



# This little movement went to market

An OAN market study evaluates whether sustainability truly has traction with customers

## Sustainability and marketing study

The full report is available to members of the Oregon Association of Nurseries. Download it at [www.oan.org/sustainability](http://www.oan.org/sustainability) (login required).

By Mark Fordice

"Sustainability" seems to be everywhere these days. From the grocery store to your favorite local restaurant, from the 6 o'clock news to the hardware store, it's difficult to escape hearing the word.

Every month, there are more than 2 million Google searches for phrases related to sustainability. Several leading packaged good providers have made "environmentally responsible" pledges over the last year, including Kraft Foods, Procter & Gamble, and SC Johnson. It seems that sustainability is good for business, and everyone wants a piece of the pie.

In spite of this, it's not clear exactly what "sustainable" means. Even environmentalists can have a hard time reaching agreement. The Leonardo Academy calls itself "The Sustainability Experts," but recently several members

resigned due to a failure to agree on sustainability standards. Is sustainability just so much hot air, as hard to pin down as the word "natural"?

Without gathering some hard facts, those in the nursery industry may find it difficult to decide whether sustainability is worth spending time and energy. The good news is that OAN just completed the first phase of a sustainability study for the benefit of its members. Many of the findings suggest that sustainability is an important trend to embrace.

This article reviews the highlights of that study, showing that while there demand for sustainably grown plant material, there is still a lot of gray area when it comes to being green.

## Do consumers want it?

OAN defines sustainability in the nursery industry as "the production, handling and delivery of nursery products in a manner that is economically viable, ecologically sound, and socially responsible."

Of the 426 industry members inter-

viewed, 85 percent reported having medium to high familiarity with the term "sustainability." That said, only 29 percent currently sell or install sustainably grown plant material (we'll call it "SGPM").

Why the discrepancies? Why do 85 percent of nurseries in the study have an idea of what sustainability is, but only 29 percent offer SGPM? It could be that there is a perceived difference between what is best for the environment and what customers want.

Shanan Molnar is the vice president of operations for Garden Centers of America. "In my experience, not much consideration is given to the market opportunity for sustainably grown plants," she said. "I understand the concept, yet feel the consumers are well behind, which means the retailers are not seeking those options at this time."

On the other hand, consumers may catch up to the sustainability trend before the nursery industry is ready.

“We look to Europe for trends,” said Kevin Roethle, senior regional supply manager for Ball Horticultural. “Historically, they’re 5-7 years ahead of U.S. consumer interests. Right now, there’s big demand for sustainably grown products at the retail and consumer level.”

Part of the OAN study included a buying preference test that in some ways shows this trend already present in Portland, Ore.

For the buying preference test, a local garden center offered two identical plants at the same price, one labeled “Sustainably Grown” and one not. Customers who purchased either of the plants were then interviewed about their buying preferences. Of the 32 customers interviewed, fully 75 percent said they prefer SGPM. This was a

single test, limited by region and size, but the findings suggest a market for SGPM among retail nursery and garden center customers.

**Can you eat it?**


Does sustainability matter more for edible plants — vegetables, fruit trees, herbs and others — than it does for inedible plants? Like the question of whether consumers want SGPM, there’s no easy answer.

“Independent consumer research tells us that consumers and commercial buyers are raising their expectations of brands,” said Scott Exo, executive director of the Food Alliance. “They want credible assurances on the origins and processes involved in the products that they purchase. That demand for transparency transcends food and extends to

other types of non-food products.”

Exo may be correct that consumer and commercial buyers have higher expectations about business practices that trump the edible/inedible question. However, more than half as many respondents in the OAN study believe sustainability will be important for edible plants compared to inedible plants (45 percent compared to 20 percent).

These findings suggest that OAN survey respondents — people within the nursery industry — correctly perceive a greater concern about sustainability among consumers when it comes to edible plants. The OAN buying preference test backed that up as well. Some 83 percent of the customers surveyed after buying one of the test plants consider sustainability important



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for edible plants, whereas 34 percent feel sustainability is important for inedible plants.

**Sustainability mythbusting**

The OAN study draws on secondary research to provide additional information about the future of sustainability in the nursery industry. This secondary research corrects some common misconceptions when it comes to sustainability.

First of all, a 2008 ICOM study negates the idea that environmentalism is a youth movement. Instead, it shows that women ages 55-59 are more than twice as likely to use green products as average Americans, followed by men ages 65-69.

The Harris Study of 2010 disrupts the myth that people who buy green are chasing a fad. It reports that to the

contrary, 67 percent of adults who purchase green products have maintained their level of sustainable purchases.

Finally, and maybe most importantly for you and your business, the Harvard Business Review in a 2009 article reported, "Sustainability isn't the burden on bottom lines that many executives believe it to be. In fact, becoming environment-friendly can lower your costs and increase your revenues. That's why sustainability should be a touchstone for all innovation."

In other words, sustainable business practices can actually be good business, not just good PR.

**An inconclusive conclusion**

Deciding whether or not to follow the sustainability movement for your business isn't a black-and-white choice.

On one hand, it seems there is good consumer interest in SGPM, particularly for edible plants, and moving in a sustainable direction can help your company increase operational efficiencies. On the other hand, there still tends to be little agreement — whether among environmentalists or in the minds of your customers — about exactly what "sustainable" means. One can get the feeling they are chasing a phantom.

For now, the research is inconclusive, tending slightly toward sustainability being worth your consideration despite its drawbacks. ☺

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