A viable sustainable garden retail industry

Final report

Contents

1 Background

Garden Organic has tried for over 50 years to develop a more sustainable approach to gardening and the garden industry. Although a lot was achieved, the fact remains that organic horticultural and agricultural production is still a niche albeit growing from a low level. Organic gardening as a non-commercial activity has seen a much better uptake and is not a niche market, although, as it is not certified, the exact numbers are not certain.

In the meantime sustainability in the form of personal carbon footprints or whole business audits has become an ever more important aspect of daily life and successful competitive businesses. This is most likely to increase in the future. Therefore, we have developed this questionnaire to assess where different businesses of the garden industry are positioning themselves.

The survey attempted to increase our understanding on how important sustainability issues are among different garden retail businesses. How is sustainability of suppliers currently assessed and what are the expectations of consumers?

2 Methods

For the survey we developed a two-page questionnaire together with Garden Organic senior staff, research team and industry representatives. We used two major UK trade shows to conduct the survey in face-to-face interviews. The shows were at Four Oaks Nursery during 6-7 September 2011 in Cheshire (www.fouroaks-tradeshow.com) and at Glee, NEC, Birmingham during 19-21 September 2011 (www.gleebirmingham.com). We hosted the questionnaire at the GIMA stand on both shows. A limited number were filled in by visitors to the GIMA stand but the bulk of responses was achieved by randomly walking the exhibition halls and contacting exhibitors during the less busy morning and evening hours. In total five Garden Organic staff members conducted the survey. On average the survey took about 3-5 minutes and almost every exhibitor approached during the show was willing to respond. For those who declined the major reason was 'not a UK based company' or 'not a qualified decision maker for the company'. A few declared 'we are too busy' or 'come later please'. In total 95 questionnaires were fully completed. This is considered a large enough industry sample to draw broad conclusions and to group businesses into sub-sectors. The sample represents a combined turnover of £371 million pound per year (detail see result section). However, the aim of this short survey was not to draw a representative sample for more detailed statistical analysis. Therefore, the analysis is restricted to showing the averages (mean value) and percentage values where applicable.

Figure 0: Methods: Face-to-face interviews at Four Oaks GIMA stand

3 Results

First (chapter 3.1) we have analysed the results for all sectors combined. This included 95 responses. 61% resulted from Four Oaks and 39% additional ones from GLEE. Companies already approached at Four Oaks were not approached again at GLEE a fortnight later.

In a second step (chapter 3.2) we have analysed the data for three main sectors we called 'Growing plants', 'Growing inputs and sundries' and Garden Retail & Leisure.

3.1 Results from all sectors combined

Results from our first question showed that 82% of responding companies rated sustainability as important or very important. This is high but not surprising for an opening question on a sustainability survey. When compared with other questions on how to assess sustainability and the importance of sustainability for consumers this high rating is somewhat put in perspective (Figure 1).

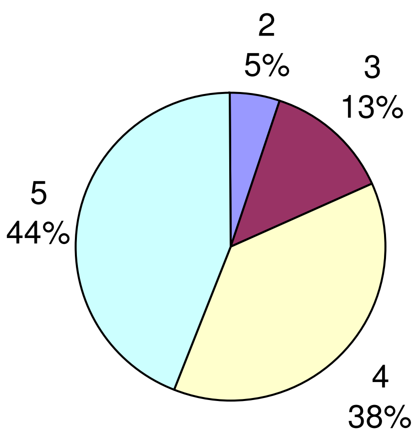

Figure 1: Question 1 "How important to your business are sustainability issues on a scale of 1 (not) – 5 (very) important?"

In response to our second question a less businesses thought that greater sustainability will increase profits (56%). Interestingly only 9% thought profits would be jeopardised by achieving greater sustainability (Figure 2).

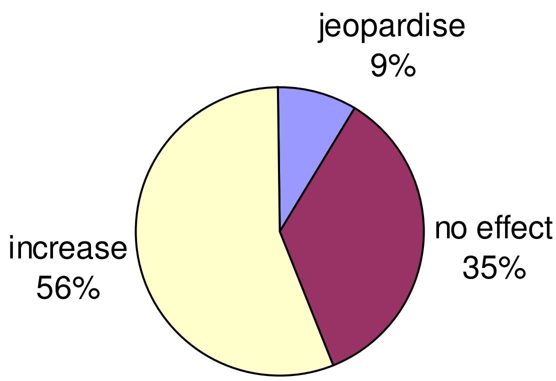

Figure 2: Question 2 “Do you think that achieving greater sustainability will jeopardise or increase profits? (or no effect)”

Of particular interest for us was which sustainability issues were rated highest and, as shown in Figure 3, transport, recycling, energy and water use came first. The high rating of transport may reflect not only the rising cost but also the current discussion on food miles and local sourcing. Transport is however mainly an energy use issue and only part of the energy input picture. The high ratings of recycling and water use are a positive signal as many experts consider those as key challenges of the UK. Social and economic sustainability were also highly rated and the relatively high rating of social sustainability is good and somewhat surprising. The low rating of fertiliser, pesticides and peat are somewhat explained by the fact that only a quarter are actively growing plants and the sector specific analysis shed more light on this.

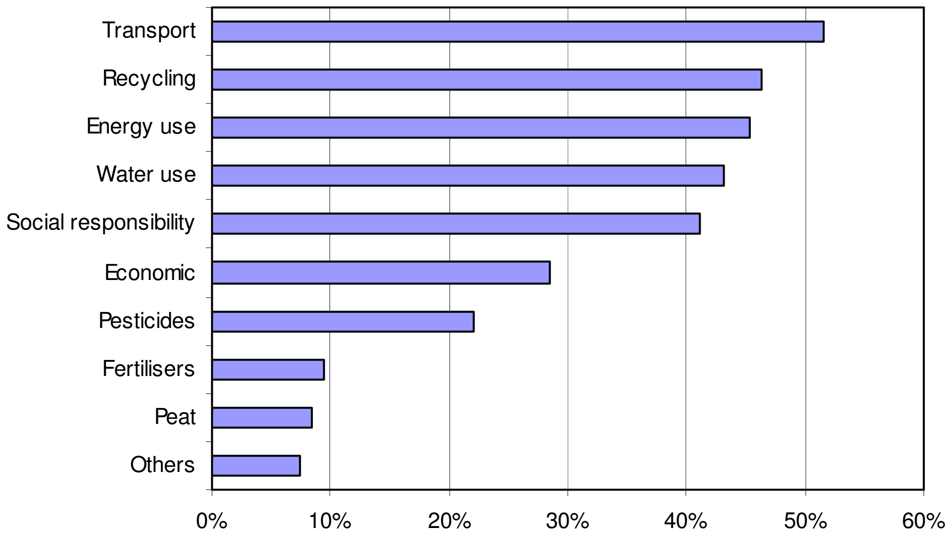

Figure 3: Question 3 “Please rank the three most important sustainability issues for your business?”

In terms of assessing the sustainability of suppliers (Figure 4) and the whole supply chain major gaps became apparent. Under 20% use independent certification or accreditation schemes which demonstrate clear evidence that some sustainability targets are genuinely achieved. It is encouraging however that another 20% of companies are looking for certification services and have not yet made decisions. The remaining 60% don't use certification, claiming it is too difficult or are using local suppliers, which may affect transport issues, but is not really a proof for overall sustainability of the product or service.

Analysing different certification schemes (Figure 5), it appears that FSC (Forest Stewardship Council certification of timber products) is mostly used. Organic certification (mainly Soil Association) and DIN ISO schemes are less often named. Other schemes are also used and we have grouped under 'other' mentions like non-ISO environmental monitoring schemes, regular supplier inspection procedures or employment of full-time sustainability managers. The problem with those 'other' schemes is that although they may achieve improved sustainability they are not independently audited and therefore rely on consumer trust rather than documented evidence.

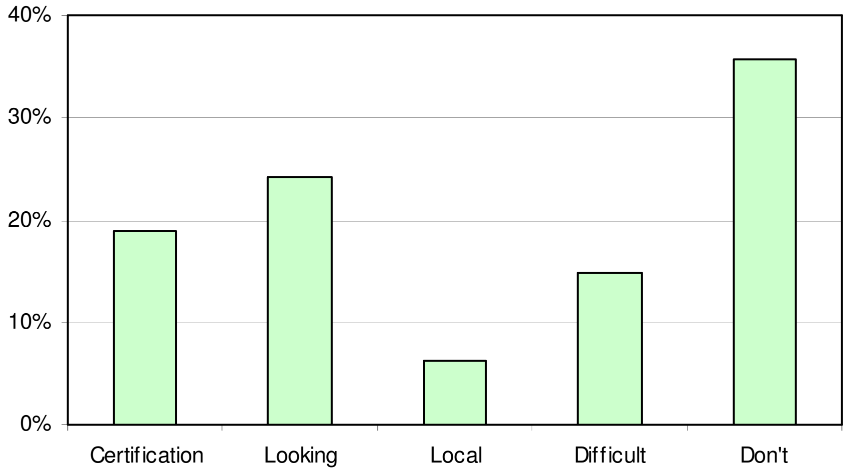

Figure 4: Question 4 "How do you currently assess the sustainability of your suppliers?

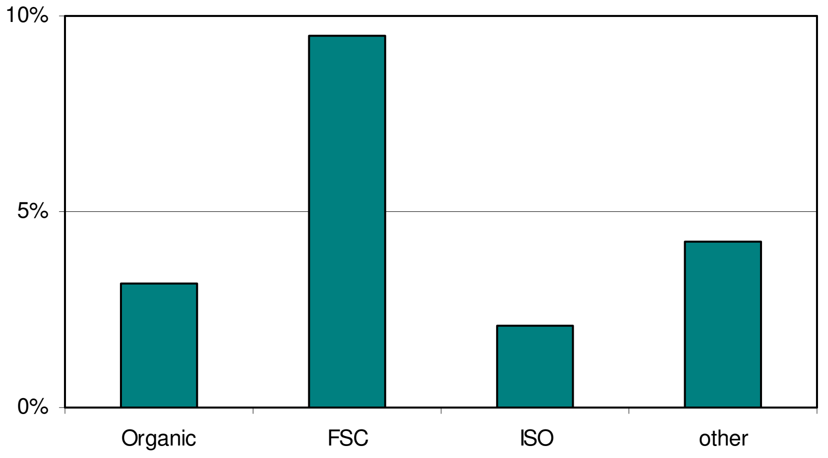

Figure 5: Certification details of suppliers.

In the next section of the questionnaire we wanted to know more about how businesses view their consumers and their priorities. As might be expected (Figure 6), price came in first as most important product issue, followed by appearance and efficacy. The word efficacy was not readily understand by everybody and maybe should have been better described as effectiveness or quality of the product. Sustainability ranked on 4th position only followed by brand loyalty. This is probably a reasonable assumption of how average consumers see sustainability: not total unimportant but definitely not among the top three issues. As we have not conducted a consumer survey we don't know how correct the garden industry is reading or understanding their consumers.

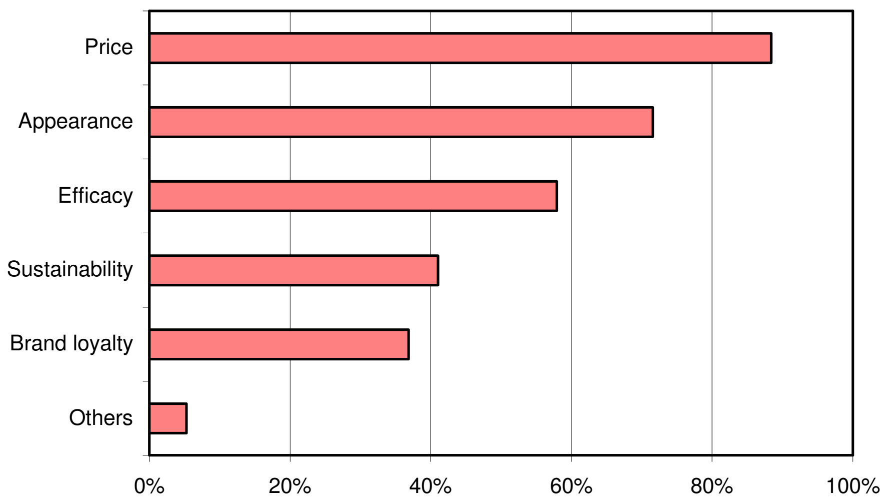

Figure 6: Question 5 "How, in your opinion, do your consumers rank the following product issues?"

Regarding the next question (Figure 7), it is surprising that already a majority reports that consumers are currently asking for sustainable or organic products, which is quite high given that sustainability is thought to be only of lower importance in figure 6.

This result makes a case in itself to promote what the next question of our survey was aiming for: The industry should have a role in guiding consumers to make more sustainable purchases. Three quarters (74%) of respondents agreed or agreed very much with this statement (Figure 8).

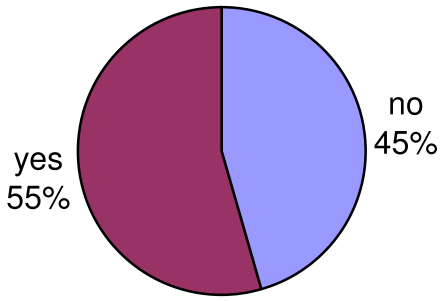

Figure 7: Question 6 "Are your consumers currently asking for sustainable or organic products?"

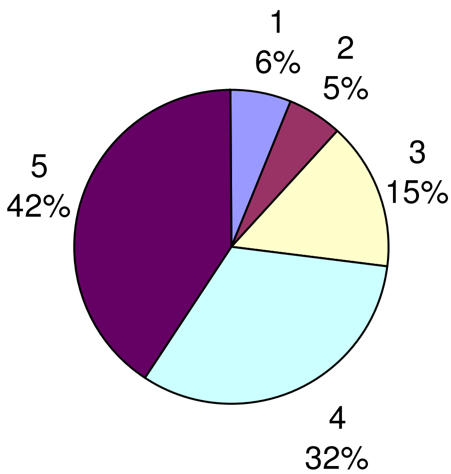

Figure 8: Question 7 "How much do you agree with the following statement (scale 1-5): 'The industry should have a role in guiding consumers to make more sustainable purchases'?"

On question 8 “We anticipate a need for a steering group and a wider consultative group. Are you interested in being part of the process to define the goal and determine the route to sustainability in the garden retail sector?” we had a positive response to being part of the process from 47 businesses or 49% of the sample. Among the 47 are 41 from the UK and 6 businesses from our near EU neighbours (Ireland, France, Spain, Netherlands and Germany) expressing an interest (no figure shown).

Regarding question 9, average number of full time employees in our sample is 57 per business and average annual turnover is £4.2 million. The total number of garden industry employees the sample covers is 5,016 with a combined turnover of £371 million pound per year.

3.2 Results from sector specific analysis

Based on the sector information given by the respondents in question 9, we have grouped the responding businesses in three sectors:

1. **Growing plants** (e.g. nursery and plants, seeds)
   = 27% of respondents
2. **Growing inputs and sundries** (e.g. garden tools, pest & disease control, glasshouses, growing media, irrigation)
   = 44% of respondents
3. **Garden Retail & Leisure** (e.g. garden retail, leisure products, landscaping, retail support)
   = 28% of respondents

This was done to see if any differences between those sectors appear. Again we have not used statistical analysis so the observed differences are only descriptive to give an indication of the diversity between sectors regarding answering our questionnaire. To distinguish the information from the figures with the whole sample we have put everything in tables, showing the three pre-defined sectors.

Table 1 shows that sustainability issues are slightly lower rated in the growing plants sector compared to the other two sectors. Interesting is the confidence of the garden retail & leisure sector in Table 2. With 0.68 they are much more convinced that greater sustainability will increase profits while the growing inputs and sundries sector is a lot less convinced (0.32) that greater sustainability will actually help them achieving better profits overall.

Table 1: Question 1"How important to your business are sustainability issues on a scale of 1 (not) – 5 (very) important?"

1 Growing plants	3.8
2 Growing inputs and sundries	4.3
3 Garden Retail & Leisure	4.3

Table 2: Question 2 "Do you think that achieving greater sustainability will jeopardise (-1) or increase profits (+1)? [or (0) no effect]"

1 Growing plants	0.48
2 Growing inputs and sundries	0.32
3 Garden Retail & Leisure	0.68

Table 3: Question 3 "Please rank the three most important sustainability issues for your business?" Percentage (%) mentioned is shown.

Sector	1st	2nd	3rd	4th
1 Growing plants	Water 66%	Transport 51%	Pesticide 40%	Economic 33%
2 Growing inputs and sundries	Energy use 57%	Recycling 45%	Transport 45%	Water 43%
3 Garden Retail & Leisure	Social 60%	Recycling 60%	Transport 53%	Economic 42%

In terms of sustainability issues the 1st rank is different for each sector but fitting, one might say, to the business focus of the sector. It is water use for growing plants, energy use for growing inputs and interestingly both social sustainability and recycling for garden retail & leisure. Transport is rated only 2nd or 3rd and, as discussed earlier, pesticide use is an important issue for growing plants (however neither fertiliser nor peat appear highly ranked). In 4th place is economic sustainability.

Table 4: Question 4 "How do you currently assess the sustainability of your suppliers?" Percentage (%) mentioned is shown; red is above and blue below average of all. Three different sectors and average of all sectors is shown.

Sector	Certification	Looking	Local	Difficult	Don't
1 Growing plants	4%	18%	15%	15%	44%
2 Growing inputs and sundries	27%	27%	0%	16%	25%
3 Garden Retail & Leisure	18%	21%	7%	11%	39%
All together	**19%**	**24%**	**6%**	**15%**	**36%**

In Table 4 especially the differences from the average of 'all together' are worth highlighting. Existing certification and looking for certification is much more common in the input and sundries (27%) sector compared to growing plants (4%). This sector quotes (15%) local sourcing relatively often as a proxy for sustainability. This could be a false perception or a possibility for a certification schemes, which combine local as an approximation for short transport with other sustainability issues like energy use, carbon footprint, water use and recycling.

Table 5: Question 5 "How, in your opinion, do your consumers rank the following product issues?" Percentage (%) mentioned is shown; red is above and blue below average of all. Three different sectors and average of all sectors is shown.

Sector	Sustainability	Appearance	Efficacy	Price	Brand loyalty
1 Growing plants	37%	80%	55%	80%	37%
2 Growing inputs and sundries	43%	50%	70%	86%	27%
3 Garden Retail & Leisure	35%	84%	32%	84%	46%
All together	**41%**	**72%**	**58%**	**88%**	**37%**

In Table 5, judging consumers, there are again some interesting differences from the averages of all together (bottom line). Growing inputs and sundries suppliers rate sustainability and efficacy higher than average and appearance and brand loyalty lower. For garden retail appearance and brand loyalty count rather than sustainability (35%). This is revealing as this sector rates sustainability high when asked in Table 1 and 2. When it comes to a comparison with other product issues they expect consumers to be less interested, despite expecting more profits with greater sustainability.

As can be seen in Table 6, garden retail consumers are not different from the overall average. There is however a difference between the 'growing plant' sector where only 42% request 'sustainable' or 'organic' and the 'input and sundry' sector where the figure is 64%.

Table 6: Question 6 "Are your consumers currently asking for sustainable or organic products?" Percentage (%) mentioned is shown; red is above and blue below average of all.

Sector	
1 Growing plants	42%
2 Growing inputs and sundries	64%
3 Garden Retail & Leisure	53%
All together	**55%**

Table 7: Question 7 "How much do you agree with the following statement (scale 1-5): *'The industry should have a role in guiding consumers to make more sustainable purchases'?"* Percentage (%) mentioned is shown; red is above and blue below average of all.

Sector	
1 Growing plants	3.7
2 Growing inputs and sundries	4.0
3 Garden Retail & Leisure	4.2
All together	**4.0**

As expected the garden retail industry agrees slightly more with the statement in Table 7, especially when compared to growing plants.

Likewise more than 60% of the businesses in this sector (Table 8) are willing to work on defining goals and routes to sustainability with Garden Organic and other partners. In the other two sectors 40% are still willing to work either in a steering group or a wider consultative group to improve sustainability in the garden retail industry.

Table 8: Question 8 "We anticipate a need for a steering group and a wider consultative group. Are you interested in being part of the process to define the goal and determine the route to sustainability in the garden retail sector?" Percentage (%) mentioned is shown; red is above and blue below average of all.

Sector	
1 Growing plants	40%
2 Growing inputs and sundries	41%
3 Garden Retail & Leisure	63%
All together	**49%**

3.3 Conclusions

In conclusion there is quite a lot of interest in sustainability as a concept in the garden industry and across all sectors. The same can be said for consumers and industry supply chain customers. However when it comes to independent certification and measuring sustainability achievements against hard facts the picture changes somewhat. Most companies have no independent sustainability audit in place; they think that sustainability is not among the top three product issues when consumers buy their products. In contradiction to this more then 55% report that consumers are already currently actively asking for sustainable or organic products. This may obviously change in the future, but it is unlikely to go away despite recessions or other crises as the underlying fundamentals of climate change, natural resource depletion, deforestation, pollution of soil, water and air are unlikely to change. In addition all of these factors may lead to price increases, touching on one of the key drivers for both consumers and retailers.

It is clear from our survey that the garden retail sector does take the issue of sustainability seriously. There is a definite interest within the sector in taking a lead in guiding and supporting consumers to make more sustainable choices. What has yet to be determined is what exactly those choices might be, how it is to be done and what impact it might have on suppliers.

4 Appendix – Questionnaire

garden organic
the national charity for organic growing

THE GARDEN ORGANIC
GARDENING CONFERENCE 2011

A viable sustainable garden retail industry

Following the successful garden retail sector conference at Ryton Gardens in May 2011 on developing a sustainable and profitable future industry, Garden Organic continues to seek industry views on the road forward. To that end we would appreciate a few moments of your time to help us gather your views and achievements in this area (Trade names and personal details are not required).

1. **How important to your business are sustainability issues on a scale of 1–5 (please circle with 1 not important to 5 very important)?**

   1 2 3 4 5

2. **Do you think that achieving greater sustainability will jeopardise or increase profits? (please circle)**

   Jeopardise No effect Increase

any further comments?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

3. **Please rank the three most important sustainability issues for <u>your business</u>? (1 for most important, 2 for second, 3 for third,…)**

☐ Water use ☐ Energy use ☐ Transport ☐ Fertilisers ☐ Peat

☐ Pesticides ☐ Recycling ☐ Economics ☐ Social responsibility

☐ Others (please give details)

……………………………………………………………………………………………………

……………………………………………………………………………………………………

4. **How do you currently assess the sustainability of <u>your suppliers</u>?**

……………………………………………………………………………………………………

……………………………………………………………………………………………………

5. How, in your opinion, do <u>your consumers</u> rank the following product issues? (1 for most important, 2 for second, 3 for third,…)

☐ Sustainability ☐ Appearance ☐ Efficacy ☐ Price ☐ Brand loyalty

any further issues?

……………………………………………………………………………………………………

6. Are <u>your consumers</u> currently asking for sustainable or organic products?

Yes No

7. How much do you agree with the following statement? "The industry should have a role in guiding consumers to make more sustainable purchases" (please circle with 1= do not agree and 5= very much agree)

1 2 3 4 5

any further comments:

……………………………………………………………………………………………………

8. We anticipate a need for a steering group and a wider consultative group. Are you interested in being part of the process to define the goal and determine the route to sustainability in the garden retail sector?

Yes No

If you want to be kept informed - please leave email contact

9. Please give some basic business details

Sector of business:……………………………………………… Number of full time employees:………

Average annual turnover (million £):

☐ below £3m ☐ £3m-£5m ☐ £5m-£10m ☐ over £10m

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10. Contact details (not required, but necessary if you want to be involved or contacted about results – personal information is treated confidential)

Name of business:……………………………………Contact name:……………………………………

Contact email:…………………………………………Contact phone:…………………………………