

MANUFACTURER OF OUTDOOR LIVING PRODUCTS

Challenge:

The client is an international company that manufactures outdoor living products and was exploring the idea of expanding their outdoor living product to the State of Florida (a United States territory located on the Southeastern Atlantic Ocean coastal line of the North American continent). While there currently exists outdoor living product providers throughout the State of Florida, the U.S. census has the State of Florida as one of the nation's leaders in home construction and renovation; supporting the notion that there is market space for an additional outdoor living product provider. The client was seeking primary market research to gain insight as to the decision factors used by prospective wholesale buyers when determining outdoor living product (pergola) suppliers to use in the State of Florida.

Solution:

Primary market research approach was used for exploratory analysis.

Secondary market research approach was used for descriptive analysis.

Results:

- The manufacturing demand is not keeping pace with the supply demand. There exist three (3) custom pergola manufacturers in the state of Florida to service the annual custom pergola demand of approximately 328–840.
- The research findings indicated that 42.9% of landscape architects/architects that included custom pergolas in their landscape design consider(ed) 'design options' as a variable when choosing a custom pergola manufacturer partner(s), 50% consider(ed) 'quality material', 28.6% consider(ed) equally 'cost' & 'service' and 20.7% consider(ed) 'warranty'.
- The research findings indicated that 85.7% of the respondents that stated they used custom pergolas in their landscape design stated that 'AutoCAD Drawings' needed to be provided by new custom pergola manufacturers entering the state of Florida marketplace. 57.1% stated that 'installation options' need to be provided, 85.7% stated that 'structural engineer plans' need to be provided, 92.9% stated 'durable material' need to be provided and 85.7% stated a 'good warranty' need to be provided.
- The pergola product gross revenue value in the state of Florida is approximately \$2.7M; with a projected 7.6% annual growth rate. This gross revenue is projected to be \$3.8M in 5 years, \$5.5M in 10 years and \$11.8M in 20 years.



- Annually, 328 to 840 custom pergolas are included in landscape plans in the state of Florida; with over 50% being purchased by landscape architects/architects at an average price point range of \$20,000-\$25,000.
- The state of Florida currently has 260 licensed landscape architects and 9,871 licensed architects. The research findings indicated that 63.6% of landscape architects/architects in the state of Florida who stated they used custom pergolas in their landscape design have done an average of 1–5 pergolas annually and 28.6% stated to have done an average of 6–10 custom pergolas annually.

Conclusion:

The results guide the development of a strategic marketing and business model that will act as a financial restraint & mechanism to guide financial and business decisions; thus, safe guarding the business resources and maximizing shareholders' return-on-investment (ROI).