

Pierce Street Gardens Marketing Research Report

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Marketing 390
Final Report

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Introduction

Background Information

Marcia Peeters is the sole owner and operator of Pierce Street Gardens, a local Eugene nursery specializing in rescuing local plants and selling cactus, succulents, and air plants. Pierce Street Gardens has been in operation for over 5 years and Marica Peeters has helped it grow from a purely in-home business to one that travels around the state. Pierce Street Gardens started as a plant rescue nursery, this meant that Ms. Peeters would take in any unwanted plants from yards and construction sites. Ms. Peeters purchases her cactus, succulents, and air plants from a wholesaler in Oregon, as well as from cactus, succulent, and air plant growers in Portland.

Within Oregon there is a great interest in cactus and succulents, with a yearly cactus and succulent show hosted by the Portland Nursery and the Oregon Cactus and Succulent Society. Ms. Peeters frequently sells cactus and succulents that are from the seeds or offshoots of the plants featured in the yearly show.

Ms. Peeters has recently decided to downsize her nursery to focus solely on cactus, succulents, and air plants. This is due to her need to begin an early retirement from her current career and instead move towards making the sales of cactus and succulents her full time income.

Client Objective

Marcia Peeters has participated in the University of Oregon Street Faire for several years where she sells her cactus, succulents, and air plants for very reasonable prices, and while she remains one of the most popular booths at the fair, her in-home business doesn't have many student visitors. During the Street Faire she hands out 10% off coupons attached to her business card that are valid only at the Pierce Street location with every purchase of a plant. However, the usage rate of this coupon is less than 10%. After making contact with Ms. Peeters, I learned she was looking to increase her local clientele to include more college-aged students.

Target Objective

With this in mind, I set out to create a marketing survey directed to University of Oregon college students to determine what effects would prevent or bring students to her Pierce Street location. Though there are many factors that could potentially prevent a student from going to the Pierce Street location, I wanted to determine the effects that price and awareness have on purchase intent.

Research

Secondary Research

Knowing that Marcia Peeters was looking to move away from landscaping plants and move to house plants such as cactus, succulents, and air plants, I decided to look more into the current market for them.

The current market for succulents has grown in recent years. According to GreenHouse Grower, the reason for the recent interest in succulents come from the ease of care required for them, as well as the interesting and unique shapes and colors the 10,000 plus species have. Succulents have become staples in trendy coffee shops, wedding bouquets, and holiday centerpieces¹. College aged students are especially interested in trends, so it would be natural to see a potential market with college students and succulents.

Within the state of Oregon, there are several specialty and chain stores which sell cactus, succulents, or air plants. The most well known being Home Depot, Lowes, The Portland Nursery, and grocery store chains such as Safeway, New Seasons, and Whole Foods. This means Marcia has a lot of potential competitors within Eugene, which has almost all of the above stores within the city limits, shown in Appendix B.

However, in comparison to many of the big box stores that offer common types of succulents with little to no instructions, Marica Peeters offers many unique and beautiful succulents that come with individualized care instruction. Those who choose to shop at Pierce Street Gardens can know that their purchased plants are more likely to last when they listen to the care instructions she provides.

With this information in mind, I believe Ms. Peeters' business is currently in the Question Mark phase on the Boston Consulting Group Matrix, found in Appendix A. This is due to the fact that while Pierce Street Gardens has several huge competitors not only in Eugene but also in the entire state of Oregon, the market for succulents and cactus has continued to grow through recent years.

Procedure

Research Design

Part 1: Secondary Research

- Researching growing trends in the succulent industry
- Determine where to purchase cactus and succulents both here in Eugene and in Portland
- Determine the competitors for Pierce Street Gardens through research on store locations both in Eugene and in Oregon
- Research average prices at other locations and competitors
- Determine what segment Pierce Street Gardens is attempting to market to

Part 2: Qualitative Research

- Determine why customers choose to go to one store over another
- Determine why college students chose to purchase from the Pierce Street Gardens booth at the University of Oregon Street Faire but not the Pierce Street Gardens physical location
- Determine ways to appeal to college students and increase awareness of the physical Pierce Street location

Part 3: Quantitative Research

- Determine flexibility of prices from college students
- Determine how many current students know about Pierce Street Gardens
 - Physical Location
 - Street Faire Booth
- Determine ways to increase the number of college student customers Marcia Peeters receives at her Pierce Street location
- Determine ways to increase awareness of Pierce Street Gardens

Procedure

Using a small focus group of 5 people who have previously heard of Pierce Street Gardens or have purchased from them before, I asked several questions regarding the current attitudes towards the way Marcia Peeter runs Pierce Street Gardens.

It was determined that most people threw out the coupon that Marcia passed out during the Street Faire, and that 60% of my focus group did not even remember the name of the company even if they had purchased a plant from the Street Faire location.

The survey was created after determining the biggest challenge currently facing Pierce Street Gardens. Ms. Peeters disclosed to me that she wanted more college students to visit her permanent Pierce Street location. She had noticed that many people visit and purchase from her on campus at her Street Faire booth, but that she didn't see many of the same people come to her permanent location.

With this information in mind, I set out to create a survey that would receive answers that establish connects between pricing and awareness to purchase intent. I choose to focus on two different factors because there are many possible issues related to the lack of repeat college customers at the Pierce Street location.

After disseminating the survey to University of Oregon students on February 28th and waiting until March 17th to close the survey, I had received 29 responses. With these responses, I was able to clean the data and begin analysis to determine significant factors related to my objective.

Limitations

After finishing my analysis, I realized several limitations that were shown through my survey.

The biggest limitation was that my survey was completed by only 30 University of Oregon students. While this is a large enough sample to conduct analysis on, it may not be a representative sample of the entire University of Oregon.

Another limitation was that most of the survey participants were seniors in college, thus most of the information I gathered is from people who within 6 months will no longer be in the target market for Pierce Street Gardens. So while this information can be applied to the general population for my analysis, it may change as the generations of students change.

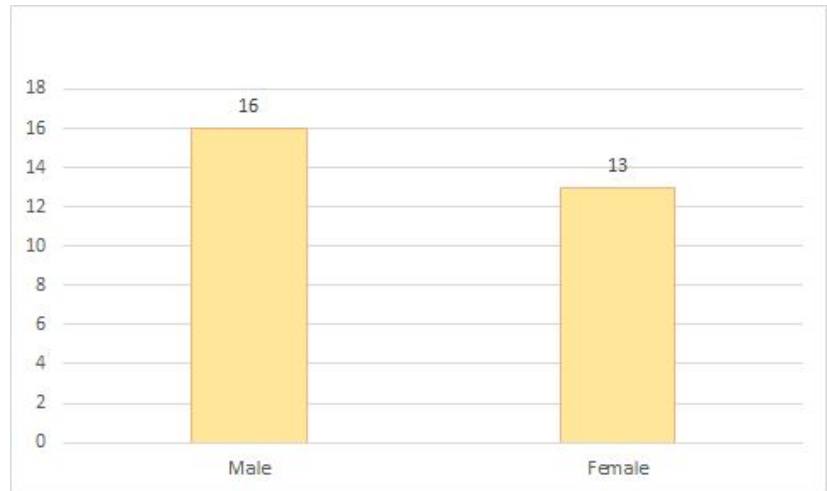
My final limitation was the lack of responses. After closing my survey on March 17th, I still had several partially completed responses that had not been submitted by the participant. Unfortunately, due to the timeline of this report, I chose to close the survey and did not accept any partially completed surveys.

Analysis and Results

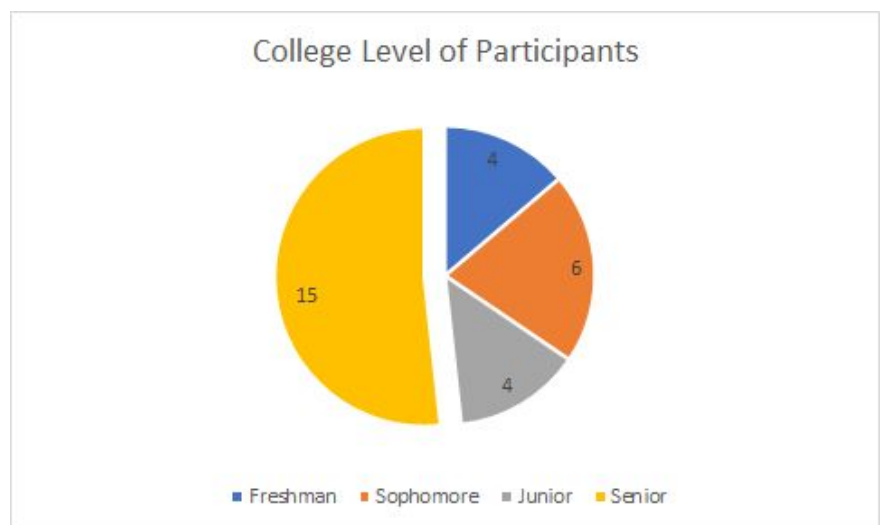
Demographics

I included several questions about demographic information, including age, gender, and college level. Of the 29 responses received, 55% of the responses were male, while 45% were female.

On average, the age of the survey participants was around 21 year old, however the range of ages are between 18 and 44 years old. This is an interesting range because many college students at the University of Oregon campus are mature students, or are over the “normal” age range of 18-21. More information about age can be found in Appendix C.



In most cases, the survey participants were college seniors, with over 50% of the participants identifying themselves as seniors. This is a potential limitation within my survey, because we are approaching graduation for many of the current seniors at the University of Oregon, so many of these potential customers will be moving away to areas outside the range of Pierce Street Gardens. For more information about college level, see Appendix D.



Paired T-Test

Within my survey, I had a set of questions that would change depending on who was taking the survey. Half of the survey participants saw questions related to the price of \$5 for a cactus or succulent. The other half saw questions related to the price of \$3 for a cactus or succulent. These prices were picked specifically, as they are either the minimum price for a

succulent at Pierce Street Gardens (\$3), or the average price of a succulent at Pierce Street Gardens (\$5). To see the SPSS analytics related to this T-Test, see Appendix E, F, and G.

The results from my analysis of this set of questions has determined that I am 95% confident that there is a significance between the likelihood that someone will purchase a succulent for a specific price and how reasonable someone finds the price. The first pair was the significance between likelihood of purchase and reasonability at \$5. With a 95% confidence rating, the p-value is .002, with a mean of -1.533, and a Confidence Interval of -2.418, -.649. The second pair was the significance between likelihood of purchase and reasonability at \$3. This test had a p-value equal to .001, with a mean of -1.929, and a 95% Confidence Interval of -2.902, -.955.

With this information in mind, I have determined that price does effect purchase intent.

Regression

For my regression test, I decided to see what potential answers determine the likelihood of someone purchasing a plant from the Pierce Street location. To do this, I set my final survey question “How likely are you to visit the Pierce Street Location after taking this survey?” as the dependent variable, and tested many of the other questions against it. Then, see which question combinations had a low p-value significance, I reran the test using only questions that had high correlation. To see my final results, see Appendix H, I, and J.

My final run of my regression test had an R value of .811, an F value of over 25, and an overall ANOVA significance of .000. The first question that had the highest p-value significance was how aware the survey participant was of the Street Faire Booth, with a p-value of .034. The second question with the highest p-value significance was if the person had recently considered purchasing a plant for their home.

With this information, I have determined that awareness does have a significant effect on purchase intent.

Independent T Test

I ran another T Test to see the difference between the likelihood of purchase between \$5, \$3, and a free plant. The means show that on average, people respond more positively to a free plant than a \$5 plant. For more information see Appendix K.



Recommendations

With the information I have found in my analysis I have several recommendations for Marcia Peeters and Pierce Street Gardens.

Recommendation 1: Increase Awareness through Visuals

Because Pierce Street Gardens is such a popular booth at the Street Faire, yet many people have never heard of the physical location, I recommend that Marcia Peeters have a large poster printed for her booth. Currently the booth has only a plain white tent and green table cloths with no signage indicating the name of the company. This could greatly increase the awareness of Pierce Street Gardens, because while not every student will stop to purchase a plant, every student who walks past can see the name of her business.

While the coupons and business card that Marcia Peeters currently pass out during the Street Faire feature her business name, most students don't keep track of the business card. Instead choosing to throw out the bag with all the information in it. Because this way of passing out company information is not working to increase awareness, Marcia Peeters needs to make the name and location of her company an easily visible object of her Street Faire booth.

Recommendation 2: Advertise Competitive Prices and Hard to Find Plants

Pierce Street Gardens has incredibly competitive prices when compared to big box stores. Marcia Peeters needs to advertise her unique offerings along with the competitive prices in order to drive college students to check out her physical location, and not just her booth.

Due to the results of the analysis, I have determined that in most cases, a small difference in price doesn't matter for a college student. The prices that were tested through the survey were the typical prices for Pierce Street Gardens, and almost every single survey participant found those prices to be incredibly reasonable.

Recommendation 3: Free Plant Promotion

Due to the reaction most people have when asked about care of a free plant, I believe a promotion for people to receive a free plant when they visit the physical location for the first time would drive up awareness and repeat visitors to the physical location.

To keep track of who has previously received a free plant, Marcia Peeters will need to ask for identification from anyone who claims a free plant as well as keep a list of their names.

This promo can be offered during the Street Faire in order to bring in more of her preferred market segment.

Conclusion

With the information discovered through the analysis of the survey, as well as speaking to my focus group, I have been able to determine several features that would help to increase traffic and awareness to Pierce Street Gardens. These features would be focused on increasing the number of college students who visit the permanent location on Pierce Street.

The analysis shows that most students aren't aware of the physical location of Pierce Street Gardens. Though, most students are at least partially aware of the Street Faire booth. Another piece of information discovered by the analysis is that many students feel no differently towards a \$3 or \$5 plant, with most students rating the reasonability of both prices at 6 or above. However, almost every student reacted positively to taking care of a free plant.

With the three recommendations of increasing signage during the Street Faire, advertising the competitive prices along with the unique plant offerings, and starting a free plant promotion, Pierce Street Gardens will begin to see an increase in traffic to their physical location.

Works Cited

- Armitage, Allan. "Why Succulents Have Become The Hippest Plants On The Market." *Greenhouse Grower*, 8 Feb. 2016, www.greenhousegrower.com/varieties/why-succulents-have-become-the-hippest-plants-on-the-market/.
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- Peeters, Marcia. "Pierce Street Gardens." *Pierce Street Gardens*, www.piercestreetgardens.com/.

Appendix

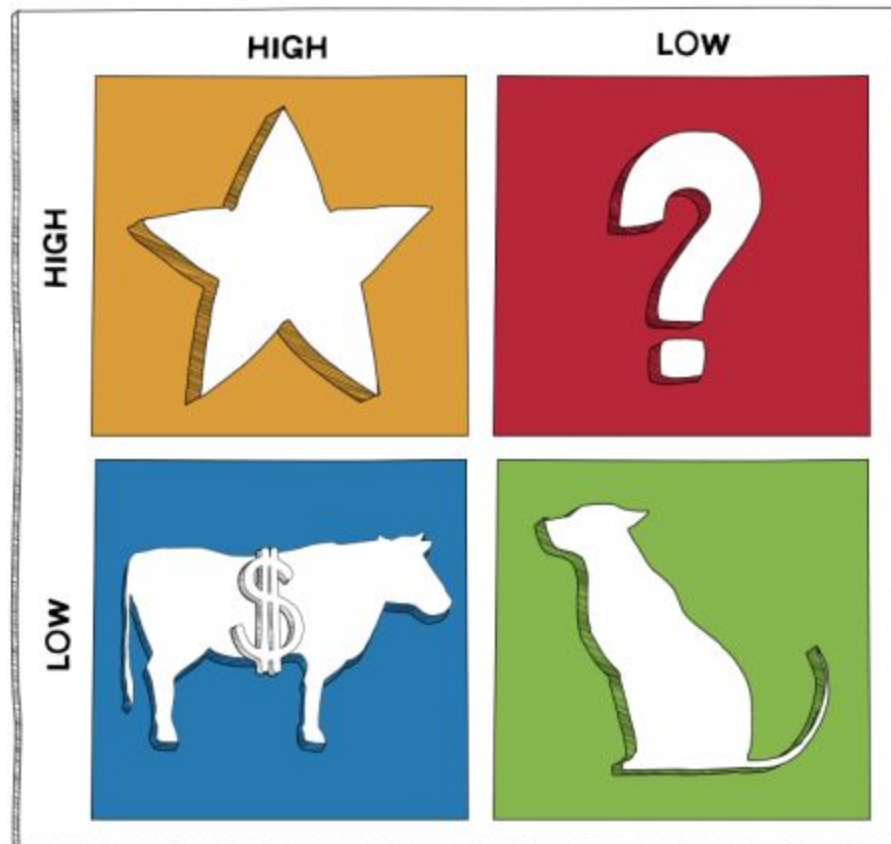
Appendix A

THE GROWTH SHARE MATRIX

RELATIVE MARKET SHARE

CASH GENERATION

MARKET GROWTH RATE
CASH USAGE



ESSENTIAL MARKETING MODELS [HTTP://BIT.LY/SMARTMODELS](http://bit.ly/smartmodels)

Appendix B



Appendix C

Please indicate your age.-Age

| | | |
|---|----------------|---------|
| N | Valid | 29 |
| | Missing | 0 |
| | Mean | 21.3448 |
| | Std. Deviation | 4.73042 |
| | Minimum | 18.00 |
| | Maximum | 44.00 |

Appendix D

Please indicate what year in school you are.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Freshman College | 4 | 13.8 | 13.8 | 13.8 |
| | Sophomore College | 6 | 20.7 | 20.7 | 34.5 |
| | Junior College | 4 | 13.8 | 13.8 | 48.3 |
| | Senior College | 15 | 51.7 | 51.7 | 100.0 |
| | Total | 29 | 100.0 | 100.0 | |

Appendix E

Paired Samples Statistics

| | | Mean | N | Std. Deviation | Std. Error Mean |
|--------|---|------|----|----------------|-----------------|
| Pair 1 | If a cactus, succulent, or air plant was priced at \$5, how likely is it you would purchase the pl... | 3.93 | 15 | 1.870 | .483 |
| | How reasonable is the price above? | 5.47 | 15 | 1.457 | .376 |
| Pair 2 | If a cactus, succulent, or air plant was \$3, how likely is it you would purchase the plant. | 4.00 | 14 | 1.754 | .469 |
| | How reasonable is the price above? | 5.93 | 14 | .997 | .267 |

Appendix F

Paired Samples Correlations

| | | N | Correlation | Sig. |
|--------|--|----|-------------|------|
| Pair 1 | If a cactus, succulent, or air plant was priced at \$5, how likely is it you would purchase the pl... & How reasonable is the price above? | 15 | .563 | .029 |
| | | | | |
| Pair 2 | If a cactus, succulent, or air plant was \$3, how likely is it you would purchase the plant. & How reasonable is the price above? | 14 | .352 | .217 |
| | | | | |

Appendix G

Paired Samples Test

| | | Paired Differences | | | | | t | df | Sig. (2-tailed) |
|--------|--|--------------------|----------------|-----------------|---|-------|--------|----|-----------------|
| | | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | | |
| | | | | | Lower | Upper | | | |
| Pair 1 | If a cactus, succulent, or air plant was priced at \$5, how likely is it you would purchase the pl... - How reasonable is the price above? | -1.533 | 1.598 | .413 | -2.418 | -.649 | -3.717 | 14 | .002 |
| Pair 2 | If a cactus, succulent, or air plant was \$3, how likely is it you would purchase the plant. - How reasonable is the price above? | -1.929 | 1.685 | .450 | -2.902 | -.955 | -4.281 | 13 | .001 |

Appendix H

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|---|-------------------|--------|
| 1 | Please indicate below if you agree with the following statement: I have thought about..., Pierce Street Gardens also sets up a booth at the University of Oregon Street fair every Spring a... ^b | | Enter |

a. Dependent Variable: Pierce Street Gardens is run by a local Eugene woman named Marcia Peeters.

Appendix I

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .811 ^a | .658 | .632 | 1.068 |

a. Predictors: (Constant), Please indicate below if you agree with the following statement: I have thought about..., Pierce Street Gardens also sets up a booth at the University of Oregon Street fair every Spring a...

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 57.119 | 2 | 28.560 | 25.053 | .000 ^b |
| | Residual | 29.639 | 26 | 1.140 | | |
| | Total | 86.759 | 28 | | | |

a. Dependent Variable: Pierce Street Gardens is run by a local Eugene woman named Marcia Peeters. It takes only 10 minut...

b. Predictors: (Constant), Please indicate below if you agree with the following statement: have thought about..., Pierce Street Gardens also sets up a booth at the University of Oregon Street fair every Spring a...

Appendix J

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .693 | .486 | | 1.428 | .165 |
| | Pierce Street Gardens also sets up a booth at the University of Oregon Street fair every Spring a... | .240 | .107 | .299 | 2.238 | .034 |
| | Please indicate below if you agree with the following statement: I have thought about... | .540 | .117 | .616 | 4.602 | .000 |

a. Dependent Variable: Pierce Street Gardens is run by a local Eugene woman named Marcia Peeters. It takes only 10 minut...

Appendix K

One-Sample Statistics

| | N | Mean | Std. Deviation | Std. Error Mean |
|---|----|------|----------------|-----------------|
| If a cactus, succulent, or air plant was priced at \$5, how likely is it you would purchase the pl... | 15 | 3.93 | 1.870 | .483 |
| If a cactus, succulent, or air plant was \$3, how likely is it you would purchase the plant. | 14 | 4.00 | 1.754 | .469 |
| If someone gave you a cactus, succulent, or air plant for free, how likely is it you would take c... | 29 | 5.83 | 1.583 | .294 |

One-Sample Test

| | Test Value = 0 | | | | | |
|---|----------------|----|-----------------|-----------------|---|-------|
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| If a cactus, succulent, or air plant was priced at \$5, how likely is it you would purchase the pl... | 8.148 | 14 | .000 | 3.933 | 2.90 | 4.97 |
| If a cactus, succulent, or air plant was \$3, how likely is it you would purchase the plant. | 8.532 | 13 | .000 | 4.000 | 2.99 | 5.01 |
| If someone gave you a cactus, succulent, or air plant for free, how likely is it you would take c... | 19.829 | 28 | .000 | 5.828 | 5.23 | 6.43 |