

Targeting Locational Demographics

When selecting the location for your new garden center, it is important to consider the demographics of an area including median income, education and age.

By Meghan Boyer

Demographics, or the statistical characteristics of human populations used to identify markets, are of utmost importance to garden centers, especially those expanding into new areas. Demographics can determine a lot for retailers: Depending on a store's location, the aver-

age price point, most popular products, even store layout and design can be affected.

Think about it: A garden center in an area saturated with young, single renters may carry less landscaping materials than one with many home-owning families. Working-class neighborhoods may require lower price points and less specialized

inventory than an upper-class area with residents who have a lot of cash to burn.

When a garden center outgrows a location or wants to open additional stores, it is necessary to find new places to build. When looking for those places, it is important to consider demographics: not only the demographics of potential areas but the ideal demographics you want your business to thrive in. A neighborhood's median income, education and age are only a few of the factors to consider.

Choosing A Location

Deciding to open a new location or move your current location is no small decision. Often, it involves years of consideration and planning. Ed Pasquesi, CEO of Pasquesi Home and Gardens, Lake Bluff and Barrington, Ill., estimates he actively considered moving from the company's old, outgrown location to the new Lake Bluff location five years before it happened.

The search takes time because each possible location has variables to consider: How much space is available? Is there room to expand? How close it is to competitive stores? What types of residents live in the area?

When Jack Bigej, owner of Al's Garden Center, Woodburn, Sherwood and Gresham, Ore., built his first store, he did not consider the neighborhood's demographics. "I just bought a piece of property and said, 'Well, it's on a major road; we'll just build a garden center here,'" he explained.

What he learned is that the neighborhood is comprised of blue-collar workers who value a bargain. His newest store in Sherwood is



Al's Garden Center's newest location in Sherwood, Ore., is in a white-collar area filled with customers who don't worry about price. (Photo: Al's Garden Center)



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Demographics By Zip Code

	English Gardens 155 N Maple Rd. Ann Arbor, MI 48103	Al's Garden Center 16920 SW Roy Rogers Rd. Sherwood, OR 97140	Pasquesi Home and Garden 975 North Shore Dr. Lake Bluff, IL 60044
Total Population	49,086	16,432	15,516
Median Age	36.4 years	33.4 years	23.8 years
Average Family Size	2.97	3.12	3.11
Total Occupied Housing Units	20,877	5,916	3,987
Owner-Occupied Housing Units	13,950	4,799	3,015
Renter-Occupied Housing Units	6,927	1,117	972
Median Household Income In 1999	\$61,809	\$64,611	\$76,154

Figure 1. This is the U.S. Census Bureau's Census 2000 demographic data for the zip codes in which three garden center locations have recently opened.

in a white-collar area — and has a different customer base. “We have three stores, and among the three of them it’s just a day and night difference on what we can sell and what we can charge for it,” said Bigej. The stores exist on three sides of Portland and are roughly 40 miles apart. Though different, Bigej pointed out, the three locations are doing well, and if he opens a fourth location, Bigej feels he’ll take a closer look at demographics beforehand.

Many retailers study demographic information closely prior to choosing a new location, and John Darin,

president of English Gardens, which has five stores in metro Detroit, Mich., does just that. The first aspect he looks at is the housing market; then he considers the street the property is on and the amount of traffic it gets. After these considerations, he looks closely at demographics. “When we look for demographics, we’re looking for two things: We’re looking at density and median income. We take the density and the median income and do a formula. Then we match that against our existing stores,” said Darin.

Once Darin takes into account the traffic and marketplace competitors, ►



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he is able to create a sales projection for the potential location based on the model for other stores. The projection is weighed against what English Gardens can afford to invest in the location; based on the results, a decision is made about the location.

Some garden centers search for locations that have an ideal demographic: Randy Pike, president/CEO of Pike Family Nursery, located throughout metro Atlanta, Ga., looks at areas with \$75,000+ household incomes and 50,000-75,000

people in about a 5- to 7-mile radius. His target age group is between 32 and 45 years old.

Three Examples

Ideal demographics can vary among garden centers — some




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Marketing Through Your Structure

In addition to catering the products you carry to a target demographic, you can appeal to the people in your area through the design of your store — something that Tom Halat of Tom's Farm Market and Greenhouses, Huntley, Ill., already does with his country-farm-style garden center and attached greenhouse.

Tom grows fresh-market vegetables on 200 acres of land and has 80,000 sq.ft. of production houses, accounting for nearly 100 percent of the fresh goods he retails. He describes the majority of his customers as 40 years old and older, due in large part to a nearby retirement community.

Halat built a new structure to house his business nine years ago, and he had a lot of trepidation about doing so. His business began as what he called an "open-air farm market" where he sold product outside under a canopy. When he built his first structure, he was "scared to death" because he didn't want his business to lose the agricultural and country feel so important to him and his customers.

Much to Halat's relief, he feels the new building and attached Nexus greenhouse keep the warm, country atmosphere. His customers agree: "Very few people complain that they still like the old place," said Halat.

The retail market is 6,400 sq.ft. Inside the new building there are open trusses and dormers with cedar sidewalls,





Halat feels having additional covered shopping space had a big impact on customers. (Photos: Nexus Corp.)

and there is a 12-ft. front porch outside where high-impact, seasonal items are displayed.

The attached 10,000 sq.ft of Nexus retail greenhouses made the biggest impact on customers, said Halat, because, as he put it, people love to shop inside. "If you're from Northern Illinois, there's not a lot of good weather in May," he explained. "They [the customers] don't want to go outside. They want everything nice and neat." The greenhouse helps give the open-air market feel but with high-end construction and comfort for shoppers. "We've had a tremendous increase in business from the retail greenhouse," Halat pointed out.

Halat chose a Nexus gable roof structure with ridge vents for his retail greenhouse and also uses two different kinds of Nexus greenhouses for production. The retail house has wide, 5-ft. aisles so customers can push shopping carts as they browse. The main aisle is approximately 12 ft. and Halat placed brick pavers leading into the greenhouse to attract more customers inside.

Ultimately, the building's architecture adds to the country feel of Tom's Farm Market and Greenhouses, a quality his target shoppers appreciate. "I believe the warm, country atmosphere of the architecture of the building, our employees and the farm family that own it," help make the greenhouse and garden center successful, said Halat.



may choose to cater to high-end clients, while others prefer serving consumers with unique wants or working-class families. Three garden centers — English Gardens, Al's Garden Center and Pasquesi Home and Garden — each recently opened new loca-

tions (in different states), yet all three of them have some demographic similarities.

English Gardens. The area around English Gardens' new Ann Arbor, Mich., store is populated with highly educated people, said Darin. The store is positioned in a

shopping center alongside other retail businesses such as a Kmart and a sporting goods store. The Secretary of State's office also is located in the center, which means there is a "built-in" stream of people stopping by to get their drivers licenses issued or renewed. ♦

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Al's Garden Center. Bigej describes the demographics of the neighborhood around the Sherwood, Ore., store as white collar and high tech with a lot of young families with children. "We're getting 100 kids out to our kids club meetings," he explained. The consumers in the new neighborhood are generally not bargain shoppers, and Bigej has found that "they'll buy

anything." He noticed that price was rarely a problem for the new store's clients.

Pasquesi Home and Garden. Pasquesi Home and Garden recently moved from its Lake Forest, Ill., location to Lake Bluff, Ill., because the business outgrew its original space. The new location is 3½ miles from the old one because Pasquesi wanted to stay in the same market area.

He described the demographics of the location as higher-end. People who live there have a good amount of disposable income.

Though the three centers are located far from each other, there are similarities among the demographics of their respective areas. Figure 1, page 38, shows a sampling of demographic data for each location from the U.S. Census Bureau. It shows, among other appealing demographics, that median household income does not dip below \$60,000 for any of the three locations.

Doing The Research

There are numerous resources available for those seeking demographic information about a location. For the most part, the resources are free for you to use and only need to be sought out. Darin recommended checking local newspapers for density and median (never average) income statistics and state or county highway departments for information on traffic counts. Bigej suggested building a relationship with a real estate agent, who is likely to have most of the data you would need.

The internet is another valuable tool for demographic research. Try visiting your city's, county's and state's Web sites; many of them contain local demographic information. Some Web sites such as www.hometownlocator.com offer community profiles searchable by city, county, area code or zip code. Another good resource is the U.S. Census Bureau, www.census.gov. The site has a wealth of information that can also be broken down by city, county, zip code, etc.

Good Advice

No matter if you're moving to a new location or staying where you are, when it comes to demographics, it's all about knowing your market. If you are aware of the demographics in your area, you can tailor your product lines to suit the local tastes. Pasquesi described the different departments in his new location — from an upgraded pet supplies department to a home accents lifestyle center to a coffee area, his stock is geared toward a high-end crowd.

Marketing to certain demographics is not a new idea: companies large and small engage in the practice. Recently, Wal-Mart announced it is looking for a new advertising agency to help them cater to higher-income, urban markets and upscale shoppers. Additionally, the company introduced more stylish merchandise and expensive TV sets and revamped their store interiors, according to the *New York Times*. Garden centers can and do target their demographics in the same way.

The bottom line is, if you are thinking about getting a new location, "Study your demographics closely and don't overspend on your development costs," advised Darin. Following his advice can help your new ventures be just as successful as the others. 🌿

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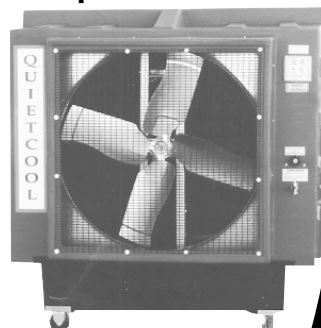
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