

**Report on
Market Research commissioned by
HDC
on behalf of the
Ornamentals Advice Centre
Wellesbourne.**

completed by

Carole Broster

B.Sc., MIHort., Dip.M., MBDMA

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1.0 Introduction

The Ornamentals Advice Centre (OAC) has been in existence for approximately 12 months. During this time it has achieved a membership of 85. This is below the original target for the first year and, as a result, the organisation is experiencing cash flow problems.

The OAC was set up as an advisory service for the Bedding Plant and Ornamentals industry. The services offered are extensive and include the following :-

- Telephone Advice Line
- Regular Newsletters
- Laboratory Services
- Training Courses
- Access to the latest Research and Development
- Technical Database
- Discounted Consultancy Services on a variety of technical subjects.

Before the OAC Board decides on a future strategy to increase membership it needs to obtain some up to date information on the advisory requirements of the industry. The Board has recognised a number of potential areas that need attention and believes that a market research study would assist it to focus its attention on key areas which may bring results quickly.

In general terms the Board felt that the following areas needed some investigation:-

- * Is the OAC providing Value for Money ?
- * Perception of the relationship between the OAC , BBPPA and HDC.
- * Are growers clear what is on offer?
- * Do grower require anything in addition?
- * Are the costs clear ?
- * What are the needs in relation to the business size ?
- * Knowledge of the membership of other organisations .
- * Are there any regional variations in requirements ?
- * What are the general trade requirements ?

The existing subscription is £280 with discounts for growers who are members of either, or both, the HDC and the British Bedding & Pot Plants Growers Association. This brings the minimum subscription down to £150 + VAT. These discounts were agreed because the BBPPA and the HDC assisted with the initial funding of the OAC.

The OAC is staffed by a General Manager and one full time administrative assistant. It is based at HRI Wellesbourne. The General Manager has access to the specialist services of HDC and world-wide data and research findings, as well as specialist consultants, in order to assist him in his day-to-day role.

The research which has been carried out and is reported here has been objective, open and well supported. However the timing of the research period was extremely difficult due to the Christmas and New Year holidays. The findings of the research will become evident in the pages that follow.

I would like to thank all the people who have assisted with the research particularly Lionel Sachs and Brian Crosby at the set up stages, Andrew Eames for his communications and all the growers who gave their time to answer the questions. either by telephone or in written form. Last, but not least I would like to thank Richard Mann for donating the bottle of Champagne for the prize draw which helped to sweeten the pill when people had given their time.

2.0 Methodology and scope of the research

The Market Research had to be structured in order to give a balanced cross section of different industry sectors.

Lists of names , addresses and phone numbers were supplied. These covered:-

- a. Existing Members
- b. BBPPA members who are not subscribers to the OAC
- c. HDC levy payers who are not subscribers to the OAC
- d. Growers who as far as we could ascertain do not subscribe to any trade body.

On the basis of these lists the following were selected in order to achieve some balance and representation from different geographical areas and sizes of business. The total targets were then selected as to whether they were contacted by post or by telephone.

The total targets were as follows :-

Table 1. Breakdown of targets by source and method of contact

<u>Source of Name</u>	<u>Telephone</u>	<u>Post</u>	<u>Total</u>
OAC Members	14	24	38
HDC but not OAC	30	26	56
BBPPA but not OAC	24	27	51
Non subscribers	26	23	49
Totals	94	100	194

Table 2. Response rates achieved by source and method of contact

<u>Source of Name</u>	<u>Telephone</u>	<u>Post</u>	<u>Total</u>
OAC Members	7 (50%)	13 (54%)	20 (53%)
HDC but not OAC	9 (30%)	0 (0%)	9 (16%)
BBPPA but not OAC	10(42%)	8 (29%)	18 (35%)
Non Subscribers	5 (19%)	6 (26%)	11 (22%)
% R.R. of total targets	31 (33%)	27 (27%)	58 (30%)

Table 3 - Totals including Problem Groups

<u>All groups</u>	<u>Telephone</u>	<u>Post</u>	<u>Total</u>
Not Interested (all groups)	25(27%)		25(13%)
Couldn't contact (all groups)	38(40%)		38 (20%)
Non respondents		73 (73%)	73 (37%)
Total Respondents	31(33%)	27 (27%)	58 (30%)
	94(49%)	100(51%)	194(100%)

Table 4 - Total respondents split by size of business

Business size	No. of respondents
Small (< £150k)	15
Medium (£150-£500k)	22
Large (> £500k)	21
Total	58

On the basis of the above tables you will see that the HDC levy payers and smaller growers were particularly difficult to access by telephone and unresponsive by post. I believe that much of this factor may be related to time of year. However the findings from the telephone work in this section of the sample also suggests that the interest level within HDC levy payers and small growers was low. In addition the current situation with regard to the HDC mandate was also mentioned as a factor which was deterring HDC levy payers from taking any positive view about the OAC.

Some 40% of the targeted telephone interviewees were not contactable within the time frame despite a minimum of three attempts with all of them.

The 25% "not interested" figure with regard to the telephone research was also worrying. Most of this was associated with an awareness of the OAC and a "not appropriate for me", attitude. Unfortunately if they are not prepared to talk to you it is not possible to ascertain their business size etc.

I cannot break down the non respondents by size of business at this point.

In total terms therefore we achieved a gross total response rate of 30% in the time available. I feel that this is reasonable for the period of the year when we were sampling. We achieved the higher proportion of non-members than members which we were aiming for and as you will see later,

the quality of the response was very good.

The research could continue if necessary. However I feel that this would be for the sake of achieving completeness rather than because we would learn anything additional. Certainly within the telephone sector I felt that there was nothing new arising towards the end of the time. The only areas of concern must be the lack of penetration of the HDC sector by both telephone and post. You may wish this to be explored further.

3.0 Summary of Findings

The following represent the main findings by Group.

A. Members

1. Majority pleased to be members with only one respondent wavering about whether to continue membership.
2. Good knowledge of standard services such as advice line etc but very poor awareness of the consultancy services available.
3. There was some adverse comments about subscription levels - particularly by small and medium growers who considered the base subscription to mitigate against small growers. " You charge the highest subscription to the people least able to pay !.
4. Most of the larger growers (most of which were getting) maximum discount in fact considered the subscription to be low and several remarked that they hadn't expected to get such a large discount.
5. The lack of good ADAS service or the increasing cost of ADAS was certainly a determining factor with small and medium growers. However many of the respondents were also continuing with ADAS as well as the OAC. The main grounds for this were:-
 - a. Uncertainty about the future of the OAC
 - b. Lack of nursery visits by OAC
 - c. Fear of weakening ADAS to the point of no return.
6. There is a small section of the OAC membership who are paying subs. because they feel they have to, either because of their standing in the industry or because they feel under pressure from BBPPA. These people are not necessarily committed to the survival of the OAC and as a result their support may evaporate if the going gets tough !.
7. Location in the country was a determining factor in some 50% of cases and this was linked with ADAS problems - either cost or service levels.
8. Size of business was not seen as a determining factor by the majority of respondents. The need was for advice at a value for money price. However we must remember that the latter is a subjective assessment and based on usage as well as quality.
9. Few members wanted any additional services introduced but they did

want better information about what was available, how to access it and what it would cost. There was some suspicion that services are advertised but don't really exist and the cost of the consultants was not advertised.

10. Vetting of consultants was considered important.

11. Information about the benefit of accessing consultants through the OAC rather than individually was also required.

B. HDC levy payers

1. These were not very responsive and in general didn't see the benefit of the OAC.

2. There was some hostility from some of the larger growers in this sector who felt that the OAC should not have been supported by the HDC and that the OAC was formed for "political reasons" rather than on the basis of need.

3. Most had ADAS contracts, are very loyal to ADAS . They see OAC as either duplication or unable to supply the level of service required.

4. Eight of the nine respondents said that they would not join the OAC within the next 12 months and only one would consider it within the next three years, and then only if the nursery visits became part of the offer.

Please note however that I cannot be sure that the respondents are truly representative of this total group =- particularly the smaller HDC levy payers.

C. BBPPA members

1. Fairly good awareness re. standard services offered but a lot of uncertainty about what is actually covered within the standard subscription.

2. Majority of respondents had ADAS contracts and were happy or very happy with them.

3. Majority of respondents saw OAC as duplication of ADAS and unnecessary.

4. Some of small growers felt that the subscription is too high. All small growers said that they would not join in the near future.

5. Poor awareness about the consultancy services.

6. Some objection about BBPPA funding OAC.
7. Poor knowledge of relationship between OAC and HDC/BBPPA/HRI.
8. Most saw it as competitor to ADAS.

D. Non-subscribers.

1. Majority of respondents fell into small business category.
2. Vast majority had no, or very little knowledge of the OAC
3. Most thought it totally irrelevant to them.
4. Most felt it was too expensive.
5. Some prepared to be persuaded if subscription reduced.

Note: This was a very unresponsive group both by post and on telephone. Majority of the people not prepared to participate in the research were from this group. They are difficult to identify and difficult to communicate with.

E. General findings across all groups.

1. Low awareness about the services in all groups except members; and even in this sector a distinct lack of knowledge about range of services, cost of services and how to access the consultants etc.
2. In all groups there was some dissatisfaction with the structure of the subscriptions. Even people who felt the subs were fair or low considered that a more structured or lower base subscription level would attract more members.
3. Some worry about whether the OAC can provide a national advisory service in the short term.
4. Some comment about the number of different organisations, all charging separate subscriptions and yet being obviously linked. All have administration costs collecting relatively small amounts of money.
5. A genuine concern in some quarters that the OAC should be working in a complimentary way to ADAS and not in competition or conflict. Views tended to be polarised between those that wanted to see ADAS disappear and those that felt that a weakened ADAS would be detrimental to the long

term benefit of the industry as a whole.

6. An acceptance that the OAC was a more specialised service than ADAS.

7. Some acceptance that in certain circumstances OAC represented better value for money.

4.0 Detailed Findings from each Group

The findings for each group will be split into three sections as follows :-

- a. the quantitative responses to questions. (Please refer to relevant questionnaire for question wording)
- b. a commentary on the qualitative findings within each group.
- c. Any constructive comments re. possible amendments to services, subscriptions etc which were voiced by each group.

4.1 Members

4.1a. Quantitative responses

Table 4.1a Responses to questions by size of business

(See Questionnaire 1 for question wording)

Question No.	Size of Business		
	Small	Medium	Large
8	1 Fair	10 Fair	5 Fair 2 Low 1 High
9	1 No	4 No 3 Yes	2 No 4 Yes 1 Possible
12	2 No	5 No 4 Yes	5 No 3 Yes
14	1 Yes 1 No	8 Yes	7 Yes
15	2 Small	10 Medium	8 Large
16	1 Yes 1 No	4 Yes 6 No	1 Yes 7 No
19	1 Yes 1 No	9 Yes	6 Yes 1 No

Table 4:1a2 Membership of other Industry Bodies

Name of Organisation	Number of respondents subscribing
HDC	19
FPA	3
BBPPA	18
IPPS	0
IoH	2
ADAS Contract	8
HRI Association	3
NFU	4
SAC	2
AYR Chrysanth Group	1
HTA	4

4.1B Qualitative Responses

i. Reasons for Joining - Question 4

The main reasons for joining the OAC were as follows :-

- * To get the most up to date information
- * Because the OAC was seen as more specialised than the alternative sources of advice.
- * Because of the increasing cost of ADAS
- * Demise of ADAS in their area.
- * Pressure from the BBPPA of because of the link.

Note :- Knowone mentioned the range of services as a reason to join !

ii. Question 5

In general there was good awareness about the basic range of services such as Newsletters, Training Courses, Laboratory Services, Telephone Advice Line and the access to research.

However great confusion about exactly what was covered by the basic subscription and what they had to pay extra for.

A general lack of understanding about how to access some of the services and a need to know what the prices were for services - particularly lab. services, training courses etc.

There was very poor awareness of the additional constancy services. This applied both to the subject matter which could be covered and also the the actual availability of consultants. There was a feeling that the consultants

may not actually exist ! In addition a feeling that, as the consultants could be accessed directly, there was no perceived positive benefit in accessing them through the OAC. This was reinforced by the fact that there wasn't a list of OAC consultants published and their prices were not made available. Do they really offer discounted services ?

iii Question 6.

Additional services suggested included :-

- * Marketing data services , trend analysis etc.
- * Independent advice on compost composition
- * Field visits by a regional adviser
- * Regular Nursery walking - even if at extra cost
- * Speedy, fixed price per sample, soil testing and compost analysis service
- * Practical training Videos for small growers to show their unskilled and skilled workers without having to send them away on courses. Videos to be available for rental.

iv. Question 11

The perception of the OAC in relation to ADAS was usually as competing. However there were several people who saw the two services as complimentary.

Most people who responded to this question saw OAC as offering better value for money as long as the grower doesn't need site visits.

v. Question 18

Several members have fears that the OAC will not survive unless the funding and membership is increased and the service is marketed better.

This desire to increase the base needs to be tempered with the awareness that if the OAC personnel are stretched too thinly the service will suffer.

The lack of site visits is seen as a problem in attracting smaller growers and as a real disbenefit when trying to attract medium and larger growers away from ADAS.

The plea for a little more telephone contact (to show that you care) was made. A feeling that the OAC has taken the money and is now not interested in them unless they have a problem. Lack of personal contact.

Again the scepticism about the consultants . Who are they ? What do they

charge OAC members compared with normal? Are they using the OAC just to develop their own contacts ? How are they vetted ?

Some concern about the running costs of the organisation. Duplication of administration of subscriptions with BBPPA and HDC - why ? Costs of Lionel having to use mobile phone etc ?

Question of whether it would be possible to have a central subs. administration department which accepts subs and markets membership benefits for BBPPA, OAC, HDC, HRI etc and all contribute to.

Newsletter needs to be more practical. Tell people the solutions to problems not refer them to a consultant. Reference made to the American Bedding Plants newsletter.'

Real concern expressed about the anti-ADAS feeling within the OAC. Feeling that this may be self defeating. The business should be able to grow by developing its own credibility and reputation for service not by knocking the tried and tested competitor. At the moment OAC not considered credible. Lots of growers sitting on the fence. Unable to command the respect of many medium and large growers.

Important that the service remains specialised and doesn't become diluted by extended services. Maybe Lionel spreads himself too thinly and some of enquiries could be handled more cost effectively by a regional consultant paid by OAC not directly by the grower.

4.2 BBPA members

4.2a. Quantitative Responses

Table 4:2a1 **Responses to questions by size of holding**
(See Questionnaire 2 for Questions)

<u>Question</u>	<u>Size of Holding</u>		
	<u>Small</u>	<u>Medium</u>	<u>Large</u>
4	7 Yes 1 No	4 Yes 1 No	5 Yes
9	4 High 4 Fair	1 High 4 Fair	3 Fair 2 Low
9a.	2 Yes 3 No	2 Yes 2 No	2 Yes 1 No
13	2 Yes 4 No	1 Yes 4 No	2 Yes
15	3 Yes 4 No	4 Yes 1 No	3 Yes 1 No
17	4 Yes 3 No	1 Yes 4 No	3 Yes 2 No
21	1 Yes 7 No	1 Yes 1 No	1 Yes 3 No
23	2 No	4 No	2 No

Table 4:2a2

Membership of other Industry Bodies

Name of Organisation	No. of respondents subscribing
HDC	13
FPA	0
BBPPA	18
IPPS	0
IoH	2
ADAS	8
HRI Assoc.	0
NFU	9
HTA	3
RGA	1

4.2b Qualitative Responses

i. Main reasons for not joining to date were as follows :-

- * Paying into too many things already - trying to rationalise subs.
- * Subscription too high
- * Already have ADAS contract and see this as duplication
- * Use independent consultants and quite happy.
- * Obtaining just what I need from manufacturers' agents'.
- * Based too far away and not sufficiently geared to indoor
ornamentals
- * Not sure that the OAC offer real value for money.
- * Never received information
- * Too small to justify it.
- * Don't know anything about it.

ii. Question 6

There was good knowledge about the range of basic services which are offered but a little scepticism about whether they are as extensive as stated in literature.

Again rather mixed levels of awareness about the scope of consultancy services and the benefits of accessing them through the OAC.

iii. Question 7

The only additional service mentioned by this group was the site visit. However I didn't feel that this was a determining factor for joining.

iv. Question 10

There was surprisingly little knowledge about the exact relationship of the OAC, BBPPA and OAC. Very few of the people interviewed realised that there had been any funding by the BBPPA and HDC.

However there was a minority who did have some perception or general understanding of the link. Some of these felt that it was wrong for either the HDC or the BBPPA to support the venture whilst others were sceptical about whether the links were beneficial to any of the parties.

v. Question 11

There was either very good understanding that ADAS and OAC were competitors or no knowledge whatsoever.

vi. Question 12

Apart from a few respondents linking the HRI and OAC at Wellesbourne there was virtually no link made between the organisations by this group of respondents.

vii Question 18

Technical advice obtained mainly via :-

- * ADAS contracts
- * Grower meetings/groups
- * Friends
- * Manufacturers agents/ reps.
- * Independent Consultants
- * Research stations and suppliers in Holland
- * HDC literature
- * Trade Press

viii. Question 19

Some 50% of this group felt that they would never join the OAC and, if they lost ADAS they would go direct to a consultant.

However the ones who were prepared to reconsider fall into three distinct categories as follows :-

- a. The ones who wanted a greatly reduced membership, pay as you go system or incentive to join.
- b. Those that felt the organisation lacked credibility and would sit on the fence to see how things went and
- c. Those that want to be convinced by someone visiting them,

talking to them and persuading them.

There is no doubt that there are some members of this group who are persuadable and have an open mind.

4.3 HDC Levy Payers

4.3a Quantitative findings

Table 4.3a1 Responses to Questions by size of holding
(See questionnaire 2 for questions)

<u>Question</u>	<u>Size of Holding</u>		
	<u>Small</u>	<u>Medium</u>	<u>Large</u>
4	1 Yes 1 No	2 Yes 2 No	1 Yes 2 No
9	1 Fair	3 Fair 1 High	1 Fair 1 High 1 Low
9a	1 Yes	2 Yes 2 No	2 Yes 1 No
13	1 yes 1 No	1 Yes 3 No	1 Yes 2 No
15	1 Yes 1 No	2 Yes 2 No	3 Yes
17	1 Yes 1 No	4 No	2 Yes 1 No
21	1 No	4 No	3 No
23	1 Poss	1 Poss 3 No	1 Poss 1 No 1 Yes.

Table 4.3a2 Membership of other industry bodies.

Name of organisation	No. of respondents subscribing
HDC	10
FPA	1
BBPPA	0
IPPS	0
IoH	0
ADAS	6
HRI	0
NFU	5
HTA	2
WSGrowers	1
Local Training Group	1

4.3b Qualitative Findings

i. Main reasons for not joining to date were stated as :-

- * Satisfied with existing service from ADAS or consultants
- * Too small to warrant membership
- * Seen as duplication of existing services
- * Not profitable enough to spend the money on the subscription.

ii. Question 6

Many of the respondents in this group had little or no knowledge of the services, or even existence of the OAC. Only the larger growers had a reasonable understanding. Again limited knowledge about the consultancy services available.

iii. Question 7.

Only two people mentioned an improvement in service. One to offer training for staff at a very basic level and the other to offer nursery visits as part of the package.

iv. Question 10

There was very low knowledge of the relationship between OAC and BBPPA and HDC by respondents in this group.

v. Question 11

The majority of the respondents acknowledged that the OAC and ADAS are competitors but many made the comment that OAC was more specialised. However doubt as to whether the OAC could deliver on as wide a geographical base as ADAS.

vi Question 12.

There was no understanding of the relationship between HRI and OAC by this group with the exception of one person who felt the relationship was wrong and affected HRI's credibility.

vii. Question 18

The majority of the respondents stated that they obtained most of their technical information from ADAS, if they had a contract, or manufacturers representatives and other growers if they didn't have ADAS contracts.

vii Question 19

The whole group is sceptical and probably will be difficult to convert to membership. Most didn't feel that membership would be considered in the short term.

4.4 Non Subscribers

4.4a Quantitative Responses

Table 4.4a1 Responses to questions by size of holding

Question	Size of Holding		
	Small	Medium	Large
4	2 Yes 1 No	3 No	1 No
9	2 High 1 Fair	2 Fair 1 Low	1 High
9A	1 No 1 Yes	1 No 1 Yes	1 Yes
13	2 Yes 2 No	3 No	
15	2 Yes 2 No	2 Yes 1 No	
17	2 Yes	2 Yes 2 No	1 No
21	2 No 1 Yes	1 Yes	1 Yes
23	3 No	2 No	1 No

There was no membership of any industry body by any respondents in this group.

4.4b Qualitative Findings

i. The reasons for not joining the OAC were as follows :-

- * Lack of information
- * Not interested
- * Not appropriate to me
- * Too expensive

ii. Question 6

The vast majority of the respondents had no knowledge or incorrect knowledge about the services offered by the OAC.

iii. Question 7

Most felt the range was extensive enough and many felt that a large number of the services were not appropriate to them.

iv. Question 10

There was no knowledge of the relationship between OAC and BBPA and HDC and very little interest when advised.

v. Question 11

There was some comment about the fact that ADAS and OAC compete - but only after I had made them aware of the service level. This suggests that the basic awareness of ADAS is very good even though it is seen as expensive.

vii. Question 12

There was no knowledge of the link between OAC and HRI within this group.

viii. Question 18

Many of this group used manufactures agents for technical input or friends in the trade. None of the group paid for technical advice.

ix. Question 19

Securing membership with this group is going to be difficult but several suggested they may like to see representation at their local trade shows, grower group meetings etc.

Others suggested a more realistic "pay as you go" scheme or greatly reduced subscription.

Some wanted more information.

Still some scepticism about OAC credibility and difficulty in relating the service to their own situations.

5.0 Conclusions

To be discussed at Meeting on Monday 9th January.

I felt it better that you should digest the content of the report before I voice my own conclusions.