

Developing Your Marketing Niche: Do What You Do Best

Dr. Robin G. Brumfield



Bob Serrone, Retail Greenhouse Manager and Denise Etheridge, Production Greenhouse Manager, Homewood Nursery & Garden Center, Raleigh, NC. Photo by Dr. Robin G. Brumfield

In today's competitive markets just being able to produce high quality plants and flowers does not mean that you can market them for a price that covers your costs. The fact that no one else is producing a particular product does not mean that a viable market exists. You must grow plants and deliver services that consumers want.

Whether you sell directly to retail consumers (direct marketing) or to an intermediary (wholesaler), you need to think about what the consumer wants. After all, large, wholesale companies, like Coca Cola, who do not sell directly to consumers, are very concerned about what their consumers want.

Your product must satisfy the consumer's needs: the features, service aspects, marketing season, and benefits to the buyer. Look for niche markets and products that consumers want, especially those that other producers are not supplying. What you want to do is "Exploit your comparative advantage." In other words, do what you do best while giving consumers what they want.

Here are the first three steps you must take to find your niche:

1. **Look to yourself.** Determine what areas of life you are most interested in and how it will interface with your product. In which areas do you have expert knowledge? What do you enjoy? Where's your passion? If you were to pick an area where you have no interest, it'll be hard to keep at it week after week, month after month. You will also need knowledge you can share with people to market your product. Your expertise is the "value added" element that brings excellence to the product.
2. **Survey the Competition.** Look at your potential competition. Assess the potential market to determine if there is an area that could use your new products and/or services. An easy way to make this determination is just talk to the people in your targeted community. This will usually start with your current customers unless you are entering a totally different market. For example, if you are a wholesale grower and want to add a retail component, you may need to interview potential retail consumers directly. Another option is to join groups of people who have similar interests such as garden clubs, health clubs, little league boosters, soccer clubs or at car racing activities. How can you do it better, faster or cheaper, or offer a new twist, and provide excellence where you now find only mediocrity?
3. **Determine if you can be comfortable with the anticipated income from the new product or service.**

If you do your research carefully and persistently you'll probably find some niches that have potential, but are either unfilled (not likely these days) or under filled (very likely).

Important Rules for Taking on a New Niche

Taking on a new niche can be a low-risk way to grow your business, as long as you keep in mind several important rules:

1. Meet the customer's unique needs. What can you provide that's new and compelling? Identify the unique needs of your potential audience, and look for ways to tailor your product or service to meet them.

*Dryer Farms is an example of successful niche marketer who meets their customers' needs with fresh local products and service. The Dryer Family had a wholesale vegetable farm located in **Cranford, New Jersey**. Cranford has become a commuter city for Wall Street Executives. Thus, the Dryers face continuing increases in land prices, taxes, and labor costs.*

*The Dryers reassessed their situation and switched to year-round retail sales. They added a greenhouse and sell bedding plants in the spring and Christmas trees at the end of the year. The Dryers realized their "**comparative advantage**" was being surrounded by high income consumers who saw agriculture as a novelty, are intrigued by agriculture, but don't really want to get their hands dirty.*

So, the Dryers compete against the big boxes by offering local, in-season, and "value added." At Christmastime, Dryer Farms offer a vast selection of Christmas trees. They "fresh" cut the trunk, cut off the bottom branches of the customer's Christmas tree to set in their base, wrap it in a net, load it into the customer's trunk while customers and their children are sipping on their free cocoa or coffee.

In the spring, the Dryers will custom pot annuals and perennials in their pots or the consumer's pots. For their customers' convenience they now Accepts credit/bank cards in addition to cash.

2. Say the right thing. When approaching a new market niche, it's imperative to speak their language. In other words, you should understand the market's "hot buttons" and be prepared to communicate with the target group as an understanding member--not an

outsider. You may need to alter other, more basic elements, such as your company slogan if it translates poorly. Understand its members' key issues and address them.

Barlow's, another New Jersey business in a high income area offers "**free potting**" whether you buy the pots from them or bring your own. They offer this service because they know their customers want "no fuss-no muss." Barlow's has their own retail florist/gift shop where they feature their potted plants arranged in baskets and other containers.

This **gives their customers something new and different** from the typical cut flower arrangement, and it uses the products they produce. Some customers were driving by their former retail shop because it looked dark and closed. So, Barlow's purchased a **special retail greenhouse that is bright** so that their customers know they are open all year.



3. Always test-market. Before moving ahead, assess the direct competitors you'll find in the new market niche and determine how you will position against them. For an overview, it's best to conduct a competitive analysis by reviewing competitors' ads, brochures and Web sites, looking for their key selling points, along with pricing, delivery and other service characteristics.

What if there is no existing competition? Believe it or not, this isn't always a good sign. True, it may mean that others haven't found the key to providing a product or service this niche will want to buy. However, it's also possible that others have tried and failed. Always test-market carefully to gauge the market's receptiveness to your product or service and message. And move cautiously to keep your risks manageable.



Homewood Nursery & Garden Center is a large independent garden center in **Raleigh, North Carolina** providing top quality plants and selection in a beautiful, relaxing environment. In response to the drought and watering restrictions in the south, Homewood Nursery and Garden Center is **selling rain barrels** to their customers. They purchase them from a local high school student entrepreneur who makes them from pickle barrels.

In addition to the rain barrels, they have developed a **complete program on water conservation** including point-of-purchase and website information on drought tolerant plants and other water saving tips. They also offer free gallons of their well water for customers to take home for watering plants. They test marketed these solutions to

consumers' fears that they can't grow plants because of water restrictions.

Summary

Changing U.S. demographics - more mature consumers, greater ethnic diversity, and two income families, and single parent families - are driving changes in consumer demand. Changing consumer preferences, along with technological advances and other changes in the economy, offer greenhouse companies new opportunities. So what does the modern consumer want? Convenience and variety are clearly important. Some consumers need or want good price deals and will search for lower prices.

Today's time-pressed consumer is purchasing more convenience, as well as quality, variety, and value. Surviving local competition usually means that growers either compete on low price or high quality. You need to decide on one or the other, because if you don't have the lowest price or focus on the highest quality you have maneuvered yourself into a no win position. Understanding and tailoring to the "diverse consumer preferences" moves your product to the forefront and "pulls" it through the supply chain. Analyze yourself and the competition and look at what products and services you can offer to meet your consumers' needs while at the same time making a profit.

In other words, **find your comparative advantage and exploit it.** I have developed a worksheet to help you through this process. A more detailed worksheet for looking at markets can be found on my website at:

<http://aesop.rutgers.edu/~farmmgmt/marketing/tomarket.pdf>

I welcome your thoughts, ideas, comments, and questions. Let us know what you think of this article. My contact info is below.

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Developing Your Marketing Niche Worksheet

Yourself: What will I offer to the customer?

Below, list the products or services you plan to sell and the features, service aspects, marketing season, and benefits to the buyer that your products will offer. Start by defining who your customers are. Then ask what need you are filling for these customers.

? Who are my potential customers?

(This will help you know how to reach these customers and target your promotional activities).

- ? Are they low _____, medium _____, or high _____ income?
- ? Are they young _____, middle-aged _____, or elderly _____?
- ? Is their highest level of education high school _____, college _____, post-graduate _____?
- ? Are they local _____, tourists (e.g., they will pass your farm and buy dried flowers on the way home from the Jersey shore?) _____, or from more distant locations _____?
- ? Are they mostly White _____, African American _____, Hispanic _____, Asian _____, Other _____?
- ? Are they blue-collar _____ or professional _____ workers?
- ? Are they male _____, female _____, or both _____?
- ? Are they rural _____ or urban _____ residents?
- ? Are they home makers _____ or working spouses _____?
- ? Do they purchase in large _____ or small _____ quantities?
- ? Are they motivated more by price _____ or high quality _____?
- ? Would they be interested in entertainment agriculture and tourism? Yes ___ No ___

? What are my customers' needs? This applies whether or not you are selling to the final consumer or to intermediate buyers.

(Do they need convenience? A particular size? Saturday deliver? Unique products? High value products? Large volumes? etc.)

? Given my customers' needs, what kind of PRODUCTS am I considering?

Examples: Bedding plants, snap dragons, impatiens in hanging baskets, etc.

? What type of PROMOTION would best target this audience?

? What PRODUCT FEATURES will appeal to my customers?

Examples: Branded product, performance, availability, size, quality, freshness product mix, varieties/new variety, types, color, shape, organic, selling points, etc.

? What SERVICE FEATURES will I offer?

Examples: Delivery, unloading, stocking shelves, processing, packaging, instructions, and range of services offered, discount, credit terms, ease of parking, convenience, guaranties, etc.

? What MARKETING SEASON will I offer this new product or service?

For example, you may sell fresh cut flowers during and shortly after harvest, and dry the rest to meet demand during the remainder of the year, or you many choose not to market in the winter.

? What are the PRODUCT BENEFITS?

Examples: Long lasting, fragrant, unusual, etc.

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Thanks to all the growers who gave of their time, experiences, ideas, and willingness to help other growers in an ever-changing marketplace and to USDA CSREES for research funding.

Please return to:

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