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Case Study: Reviving Product Demand through Accurate Segmenting, Connecting with Target Customers

By Jeff Banks



In recent years, the flower bulb market in North America has been in decline. To help reverse this trend, Anthos – Holland's Royal Trade Association for Nursery Stock and Flower Bulbs – engaged Knowledge Networks to conduct research that would drive new, more effective marketing and communications.

KN worked closely with Anthos – which had some theories about reasons for the challenging situation – to develop the right research program for confirming or amending those theories and suggesting positive courses of action.

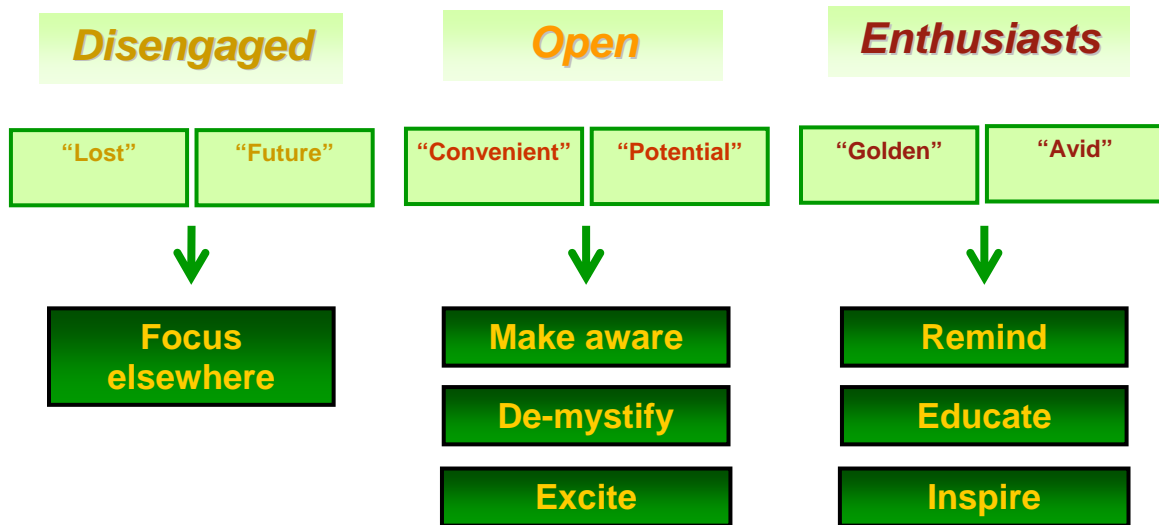
An online Knowledge Networks survey of 3,250 gardeners in the U.S. and Canada provided high-level insights on the primary causes for declining sales, as well as the latent opportunities that exist to drive growth in demand.

KN also developed a segmentation of the consumer bulb market for a more thorough understanding of the unique needs and behaviors of various segments, and to inform strategies for addressing the issues by connecting with key consumer targets.

Our segmentation showed that there is no such thing as a “typical” gardener, and that opportunities exist to drive growth on a segment-by-segment basis. Broadly speaking, we found that gardeners fell into three distinct categories – Disengaged, Open, and Enthusiasts – with subgroups within each and different strategies to apply.

Segmentation Reveals Opportunities for Targeted Strategies

No such thing as a “typical” gardener



Through maximum difference scaling, KN’s Advanced Analytics team was able to winnow down lengthy sets of purchase barriers to identify the top two or three challenges for the industry to address. Among the six segments we identified, three different purchase drivers ranked as #1, and the top driver for one group was ranked considerably lower by others.

Analysis points to channel-specific strategies

KN also found that a majority of consumer bulb purchasing is driven by three channels – big retailers, home improvement stores, and local nurseries; various segments prefer one channel to another, with differing expectations and reasons for shopping at preferred channels. As such, an overlay of channel preferences and behaviors on the consumer segmentation allows for

channel-specific strategies to drive demand for valued segments.

Insight from seeing and hearing the segments

To help bring the data to life, KN also asked some respondents to record answers via Webcams, an application of our Qual^e VideoSM capability. The result was a series of video clips that allowed clients to hear and see buyers and non-buyers alike, giving new depth and insight to the research.

“Diligence and persistence”

“We have been impressed with the thoroughness of research and analytics, the diligence and persistence of the KN researchers to understand our products and consumers,” said Anthos President Henk Westerhof. “Knowledge Networks consumer segmentation research has helped widen our industry’s

vision of the consumer marketplace. KN provided guidance on how to overcome key barriers to activate product interest and to motivate repeat purchases.”

Turning insights into action: Next steps

Equipped with a better understanding of the unique needs of consumer segments and the best ways for connecting with valued segments, Anthos has engaged an agency to help put its findings into action. “The direction provided by Knowledge Networks is now supporting the development of a pinpointed marketing/communications strategy,” Westerhof explained, “allocating resources effectively to the most attractive and profitable segments.”

For more information about KN segmentation or other capabilities, contact Jeff Banks (Vice President, Client Service) at jbanks@knowledgenetworks.com or (781) 707-7011.