

Federal-State Marketing Improvement Program
Final Performance Report
For the Period of September 30, 2013 – December 31, 2015

Date: March 31, 2016
Recipient Name: Kansas State University
Project Title: Social Media Strategies for Rural Nurseries and Garden Centers
Grant Number: 11404984
Project Location: Kansas
Amount Awarded: \$107,160
Match Amount: \$107,160

Project Contact: Dr. Cheryl R. Boyer, (785) 532-3504, crboyer@ksu.edu

An Outline of the Issue or Problem:

Small family enterprises are an important part of the rural economy. Green industry businesses (nurseries, garden centers, lawn care, etc.) in small, rural communities often locally grow their products and later pass the business on to family. These small businesses frequently struggle to be profitable with a small customer base. However, with the advent of social media (Facebook, Twitter, Pinterest, YouTube, blogs), reaching a larger audience for little to no cost is easier than ever; but business owners often do not know how or why they should use these tools. Evaluating social media use for garden centers has the potential to enhance the financial sustainability of these businesses by enlarging their audiences and bringing new customers into the store on a regular basis (rather than seasonal).

Goals and Objectives:

The objective of this project was to study the current use and potential increase in profits of nurseries and garden centers using social media marketing to grow their businesses.

1. Determine how garden centers and nurseries are currently using social media. [in-person interviews and focus groups with stakeholders in Kansas; observations of current status of online marketing for stakeholder businesses in Kansas]
2. Evaluate and measure the impact of advertising with social media to increase profitability. [national survey administered online through Qualitrics]
3. Develop a social media strategy tool-kit and website to help garden centers navigate these new media and conduct training (in person and online). [ksu.edu/cree; ruralengagement.org; NurseryWorks conference; RetailWorks conference]

Contribution of Project Partners:

- **Dr. Cheryl R. Boyer**, Associate Professor and Extension Specialist for Ornamental Nursery Crop Production and Garden Centers, Kansas State University, Department of Horticulture, Forestry and Recreation Resources
 - Project leader and direct contact with industry stakeholders, Dr. Boyer facilitated interviews and promoted the online survey to her national network of colleagues and industry associations. She also co-advised the graduate student in Ag. Communications, Mr. Scott Stebner and worked with undergraduate students involved in the project. Dr. Boyer continues to help develop content for the learning resource, ruralengagement.org. Served on Mr. Yao's graduate committee.
- **Dr. Lauri M. Baker**, Associate Professor of Agricultural Communications and Journalism, Kansas State University, Department of Communications and Agricultural Education
 - Principal Partner and agricultural communications research lead, Dr. Baker co-advised Mr. Stebner and directed undergraduate student researchers on a daily basis. Served on Mr. Yao's graduate committee. She has expertise in social media marketing for agricultural businesses.
- **Dr. Hikaru H. Peterson**, Professor of Applied Economics, University of Minnesota, Department of Applied Economics
 - Principal Partner and agricultural economics research lead, Dr. Peterson advised the graduate student in Ag. Econ., Mr. Becatien Yao and served on Mr. Stebner's graduate committee. She was instrumental in designing the Qualitrics survey instrument as well as data analysis.

Results, Conclusions, and Lessons Learned:

Participants in our study held little faith in the ability of social media to directly impact their sales. However, employees and owners approached social media marketing (Facebook, E-Newsletters, Pinterest) akin to traditional forms of marketing (newspapers and direct mail). This viewpoint contrasts a bounty of literature suggesting new-media marketing excels at developing customer brand loyalty through a two-way symmetrical communication approach that seeks to foster and establish long-term relationships. Additionally, participants were not measuring the correct unit of analysis, focusing only on an increase in direct sales instead of measuring increased brand awareness and the health of customer relationships.

In terms of new-media technology, participants viewed their e-newsletter as more important for marketing and developing relationships with customers. They had the belief that they could guarantee someone saw an offer by email instead of through Facebook. Thus, most of the efforts of the participants online revolved around distributing a weekly newsletter.

While participants had clear and well-planned marketing campaigns for traditional media, they lacked a clearly-defined strategy for social-media campaigns which were more spontaneous in nature. Therefore, some of their dissatisfaction with new-media marketing may very well be in part to their inability to draft a cohesive and strategic plan for implementing new-media marketing.

Garden center owners and employees felt they were using social media, primarily e-newsletters, to form and build relationships online. However, employees and owners were not measuring the results of such campaigns and how they resonated with the consumers. Measurement of online marketing programs is integral in customer relationship management without which will surely stagnate the development of meaningful relationships. Therefore, while participants believed their efforts were developing relationships, on a broad scale such efforts took on a one-way communication approach that mainly focused on disseminating information instead of eliciting feedback and two-way symmetrical communication.

Lastly, garden center owners and employees were hesitant to offer information on sales or products on Facebook. However, customers of these garden centers identified they wanted to be “in the know” of specific offers, promotions, and sales as long as they did not occur too often. Some customers even mentioned they felt slighted when they liked a page but weren’t notified of any promotions or special events.

Challenges

One specific challenge we encountered was finding enough customers that would be willing to participate in an interview in exchange for a gift card. While three of the four garden centers posted the call for participation on their Facebook page, their relatively low engagement rates on Facebook might have hidden the posts due to the Facebook EdgeRank algorithm. While we used Facebook pages to identify the garden centers to include in this study, a common theme of the e-newsletter arose. Moving forward, we would also ask the garden centers to share the call for participation via their e-newsletter and not just their Facebook page.

Unexpected Positive Results

One unexpected positive result was the recognition that social media marketing is important for rural businesses. Rural businesses indicated they needed to use social media to expand their reach beyond their immediate boundaries.

Evaluation:

Our goals for this project were met and exceeded. The development of our research team, graduate and undergraduate students has been outstanding. In February 2015 we obtained funding to start “The K-State Center for Rural Enterprise Engagement” to continue the work of this project.

- Short-term outcome: Improving awareness of social media potential for business growth in rural garden centers.
 - Measured by requests for information (social media toolkit, article reprints), website traffic/downloads, and attendance at training events)
 - Our learning resource ruralengagement.org was launched in November 2015; we have had more than 1,000 unique visitors who viewed pages more than 2,000 times.
 - Facebook page has 131 likes, Reach = 6,700 stakeholders.
 - Facebook group for garden center marketing (launched in February 2016) has 55 members.
 - YouTube channel has had 820 views of our 13 videos.
 - Website, social media and information requests are steadily increasing.
 - Attendance at training events has been good. NurseryWorks—25, RetailWorks—50, From the Land of Kansas—70.
 - Guests on the Herdmark Media Podcast.

- Requests for individual business analytics, assistance—10.
- Intermediate-term outcome: Adoption of social media in garden centers and nurseries.
 - Measured by a comparison of social media use at the beginning of the project and again at the end of the project.
 - Data for this is anecdotal. Businesses within our reach are improving their tactics and learning regularly from our learning resources and social media community. However, we have not collected data.
- Long-term outcome: Building lifetime customer loyalty.
 - Measured by sales and consistent, quality customer interaction.
 - Future surveys may reveal these results.

Current or Future Benefits/Recommendations for Future Research:

This project is currently benefiting the entire U.S. green industry by filling a need not met anywhere else, namely, research-based information on how to market their businesses online via new media tools. Our new Center for Rural Enterprise Engagement will continue this work of Teaching, Research and Extension into the future as we seek to understand the needs of small, rural garden centers. Our goal continues to be finding methods of improving rural vitality through enhanced business marketing online.

It became clear during the course of our research that many garden centers didn't have an adequate understanding of what their customers wanted to see on their social media posts. Our future research will seek to learn how to "court" the consumer. Which types of content resonate the most? Through preliminary results we know that photos are highly engaging, particularly of "before and after" projects. Beyond that, we don't have industry benchmarks for engagement or best management practices for incentive campaigns. Very few green industry businesses are selling product online and even fewer are doing it well. We seek to understand the state of online sales and how we can assist garden centers in reaching new markets. All of these will be part of our future work.

Project Beneficiaries:

There are multiple beneficiaries from this project, primarily green industry businesses (nurseries, garden centers, lawn care, etc.) in both rural and urban areas across the U.S. Results from this study and on our learning resource, ruralengagement.org, will be applicable to many small agricultural businesses.

The findings of our studies have been presented and discussed at regional, national, and international conferences to further the development of theory as it pertains to marketing in the green industries. From an applied approach, the data influenced essential recommendations for the efficient approach and execution of new-media marketing campaigns that will resonate with consumers.

Results and recommendations generated from the study have been shared at the following venues: Southern Nursery and Landscape Association Research Conference, the American Society for Horticultural Science national and southern region meetings, Gamma Sigma Delta College of Agriculture Undergraduate Research Showcase, MarketingEDGE conference, From the Land of Kansas Farmers Market Conference,

Kansas Extension agent trainings, NurseryWorks, RetailWorks, multiple webinars, Western Nursery and Landscape Association, and the Association for Communication Excellence in Agriculture (ACE).

Additional Information:

A new resource was created at Kansas State University to continue the work of this grant: The K-State Center for Rural Enterprise Engagement (ksu.edu/cree). Our learning resource, which continues to be updated in blog and new media marketing formats is ruralengagement.org.

PUBLICATIONS (Abstracts, Poster Presentations and Conference Proceedings):

- Stebner, S., L.M. Baker, C.R. Boyer, H.H. Peterson, and J. Crow. 2015. Green growth: An exploratory study of garden centers' use of new-media marketing. *Journal of Interactive Marketing* (Abstr., In Press) [Presented at the 2015 Direct/Interactive Marketing Research Summit in Boston, MA on Oct. 4. Program of the MarketingEDGE professional organization]
- Boyer, C.R., L.M. Baker, H.H. Peterson, and S. Stebner. 2015. Like it, pin it, follow it: Opportunities and challenges for social media marketing in garden centers and nurseries. *HortScience* 50:S77. (Abstr.)
- Stebner, S., C.R. Boyer, L.M. Baker, and H.H. Peterson. 2015. Green growth: An exploratory study of metro and non-metro garden centers' use of new media marketing. *HortScience* 50:S289. (Abstr.)
- Ashmore, L., L.M. Baker, S. Stebner, A. Holderness, C.R. Boyer, and H.H. Peterson. 2014. Expanding the marketing mix for garden centers through social media. [Poster presented at the 2014 Gamma Sigma Delta College of Agriculture Undergraduate Research Showcase, Manhattan, KS.]
- Hannigan, K., L.M. Baker, S. Stebner, C.R. Boyer, and H.H. Peterson. 2014. Social media marketing in the garden center industry. [Poster presented at the 2014 Gamma Sigma Delta College of Agriculture Undergraduate Research Showcase, Manhattan, KS.]
- Stebner, S., A. Holderness, L.M. Baker, C.R. Boyer, and H.H. Peterson. 2014. Social growth: Evaluating Kansas garden centers social media presence. [Poster presented at the 2014 Association for Communication Excellence in Agriculture, Natural Resources, and Life and Human Sciences Conference, Portland, OR.]
- Swanson, B., H.H. Peterson, C.R. Boyer, and L.M. Baker. 2014. Social media marketing for locally owned independent garden centers. *HortScience* 49(9):S18. (Abstr.) [**1st place in undergraduate research competition**]
- Boyer, C.R., L.M. Baker, and H.H. Peterson. 2014. Social media marketing by garden centers: Findings from a pilot study. *HortScience* 49(9):S29. (Abstr.)
- Boyer, C.R., L.M. Baker, and H.H. Peterson. 2013. Opportunities for social media marketing in retail garden centers. *Proc. Southern Nurs. Assoc. Res. Conf.* 58:46-51.

GRADUATE THESES

- Yao, B. 2016. Adoption of New Media Marketing by Nurseries and Garden Centers. Kansas State University, Manhattan, MS Thesis.
- Stebner, S. 2015. Green Growth: An Exploratory Study of Metro and Non-Metro Garden Centers' use of New-Media Marketing. Kansas State University, Manhattan, MS Thesis.

Industry trade magazine articles and refereed manuscripts are forthcoming.

Welcome to the Nurseries and Garden Centers Marketing Survey

This survey is designed to understand how online marketing is being used by nurseries and garden centers in the U.S. and Canada. The results will benefit nurseries and garden centers by collecting the typical marketing practices used in the industry and suggesting ways to improve marketing practices. The survey may take 10-20 minutes. We hope you will take the time to complete it. The more responses we get, the stronger recommendations we can draw. The survey covers: business characteristics, marketing practices and demographic characteristics of the respondent. Please collaborate with your colleagues, if needed, to complete the survey. Your participation is voluntary, and your responses will be kept confidential. The focus of the survey is on the business practices of your company. Any personal-level questions are designed to understand decisions made by the business.

As a token of appreciation of your time, you will be given an opportunity to enter into a drawing for one of two \$50 Amazon.com gift cards at the end of the survey. If you have questions about the rights of research subjects or about the manner in which the study is conducted, please contact Rick Scheidt, Chair, Committee on Research Involving Human Subjects, 203 Fairchild Hall, Kansas State University, Manhattan, KS 66506, (785) 532-3224. The results from the survey will be available from the project team. You will be given the opportunity to request a copy of the results. For more information about this project, you may contact any of the team members below. Many thanks for your time, in advance.

Sincerely,

Becatien Yao, M.S. student in Agricultural Economics at Kansas State University (byao@k-state.edu)

Dr. Cheryl Boyer, Horticulture at Kansas State University (crboyer@k-state.edu)

Dr. Lauri Baker, Agricultural Communication at Kansas State University (lbaker@k-state.edu)

Dr. Hikaru Peterson, Agricultural Economics at Kansas State University (hhp@k-state.edu)

Q1. What is your role in the business operation?

- Owner/Operator
- Owner/Non-operator
- Manager
- Marketing Manager
- Other (please specify) _____

Q2. How long have you been working for this current firm?

- Less than 1 year
- 1 to 4 years
- 5 to 9 years
- 10 years and more

Q3. What is the scope of your business? Select all the services and products offered by your business.

- Greenhouse / annuals
- Lawn & garden equipment
- Nursery container and field
- Landscape architecture/design
- Landscape services/build
- Retail bedding & nursery stock
- Retail lawn & garden products
- Retail general merchandise
- Retail florist and florist supplies
- Retail food & beverage
- Retail garden equipment
- Retail landscape materials
- Wholesale bedding & nursery stock
- Wholesale lawn & garden products
- Wholesale florist and florist supplies
- Wholesale garden equipment
- Wholesale landscape materials
- Other (specify) _____

Q4. How many months out of a year is your business open?

- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12

Q5. How were total sales for your business in 2014 distributed across various clienteles?

Please write in the percentage of sales for each channel.

- _____ Retail (direct to consumers) (%)
- _____ Other garden centers (%)
- _____ Landscapers (%)
- _____ Mass merchandisers (%)
- _____ Rewholesalers (%)
- _____ Other(%)

Q6. What percentage of your total sales in 2014 was sold under contract? Select the answer that is closest to your situation.

- 0%
- 1% to 10%
- 11% to 25%
- 26% to 50%
- 51% to 90%
- More than 90%

Q7. If your business has a website, what is the URL? If you do not have a website, write in your business name.

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If you answered “NEVER” to “Online marketing” in Q10 then skip to Q23.

Q11. What device(s) do you use for online marketing of your business? Select all that apply.

- Laptop
- Desktop
- Smart phone
- Tablet
- Other mobile device _____

Q12. How would you rank the impact of the following online marketing activities on your business sales? Rank the following activities from 1 to 5.

- _____ Websites
- _____ HTML newsletters (e.g. Constant Contact, MailChimp)
- _____ Blogs
- _____ Social media platforms (Facebook, Twitter, etc.)
- _____ Other

Q13. How many businesses do you follow online on a regular basis? (by liking or visiting their Facebook, Twitter, blog, LinkedIn page, receiving e-newsletters from them or any other online activity).

- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10+

Q14. Does your business use the following online marketing platforms? For each platform, select one answer.

	I am currently using it	I had an account but no longer active	I never signed up
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Twitter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HTML Newsletters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Websites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q15. How frequently do you reach your customers through these online marketing tools. For each tool, select the frequency of use that is the closest to your situation in 2014.

	Once a week or more	Once a month	Once a quarter	4-6 times a year	1-3 times a year	Less than once a year	Never
Websites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HTML newsletters (e.g., Constant Contact, MailChimp)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media platforms (e.g., Facebook, Twitter)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you answered “NEVER” to “Social media platforms” in Q15 then skip to Q23.

Q16. For about how many years has your business been using social media? (facebook, twitter, linkedIn,etc.)

Q17. How was your business' first social media account open? Select one the following answers.

- The owner, manager or one employee opened the account
- I got free help from friends or family
- We hired a consultant/third party company
- Other _____

Q18. How important is social media (Facebook, Twitter, Pinterest, etc.) for your business in the following areas? For each area, select one level of importance.

	Not at all important	Slightly important	Moderately important	Quite important	Extremely important
To have an active online presence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To build a positive community with customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To learn about marketplace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To improve sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To increase customer traffic into the store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To educate customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q19. On average, how much time per week do your employees (including yourself) spend on social media marketing? (posting on social media, responding, monitoring, etc.)

- Less than 1 hour
- 1 to 2 hours
- 3 to 4 hours
- 5 to 9 hours
- 10 to 19 hours
- 20 hours and more

Q20. Did you hire a third party firm/consultant to conduct your social media activities in 2014?

- Yes
- No

Q21. If you responded "YES" to Q20, what was your expense in 2014 for their social media consulting services? Write in an approximate dollar amount.

.....\$

Q22. Could you share specific strategies you are following to make your social media marketing plan more effective?

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Q23. How applicable are the following reasons why your business is not using social media marketing at this time?

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
I don't know how to get started.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I don't have time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technology changes so quickly that I can't keep up with it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is a costly investment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I don't think it's important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My customers don't think it's important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would prefer face-to-face interactions with my customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Returns from social media marketing are uncertain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Returns from social media marketing are low.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q24. There are workshops and training available for online marketing strategies. If there were one tailored to your specific industry and business needs, how much would you be willing to pay for a:

	\$ Amount
a. One time training for you or your employee to carry out social media marketing for your business? Write in a dollar amount.
b. Monthly membership that includes access to latest research findings on online marketing specific to the green industry? Write in a dollar amount you are willing to pay for monthly subscription fee.
c. Consulting service that carries out social media marketing on behalf of your business? Write in a dollar amount you are willing to pay for monthly fee for services.

Q25. Where is your business located?

- United States
- Canada
- Other _____

Q26. What is the zip code of your business?

	U.S. zip code
Main operations
Branch location 1 (If applicable)
Branch location 2 (if applicable)

Q27. What is the zip code of your business?

	Canada zip code
Main operations	
Branch location 1 (If applicable)	
Branch location 2 (if applicable)	

Q28. When was your business established?

Date of establishment [YYYY]

First year under current ownership (if different) [YYYY]

First year under current management (if different) [YYYY]

Q29. How much was the annual gross sales for your business in 2014?

- Less than \$2,500
- \$2,500 to \$4,999
- \$5,000 to \$9,999
- \$10,000 to \$24,999
- \$25,000 to \$49,999
- \$50,000 to \$99,999
- \$100,000 to \$249,999
- \$250,000 to \$499,999
- \$500,000 to \$999,999
- \$1 million to \$4,999,999
- \$5 million or greater

Q30. How many employees do you have?

	Peak season (average)	Non-peak season (average)
Full time		
Part time		

Q31. On average, how much time per week do your employees (including yourself) spend on overall marketing (calling or emailing customers, preparing content, advertising, organizing shows, social media, etc.)?

..... Hours

..... Minutes

Q32. How many professional networks are you involved in?

	0	1	2	3	4	5+
Membership in professional associations/societies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online networks (Facebook or LinkedIn groups, forums)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q33. How frequently do you use social media for personal purposes? Select the closest frequency of use.

- At least once a day
- 2-6 times a week
- Once a week to 2 times a month
- Once a month
- Less than once a month
- Do not use

Q34. How did you learn to use social media? Select all that apply.

- I have never tried to use social media
- Trial and error
- From a relative or friend
- From a professional
- I had a formal training
- Other _____

Q35. How many people (likes or friends on Facebook, Twitter, LinkedIn, etc.) are you personally following on a regular basis? Please select the total number of people across all platforms.

- 0
- 1-10
- 11-50
- 51-100
- 101-500
- Over 500

Q36. What is your age?

- 18 to 24
- 25 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65 to 74
- 75 and over

Q37. What is your gender?

- Male
- Female

Q38. What is the highest level of school you have completed?

- Less than high school graduate
- High school graduate - diploma or GED
- Technical, trade, or vocational school
- Some college (no degree)
- Bachelor's degree
- Master's, doctorate, or professional degree

Q39. Please indicate your preferred future involvement with this project team. If you select any, you will be asked to provide your email address on the next page.

- I'd like to enter into the drawing for a \$50 Amazon.com gift card
- I'd like to receive results from this survey
- I'd like to receive more information about new media marketing in the future

Q40. Please enter your email address if you selected any response of question 39:

.....@.....