

Mum Pricing Survey



People looking for mums this fall to add to their corn stalks and carved pumpkins, won't have to search far. Seems just about everyone is selling mums these days, from farm stands to convenient stores. The only thing more variable than the types of retail outlets selling the mums is the price they charge. There doesn't seem to be any one factor that is directly correlated with price.

Thanks to a grant from the New England Floriculture Inc., the nonprofit agency that organizes the New England Greenhouse Conference, five UNH Cooperative Extension educators set out to survey the price of mums and see if we couldn't find some type of trend in the pricing structure. To do this, we visited all types of retail outlets including box stores, grocery stores, roadside stands, farm stands, garden centers, apple orchards, hardware stores, and feed stores. The counties included in this survey were Belknap, Carroll, Hillsborough, Merrimack and Strafford. We noted the price of mums by pot size and asked a couple of questions to those selling the mums in order to gather some general observations about mum pricing that retailers can reflect on when considering how much to charge this fall. In addition to this, Brian Krug looked into the price of production to see how the average price the mums are being sold for corresponds with the average price of production.

The median price is the price at which there are an equal number of values above and below. This chart shows the average and median price of mums by pot size as well as the number of locations surveyed that carried the given pot size.

Pot Size	Average Price	Median Price	Number of samples
4"	\$3.28	\$3.00	21
6"	\$3.93	\$3.99	17
8"	\$5.53	\$5.49	50
10"	\$12.15	\$9.97	15
12"	\$17.30	\$17.95	19

The price of mums increased as the pot size increased. The most interesting jump occurred between the 10" pot and the 12" pot where the median price goes from \$9.97 to \$17.95, respectively, and the average goes from \$12.15 to \$17.30. Why the large price jump between the 10" and the 12" pots? We can't say for certain but one theory is that mums are a very traditional purchase throughout most of New England. The 8" pot has been the standard size pot for decades. People may see the 12" pot as a novelty and are willing to pay more for it. If this is the case then it would stand to reason that people would pay more for the 10" pot as well. This may be true; however, it's tough to make conclusions about the difference between the 8" and 10" pots because there is a large difference in the sample size. The 10" pots did have the most variable price across the retail outlets, with prices ranging from as low as \$6.00 to as high as \$25.00, which accounts for the difference between the average and the median. This variability could reflect the fact that some people may see the 10" pot as large enough to be a novelty, yet some consider it to be too close to the traditional size to deserve a price increase.

On the opposite side of the scale, the 4" pots and the 6" pots are very similarly priced. With the average price for the 6" pot being only 65 cents more than the 4". This may again be explained by the theory that the 4" pots are seen as a novelty item and people are willing to pay more for what is perceived as unusual compared to the traditional pot.

The price of mums was similar at the garden centers, the farm stands and the retail centers, which included box stores and grocery stores. The garden centers are charging the highest price for the mums, with an average price of \$5.83, followed by the retail centers at \$5.35, and then the farm stands at \$5.03. One may have expected to see larger differences in prices between these types of sellers but perhaps the abundant supply of product and the fact that customers have been purchasing these plants at a given price for decades is keeping the price at a ceiling for the 8" pots. When the pot size increases to 10" the difference between the price at the garden centers and the retail stores is more apparent with the garden centers charging \$2.74 more. There were not enough farm stands selling 10" pots to report on the data.

About 55 percent of the mums being sold at 50 locations were grown by the seller. This includes garden centers, farm stands and retail outlets. Garden centers sold the most locally grown mums with farm stands coming in second. With the increase of fuel prices spurring a "buy local" crave across the nation, garden centers may have an opportunity to use that marketing tool to raise prices and widen the gap between their prices compared to the retail centers.

In a mature market such as the mum market one would expect the average price to level out over time. The price of the 8" pot seems to have reached this plateau, making it difficult to increase the price above the average consumer's expectations. However, the independent garden centers have the opportunity to make a profit with mums. One way they can do this is by adding value to their mums by offering novelty items such as different pot sizes and shapes. The traditional 8" pots should remain on the shelf, but garden centers can take advantage of their market power by advertising their product as locally grown and raise their prices. With the rising cost of production, this could be a good way to bring in some money from the traditional mums, even if it does just help you break even.