

Economics and Marketing

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**Customer Satisfaction Marketing Metrics:
Garden Centers/Stores and Big Box/Mass Merchants**

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Significance to Industry: “If you can’t measure it, you can’t manage it.” (Robert Kaplan and David Norton, 1996) In recent years, data-based marketing has swept through the business world. In its wake, measurable performance and accountability have become keys to marketing success. Few managers appreciate the range of metrics by which they can evaluate marketing strategies and dynamics, especially as they relate to the customer. A satisfied customer adds value and profits to the business, as a satisfied customer is retained and becomes loyal, and in the process, shifts buying habits toward the pricier, higher margin (more profitable) products and services, thereby increasing their customer lifetime value and profits within the firm.

Nature of Work: Retail outlets for green goods have, for nearly a decade, wondered why a generation of customers (Generation X, aka the Millennials) has not exhibited purchasing habits commensurate with their incomes and buying power. Studies indicate the garden centers and other retailers of plant materials have not had this customer base feeling a need for the products and services offered. Furthermore, the smaller, specialized independent garden centers have felt an economic squeeze at the hands of the big box or mass merchant retailers, such as home improvement centers and department/discount stores that exert their size differential to acquire buying power. Undergraduate University of Georgia students in select marketing classes in Agricultural and Applied Economics were given the task to determine if there was a difference in customer satisfaction between the garden centers and the mass merchandisers, using marketing metrics developed from surveys of customers on the premises of these types of businesses. A survey instrument was developed and approved and administered in Clarke County and its contiguous counties of Jackson, Madison, Oconee, and Oglethorpe, by the students at plant material retailers.

Results and Discussion: The following categories of customer metrics, and specific questions, were asked of all willing respondents. The verbal survey was completed by 200 purchasers of plant materials, 112 at independent garden centers and 82 at big box or mass merchant retailers.

Awareness – “Are you aware that plant materials for landscaping can be purchased at all of the following types of retail outlets: hardware stores, farm and home centers, lawn

and garden centers/nurseries, grocery stores, home improvement centers, large department and/or discount stores, and farmers' markets?" Yes 44% No 56%

Top of Mind – “When considering the purchase of plant materials, what is the first retail outlet that comes to mind?” In order of frequency reported as first responses, those surveyed named: a garden center, a home improvement center, a farm supply store, a department store, and a seed store or a grocery store tied for fifth.

“When considering the purchase of landscaping accessories (media, mulch, containers, plant health, tools), what is the first retail outlet that comes to mind?” In order of frequency reported as first response, those surveyed named: a home improvement center, a department store, a farm supply store, and a garden center.

Brand/Product Knowledge – “For many of our purchases, we rely on brand or product knowledge to influence our purchase; what are some ‘Georgia’ brands of plant materials (annuals, perennials, containers, wood ornamentals) that you are familiar or knowledgeable?” In order of frequency reported: didn’t know there were any branded plant materials from Georgia (65%), McCorkles, Red Bud Nursery, Classic Groundcovers, Greenleaf, Pikes, Dudleys, Monrovia.

Attitudes/Liking/Image – “On a scale of 1 to 5, with 1 representing total disagreement and 5 implying absolute agreement, what is your level of agreement with ‘Independent garden centers do a better job of solving my landscaping problems and satisfying my gardening needs?’”

Totally Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Totally Agree
1	2	3	4	5
#	32	112	56	
Score		3.12		

“On a scale of 1 to 5, with 1 being completely irrelevant and 5 being extremely relevant, how relevant is the mass merchandiser to you in meeting your home or residential landscaping needs?”

Very Irrelevant	Somewhat Irrelevant	Neither Relevant nor Irrelevant	Somewhat Relevant	Very Relevant
10	145	0	37	8
#				
Score	2.42			

“On a scale of 1 to 5, with 1 being totally untrue to 5 being completely accurate, what is your assessment of the statement, ‘Independent garden centers provide more services and solutions to customers than other market outlets?’”

Totally False	Somewhat Untrue	Neither True nor False	Somewhat True	Totally Accurate
3	28	129	39	1
#				
Score		3.03		

Perceived Value for Money – “On a scale of 1 to 5, with 1 being completely misleading to 5 being totally accurate, what is your level of agreement with the comment, ‘Independent garden centers represent a good value for the money’?”

Totally Misleading	Somewhat Misleading	Neither Accurate nor Misleading	Somewhat Accurate	Totally Accurate
#	7	114	63	16
Score	3.44			

“If the price of plant material, such as a color annual in a 6” container, was to decrease 10%, for example, from \$1.99/pot to \$1.79/pot, what would be your likely purchase reaction?”

No change in quantity purchased 24% of respondents
 Increase quantity purchased by _____% range 5%-20%, average 17%
 Decrease quantity purchased by _____% no one would buy less

[Increasing purchases by 17% as a result of a perceived price decrease of 10% = - 1.72 elasticity of demand; a value verified by other research in the Atlanta market for various horticultural crops, including annuals.]

Perceived Quality/Esteem – “When comparing plant material and related products, how important is a brand name for quality, on a five-point scale with 1 being very unimportant to 5 being very important?”

Totally Unimportant	Somewhat Unimportant	Neither Important nor Unimportant	Somewhat Important	Very Important
#	11	87	54	23
Score	3.27			

“Using the same five-point scale, how important is a heritage or native variety for quality?”

Totally Unimportant	Somewhat Unimportant	Neither Important nor Unimportant	Somewhat Important	Very Important
#		43	88	69
Score	4.13			

“Using the same five-point scale, how important is a patented variety to you?”

Totally Unimportant	Somewhat Unimportant	Neither Important nor Unimportant	Somewhat Important	Very Important
#	10	130	10	
Score	2.70			

Intentions – “In recent years, additional new varieties of plant materials have become available; would you be willing to switch retail outlets if a different store or type of store offered the new varieties that you thought you liked?” Yes 73% No 27%

“On a scale of 1 to 5 with 1 being extremely unlikely to 5 being very likely, how would you respond to the statement, ‘It is very likely that I will purchase landscaping plant materials next spring?’”

Very Unlikely	Somewhat Unlikely	Neither Likely nor Unlikely	Somewhat Likely	Very Likely
#	16	77	82	25
Score	3.58			

Customer Satisfaction – “On a five-point scale with 1 being very dissatisfied to 5 being very satisfied, rate your overall satisfaction of purchasing and using landscape plant material from this retail outlet.”

Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied nor Dissatisfied	Somewhat Satisfied	Very Satisfied
Scores: Garden Centers = 4.39		Big Box/Mass Market = 3.07		

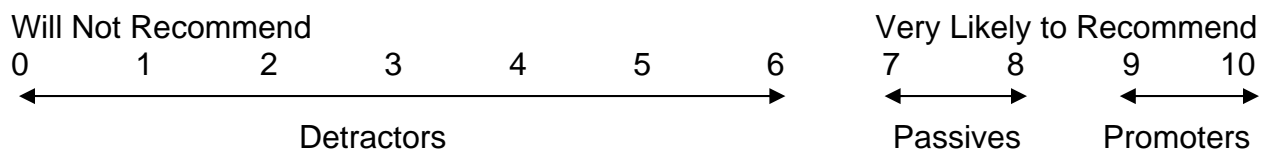
“On the same five-point scale, rate the overall performance by this retail outlet in marketing landscape plant material.”

Scores: Garden Centers = 4.01 Big Box/Mass Market = 2.92

“On the same five-point scale, rate your satisfaction of the following consideration, as they relate to your shopping experience at this retail outlet:

Merchandising/Display Selection	Garden Centers = 4.22	Big Box/Mass Market = 2.47
Customer Service	Garden Centers = 4.19	Big Box/Mass Market = 2.18
Employee Assistance	Garden Centers = 4.77	Big Box/Mass Market = 1.85
Pricing	Garden Centers = 4.89	Big Box/Mass Market = 1.79
Convenience	Garden Centers = 3.77	Big Box/Mass Market = 3.03
	Garden Centers = 4.06	Big Box/Mass Market = 3.11

Net Promoter Score – “On a ten-point scale with 1 representing will not recommend to 10 implying very likely to recommend, how likely are you to recommend this retail outlet to your friends or colleagues for purchasing plant material?”



Garden Centers NPS = 50% [65% Promoters – 15% Detractors]

Big Box/Mass Market NPS = 10% [30% Promoters – 20% Detractors]

“On the same ten-point scale, how likely are you to recommend this retail outlet to your friends or colleagues for the overall shopping experience?”

Garden Centers NPS = 55% [70% Promoters – 15% Detractors]

Big Box/Mass Market NPS = 15% [35% Promoters – 20% Detractors]

Implications: For the overall shopping and purchasing experience, as well as employee and corporate customer service, the independent garden centers/stores scored statistically higher than their big box or mass merchandiser competitors. Management should capitalize on what it does best and what is important to their customers to close the gap in marketing performance.

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