



Leader in
Horticultural
Containers

Branded Growing Containers

Strengthening and differentiating your brand in a crowded market

The HC Companies – May 2020

Purpose:

Many organizations across the globe have a firm understanding of how invaluable their brands are in today's competitive marketplace. In some respects, a brand is a company's most valuable asset, supporting an expectation of quality, credibility, and differentiation among customers.

In this whitepaper, we'll discuss why differentiating is important for any sales growth strategy, how and why an organization's branding influences overall purchasing habits, and the impact branded growing containers can have on increasing consumer confidence at the point-of-sale.

Differentiating Yourself from a Commodity

For nursery growers throughout North America, branding is often an afterthought. Daily challenges surrounding labor, regulations, pests, and diseases, as well as the environment, are heavy and unpredictable burdens placed on the shoulders of growers both large and small, which doesn't leave a great deal of time to devote to creating or leveraging one's brand.

BrandingMag.com states that "Branding helps to identify a product and distinguish it from other products and services." But if the trees, ornamental shrubs, and plants nurseries cultivate for both commercial and residential consumption are predictably offered in black, plastic containers – just as every other nursery grower you're competing with – you've done little to distinguish yourself in the market or to establish, and more importantly, to support your brand.

According to the most recent [National Gardening Association Survey Report](#) published in late 2019, some 91.7 million households participated in at least one type of outdoor gardening activity, with spending estimated at \$52.31 billion (nearly doubling sales in 2014). Therefore, developing and supporting your brand will help you capture a bigger percentage of the market.



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A lack of differentiation identifies the business of a nursery grower as a commodity in the eyes of garden centers, big box stores, and commercial landscapers searching for a grower to partner with and supply them with the plant materials their customers demand.

Business writer [Eric Bank](#) (MBA, MS Finance) states that “Many industries sell products that are essentially identical to those sold by competitors. These products are commodities – they are interchangeable with products from other companies and compete for customers mainly on price. An industry is not commodity-based simply because companies within the industry buy commodity-type raw materials such as oil, steel, or rubber. Rather, the ability to differentiate products from those of competitors defines whether the industry is commodity-based.”

For a commodity grower, brand loyalty is almost impossible to achieve when customers continuously shop around garden centers and retail nurseries for the best available prices from a plethora of options all selling in the same black, plastic containers. With profit margins already tight, the grower must achieve economies of scale (advantages reaped by companies when production becomes efficient) and keep costs low in what oftentimes can be a brutal market to compete in.

Suddenly it seems that branding is no longer an afterthought for the nursery grower and may just be the differentiator the industry has been searching for.

“For Proven Winners®, this began in 2001. We saw the need to better create a consumer package than by just providing a plant tag only,” says Marshall Dirks, the Director of Marketing for Proven Winners®. “I believe that some other companies were also using branded containers around this time, but this was largely retailers or growers trying to do their own branding. Proven Winners was arguably the first to incorporate true consumer messaging behind a branded package.”

Understanding Consumer Psychology

From [BrandMag.com](#): “Branding is important because not only is it what makes a memorable impression on consumers, but it allows your customers and clients to know what to expect from your company. It is a way of distinguishing yourself from the competitors and



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clarifying what it is you offer that makes you the better choice. Your brand is built to be a true representation of who you are as a business, and how you wish to be perceived.”

“How you wish to be perceived” is a powerful part of building a strong brand in any business.

A post on [AdAge.com](https://www.adage.com) by Al Ries, chairman of an Atlanta-based marketing strategy firm, states, “With all the evidence on the side of the product school of thought, how can anyone believe the brand is more important than the product? The key insight is perception. There are no facts. Everything in life is perceptions. There are no superior products. There are only superior perceptions in consumers' minds.”

It’s important to understand the psychology of the customer concerning branding. In short, customers of today are more sophisticated and demanding, and simply offering your plant materials in black, plastic containers does not help you stand out in a crowded market or command a greater perceived value at the time of purchase. Additionally, a subpar plant offered in a colorful pot with little brand equity will do little to increase the consumer's perceived value.

“Consumers increasingly value brands. Branding was very limited 100 years ago but is becoming more prevalent today. Generic products suggest inferiority,” adds Dirks. “Branded packaging is by far more important when a brand has meaning to consumers. Building consumer value takes a significant amount of time, money, and effort.”

While online shopping now dominates the retail marketplace, and giants like Amazon are selling live plant goods to the younger generation who prefers to do all their shopping over the internet, it’s important to understand how customers [shop at brick-and-mortar locations](#) when it comes to planting materials.

According to the 2019 National Gardening Survey Report, here are the top five retailer segments where consumers shop for nursery products or outdoor plants:

- Home centers – 36.6 million
- Hardware stores – 30.5 million
- Lawn and garden centers – 30.2 million



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- Mass merchandiser – 28.9 million
- Supermarkets – 14.7 million
- Internet retailers – 10.5 million

When purchasing trees, ornamental shrubs, and plants, customers want to see and touch the merchandise before making a purchase – which can't be done with internet retailers. Adding plant materials to an outdoor landscape is a very personal and emotional process, which is why garden centers and retail nurseries can still successfully draw in customers in droves.

Overall, it's easier to be brand loyal to a physical location, and local garden centers and retail nurseries see some of the highest repeat business and customer loyalty from those who appreciate their varied, zone-appropriate assortment, product knowledge, and consistent customer service.

Now that you understand why customers gravitate to brick-and-mortar garden centers and retail nurseries, it's important to note that customers don't have the time or energy once a busy weekend arrives to weigh the advantages and disadvantages of one plant over another. Because of this, they often utilize a common shortcut customers use across the board to help make decisions in a timelier manner – the influence of your product's packaging.

72% of American consumers say [their purchasing decision](#) is influenced by the packaging design they see. The container your plant is grown in ("packaged"), how your brand is presented, helps subliminally communicate to customers that your product, that your brand is different, and of greater quality.

An article on [Inc.com](#) by Joshua Conran, a senior partner at Deksia (a branding agency), states, "Remember, your product's packaging is meant to communicate a purpose: what your brand stands for and what it means for your customer. Don't miss this opportunity to create a lasting impression on the shelf and in the minds of your customers."

Brand Loyalty

In a recent study by Nielsen Consumer Insights, a trusted data and insight organization with more than 90 years of experience, it was revealed that consumers' willingness to try new



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brands is on the rise – [46% of global consumers](#) say they are more likely to try new brands they have never tried before, compared to just five years ago.

The reason simply being that the advent of the internet has provided more choices than ever before for buyers searching for products to fit their individual needs. For nursery growers, the reason boils down to a lack of branding as plants are grouped with a sea of other black, plastic containers with the only differentiating factor being price and color assortment of the plant.

Yet that willingness to try new brands does not necessarily mean that brand loyalty is dead in the market today. According to a report by [MarketingLand](#), some 90% of respondents considered themselves equally or more brand-loyal than they were just a year ago.

The predominant reason given was product quality. When asked, “What is the primary reason you are loyal to a brand?” the response given by 55% of respondents was, “I love the product(s)”. Below we share a list of reasons why some customers tend to be brand loyal in their purchasing.

- Brands tend to provide peace of mind, especially if they provide consistent results and a positive experience – allowing customers to conclude the brand is trustworthy.
- Brands save time when deciding by reducing the clutter and helping you find what you’re looking for in a crowded field.
- Brands offer safety by eliminating your chances of being disappointed. Brands offer a reason to share by allowing customers to become brand advocates based on a consistent, positive brand experience.

Why Branded Containers Matter

Brand loyalty often evokes memories and emotions which are directly tied to quality. When a customer trusts a brand, that trust undoubtedly builds loyalty – and when a customer is loyal, they buy more and recommend your products more.



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Custom branded containers matter at garden centers, big box stores, and retail nurseries across North America to promote a nursery grower's brand while increasing sales. They are the most impactful marketing differentiator for your business.

Branded containers can have a colorful design that supports your branding standards and often influences customer purchasing with a perception that your products are far superior to others on the market for an increased perceived value.

"The product also needs to be a quality plant. That said, branded containers can help dress up a product or make it seem more valuable," adds Dirks. "However, the message that the packaging conveys – and retailers' ability to capitalize on this – must be backed up by the broader context of the value that the brand provides. Putting a plant in a branded container is the easy part and can help differentiate a plant from one in a black pot – but value creation is the hard part."

Branded containers further support and expand the reach of your brand when seen out in the community, as residential homeowners adorn front yards and decorative planters or commercial properties line walkways and perimeters.

Furthermore, they afford an opportunity to provide education and information directly on the container – solidifying your brand's stance as an industry expert.

Branding consultant and author [Alina Wheeler](#) once said, "Brand identity fuels recognition, amplifies differentiation, and makes big ideas and meaning accessible. Brands are messengers of trust. Customers are reassured by brands that are recognizable and familiar. A great brand strategy is a basic building block of a good business strategy. We build industry-leading brands with coherent and authentic messages. We utilize cohesive branding tools, connecting with your customers in a clear and impactful way."

It's time for nursery growers to prioritize their brand and differentiate themselves in the market. Branded containers can be a cost-effective and impactful way to accomplish just that.



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For more information on HC's branded containers, [click here](#). For more information on HC's full line of horticultural containers, including sustainable options, [click here](#). For immediate assistance contact 800-225-7712 or email customersupport@hc-companies.com.

The HC Companies is a leading manufacturer of horticulture containers servicing greenhouse, nursery, cannabis, and retail growers throughout the United States and Canada. Where we are today is a proud culmination of many storied brands in the horticultural container industry. Highly regarded names such as Dillen®, ITML®, Kord™, Amerikan®, and Listo® have all helped create the innovative company we've become.

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