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Landscape Architects as Related to the Landscape/Nursery Industry: I. Impact on Demand for Plant Material[1]

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Abstract

A survey of landscape architects in Georgia was conducted to help growers and landscape contractors work more closely with this group. We received 62 completed surveys for a 37% response. About 66% of the Georgia firms are located in the metro Atlanta area. We established three size classes of firms based on the 1990 wholesale value of plants specified, small (<$200 K), medium ($200–999 K), and large (≥$1 M). Comparisons are made among size classes and data are presented for each size class. Approximately 21% of the firms accounted for 67% of the plants specified in 1990. It is estimated that Georgia landscape architects specified about $85 M of plants in 1990. About 90% of the firms conduct a majority of their business in Georgia and indicated that 85% of all projects are in-state. However, 47% of the plant material specified by these firms is obtained from outside the state of Georgia. This implies that $34 M worth of plant material used in Georgia is sourced out-of-state.

Index words: nursery growers, landscape contractors, market research

Significance to the Nursery Industry

The survey results provide the first quantitative estimate of the important role that landscape architects play in the demand for plant material. The value of plant material specified by Georgia landscape architects is equivalent to 42.5% of the value of plants grown in Georgia. This suggests that growers develop a close working relationship with landscape architects. Follow-up market research to determine the type of plants imported to Georgia and the reasons for imports can help nurserymen with their marketing plans.

Introduction

The landscape industry is in a transition phase as nurseries change from production-oriented to market-driven businesses. This is necessitated by periods of over-supply, cost-conscious customers, and more rapidly changing trends. The smaller profit margins require that producers reduce waste. These factors, and the long production times, require growers to be more involved in development of marketing programs. Most marketing programs have two components, market research (what to produce) and merchandising (how to sell what you have) (6, 8).

The long production cycles in the survey industry necessitates that growers understand who determines demand for their product (3, 4, 5). A useful tool to describe the flow of product and customers is the distribution channel map (1). A simplified channel map for landscape plants is presented in Fig. 1. The channel map highlights the influential role of landscape architects in creating demand for plant materials. The decision on plant material used in many of the commercial, government, and private developments is made by the landscape architect (3, 4). In addition to determining specific plant varieties for landscape projects, landscape architects are the first to know about future demand, since they develop projects several months in advance of the time plants are requested. Landscape architects also influence demand at retail garden centers. This occurs when consumers observe plants in highly visible commercial projects and subsequently request the same plants from their local garden center.

A literature search revealed no information on the relationship between landscape architects, landscape contractors, and growers. Also unavailable is information on the value of plant material specified, information sources on what plants to specify, and where plants are sourced.

This paper is the first in a series covering the results of recent market research with Georgia landscape architects. The goal of the market research is to gather information and recommend strategies that will help landscape architects, growers, and landscape contractors exchange information and work together

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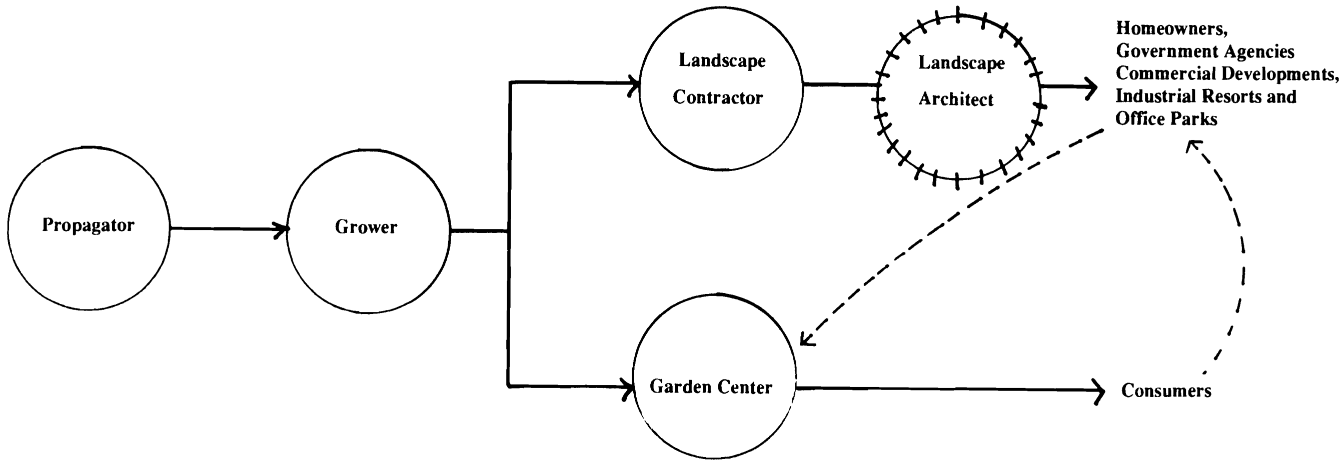

Fig. 1. Distribution channel map of the landscape industry highlighting the influence of landscape architects on demand for plant material.

more efficiently. The objectives of this study are to: (a) highlight the role of landscape architects in the landscape industry, (b) quantify the value of plant material specified by landscape architects, and (c) characterize the nature and size of landscape architectural firms in Georgia.

Materials and Methods

Surveys were mailed to registered landscape architects in Georgia that are members of the American Society of Landscape Architects (ASLA). The members represent 168 firms. The survey contained a cover letter cosigned by the Marketing Manager of ASLA and the senior author highlighting the goals of the survey. The initial mailing was sent in May, 1991, and a follow-up mailing to non-respondents in June, 1991.

The questions explored in this paper are shown in Table 1. Each landscape architect was requested to list: (a) the wholesale value of plant material specified in 1990, (b) the percentages of the plant materials specified that came from Georgia or other states, and (c) the state(s) in which their business is conducted and to indicate the volume of their business in each state. Data were tabulated and analysis of response conducted using SAS (7). The market channel map was developed as described by Boone and Kurtz (1).

Results and Discussion

Total returns numbered 62 representing a 37% response rate for the survey (Table 2). All questions included in the survey were re-examined to determine if any one question would have discouraged a response. No reason was found to suspect that response was discouraged by the nature of the questions asked. Thus, we consider the 37% rate of response reported here as a random sample. Of the 168 ASLA firms surveyed in Georgia, 111 (66%) are located in the metropolitan Atlanta area (Table 2). The Atlanta response rate was 37%.

The wholesale value of plant material purchased or specified by responding landscape architects totaled $28.9 M (Table 3). With a 34% response rate on this question, the total value of plant material specified by Georgia landscape architects for 1990 approximates $85 M. This compares with an estimated wholesale value of landscape plants produced in Georgia of $200 M (2). This demonstrates that landscape architects play a major role in determining demand for plant material produced by Georgia nurseries. It also strongly suggests that nurserymen develop a communications plan directed toward landscape architects. However, such a plan requires that producers better understand the landscape architectural firms, their information sources, and their plant material requirements.

The survey shows that 21% of the firms, classified as large with the wholesale value of specified plants greater than $1 M, account for 67% of the plant material specified (Table 3). The 1990 value of plant material specified by these 12 largest firms ranged from $1 M to $2.5 M. All large firms, except one, are located in the metropolitan Atlanta area. The mid-sized firms (wholesale value of $200

Table 1. Survey questions discussed in this study.

1) Estimated wholesale value of plant material purchased or specified in 1990? ______________

2) When obtaining plant material, what percentage of your plant material comes from in-state and out-of-state?
   In-State __________% Out-of-State __________%

3) Place of Business
   (a) Headquarters Location: City ________State ______ Zip ______
   (b) Please indicate what percentage of the projects your business undertook in 1990 occurred in each state in which you do business:

   State ______________________ Percent __________
   ______________________ __________

Table 2. Response rate for the survey of landscape architectural firms in Georgia and in Atlanta, GA.

	Location		
	Georgia	Atlanta	Percent[z]
All Firms Surveyed[x]	168	111	66
Firms Responding	62	41	66
Percent[y]	37	37	—

[z]Atlanta as percentages of Georgia.

[y]Firms responding as percentages of total firms surveyed.

[x]The firms surveyed were listed in the American Society of Landscape Architects 1991 IN PRACTICE listing of private landscape architectural firms, government agencies, and academic institutions.

Table 3. Size of landscape architecture firms as measured by the wholesale value of plant material specified.

Size[x]	No. of firms	Percent	Average $ specified/firm[z]	Total[z]	% Total $	Range[z]
Small	24	42	68.5 a[y]	1,643	5.7	5– 150
Medium	21	37	378.6 b	7,950	27.5	200– 800
Large	12	21	1613.3 c	19,360	66.8	1000–2500
Sum	57			28,953		

[z]Expressed in thousand dollars.

[y]Means within a column, bearing different letters differ at the 1% probability level.

[x]Based on wholesale value of plant material purchased or specified in 1990: Small (<$200 K), Medium ($200 K–$999 K), Large (≥$1 M).

K to $800 K) account for 37% of the respondents and slightly over 27% of the total $28.5 M value. The small firms (wholesale value less than $200 K) account for 42% of the respondents but less than 6% of the total dollar value of the plant material. These results indicate that in respect to specified plants in Georgia, there are twice as many small firms in operation as are large firms; but, the dollar value associated with the large firms is nearly 12-fold of the dollar value associated with small firms. The three firm sizes differ significantly in the average dollar value of the plant materials specified (Table 3) and thus the responses to other questions are analyzed by the size of firm.

Approximately 90% of the respondents do a majority (>50%) of their business in Georgia (Table 4). Other states, where only one or two Georgia firms have indicated to do a majority of their business, are the adjoining southeastern states of Florida (2 firms), North Carolina (1 firm), South Carolina (1 firm), Tennessee (1 firm) and Washington, D.C. (1 firm). In fact, about 41% of the Georgia firms surveyed only do business in Georgia (Table 5). A substantial number of firms (30%) do business in at least 2 states, while 15% of the firms conduct their business in 3, 4, or more states. When the number of states where business is conducted and the percentage of projects in each state are computed, Georgia firms included in this survey conduct about 85% of their business in Georgia (Table 6).

While landscape architects conduct 85% of their business in Georgia, the average of the percent of respondents for in-state sourcing of plant material in 1990 was only 59% (Table 7). Large firms source slightly over 53% of plant materials in Georgia. As the size of the firm decreases, the percentage of product sourced within the state increases to 65% for small firms. While not significant, reasons for this increase include: (a) larger firms have the resources to identify producers out-of-state, (b) the variety of product specified can not be grown within Georgia, (c) producers are unaware of this opportunity, or (d) larger firms normally do a higher percentage of their business out-of-state.

When we take into account the value of plant material specified, the magnitude of imports is even more striking and significant among firm sizes (Table 8). The large firms account for more imports ($8.6 M) than do medium ($3.4 M) or small ($705 K) firms. This could simply be a reflection of the higher dollar value of plant material specified by large firms. However, we also see that only a slightly higher percentage of plant material specified by large firms (47.5%) comes from out-of-state compared to medium (45.4%) and small (42.9%) firms. The firms source about 47% of the plant material specified from outside Georgia even though only 15% of their business is outside Georgia.

The value of plant material specified by Georgia landscape architects which is sourced out-of-state is estimated at 39.6 M dollars (Table 9). After discounting 15% for the business conducted out-of-state, the value of plant material specified and used within Georgia, but purchased out-of-state, is a

Table 4. States where Georgia landscape architectural firms do a majority of their business.

State	No. firms	Percent of total firms
Georgia	53	89.8
Florida	2	3.4
North Carolina	1	1.7
South Carolina	1	1.7
Tennessee	1	1.7
Washington, DC	1	1.7

Table 5. Number of states where Georgia landscape architectural firms conducted business in 1990.

No. states	Respondents (%)
1	40.7
2	29.7
3	14.8
4 or more	14.8

Table 6. Percentage of landscape architectural projects conducted in Georgia or other southeastern states in 1990.

State	Projects (%)
Georgia	84.7
Others	15.3

Table 7. Source of plant material purchased or specified by landscape architects.

Size of firm[z]	Percent response	
	In-state	Out-of-state
Large	53.2 a[y]	46.8 b
Medium	56.1 a	43.9 b
Small	65.4 a	34.6 b
Sum	59.1	40.9

[z]As determined in Table 3.

[y]Means within a column, bearing the same letter do not differ at the 5% level (P > 0.05).

Table 8. Value of plant material purchased in Georgia (in-state) or outside Georgia (out-of-state).

Firm size[z]	Number of respondents	Mean value of plant[y] material in \$1000		Total in \$1000		Percent[w]		Range in \$1000	
		In-state	Out-of-state	In-state	Out-of-state	In-state	Out-of-state	In-state	Out-of-state
Large	11	861.5 a[x]	780.4 a	9476 a	8584 a	52.5	47.5	101–1500	125–1540
Medium	19	215.7 b	179.1 b	4098 b	3403 b	54.6	45.4	38–600	0–525
Small	24	39.1 c	29.4 c	938 c	705 c	57.1	42.9	5–98	0–135
Sum	54	268.7	235.0	14512	12692	53.3	46.7	5–1500	0–1540

[z]As determined in Table 3.

[y]Due to unequal number of respondents per firm size, standard error of the mean ranged from 40–59 for in-state and 44–66 for out-of-state.

[x]Means within a column, bearing different letter differ at the 5% level ($P < 0.05$).

[w]Computed as percent of total dollar value (in-state plus out-of-state values).

Table 9. Value of plant material imported by landscape architects.

Number	Out-of-state sourcing[z]	% Total firms	Total sourced out-of-state[z]	% Business in Georgia	Value of imports[y]
54	12.691.6	32	39,600	85	33,700

[z]Expressed in thousand dollars.

[y]Imports = Value of plants sourced out-of-state minus percentage associated with business conducted out-of-state.

sizeable \$33.7 M. This compares to the estimated wholesale value of plant material produced in Georgia of \$200 M (2).

The results reported in this paper demonstrate that landscape architects play an important role in determining demand for plants. Relatively few firms (21%) in Georgia account for 67% of plant material specified and are located in the Atlanta area. The value of plant material specified by landscape architects in Georgia is \$85 M (42.5% of the nursery industry). The value of their imports is \$34 M (17% of the current industry). Nurserymen should develop a closer working relationship with landscape architects as a way to improve marketing practices.

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