



Great Lakes Fruit, Vegetable & Farm Market EXPO Michigan Greenhouse Growers EXPO

December 4-6, 2018

DeVos Place Convention Center, Grand Rapids, MI



40 Who is Your Customer? Gathering and Using Information

Where: River Overlook Room C & D

Moderator: Kevin Cook, Ball Horticultural Co.

Sponsored By: Ball Horticultural Co.

9:00 AM

Consumer research can be a practical, applied experience for the independent garden retailer. In this session, Bridget will discuss how to do some of your own consumer research and help you integrate that information into your marketing strategy.

- Bridget Behe, Michigan State University

9:50 AM Session Ends



Who is your customer?

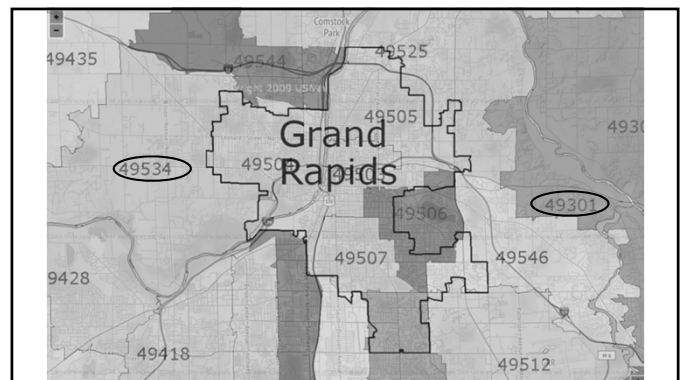
How to do some "Home Grown" Research

Dr. Bridget K. Behe, Ph.D., Professor
 Dept. of Horticulture
 Michigan State University



6 Ideas for Home-Grown Research

1. Zip Codes
2. Google My Business
3. POS and Loyalty Data
4. Core Customer Groups
5. In-store cameras
6. 3M Visual Analyzer Software



What do I do with Zip Codes?

- ▶ Home ownership and renters. Renters enjoy plants, just smaller cultivars, smaller container sizes, contained run-off.
- ▶ Higher household income can be an indication of tolerance for higher price points, more upscale containers. Don't dismiss lower income households; consider lower price points and greater price sensitivity.
- ▶ Average age may indicate how to communicate best with them (online versus print media).
- ▶ Household size. One and two person households probably will buy fewer plants but consider targeting specific products (and combinations) to them. Self-watering containers for the person who wants plants but is on-the-go.
- ▶ Calculate market share and test direct mail or other communication mechanisms.

Episode 15: Zip Codes

May 15, 2018
Consumer, Management,
Other great podcasts
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Edit

You can learn a lot from a Zip Code! In today's busy society, it is becoming increasingly difficult to get people to complete surveys so that businesses can better understand them. Asking for a Zip Code at check-out provide the business with some great information that can be obtained for free at American Fact Finder ([link](#)). In this week's episode, Bridget will discuss the importance and value of collecting Zip Code information and what you can do with it to boost your marketing strategy.



[Episode 15 transcript](#)

Visit bridgetbehe.com to find the Marketing Munchies podcast series

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Google my business

Attract new customers with your free Business Profile.

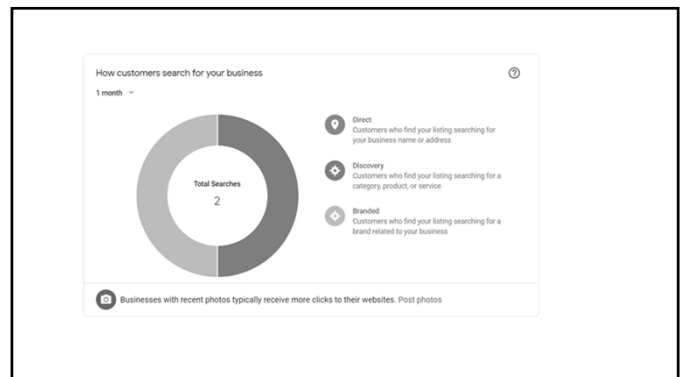
Your Business Profile appears right when people are searching for your business or businesses like yours on Google Search and Maps. Google My Business makes it easy to create and update your Business Profile—so you can stand out, and bring customers in.

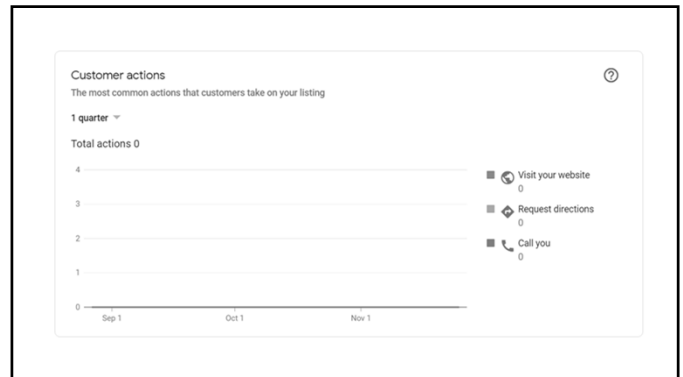
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Have questions? Give us a call: 1-844-491-9665*



The screenshot shows the Google My Business dashboard. On the left is a navigation menu with options like Home, Posts, Info, Insights, Reviews, Photos, Website, Users, Create an ad, Add new location, Manage locations, Linked accounts, Settings, and Support. The main content area is divided into several sections: 'Advertise easily in minutes' with a 'Get started' button; 'Your business is on the map' with 'View on Maps' and 'View on Search' buttons; 'Complete your listing' with a progress indicator at 60% and buttons for 'Add description' and 'Add profile photo'; and 'Businesses like yours are posting!' with a 'Post' button. A 'PERFORMANCE' table is also visible, showing 2 Views, 2 Searches, and 0 Actions.





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Customer loyalty

- ▶ Many businesses are interested in customer loyalty, because it affects profitability and drives growth.
- ▶ Reichheld defined loyalty as “the willingness of someone - a customer, an employee, a friend - to make an investment or a personal sacrifice in order to strengthen a relationship.”

Should you have a loyalty program?

- ▶ Who benefits? You and your customers.
- ▶ Are you rewarding price shoppers?
- ▶ You should reward your better customers (those who spend more, those who generate more profit) if it makes them feel good.
- ▶ You should know who your loyal customers are, what they buy, and how much they spend.



Loyalty Club

- ▶ If you have a POS system, track by telephone number but also get a mailing address and/or email. Nearly everyone has a telephone number and it can be tough to forget. Cards, bucks, and coins can get lost (and you can't get data from them).
- ▶ Calculate your average sale per customer. Double that as a starting threshold for loyalty rewards (adjust if needed).
- ▶ Make it easy to enroll online, from their phone.

What do you get from the Loyalty Club?

- ▶ Start by reviewing the top 20% of customers (who spent the most) and understand what they purchased. Were these products highly profitable for you? What might you suggest to them next year? What might be a reasonable target to increase purchases?
- ▶ Next, review the bottom 20% of customers in the program (who spent the least). What did they buy? How profitable were those items? What are some of the differences between the top and the bottom?
- ▶ Talk with your management team about communication strategies for next year.

What do you get from the Loyalty Club?

- ▶ Talk with your management team about communication strategies for next year.
- ▶ Direct mail piece about customized containers in mid-April?
- ▶ Email offer for vegetable/herb planters in mid-May?
- ▶ Coupon in newspaper for new customers who spend \$50 or more in May after signing-up for club?




Best and not-as-good customers

- ▶ Not everyone will be in your top 20%. But, what can you learn from them (what they buy, what they could buy, when they buy, how much they buy) that could be an indication of what might appeal to customers who don't buy as much?

One measure of loyalty: The one number you need to grow.

- ▶ December 2003 HBR had an article that was simplistic and valuable (*The One Number You Need to Grow*, Harvard Business Review, 81[12]:46-54).
- ▶ Question to ask: *How likely are you to recommend us to a friend?*
- ▶ Use a 10-point scale for the recommendation to a friend, where 9= "extremely likely" to recommend, and 0= was "not at all likely to recommend."

Ask for a recommendation!

- ▶ Customers who responded with 8 or 9 are Promoters. 
- ▶ People with a 6 or 7 are Passively Satisfied, because while they were happy, they weren't as willing to put their own reputation on the line and recommend the business to a friend or colleague. 
- ▶ The Detractors responded with a 5 or less.
- ▶ Your target is 3 Promoters : 4 Detractors. 

Net Promoter Score

- ▶ Key to growing a business is to have a Net Promoter Score of 75% (3 Promoters to 4 Detractors).
- ▶ Add it to cash register (one key), bills mailed, telephone calls, or your website - but do measure it!
- ▶ Calculate your net promoter score annually.
- ▶ Relate it to growth in sales, profits, and customer count.

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Core Customer Group (aka focus group)

1. Plan the topic
2. Plan the guest list
3. Form and prioritize key questions
4. Invite participants
5. Format of the session
6. Room layout and roles
7. Incentives and ending the session

Plan the topic

- ▶ What are your goals with this group?
- ▶ Understand from the top customers what they want to change for next year in garden décor or plants?
- ▶ Understand from middle group what they buy elsewhere?
- ▶ Understand why a group left your store for someone else or why they gave you a 1 or 2 on the Net Promoter Score.
- ▶ Learn about customers in a new Zip Code.

Plan the guest list

- ▶ Of course customers, but you will also need to have others present
- ▶ At least three key members of the management team:
 - ▶ One to ask questions and guide discussion
 - ▶ One to help redirect "over-bearing" talkers or ask for other input
 - ▶ One for recording (note taking and audio recording)

Who not to have present

- ▶ The owners should not be visible to the guests as this may risk opinions offered that would not "hurt feelings."
- ▶ Have personable staff serve in the key roles and, when possible, have owners be able to listen (video camera in room).



Invite Participants

- ▶ Select the participants based on the topic
- ▶ Customers who are highly profitable
- ▶ Customers who are marginally profitable
- ▶ Customers who purchased a product and you are seeking feedback
- ▶ Email with RSVP and reminder 24 hours before the session



Topic Selection

- ▶ Narrow topic choices to 2-3 questions.
- ▶ This permits sufficient time for everyone to participate.
- ▶ Really focus on what you'd like to know as input to a specific change.
 - ▶ Longer hours or new services
 - ▶ How do you decide what to buy?
 - ▶ Store expansion or major change
 - ▶ New product line or elimination of one
 - ▶ Purchase of a high-priced product

Key questions

- ▶ Have the management team develop 2-5 questions on a very related topic (open ended, not yes or no).
- ▶ Order them from broadest or most important to most narrow or least important (in case you have time).
- ▶ Focus group means you focus on one item, product line, experience, or activity.

Invite them annually

- ▶ Just before the season or event (April or October)
- ▶ Invite them in on a week-night (Tuesday or Thursday).
- ▶ Invite them on the half-hour (5:30 or 6:30) and show that you will release them promptly 90 minutes later.



Invite 10-12 customers

- ▶ Invite 20% to 25% more than you want to participate.
- ▶ Invite 10-12 and 7 to 10 are likely to show.
- ▶ More than 8 and there are too many to hear all opinions.
- ▶ Incentive is important, but depends on who you invite (loyal folks may want product, switchers may want cash).



Ask permission

- ▶ Tell them ahead of time that you will video and/or audio record the sessions *so that you can refer back to the information to better make future decisions.*
- ▶ Assure them of keeping the information confidential and do so!
- ▶ Permit them to opt out at any time for any question for any reason.

Supplies

- ▶ Non-sticky, non-messy finger food (keep area clean) and caffeinated and non-caffeinated beverage choices.
- ▶ Name tents for first names (and colorful sharpie to write first name only).
- ▶ List of questions for leader and two other management team members.
- ▶ Test the camera or recorder prior to starting event.

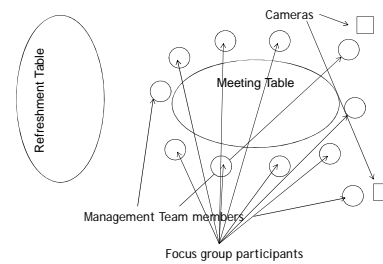
Format

- ▶ :30 have light snacks and someone to greet them. Give them a few minutes to down-shift and think about plants. Have materials integrated into nearby displays that might be discussed. Tell them you will start shortly.
- ▶ :45 Introduce by first name only to others in the room. Talk about your goal and that you will let them go promptly at the top of the next hour (90 minutes as stated).

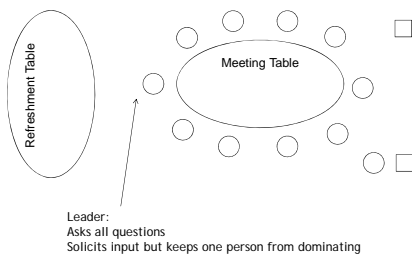
Format

- ▶ :00 Begin with a prompting question to get them thinking about the topic at hand. Easy and to get people talking.
- ▶ :10 Ask the first "meaty" question. Solicit input of the silent ones after the extroverts speak up.
- ▶ :25 Be moving on to the second related question
- ▶ :45 Ask the third or follow-up Q1 or Q2
- ▶ :00 Be sure to let them go on time.

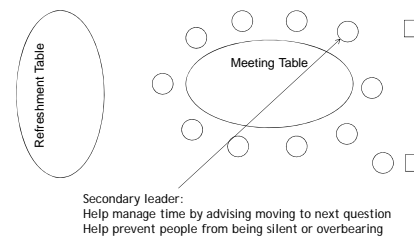
Set-up



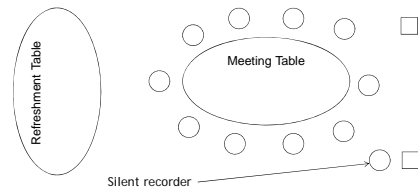
Roles



Roles



Roles



Sample starter

- ▶ Raise your hand if you bought a mixed container from us last year (and you know they all did from loyalty program or selection process)?
- ▶ How many of you bought them to use in the front of your home? In the backyard, back deck or patio? What were some of your favorite colors or plants in those containers?

Sample starter

- ▶ How many of you bought plants from a retailer other than us this past spring (probably all, but info you don't have)?
- ▶ How many of you bought something we didn't have (info you don't have)? What was it that you bought from the other store?
- ▶ Of this list of plant brands, check off the ones you have purchased anywhere (from us or another store).

Topics

- ▶ Favorites they buy year after year. Where do they put them? Outdoor kitchen? Patio or porch? Containers they liked or didn't like.
- ▶ Problems, especially with one kind of plant. Watering, vacationing, over-growing, etc.
- ▶ Vegetable and herb performance. What cultivars they liked or didn't perform well. How much did they eat? Give any to food bank or neighbors?

Ending the session

- ▶ Thank them and assure them the information will be helpful to the management team. It was important you heard what they had to say.
- ▶ Provide or distribute the incentive.
- ▶ Release all who are time-constrained, but do continue to listen to those who want to expand on something they said.

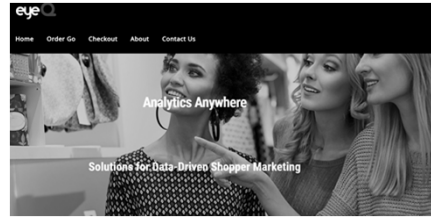
Not just for retailers

- ▶ Spoke at Walla Walla Nursery (Washington).
- ▶ Invited top 25 customers.
- ▶ Had several guest speakers.
- ▶ In between, asked questions about website (had IT people up front), delivery (had truck drivers up front), product mix (had growers up front), and customer service (had individuals who answered telephones up front).

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6. 3M Visual Analyzer Software

eye-Q Insight cameras



Analytics Anywhere

Go is a small, self-contained, and inexpensive analytics solution designed for the retail shelf and Point of Purchase displays.

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When the data collection period is over, simply remove and place in any mailbox. eyeQ will receive the device(s), process the data, and provide you with a full report.

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DIY Eye tracking \$600/year

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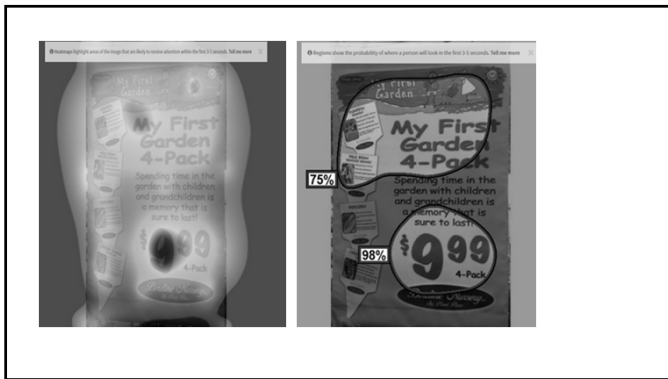
Visual Attention Software

OVERVIEW | FEATURES | PRICING & SIGN UP | SUPPORT

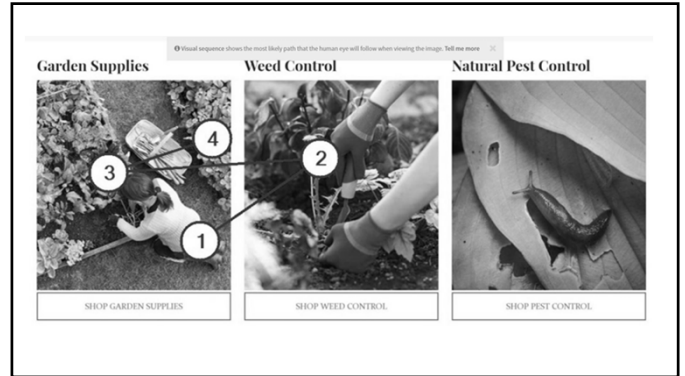
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3-5 seconds. That's about all the time you get for your design to be noticed or lost in the shuffle. What if you could predict what people are likely to see in those critical seconds? And use that knowledge to make your design stand out?



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SHOP GARDEN SUPPLIES	SHOP WEED CONTROL	SHOP PEST CONTROL



Videos

		
3M VAS Explainer Video	3M VAS Intro Version 2014	3M™ VAS, Introduction & Step-by-step How-to
3M Graphics, Window and... YouTube - Oct 28, 2015	3MVisualAttention YouTube - Nov 11, 2014	3M Graphics, Window and... YouTube - Oct 30, 2014

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