

Selling plants on Amazon: A forest of untapped opportunity

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A first-of-its-kind study out of Kansas State University examined the the untapped market for selling plants online by horticultural businesses.

Lauri Baker, Cheryl Boyer, Hikaru Peterson, and Audrey King researched this facet of the \$14 billion US horticulture industry to establish a starting point for ongoing examination of this relatively new entrepreneurial phenomenon in their article, "Online Opportunities: A Quantitative Content Analysis Benchmark Study of Online Retail Plant Sales," as found in the journal *HortTechnology*.

Researchers noted that the US horticultural industry faces numerous challenges to maintaining successful, independently owned <u>retail</u> <u>businesses</u>. Among those challenges are that horticultural businesses face heightened competition and rely primarily on inefficient methods and avenues for self-promotion, such as phone books, catalogs, and newspaper ads.

Today's customers increasingly use modern electronics and search engines before committing to purchasing decisions, and therefore remain aloof to the majority of the promotional efforts of horticultural businesses.

"A high-quality online presence is essential for the viability of horticultural businesses," the study's authors said. "Lack of modernization, however, coupled with often limited resources for developing online content, have resulted in slow adoption of new sales



technology in small to medium enterprises, such as garden centers, nurseries, and other horticultural businesses."

The study surmises that one way small, independently owned horticultural businesses can potentially succeed is by expanding their use of e-commerce. Within this article, the researchers examined the practice of using online-shopping websites for retail sales directly to the customers, often selling through online marketplaces such as Amazon and eBay. Amazon is the largest provider in the United States for online direct sales and has already accounted for the growth of numerous other types of businesses venturing into the online marketplace.

But the research indicates the adoption of online services by the horticultural industry is incomplete. Boyer says, "This is not surprising, as our previous research with garden center owners and employees demonstrated a need for more education on the use of online marketing tools for their businesses, leading us to create The Center for Rural Enterprise Engagement."

From a consumer perspective, multiple factors influence the decision to purchase a product online, such as return policy, <u>product quality</u>, price strategy, on-time delivery, terms of sale, pictures on the website, shipping charges, and selection. No previous studies have looked at how these characteristics translate to horticultural businesses.

The researchers discovered that selling plants on Amazon can be challenging. Amazon does not allow website copy (descriptions of the plants) to link to the seller's own e-commerce site. In addition, seller requirements are strict, particularly when participating in the Amazon Prime two-day shipping service, which can be difficult when shipping live plants. Also, the pricing model for professionals contains a series of cost-prohibitive fees that could dissuade struggling horticultural businesses. In spite of these findings, Amazon's presence in the live plant



marketplace has increased at a rapid pace in recent years. However, the focus of these sales and deliveries has been mainly in major metropolitan areas.

The purpose of this study was to determine the extent to which horticultural businesses were directly selling live plant products online, either through Amazon or from their own websites. The sample selected for this study consisted of 498 businesses with current membership in a national association for the horticultural industry, including breeders, greenhouses and nursery growers, retailers, distributors, interior and exterior landscapers, florists, students, educators, researchers, and manufacturers.

Of these 498 participants in this study, only four were already engaged in the practice of selling live plant products through Amazon, while 44 businesses were selling online through their own websites with a fully functioning shopping-cart tool.

It is clear the majority of horticultural businesses have not yet adopted the practice of selling live <u>plants</u> online and that the industry is in the early stages of using this technology for commercial benefit. While the sample of businesses using online sales was too low to draw sufficient useful conclusions, it appears that most horticultural businesses are struggling to meet the current expectations of online customers.

More information: Lauri M. Baker et al, Online Opportunities: A Quantitative Content Analysis Benchmark Study of Online Retail Plant Sales, *HortTechnology* (2018). DOI: 10.21273/HORTTECH03901-17

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