as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C), or consumer-to-business (C2B) (Rouse, 2016)

Data

- 2014 National Green Industry Survey that gathered information on business practices and operating results for calendar year 2013 or fiscal year 2013-14
- We targeted 32,000 firms, including 15,000 grower or grower/dealer firms randomly selected to receive the questionnaire mailed via the U.S. Postal Service, and all 17,000 firms with email addresses who received the survey via email (internet).
- Sample of 1,889 commercial operations (businesses with \$10,000 or more in sales)
 - 368 (20%) reported online sales and 1,521 (80%) operations had no online sales
 - 943 (49%) engaged in online marketing and 955 (51%) did not engage in online marketing

**of all advertising expenditures*



Using e-advertising

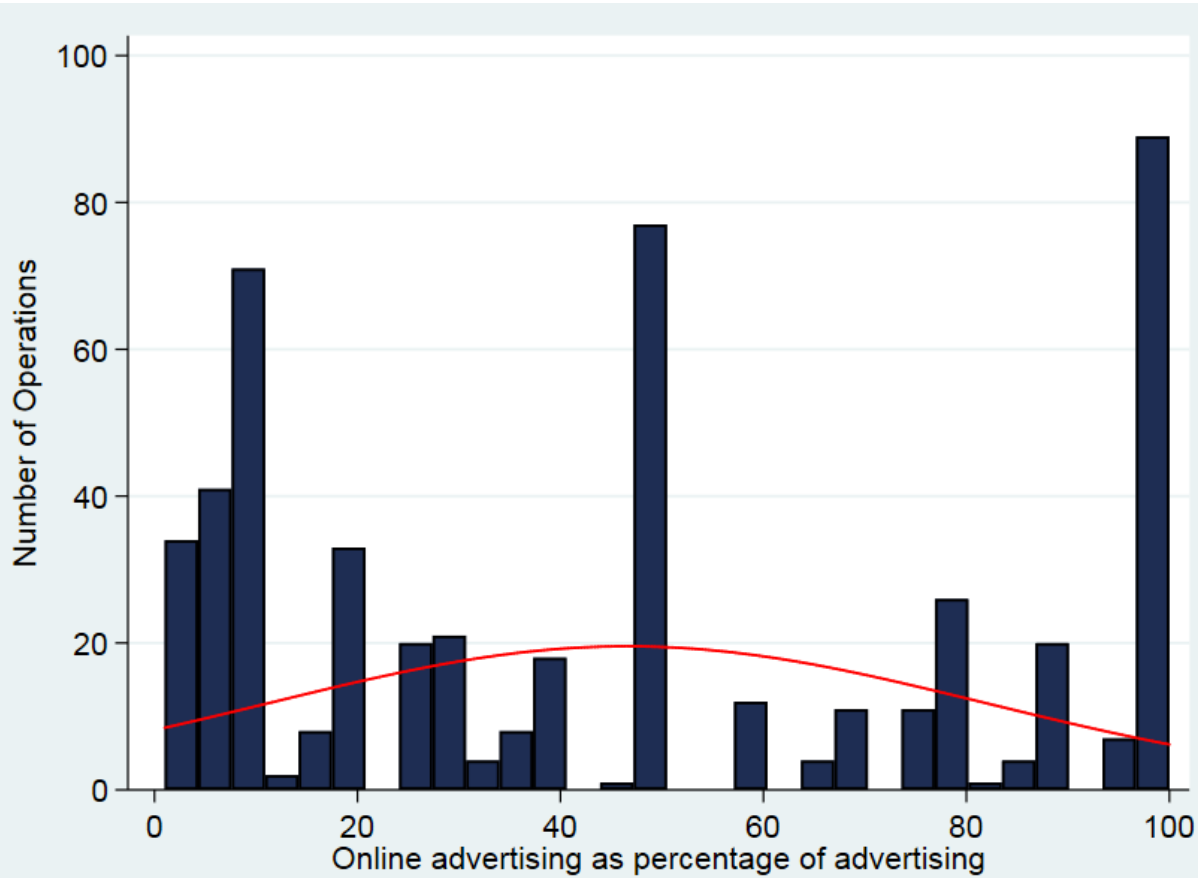
- Growing versus only dealing (+)
- Using various channels (+)
- Investing more in advertising (+)
- Medium / larger (+)
- Online demographic (+)
- Perceiving marketing is important to increase geographic range (+)
- Selling via contracts (-)
- Selling wholesale (-)

Increasing e-advertising

- Attending tradeshow (-)
- Smaller (+)
- Online demographic (+)
- Pacific and Southeast (+)
- Growing field grow (-)
- Barriers to grow
 - Demand (+)
 - Competitors (-)

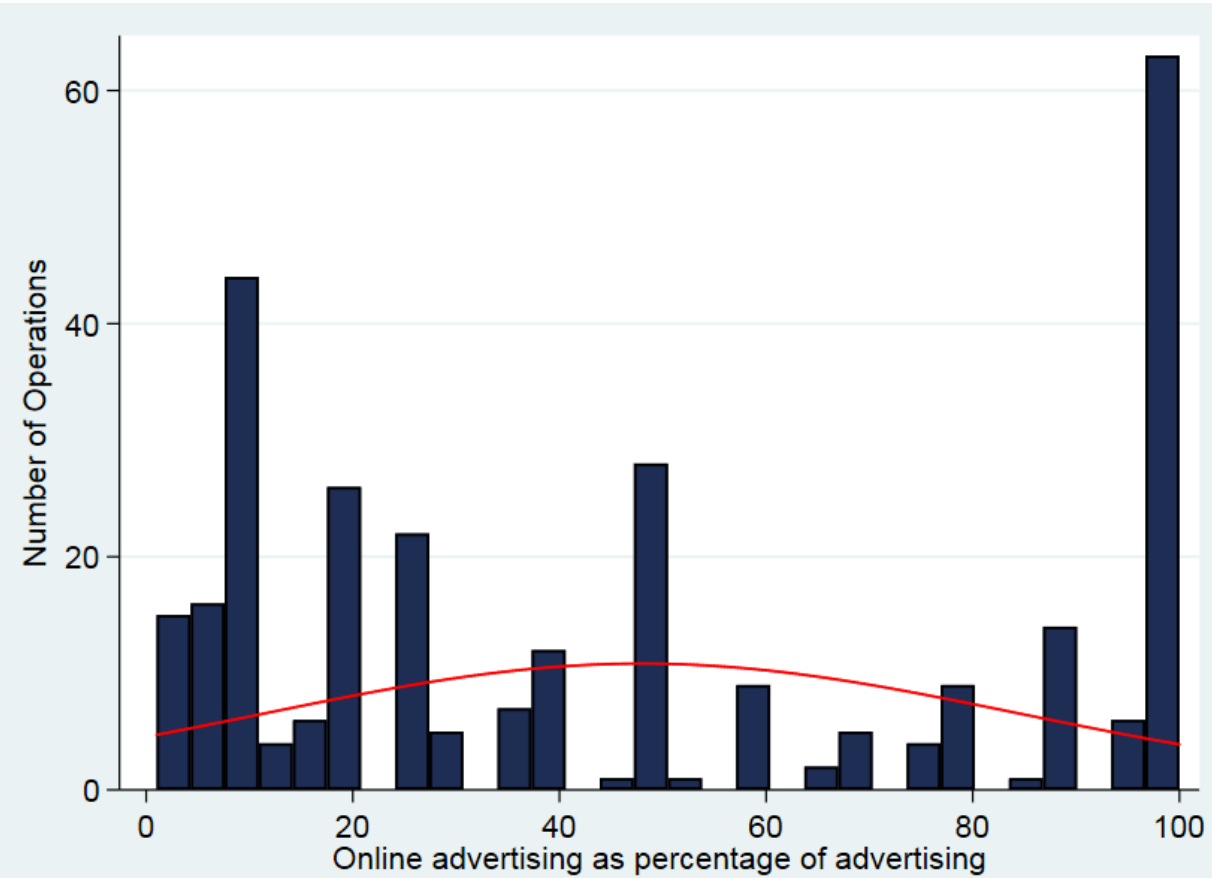
If business does not sell online

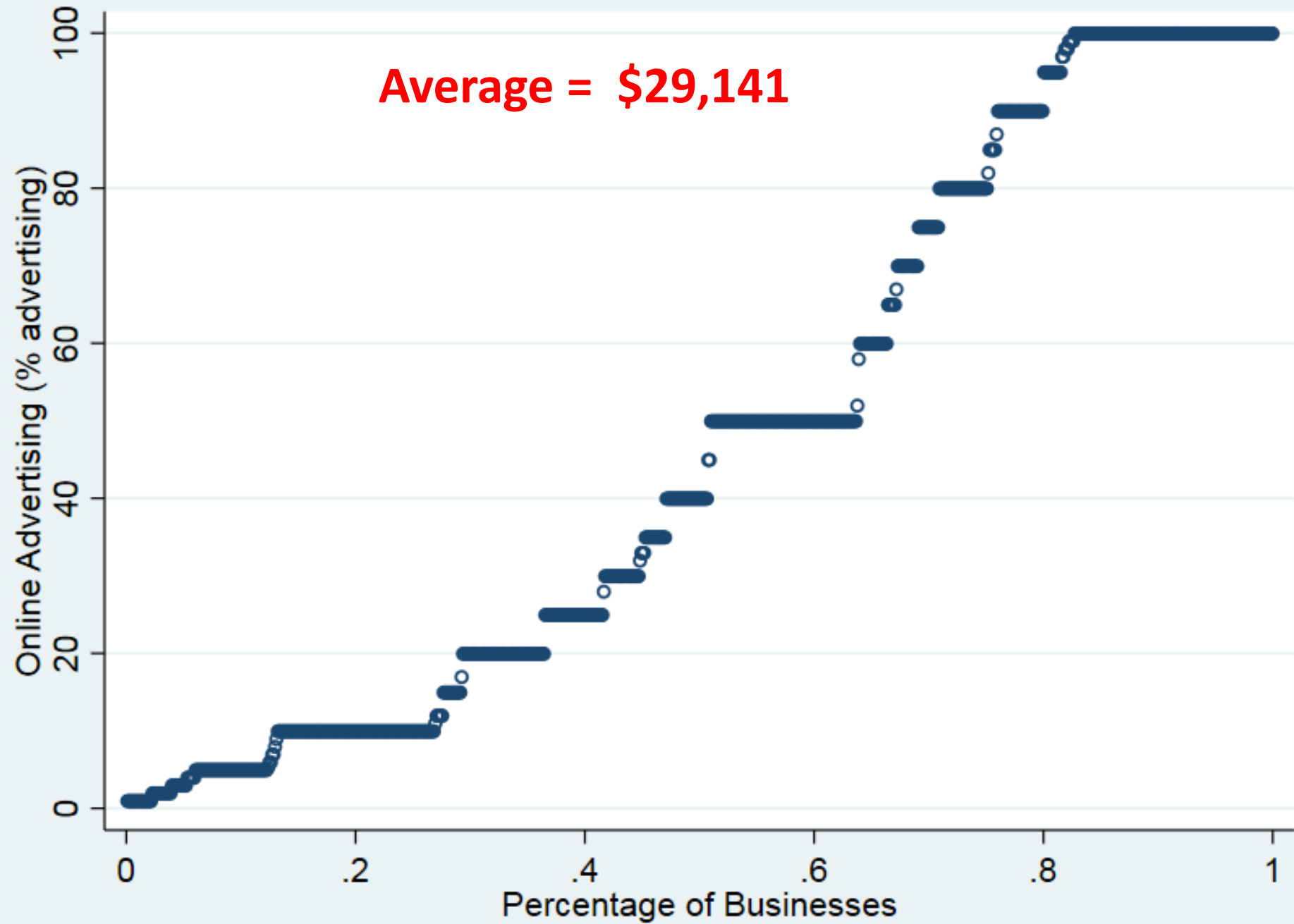
Online advertising are 16%



If business advertises online

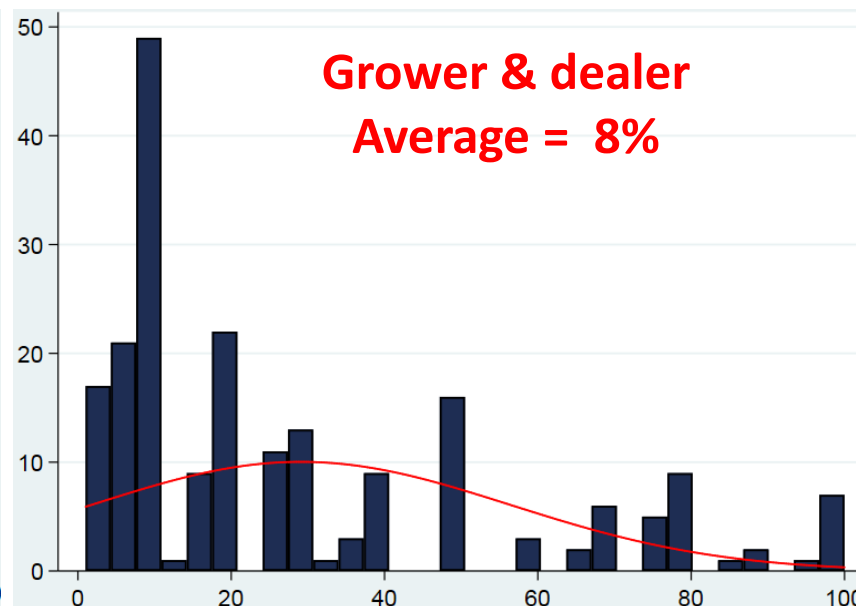
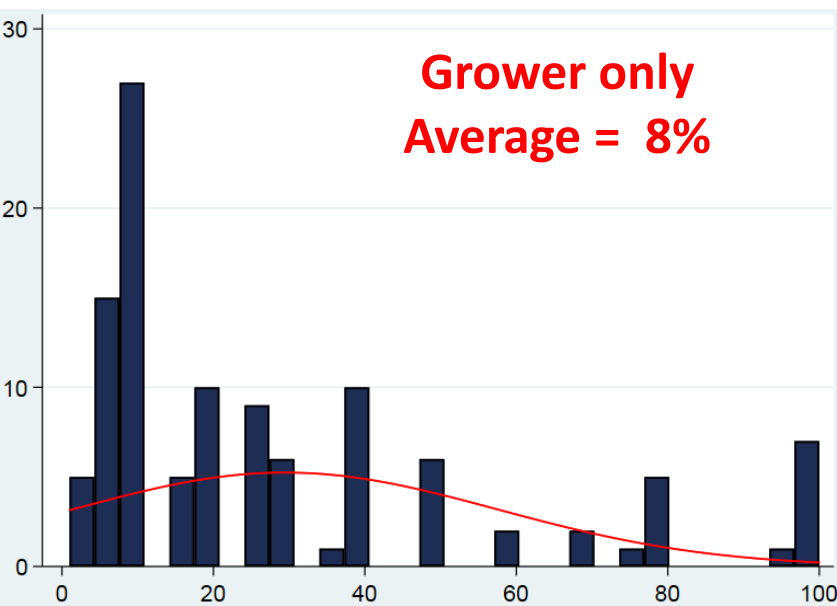
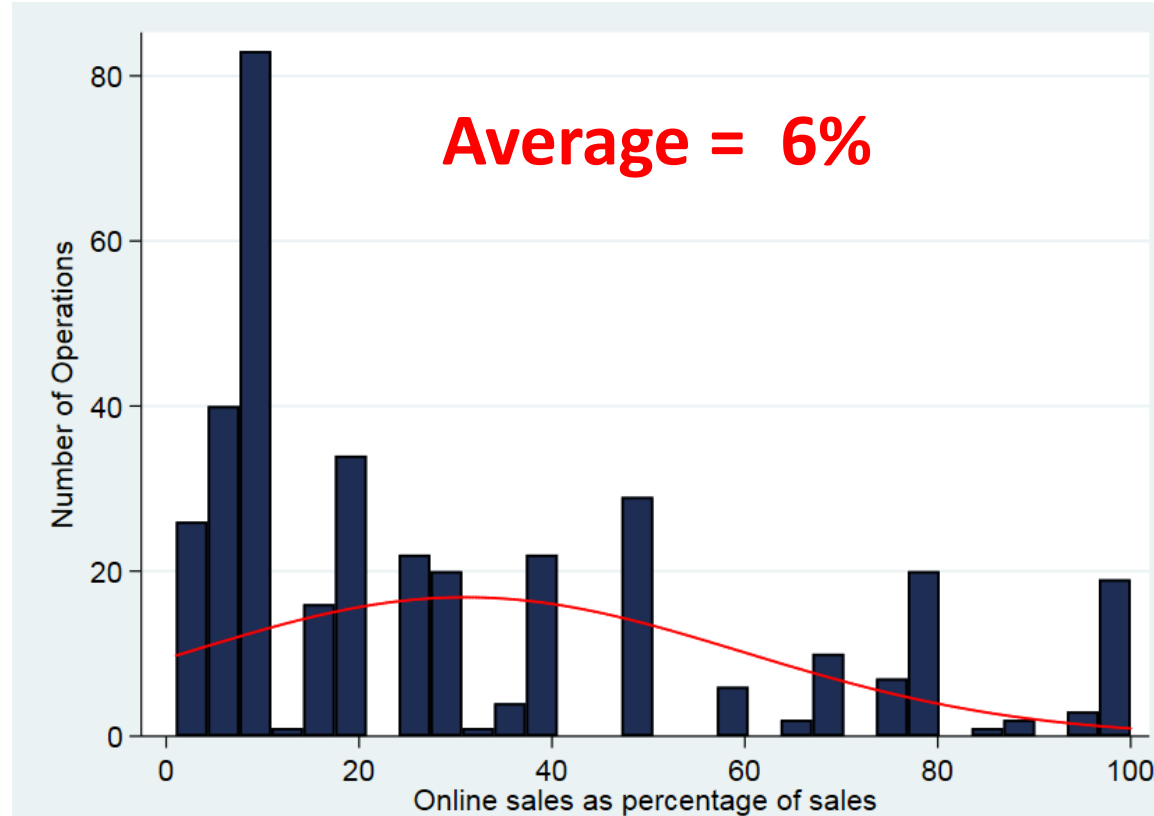
Online sales are 17%





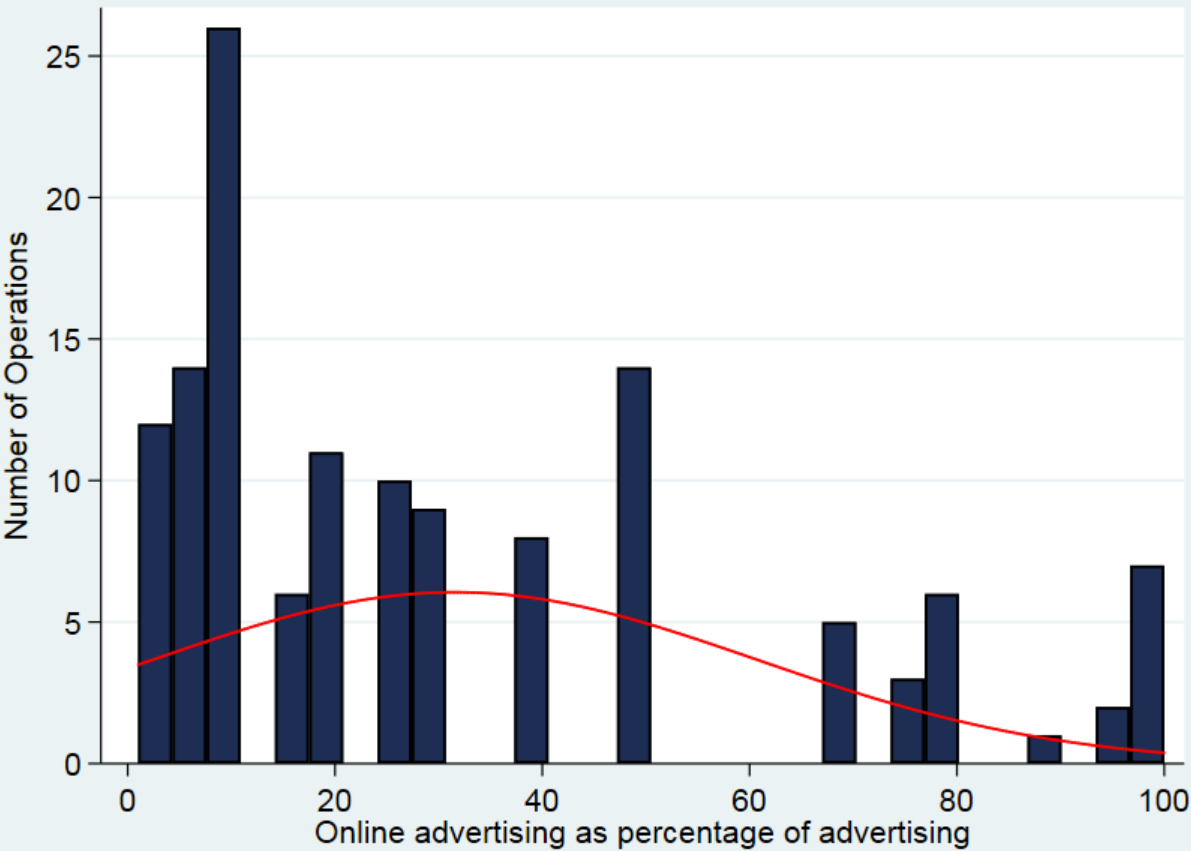
Business using e-commerce

- Advertise online
- Smaller businesses <\$125,000
- More years operating
- Sell farther from operation
- Selling in more markets and more products through them
- Sell bare-root plant material
- Located in the Midwest
- Those who believe business is affected by
 - Competition
 - Ability to hire quality employees



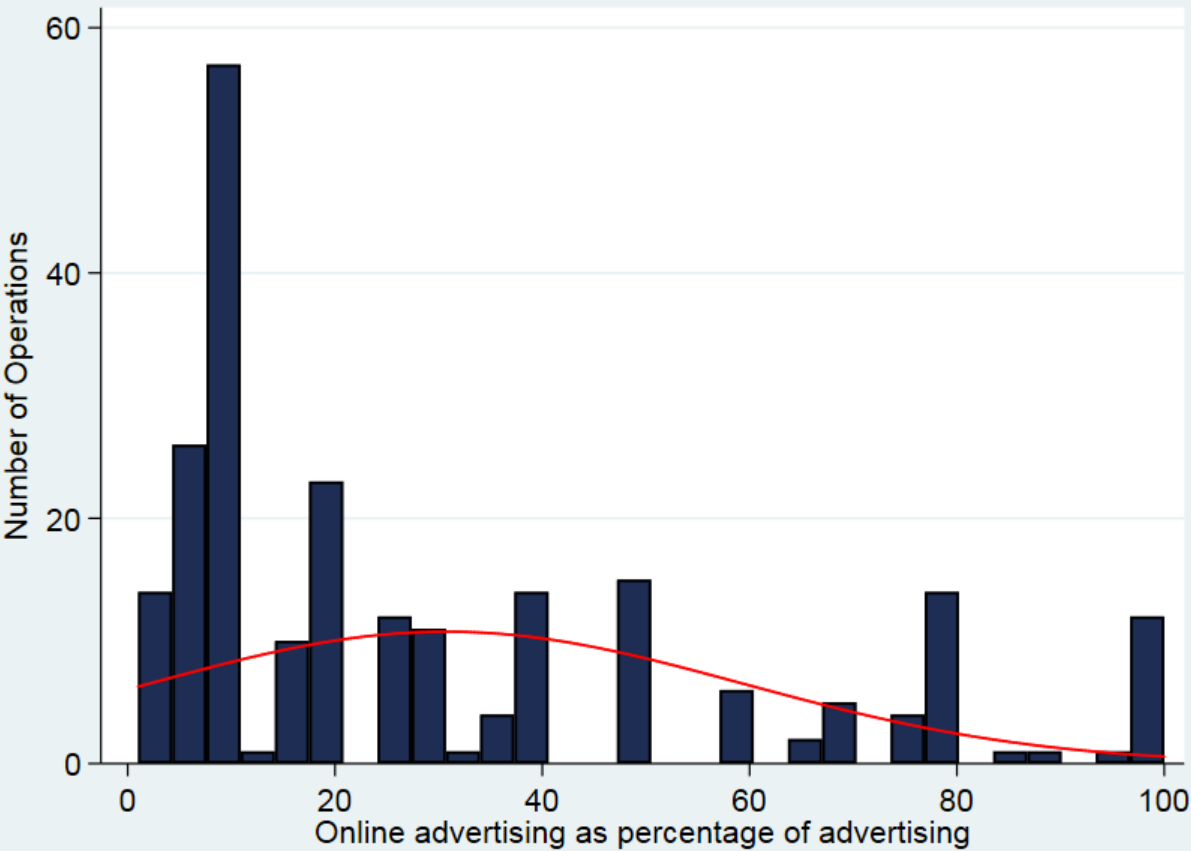
If business does not advertise online

Online sales are 4%

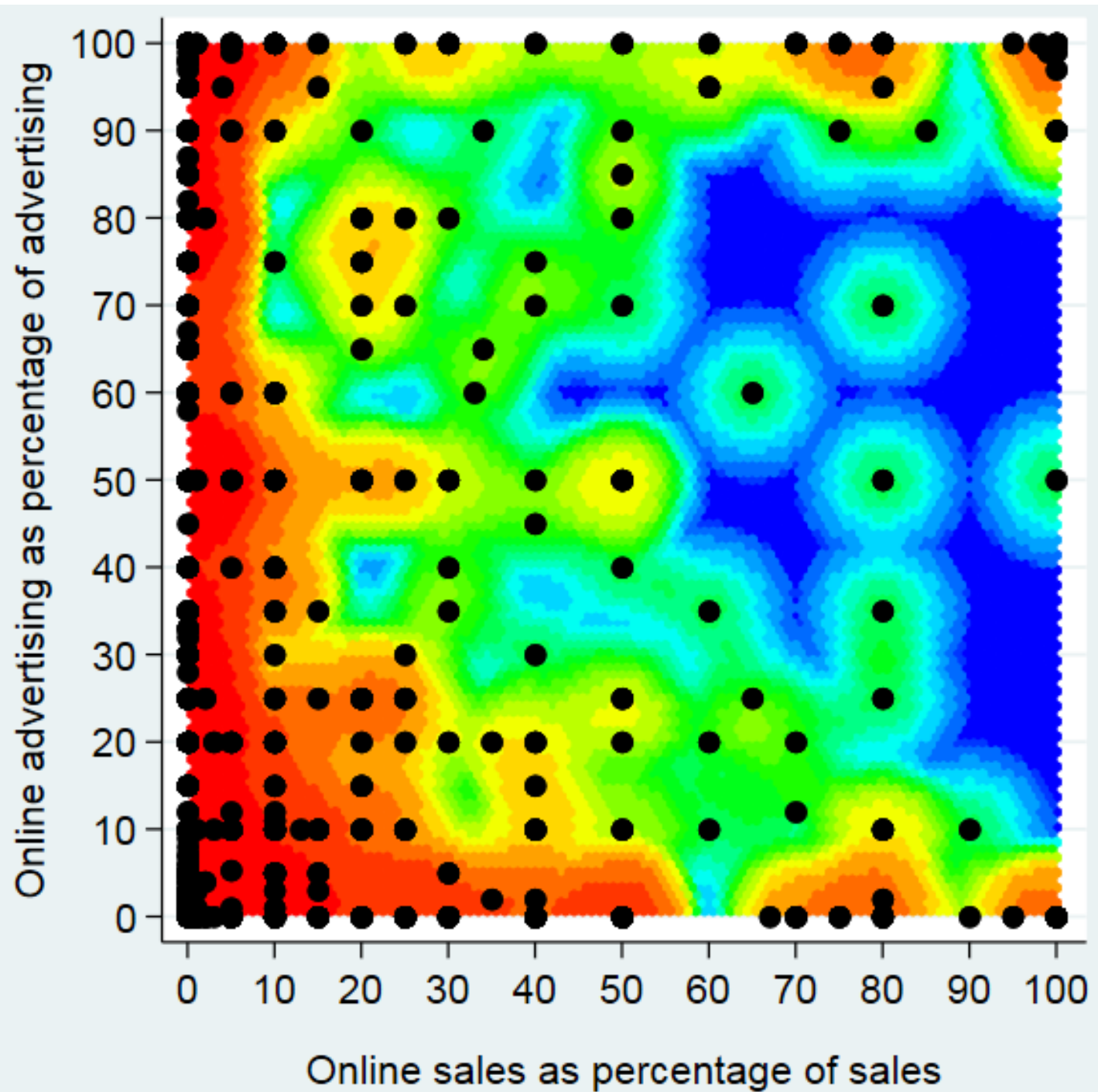


If business advertises online

Online sales are 10%



Are both strategies correlated?



- Green Industry businesses adopted online sales conditionally dependent on their use of online marketing.
 - Especially among smaller businesses
- Investing in online marketing positively influenced the probability to have online sales
 - Engaging with customers through websites, social media, YouTube, or utilizing blogs to market their products and services are more likely to adopt online sales than businesses not using online marketing
- Selling online appears to be the next step in online operations
 - Online marketing serves as a springboard for firms to enter the internet and begin communicating with consumers prior to attempts to sell them product online
 - Increases the knowledge and decrease technological barriers of business owners to adopt online sales
- Population in the Northeast seems to drive business owners to draw in more consumers

How much money can e-commerce generate for a green industry business?

Sales increase

- By hiring an additional employee
- If operations signs contracts with buyers
- Selling in other states
- Having branches in other states

And

E-commerce increase sales for businesses

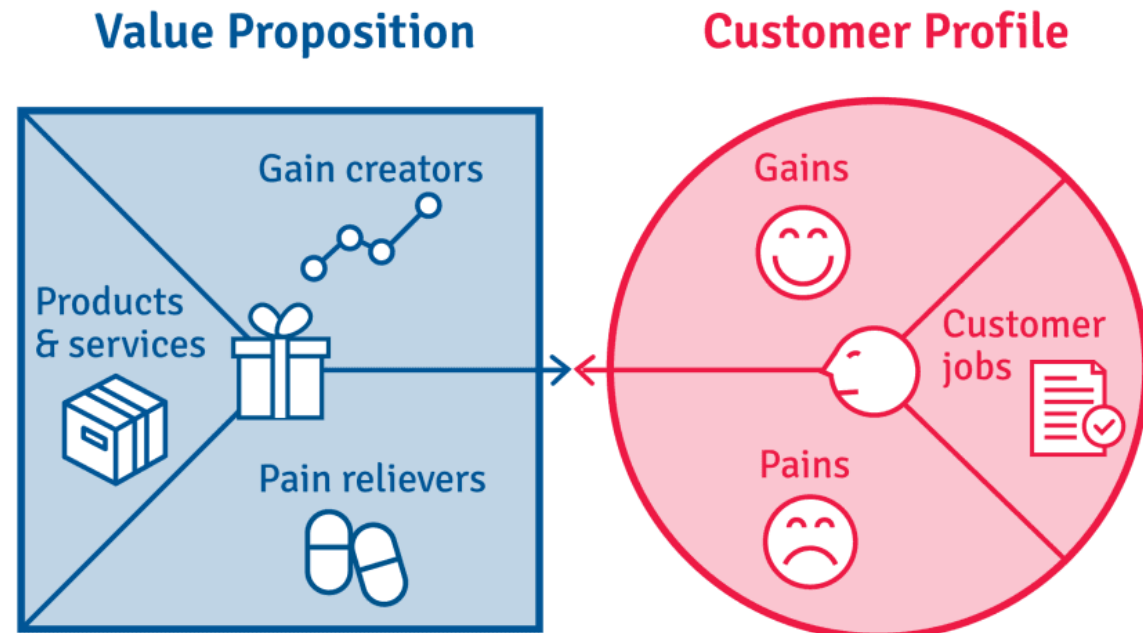
- For small and medium-sized <\$1,000,000 in annual gross sales
- And those selling directly to customers

If you want to start:

Follow the key players in online strategies

Use Advertising and Selling Creatively

- Advertising is an investment in a company's future
 - Build **brand equity**
 - It is not just a business expense, it is an investment
- One of the first steps is to define a company's **value proposition**



Define Your Company's Value Proposition

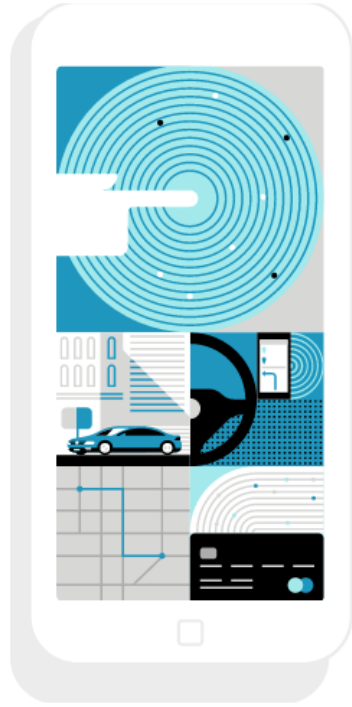
- **Your Value Proposition**

- A key customer benefit of a product or service that sets it apart from its competition

- Answers the critical question that every customer asks:

“What's in it for me?”

- Describing the **primary benefit** it offers customers and then list other secondary benefits it provides
- Focus on *intangible* or *psychological* benefits



Tap the app, get a ride

Uber is the smartest way to get around. One tap and a car comes directly to you. Your driver knows exactly where to go. And payment is completely c:

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Save money, without thinking about it.™



Advertising: any sales presentation that is non-personal in nature and is paid for by an identified sponsor



We're hungrier for them than we ever realized.
We want to know where things come from.
We care what happens to them along the way.

We want to trust our sources.
We want to have the information to make meaningful choices
about what we decide to buy and support.
We want people, and animals, and the places
our food comes from to be treated fairly.

The time is ripe.

We are part of a growing consciousness that's bigger than food—
one that champions what's good, and the greater good, too.

Where value is inseparable from values.

wfm.com/valuesmatter



America's Healthiest Grocery Store®



Honey Bee Flower Farm

September 28 at 8:29 PM · 🌐

SPECIAL!! 🌻🌻🌻 We will be doing flash sale at Koehler Brothers Nursery and Landscaping featuring our Fall decor bouquets for ONLY \$10! These bouquets will consist of Sunflowers, Sweet Annie, Sorghum and Gomphrena! 🌻🌿 Enjoy on your table until the sunflowers are spent and then hang the rest of the bundle to dry to use as a Fall decoration!! You can pick up yours this weekend along with all your other Fall planting needs in Dayton at Koehler Brothers Nursery and Landscaping {Saturday 9-5/Sunday 11-4} Limited quantities while they last!



How do customers gather information for their purchase decisions?

SHOPPERS ARE DOING THEIR RESEARCH

Online shoppers...



Conduct an internet search for a specific item

Compare prices online across multiple retailers

Read customer reviews online

Compare online prices versus in-store prices

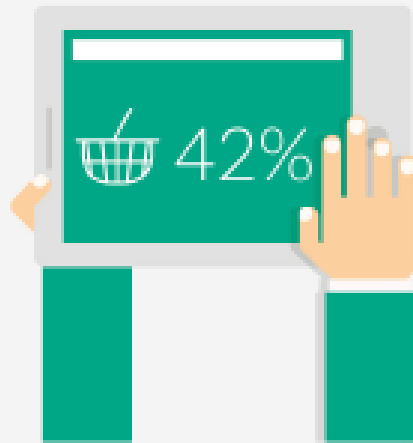
Investigating prices and products are the top priority for many consumers' prepurchase process. These are also the steps most consumers conduct most of the time when shopping online, but they're of even more importance to members of the iGeneration and Millennials. Retailers need to ensure they're offering relevant assortments and fair prices online or they could risk losing shoppers.

BETTER PRICES AND FREE RETURNS ARE TOP OF MIND

Online shoppers...



Expect prices to be better than in stores



Prefer to shop a retailer that offers free returns



Expect to find the same types of services online that they do in-store



Are willing to shop unfamiliar retailers' websites if the price is right

LEVERAGING THE PHYSICAL STORE

Shopping preferences, April 2018

Retailers with physical stores may have an advantage over online-only retailers. Half of consumers prefer to shop at merchants that have both, and a fair amount want to pick up their online orders at stores. Online-only grocery retailers should continue seeking partnerships and/or be open to acquisition down the road.

"I prefer to shop at online retailers that also have physical stores"

51%

49%

"I prefer to pick up my online orders at the store"

23%

77%

"It does not matter to me if a retailer has a physical store or not"

"I prefer my online orders to be delivered to me"

- Social media provides

- New avenues to connect with consumers
- The opportunity to be creative with their content and programming format

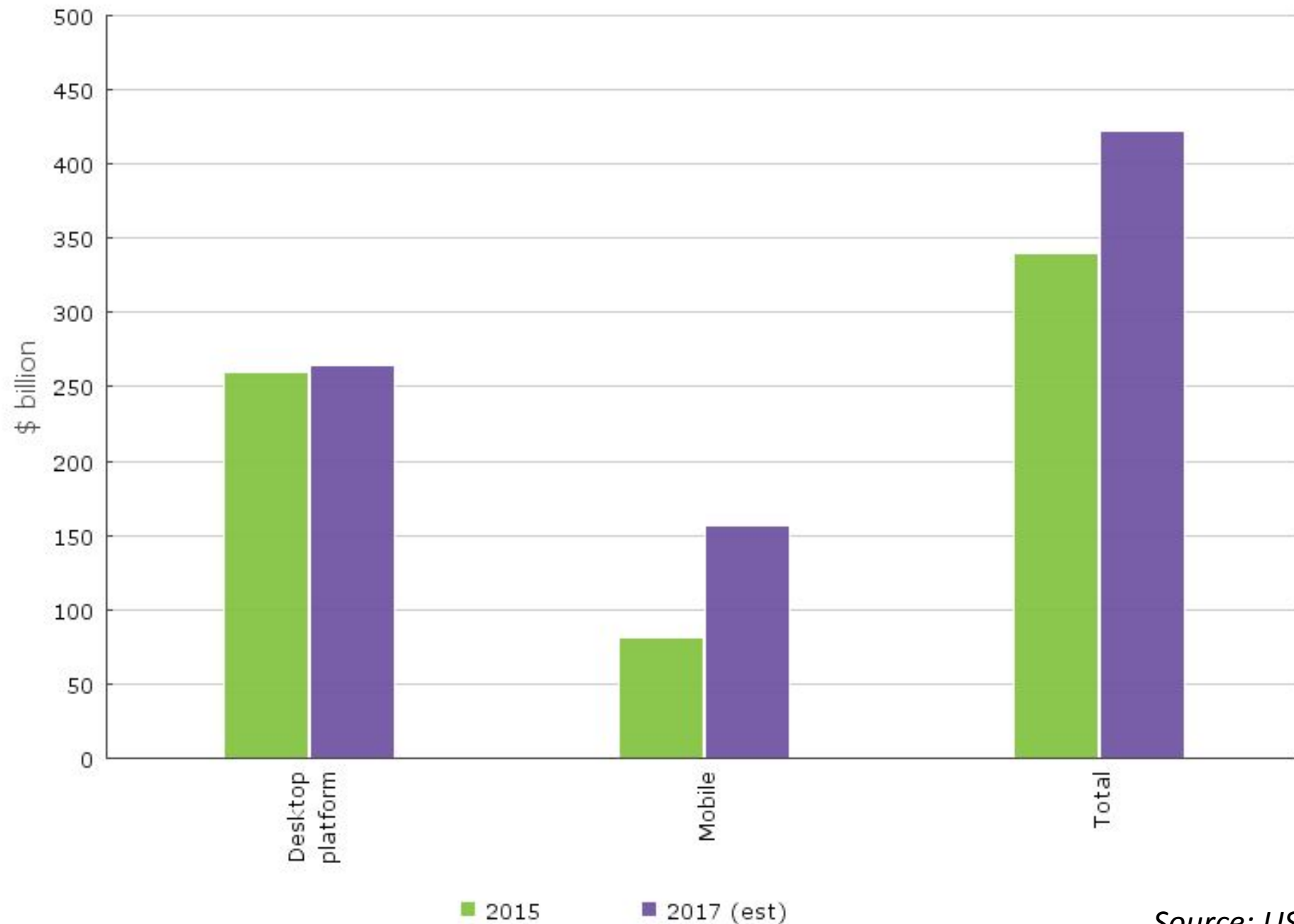
- When it comes to news content

- Younger Hispanic Millennials may value short formats to get their news as long as these offer the types of news that is relevant to them
- Don't water down the content to a level that it stops being useful
- Develop and maintain the trust of their followers

Key trends on online marketing

- 34% of online shoppers report that they do the majority of their shopping online.
 - Core online shoppers
 - The most important market for newer and less-accepted online categories: groceries or plants.
- Why people don't purchase online?
 - Immediacy
 - Price points (surcharge)
- How companies are addressing these barriers
 - The robot Robby: last-mile delivery in urban areas, could help reduce costs to retailers, enabling them to drop same day surcharges.
 - Automated vehicles: suburban and rural same day deliveries absent exorbitant fees.
- *How can you address this*
 - *Establish a monthly subscription for unlimited same-day service.*
 - *Attend my hands-on workshop ;)*

US retail online shopping sales, by platform, at current prices, 2015 and 2017

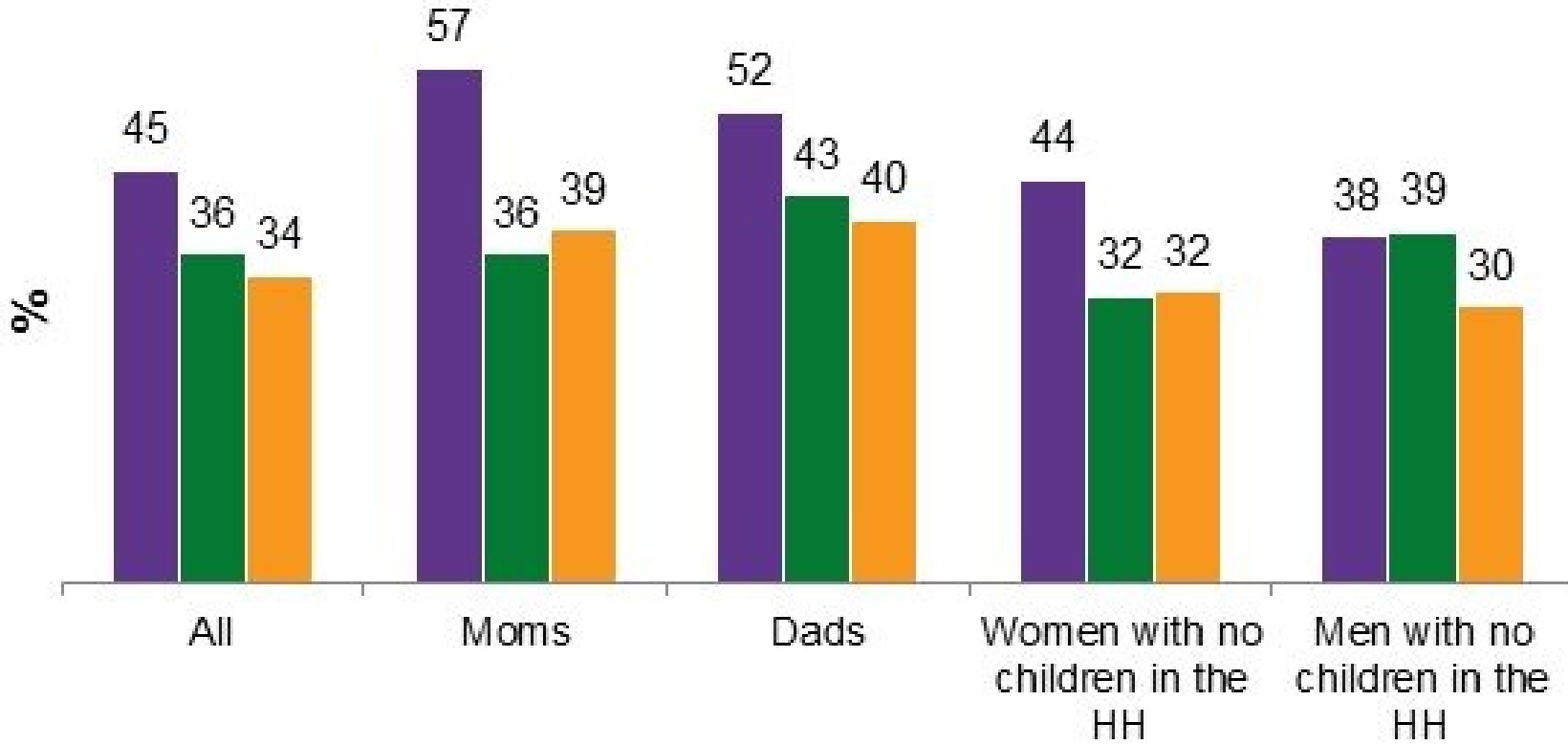


Source: US Census Bureau

Online Shopping – place of purchase



Online shopping – activities by gender and parental status



- I search the internet for deals/coupons
- I visit brands' websites for research
- I conduct the majority of my shopping online

ONLINE SALES ARE GROWING, BUT WITH MOST CONSUMERS ALREADY HAVING INTERNET ACCESS, GROWTH WILL COME FROM CONVINCING SHOPPERS TO INCREASE THEIR ONLINE SHOPPING.

RETAILERS NEED TO COMBAT CONSUMER HESITATION BY PROVIDING TOOLS THAT MAKE ONLINE SHOPPING EASIER AND BY ENSURING GOODS ARE PRICED FAIRLY; OTHERWISE THEY RISK LOSING SALES AND SHOPPERS.



Alexis DeSalva,
Research Analyst - Retail and Apparel



Amazon Go, Seattle



Front

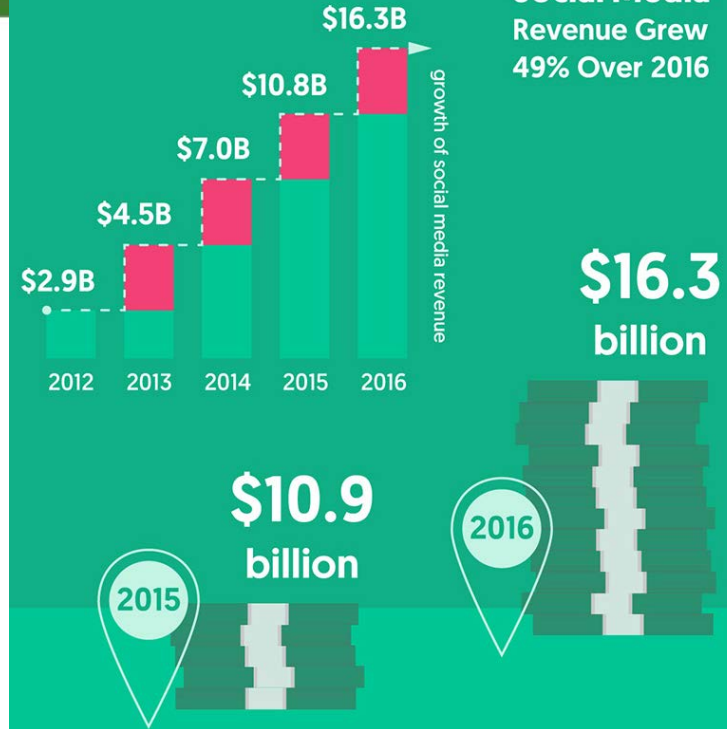
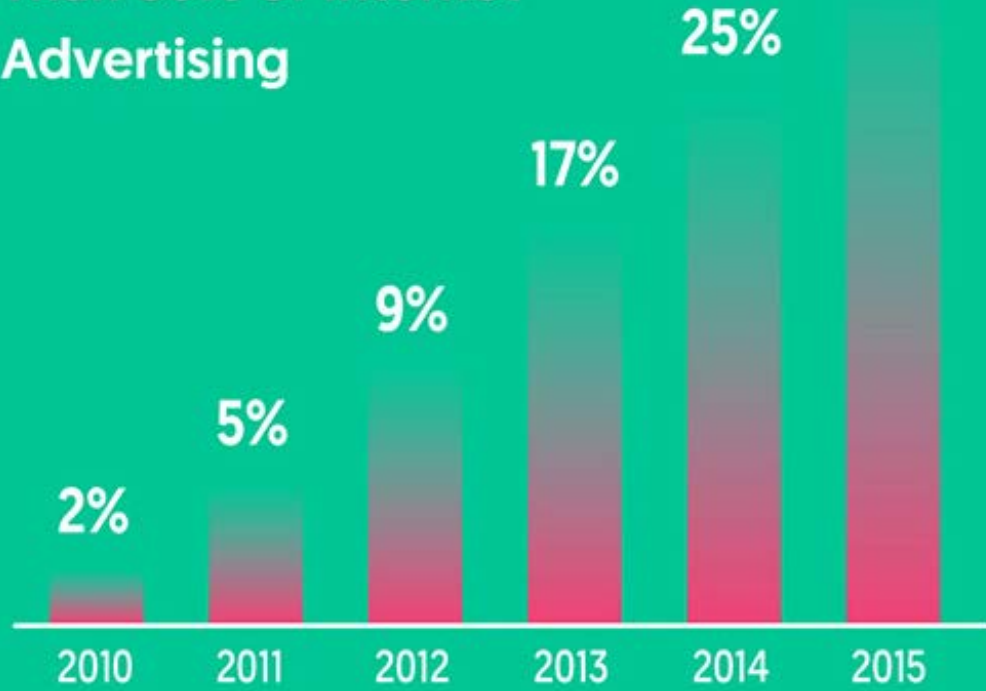


Back

Walmart, in-store pickup

Mobile Now Makes up More Than 50% of Internet Advertising

35%



Internet Advertising Revenues Increased 21.8% Over 2016, and Continues to Grow in 2017

73% of Consumers Dislike Online Pop Ups and 70% Dislike Ads on Their Mobile Phone

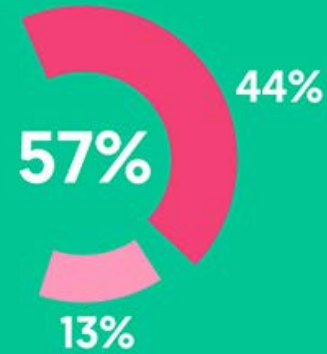


The most disliked types of ads are online pop-ups.

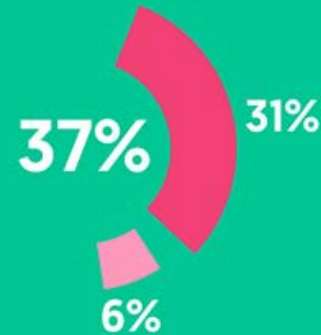
83% of Consumers Would Like to be Able to Block All Ads on Their Phone or Tablet.

Although:

Although 57% Found Search Ads Useful



Although 37% Found Banner Ads Useful



Useful
Very useful

Designing a Killer Web Site

1. Decide How to Bring Your Site to Life
 1. Free choices
2. Start With Your Target Customer
3. Give Customers What They Want
 - Boston Consulting Group:
 - Free shipping (74%), lower prices (56%),
 - Free returns (35%), security (25%), photos (25%)
4. Select an Intuitive Domain Name
 - Short, memorable, indicative of business, easy to spell

Activity	Teens Ages 12-17	Millennials Ages 18-33	Gen X Ages 34-45	Younger Boomers Ages 46-55	Older Boomers Ages 56-64	Silent Gen Ages 65-73	G.I. Gen Age 74+	All adults Age 18+
Go online	93%	95%	86%	81%	76%	58%	30%	79%

Teens and/or Millennials are more likely to engage in the following activities compared with older users:

Watch a video	57	80	66	62	55	44	20	66
Use social network sites	73	83	62	50	43	34	16	61
Send instant messages	67	66	52	35	30	29	4	47
Play online games	78	50 [^]	38 [^]	26 [^]	28 [^]	25 [^]	18 [^]	35 [^]
Read blogs	49 [^]	43	34	27	25	23	15	32
Visit a virtual world	8	4	4	4	3	3	1	4

Note: [^] indicates data from 2006.

Source: Pew Research Center's Internet & American Life Project surveys, 2008-2010. All teens data are from different surveys than adult data, and may have slight differences in question wording. Findings for individual activities are based on internet users. For survey dates of all activities cited, please see the Methodology section at the end of this report.

Designing a Killer Web Site

5. Make Your Web Site Easy To Navigate
6. Provide Customer Ratings and Reviews
7. Offer Suggestions for Related Products
8. Add Wish List Capability
9. Create a Gift Idea Center
10. Follow a simple design



SHOP BLOG ABOUT LOOKBOOK

Contact Us | Help

CART

CLOTHING LIFESTYLE PRINTS KIDS SALE

SEARCH Q



Refillable Leather Journals

SHOP NOW →

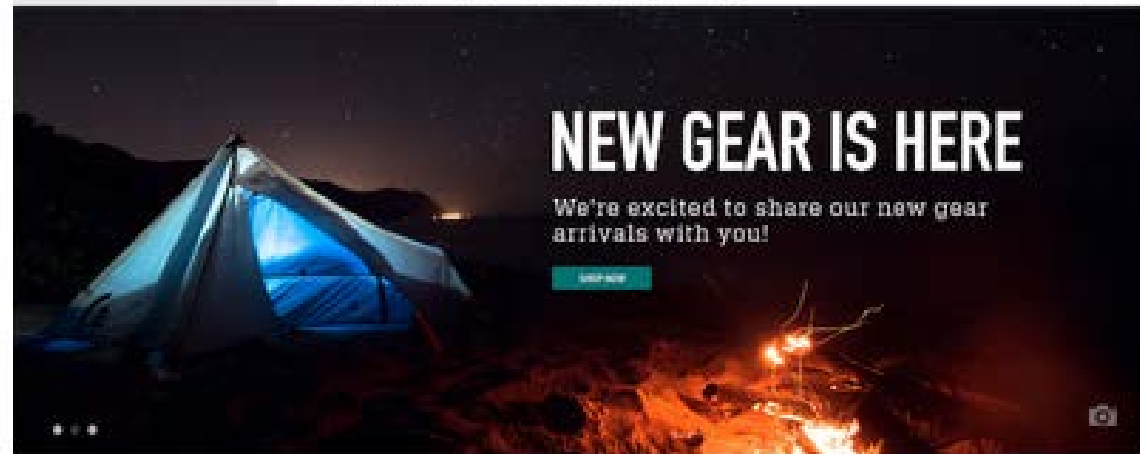


FREE SHIPPING ON ALL ORDERS FULFILLED BY THE DAY

MEN WOMEN TENTS SLEEPING BAGS SALE BLOG



SEARCH



NEW GEAR IS HERE

We're excited to share our new gear arrivals with you!

SHOP NOW

JOIN THE TRIBE

Seeking a talented group of storytellers and adventurers

STAY IN TOUCH



PACKING IT OUT

Raising awareness for litter conditions along America's trails



There Are 100 Billion Stars In Our Galaxy. Start Counting.

The all-new Nightwatcher FL features a detachable rain fly for enhanced waterproofing.

SHOP NOW

Showing results for [bonnie plants](#). Search instead for [bonie plants](#).



SPONSORED BY COSTA FARMS

Explore our plants for your home, yard, or garden

[Shop now](#)



Costa Farms Ficus Lyrata, Fiddle-Leaf Fig, Live Indoor Plant, 2 to 3-Foot Tall, Ships in Grow ...

★★★★☆ 872

✓prime



Costa Farms Aloe Vera Live Indoor Plant in 4-Inch Grower Pot

★★★★☆ 480

✓prime



Costa Farms, Home Décor, Premium L Indoor Boston Fern, Nephrolepis exalt

★★★★☆ 211

Showing selected results. See all results for [bonnie plants](#).



Sponsored ⓘ

Bonnie Plants 4P5090 Rosemary (4-Pack)

by Bonnie Plants

\$19⁹⁹ ✓prime

FREE Delivery **Tue, Nov 13 - Thu, Nov 15**

★★★★☆ 66

Product Features

Attractive landscape *plant*

Sponsored ⓘ

Bonnie Plants Cube Trio Clear Planter Pet Grass Garden Indoor Self-Watering Pot-Set of 3 Liv

by Bonnie Plants

\$40⁰⁰ ✓prime

FREE Delivery **Wed, Nov 14 - Sat, Nov 17**

★★★★★ 1

Product Features

Edible *plants* that are good for your pet's Digestive system





Bonnie Plants 4P5090 Rosemary (4-Pack)

by Bonnie Plants

★★★★☆ 66 customer reviews | 5 answered questions

Price: **\$19.99** ✓prime

Your cost could be \$9.99. Eligible customers get a \$10 bonus when reloading \$100.

Size: **4-PACK**

1-PACK from 1 seller	4-PACK \$19.99 ✓prime
-------------------------	---

- Easy-to-grow herb that can be used in many recipes
 - Attractive landscape plant
 - Upright, with evergreen leaves that are wonderfully Aromatic
 - Grows well in containers and Becomes drought-tolerant as it matures
 - Harvest often for Best growth
 - Low reviews are due to shipping carrier damage or extreme temperatures; we have improved our packaging to help ensure you receive a healthy plant
 - Tiny, strongly aromatic and flavorful leaves with blue blooms
- ✓ [Show more](#)

[Compare with similar items](#)

New (1) from \$19.99 ✓prime

[Report incorrect product information.](#)



Roll over image to zoom in

Stock up and save on household basics



Solimo
2-Ply Value
Toilet
Paper, 30
Rolls
\$15.99



Solimo Tall
Kitchen
Drawstring
Trash Bags,
90 Count
\$9.11



Presto!
Flex-a-Size
Paper
Towels,
Huge Roll,
12 Count
\$24.25



Solimo
Sandwich
Storage
Bags, 300
Count
\$8.45

Products related to this item



Plant Theatre FUNKY VEG KIT Gift Box - 5 Extraordinary Vegetables to Grow - Everythi...
★★★★☆ 178
\$18.99 ✓prime



Indoor/Outdoor Herb Garden Kit - Classic Wood Planter Box with Herb Seeds, Plant St...
★★★★★ 5
\$39.95 ✓prime



10 Culinary Herb Seed Vault - Heirloom and No GMO - 3000 Plus Seeds f...
★★★★☆ 28
\$12.95 ✓prime

Compare with similar items

Customers also shopped for



Organic Roma Tomato Seeds, 300+ Premium Heirloom Seeds!, ON SALE!, (Isla's Garden...
★★★★☆ 12
\$5.59 ✓prime



Package of 450 Seeds, Common Valerian (Valeriana officinalis) Non-GMO Seeds by Seed Needs
★★★★☆ 69
\$3.65



Seed Needs, Rue Herb (Ruta graveolens) 200 Seeds Non-GMO
★★★★☆ 99
\$3.65

Customers who bought this item also bought



Lemongrass Plant- 3 separate in 2.25 Inch Size! Non GMO! Organic! Also Known As Fever Grass



9GreenBox Provence French Lavender - 2 Pack
★★★★☆ 141
\$5.99



Mosquito Repelling Creeping Lemon Thyme - Live Plant - 4" Pot
★★★★☆ 94



This item Bonnie Plants 4P5090 Rosemary (4-Pack)

Add to Cart



Findlavender - Provence French Lavender - Potted - Very Fragrant - 4 Size Pot - 1 Plant

Add to Cart

Customer Rating	★★★★☆ (66)	★★★★☆ (227)
Price	\$19 ⁹⁹	\$15 ⁹⁹
Shipping	✓prime	FREE Shipping
Sold By	Amazon.com	FindLavender & More

Thank you for your attention

Ariana Torres

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765-494-8781

The Supply Chain

Key Economic Drivers

- Demand from florists
- Per capita disposable income
- Demand from nursery and garden stores
- Demand from flower and nursery stock wholesaling
- Trade-weighted index

Market Share

There are no major players in this industry

Key External Drivers

- Demand from florists
- Per capita disposable income
- Demand from nursery and garden stores
- Demand from flower and nursery stock wholesaling
- Trade-weighted index

Supply Industries

- Crop Services
- Farm Supplies Wholesaling
- Farm, Lawn & Garden Equipment Wholesaling
- Fertilizer Manufacturing
- Pesticide Manufacturing
- Plant & Flower Growing
- Tractors & Agricultural Machinery Manufacturing



Demand Industries

- Plant & Flower Growing
- Flower & Nursery Stock Wholesaling
- Nursery & Garden Stores
- Supermarkets & Grocery Stores
- Florists

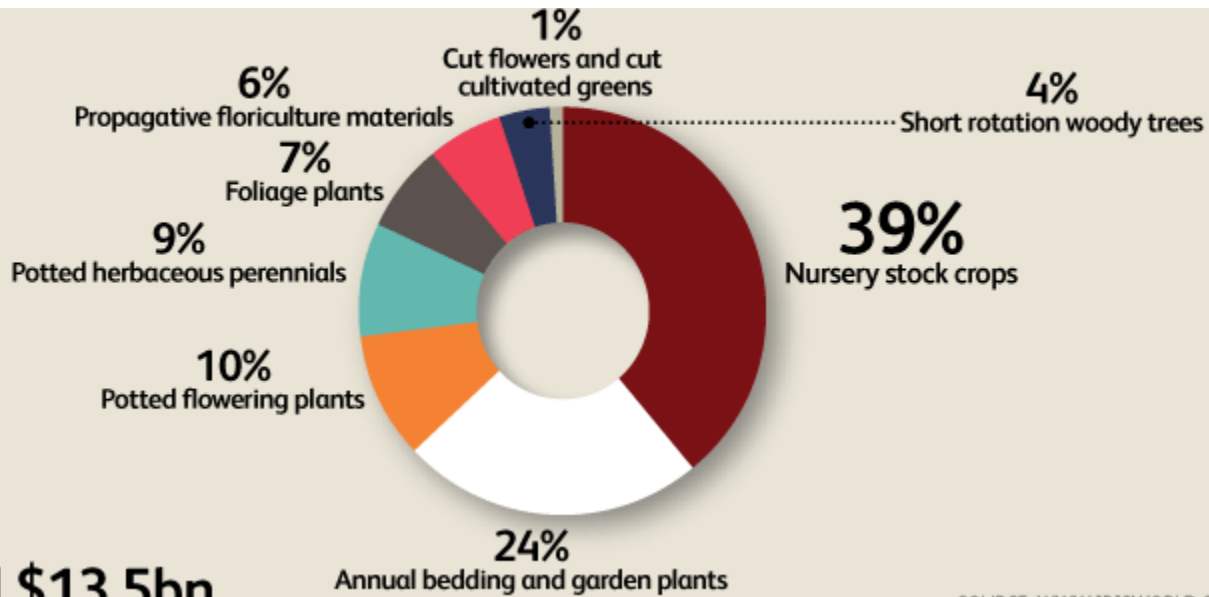
Related Industries

- Vegetable Farming
- Flower & Nursery Stock Wholesaling
- Nursery & Garden Stores
- Florists

Related International Reports

- Nursery Production in Australia
- Floriculture Production in Australia
- Flower & Plant Growing in the UK
- Plant & Flower Growing in Canada

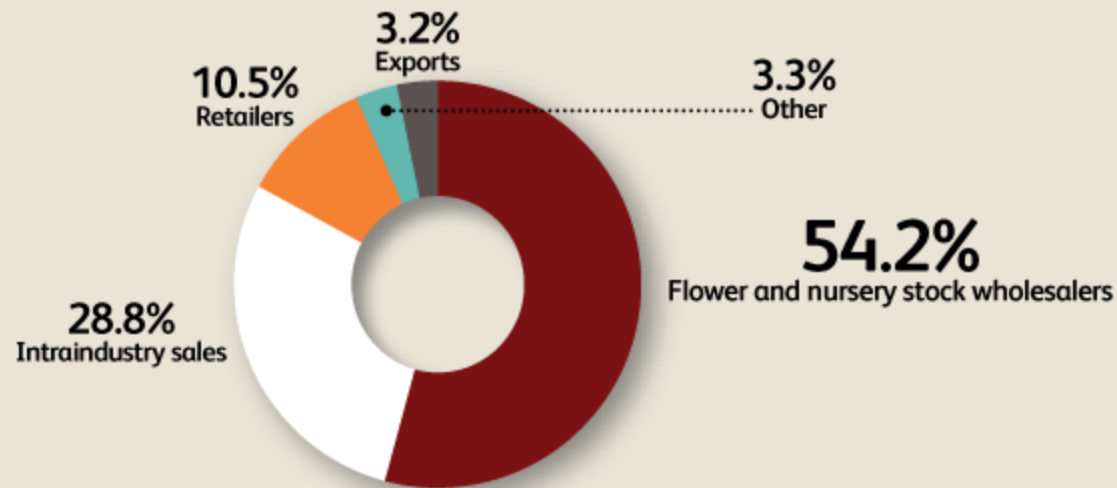
Plant & Flower Growers



Total \$13.5bn

SOURCE: WWW.IBISWORLD.COM

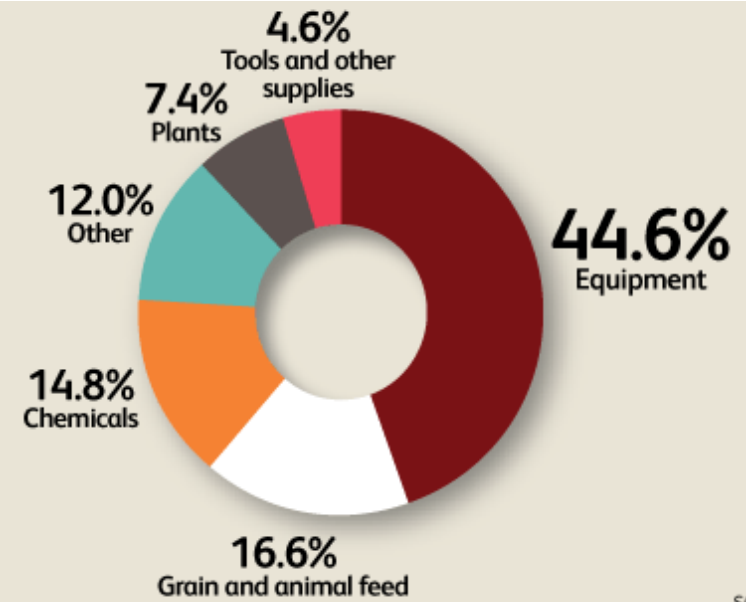
Major market segmentation (2018)



Total \$13.5bn

SOURCE: WWW.IBISWORLD.COM

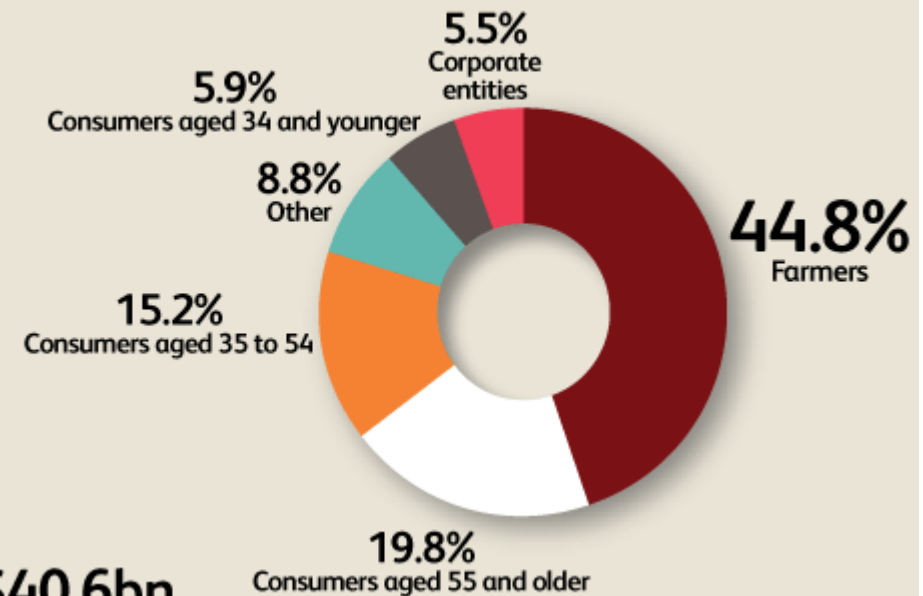
Nursery & Garden Centers



Total \$40.6bn

SC

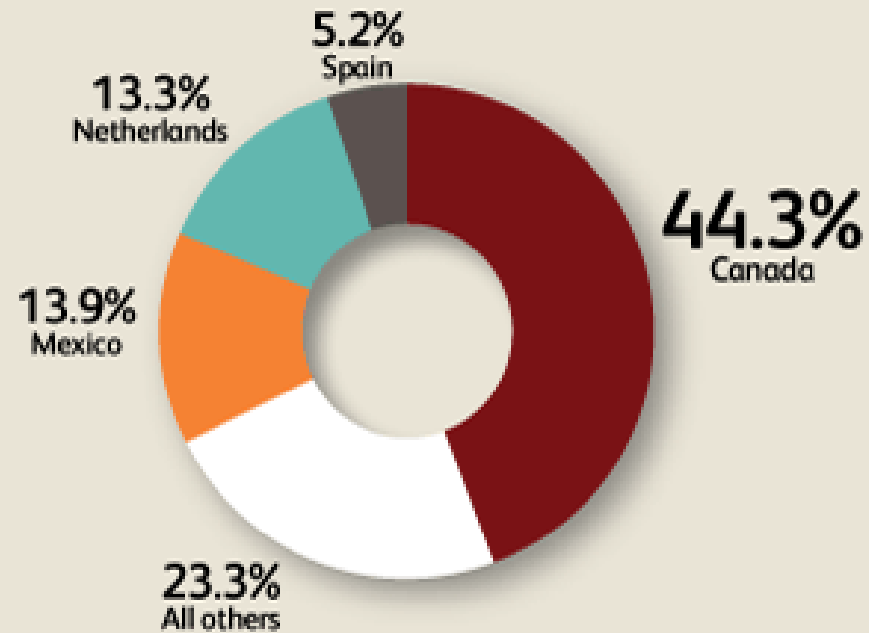
Major market segmentation (2018)



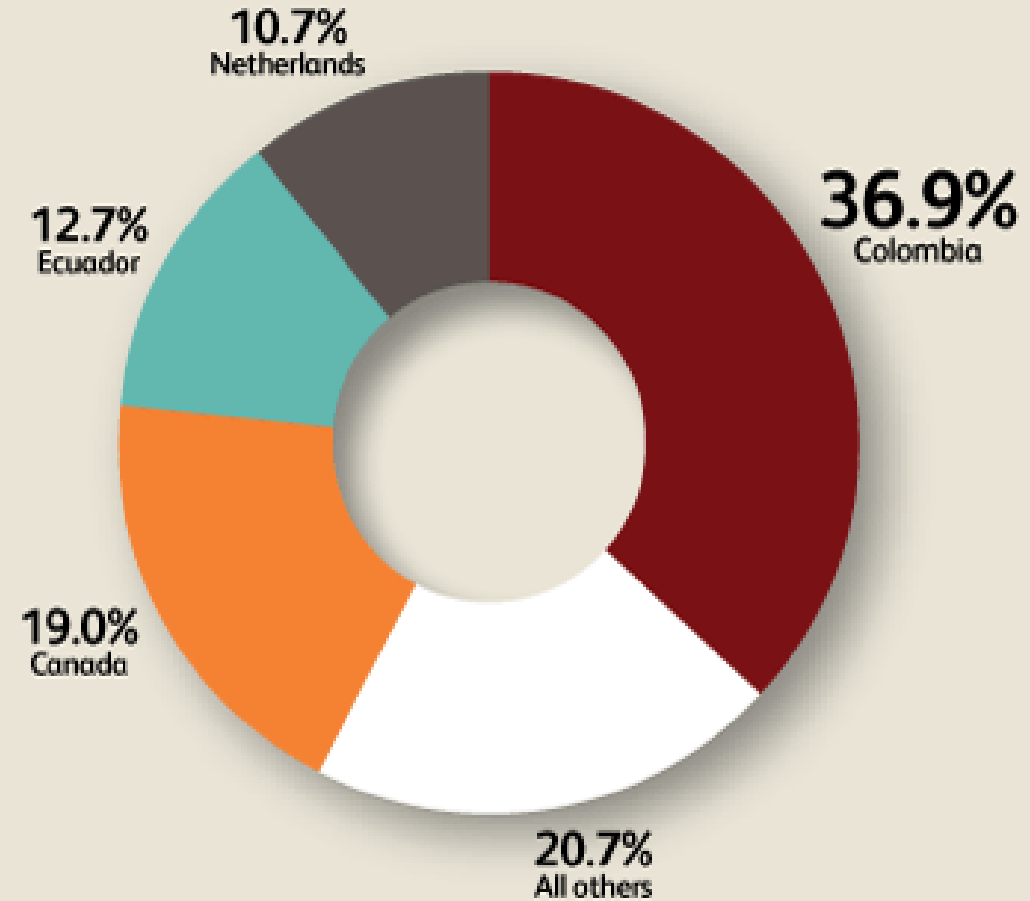
Total \$40.6bn

Plant & Flower Growers

Exports To ...



Imports From ...



Year: 2018

Total \$510.5m

Total \$1.9bn

SIZE OF CHARTS DOES NOT REPRESENT ACTUAL DATA

SOURCE: USITC

Tools of the Trade: Growth Strategies for Success Plant & Flower Growers

