

# At the high end

Retail expert Dr Nicola Davies talks about how to successfully broaden your range by unleashing customers' inner snob

Certain items that have a high price are perceived as luxury, exclusive, or high-status, and this increases their demand. (A good, non-garden centre-related example of this would be a rare whisky).

The moment the price of these products is reduced – contrary to the traditional law of supply and demand – consumer desire for them reduces too, because their status is diminished.

This is called the Veblen effect. Consequently, rare items can also create a 'snob effect' – where the price people are willing to pay

## "There are records of rare Clivias selling for over £700"

increases with scarcity.

Both the Veblen and snob effects can be used to your advantage in garden centre retail. Here are some tips on how to reach more 'discerning' consumers, and what to look out for when planning your stock.

### Rarity value

People love owning something that's extremely rare. In terms

of plants, you're mostly looking at enthusiasts and collectors, but novice gardeners also like having something unusual.

Clivias are an excellent example of a product that will appeal to these kinds of consumers. They are gorgeous lilies, that range from mid-priced to shockingly expensive, and the more expensive they are, the more they're perceived as being 'quality' varieties.

There are records of rare Clivias selling for over £700. One gardener says: "I would rather spend a little more on something that I consider having a greater possibility of a more unique outcome."

### New products

Being among the first to get their hands on the newest plants and products can be a huge motivation for consumers.

If you've got a 'new introduction,' a higher price tag won't put off your clients. On the contrary, they expect new releases to cost more, even when there are no royalties to pay.

Derry Watkins of Special Plants nursery near Bath knows the value of new products. She regularly travels the world in search of plant species that no-one else has tried in the UK. Indeed, she has built a reputation for always having something new and unusual.

She's widely regarded as something of a plant guru, and that means even more eager



Specialties like carnivorous plants draw customers

customers waiting for her latest new release.

### Limited availability

Garden artworks, hand-made ceramic pots and other 'arty' products are particularly prized when they carry a high price tag. If you sell them too cheaply, customers are inclined to believe that the item isn't anything special.

For example, you can get fairly standard terracotta pots from Petersham nurseries for as little as £7.50. An artier pot



'Good' hybrids are expensive

from the range described as 'surrealist terracotta pots' will set you back £65.

Shoppers will notice the difference, but they won't be put off by the higher price. Bring the price down, and the 'surrealist' pot suddenly doesn't look as 'special' any more.

**If you stock it...**

The advantage of having exclusive items in stock reaches beyond the sale of the item itself. It brings you 'feet' – or in other words, if you sell rare orchids or exhibit local artworks, people will visit your nursery just to see what all the fuss is about. While they're there, they'll shop.

*Dr Nicola Davies is a psychologist and writer, with an interest in the psychology of business. She has had hundreds of articles published in magazines around the world.*

Twitter: @healthpsychuk  
Web: healthpsychologyconsultancy.wordpress.com

With this in mind, it pays to become known as the place to go for unusual plants, stunning garden art or beautiful bonsais. In other words, anything that will draw enthusiasts who are eager to pay for something with a touch of 'snob value'.

**Price and display**

Keep the prices of your premium products high. Price slashing only devalues special products in the eyes of consumers, as well as eating into your bottom line. Save discounted prices and bargains for common items not perceived as valuable.

At the same time, use your display strategies to remind people of the quality aspects of your premium products. A study published in the Journal of Marketing found that consumers had higher value perceptions of the same products when subtly reminded of quality.

Display a single pot on a plinth and you'll fetch a higher price than if you have it packed among other pots. ▶



Displayed in a special setting this pot's value perception has been boosted

Andrea Durrheim

**The Veblen effect**



◀ Belgian brewer Stella Artois has attempted to artificially create its own Veblen effect by justifying its high price through many ad campaigns

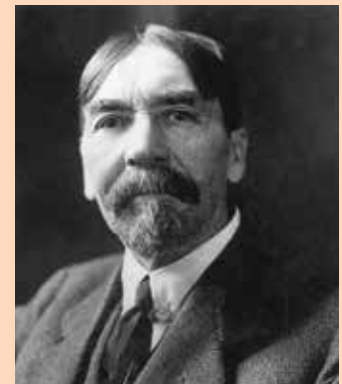


▲ The ultimate status symbol. Limited edition Rolls Royces have ensured the price has stayed high, encouraging exclusivity



▼ The fine craftsmanship, combined with a deliberate scarcity of a Birkin bag can elevate the price to an eye-watering £100,000

**Thorstein Veblen**



The Veblen effect is named after the American economist Thorstein Veblen (1857–1929), who first identified 'conspicuous consumption' as a mode of status-seeking in 'The Theory of the Leisure Class' (1899).