

GROWERTALKS

Features

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Marketing: What Can We Learn from Endless Summer?

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When it comes to marketing annuals, perennials and roses, there have been some noteworthy success stories. But over on the more traditional woody ornamental side of the industry, we haven't really seen a branded plant take off until Bailey Nurseries of St. Paul, Minnesota, introduced Endless Summer hydrangea to rave reviews. They sold just under 1 million the first year, and now produce about 3 million per year, plus another million internationally.

Endless Summer was Bailey's first serious effort at branding, and they've has learned a lot of lessons in the six years that Endless Summer has been on the market. They've taken a few lumps along the way, too. These are lessons that all of us can benefit from, which is why we sat down this fall with Jonathan Pedersen, brand manager for Bailey's (shown above), to learn the Endless Summer story.

GrowerTalks: Jonathan, why did a 100-year-old nursery that started in truck farming decide to launch a national brand?

Jonathan Pedersen: "In 100 years, Bailey's has seen tremendous growth, obviously, but we've also seen the market in the last five years get increasingly more competitive. It's not the same business today that it was a decade ago. It's a lot tougher. And I think whether you're a retailer or a grower or a landscaper today, making money has gotten an awful lot tougher than it once used to be.

"We've penetrated, for the most part, the majority of American consumers, and they're somehow involved with our product. Now what we're doing is looking at trying to get them to buy more of a discretionary product. And when times are tough, that's not always easy.'

GT: Where did Endless Summer come from?

JP: "The plant originally came from the yard of one of our staff. It was seen by our production manager, and he noticed that hydrangea bloomed every year, which was unusual because the one in his yard never did.

"We took cuttings, it came up to our research area, and it sat there for quite a while. It was there for seven or eight years ... no, longer than that, twelve years. And every year this thing bloomed. But at the time, Baileys was a bare root company and not in the hydrangea business. So everyone looked at this plant every spring

and said, 'Yup, still flowering!'

"It wasn't until Dr. Dirr (Michael Dirr of the University of Georgia) came up on a trip. He walked through that area, saw the plant and said, 'Wow, you've got something quite unique here!' We gave him some cuttings, he took them back to Georgia, started his research on *Hydrangea macrophylla*, and he came back to the nursery and said, 'You really ought to introduce that thing. It really is an endless summer flowerer.'"

GT: Did he really say that?

JP: "Yes. That's where the name came from. It came from the fact that in Georgia they couldn't stop this thing from flowering, it was flowering endlessly.

GT: So how was the decision made to brand Endless Summer, and not just name it that?

JP: My first day on the job six years ago was an Endless Summer meeting, listening to everybody around the table talk about what they thought we should do with the plant. At that stage, the idea was to just introduce it. It was going to be a Bailey introduction. There was nothing, really, that was going to be all that special. No blue pot.

"I voiced up and said I thought that was crazy. It sounded to me like they had a pretty special plant and that they should do something special with it.

"We asked, 'Are we going to push this through the channel or are we going to pull it through?' And pushing it through is what has basically been done in our industry to date, apart from Purple Wave petunia and Anthony Tesselaar's Flower Carpet rose. At the time, there were very few what I would call 'true' marketing programs within our industry ... and still are very few today. There are plenty of 'programs,' but very few true marketing-led programs."

GT: In other words, a printed pot and fancy tag does not a marketing program make?

JP: "It's definitely a lot more than a printed pot and a fancy tag. And I think that people who thought that that's all there is to it are finding out that that's not the case. The consumer sees through that pretty quickly.

"I think for way too long in this market we've sold our product just on selling a good-quality plant, whether it be an annual, a perennial, a woody shrub or a tree. Today, the consumer has been trained well by other businesses that they are buying the package, not just the product. I don't care what it is, that's what the consumer today is used to purchasing. A plant is no different. But when you're a horticulturist, you have a hard time figuring that one out."

GT: Why was the time right to take a chance with this new blue hydrangea?

JP: "I think what happened was, we had the change of ownership from the third generation to the fourth generation, and there was a desire to maybe do something different with the company. This plant just kind of fell into that.

"So we started looking at doing that. We'd just hired a new advertising company to look at Bailey's overall advertising, give it a bit of a fresh look. I got with those folks straight away and said, 'Look, I think this plant is special and maybe we should be doing something with it.'

"We had them investigate putting together a logo for the name. It kind of snowballed from there really quickly. I took a whole bunch of black pots home and went to Home Depot and came up with a Rust-Oleum color that

ended up being the blue that we use. I sprayed pots in my yard, outside in my garage. The plants really looked good against it. I stenciled on the logo that we had approved at that point, brought that back to the table and said,

'Here's what I think we should do for a pot and a color.'

"At that point we decided that instead of just releasing the plant we should release it to a select group of growers and do a closed system similar to what Anthony Tesselaar does with Flower Carpet, where we invite certain growers to participate with the thought that, if not everyone has the plant, then the growers that do will grow more, and we can really do a better job monitoring supply and demand and keeping our price point where we want it to be."

GT: I imagine this was pretty foreign to a company that was used to selling to anyone who wants to buy from them?

JP: "It was certainly foreign to our sales force! There was a lot of back and forth, you know. Bailey's was part of the Flower Carpet model at one time—they no longer are—so they had some experience with that. At a management level we decided to go for it.

"At that point we got all the growers together, had a meeting, showed them what we were planning to do. And at that first meeting we also discussed that, instead of this being a trade-led program, that we were going to go direct to the consumer. And this is really where I think Bailey's really stepped outside of the box. We spent a million dollars before we had made a penny. And there just aren't that many companies in horticulture that would have stepped out on that branch."

GT: All on consumer advertising?

JP: "Yeah."

GT: Had you ever done any consumer advertising before?

JP: "This was something that the company had never done before ... but we all felt that, to get the uniqueness of this plant, we needed to bypass the buyer and go directly to the consumer.

"There are some people in our industry who are very progressive, who are willing to take risks. But there are a lot more who say, 'Okay, give me 20 [plants].' We felt that we had a unique plant that had a unique position, so we felt we had something that we could do more than just 20s of in the garden center. This was a plant that they should be buying 200 and 300 and 500 of, not 20.

"We decided to really go out on a limb with this, and so did our grower partners. But even that being said, that first year launch we completely underestimated the demand. There were just under 1 million plants on the market that first year. And the moment the consumer advertising hit, the phones rang off the hook from garden centers screaming for more plants. Which was a good feeling, but you wished you had them!"

GT: You spent \$1 marketing each plant?

JP: "We did, basically, and that's what we still do today: There is \$1 tied to every plant sale that goes through today that goes directly to marketing. So every grower in our group, for every plant they sell, \$1 comes back to marketing. And we turn around and we spend it. That really has been what we've kept doing since that first

introduction.”

GT: How did you choose your grower partners?

JP: “Obviously, we went to our most progressive customers first with the plant, there was a pre-release, they got first dibs on it. But really there was still that wait-and-see attitude, and it wasn’t until we could prove that we could really move the needle with the consumer, calling up and saying, ‘I want Endless Summer!’ that we really changed their mindset.

“I think we’ve still been able to do that. We’ve learned some things along the way as that particular plant has matured. Today, Endless Summer Original is selling more plants than it did in its first year introduction. We’re into our sixth season, the numbers have gone up, not down.”

GT: What about your next launch? That hasn’t gone quite as well, has it?

JP: “We’ve launched another plant, Blushing Bride, [in 2007], under the [Endless Summer] line, and that one to more mixed reviews. From a marketing standpoint, I’ll freely admit we made a mistake: we probably rested on our laurels a little bit too much with that release and thought that it was just going to ride on the first plant’s coattails. With Blushing Bride, we figured we had this built-in market already with Endless Summer, the original, and we didn’t have to do anything too much with the consumer to get them to come in and want this one. And I think we also were a little ‘soft’ with our marketing message. That was just sitting back, thinking, ‘Yes, we’ve done it, we know how to do it,’ and in retrospect we made a mistake.

“When we look at it compared to other plant introductions, it was still very successful. But it wasn’t maybe up to our Endless Summer standards. We expect a plant to hit the market today, in our first year, with a million-plus (volume) in sales, and we weren’t there with Blushing Bride. We have high expectations now for our introductions under that brand, and I think what we learned was that you can’t sit back. The market is always changing and evolving, and to stay on top you’ve got to keep moving forward, you’ve got to keep progressing and trying new things. I think that maybe we just sat back a little bit with that one.”

GT: You’ve got a third hydrangea coming into the Endless Summer collection?

JP: “Our next introduction is coming out next year, Twist-n-Shout, and we are not resting on our laurels with this one. We’re spending double the money we spent with our initial launch of Endless Summer. We’ll be adding television advertising to our introduction package for the first time. We’ll be spending over \$800,000 on cable television next spring, plus a consumer ad buy of another \$1.5 million.

“Advertising is not the only thing. PR is also a very, very important piece of the overall plan. We spend an awful lot of time and money on PR, and it’s crucial. Getting together with garden writers, sending them test plants, making sure they know what we’re doing. The PR part of our plan is also extremely important, not just in the U.S. but also overseas.

GT: What advice would you give to a grower or retailer who wants to improve their marketing or launch a brand?

JP: “I think the easiest thing to do is to not get wrapped up in the word ‘brand,’ which scares a lot of people. It’s ‘presentation.’ If you can increase your presentation at point of sale, you will sell more stuff—end of story. And that could just be the difference between two plants in a black pot, one with flowers and one without.

Which one's going to sell faster? The one with flowers.

"The consumer today is buying by impulse. They don't know plants. We know that from all the studies that have been done. The gardener is gone. The hobbyist is gone. Don't overanalyze it. If you can improve your appearance at the point of sale, you'll sell more stuff."