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Effectiveness of Alternative Advertising and Promotional Media Vehicles in Garden Center Advertising¹

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Abstract

These data, analyzed by different size population centers, show that there is a relationship between the effectiveness of different media vehicles and the size of the population center in which a garden center is located. In large metro areas (500K +), customer mailings, poster advertising specials, and radio are most effective; in small metro locations (100–499K), the most effective vehicles are customer mailings, poster advertising specials, posters in the store, and radio; in large cities/towns (50–99K), the optimum choices are posters in the store, poster advertising specials, neighborhood newspapers, customer mailings, and radio; in small cities/towns (< 50K), the best media vehicles are posters in the store and neighborhood newspapers.

Index words: media, garden center advertising, cost/effectiveness decisions, markets

Significance to the Nursery Industry

Behind any business lies the assumption that customers must know what the business has to offer before they can decide whether or not to patronize it. This implies a need for advertising and promotion to present that story to the customer. The media vehicles used to portray these messages, and the quality of the message execution positively or negatively, affect the incidence of customer patronage.

Garden centers are no different from any other business in this respect. This research provides owner/operators, depending on the size of the population center in which they operate, information regarding which media vehicles will likely be most effective. Following these results should, theoretically, improve the efficiency of the dollars currently being spent on advertising and promotions by garden center owner/operators.

Introduction

The purpose of this research was to evaluate the different types of media vehicles currently being used by garden centers to determine which are perceived as most successful. Determining this information should aid garden center owners and managers in selecting the most effective advertising and promotional tools for their particular environment.

Materials and Methods

From a mailing list of 944 members of the Garden Centers of America, supplied by the Horticultural Research Institute, 312 randomly selected respondents were mailed introductory letters and questionnaires. One hundred twenty-two (122) valid responses were received for a response rate of 39.1%. The average response rate on general mail surveys is between 5 and 10%. Because of the significantly higher response rate for this study, a non-response study was not

deemed necessary. Questionnaires were mailed mid-February, 1989 and acceptance of responses was terminated March 20, 1989.

Statistical analyses performed included the Wilk-Shapiro Test of Normality on each medium, categorized by geography, for both the percent of advertising dollars allocated for advertising and for the ratings of effectiveness for each medium. Spearman Rank Order Correlations were run between the percent of monies allocated to a specific medium and the ratings of effectiveness assigned to that medium.

A key point to remember is that each medium's test distribution for both budget allocation and effectiveness ratings, in the absence of knowing the actual distribution, assumes a normal distribution for the sample data on each measurement. It is more important that the effectiveness ratings be normally distributed since, often, budget allocations to a particular medium may "not be able to be normally distributed" due to market conditions. Some media may simply not be available to a specific market. Budget allocations may be made on the basis of facts other than effectiveness, including the effect of salespersons, the purchasing of certain media because of community pressures, and/or the particular effectiveness of a specific medium in a market that may not translate to other markets.

Analysis of variance and Tukey's LSD (Least Significant Difference) Test were performed in an attempt to determine the key variables for examination of specific media recommendations. These tests were conducted on the ratings and the percent of funds allocated to the alternative media by respondents in the four geographical segments. From this analysis, it was determined that effectiveness rating was the key differentiating issue that segmented successful garden center advertising and promotional techniques.

Results and Discussion

The average percentage of gross sales currently being spent on advertising and promotions in garden centers is 4%. Although this varies to a small degree by population area, the only significantly different segment noted was the small metro population center, which spends a significantly

¹Received for publication June 6, 1989; in revised February 8, 1990. The research reported here was supported by a grant from the Horticultural Research Institute, 1250 I Street, N.W., Suite 500, Washington, DC 20005.

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Table 1. Evaluation of the mean percent spent on advertising vs. population area.

Population area	Mean percent spent on advertising
Small city/towns (– 50K)	3.75%
Large city/towns (50–99K)	3.41%
Small metro areas (100–499K)	5.01%
Large metro areas (500K +)	3.14%

higher percentage of gross revenues than other tested areas (Table 1).

Since the percentages of gross sales spent on advertising and promotional activities are similar, *this lends further credibility to concentrating on effectiveness ratings as a more reliable form of analysis.* In most industries, known “effectiveness” of media vehicles tends to drive the amount spent for a particular medium. Therefore, it was first assumed the most effective analysis would be one of determining those media where a correlation exists between “budget allocation spent on a specific medium” and the “perceived effectiveness of that medium.” Since some differences do exist between the four geographies, a study of this above relationship for each of the geographies would lead to implementable data for owner/operators depending on the type of population center in which they have their business.

For example, Table 2 shows the strongest correlations emerging for the four geographical areas.

The immediate temptation is to recommend these media in descending order for the owner/operators operating in the respective population environments. The assumption underlying this analysis is that owner/operators of these centers utilized logical, empirical data to make the decisions regarding how much of their budget to allocate to specific media. Two facts do not support this assumption. First, no existing research was found that offered any evidence that one or more media vehicles performed better than others in this environment. Second, and more important, an analysis of variance of the percent of funds allocated to the different media used by these respondents showed that the null hypothesis that the samples came from populations with equal means could not be rejected (with one exception: Local Newspapers). This indicates there were no real differences in the way funds were allocated to these various media in the four regions. In fact, from a statistical standpoint, the allocations were essentially equal.

As mentioned, the only exception was local newspapers and the allocations were virtually equal in all segments except large metro areas, which was significantly lower than the remaining three segments.

As a result of these analyses, it became apparent that the key differentiating factor was the effectiveness ratings of the media vehicles. An analysis of variance revealed that there were five media vehicles that emerged as significantly different among all those being used by garden center owners/operators. These five media vehicles were: radio; neighborhood newspapers; customer mailings; posters in the store (product descriptions and/or advertising); and, posters advertising special values (Table 3).

Five specific media vehicles tested significantly different in terms of performance ratings between the different segments and only one medium tested significantly different regarding budget allocations. (Table 4) This finding is not surprising, since in the absence of definitive reasons to allocate more funds to one medium versus another, there is little rational basis on the part of the garden center owner/operator to do so. Hence, relative spending is statistically similar for the media regardless of the geographical segment in which the center operates. The findings that the effectiveness of some media vehicles are significantly different, depending on the geographical location in which they operate, gives credence to media performance rating as the key variable for analysis of the data.

Since differentiation did not exist with respect to monies allocated, and because of this fact, correlations between monies allocated and performance ratings would likely be spurious at best—and certainly misleading, performance ratings of those five key vehicles should serve as the basis for recommendations for future advertising and promotional emphasis in garden centers depending on the population center in which the center operates.

For operators in small cities/towns (– 50K), the media vehicles with the greatest potential for successful sales are, posters in the store and neighborhood newspapers. Although in individual markets there may be other media that are effective, these data suggest that generally these will be more effective than others studied.

For operators in large cities/towns (50–99K), the most effective media vehicles are likely to be, in descending order, posters in the store, posters advertising special values, neighborhood newspapers, customer mailings, and radio.

For garden center operators in small metro population centers (100–499K), the most effective media vehicles tend

Table 2. Correlations of media effectiveness and percent of funds allocated to various advertising strategies by population segment.

Media Vehicles	SC-r ²	Sig	LC-r	Sig	SM-r	Sig	LM-r	Sig
Radio	.53	p<.01	-----	-----	.68	p<.01	-----	-----
Television	-----	-----	.82	p<.01	.54	p<.01	.44	p<.05
Local newspapers	.33	p<.05	-----	-----	-----	-----	.36	p<.05
Neighborhood newspapers	.35	p<.05	-----	-----	.78	p<.01	-----	-----
Customer mailings	.30	p<.05	-----	-----	-----	-----	-----	-----
General mailings	.59	p<.01	-----	-----	.52	p<.01	-----	-----
Signs near store	.39	p<.05	.52	p<.05	.58	p<.01	.32	p<.05
Posters in store	.85	p<.01	.44	p<.05	-----	-----	-----	-----
Posters/specials	.93	p<.01	.38	p<.05	.48	p<.01	-----	-----
Circulars mailboxed	.60	p<.01	.40	p<.05	.50	p<.01	-----	-----
Yellow pages	.53	p<.01	-----	-----	-----	-----	-----	-----

²SC = small city (– 50K); LC = large city (50–99K); SM = small metro (100–499K); LM = large metro (500K +); r = correlation; p = significance

Table 3. Relationship of population density to the effectiveness of advertising vehicles for garden center operations

Advertising Vehicle	F Value	Sig/p	Tukey Test LSD	Mean			
				SC ^z	LC	SM	LM
Radio	9.96	p<.05	.926	4.1	6.4	5.4	6.3
Television	1.71						
Local newspapers	2.09						
Neighborhood newspapers	17.62	p<.05	1.40	5.4	7.3	3.7	5.4
Customer mailings	4.07	p<.05	1.69	5.6	7.1	7.7	6.7
General mailings	1.00						
Signs in the store	.22						
Posters in the store	6.55	p<.05	1.20	6.1	7.6	6.6	5.3
Poster/Specials	6.55	p<.05	1.06	5.1	7.5	7.4	6.5
Circulars mailboxed	1.73						
Yellow pages	.57						

Table 4. Relationship of population density to the effectiveness of advertising vehicles for garden center operations

Advertising vehicles	F Value	Sig/p	Tukey Test LSD	Mean			
				SC ^z	LC	SM	LM*
Radio	.52	p<.05	8.86	50	54	51	35
Television	.96						
Local newspapers	8.19						
Neighborhood newspapers	2.60						
Customer mailings	1.80						
General mailings	.07						
Signs in the store	.37						
Posters in the store	2.00						
Posters/Specials	.97						
Circulars mailboxed	2.01						
Yellow pages	.63						

^zSC = small city (-50K); LC = large city (50-99K); SM = small metro (100-499K); and, LM = large metro (500K +); Sig/p = significance

to be, customer mailings, posters advertising special values, posters in the store, and radio.

For operators in large metro areas (500K+), the most effective media vehicles are, customer mailings, posters advertising special values, and radio.

Most interesting in these findings are that media vehicles most frequently used for consumer goods are conspicuously absent from these lists, e.g., television, local newspapers, and yellow pages. This is interesting also from the perspective that these are considerably more expensive than the media rated most effective, yet they do not appear to be working well in the garden center environment. It was also observed that the media that most directly affect consumers on a more "personal" basis are present in almost all locations e.g., customer mailings, posters in the store (highlighting specific products and services), and posters advertising special values (which seem to work well in all locations with the exception of small cities/towns).

As population density increases, neighborhood newspapers seem to lose their value for garden center advertising. The only mass media vehicle that seems to work well in the larger markets is radio and it works well in all markets except the small cities/towns.

In the garden center business there appear to be few

effective substitutes for the more "personal" selling approach of direct contact with the customers. These data suggest that mass media vehicles, with the exception of radio, do not work as effectively in this selling environment as do the more personal approaches such as customer mailings, posters in the store providing visual contact for the customer, posters advertising specials, and, neighborhood newspapers in the smaller locations, which tend to provide more "personal" types of news than that afforded by larger local newspapers.

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