

## The Changing Face of Orchid Plant Merchandising

FRANK FORDYCE

**R**APID CHANGE is taking place in the merchandising of orchid plants on a world-wide basis. In past years, the merchandising of orchid plants has, because of its specific nature and specialized group of customers, been confined to two basic plant markets: the dedicated hobbyist who purchased either the selected clones or gambled on seedlings, and the commercial cut-flower grower who purchased for hybridizing purposes or the replacement of cut-flower stock.

During the 1800's and the early 1900's, orchid plants were purchased primarily by the very wealthy, as the orchid was rare and usually associated with newly collected exotic plants. It became the bench-mark of the wealthy horticulturalists of England and the continent. During World War II, it became necessary to stop most commercial orchid ventures and convert all available greenhouse space to the growing of vegetables and other needed crops. In order to save their finest clones, many of the historically famous orchid growers abroad exported a portion of their more valuable plants to the United States and into the hands of the few known orchid collectors who maintained greenhouses on their estates.

Because of their newness and rarity, orchid plants brought premium prices as they began to appear on the American scene. Commercial ventures grew out of a few of the large estate collections, and the orchid hobbyist began to emerge as an entity among horticulturalists. Some commercial growers favored the cut-flower business while others preferred the intrigue of breeding new hybrids to offer as pot plants and highly selected clones.

The American Orchid Society judging system was established and began to give recognition to the finest clones, thereby creating a demand for the recognized finest of the breed. The wealthy collected these cherished, awarded clones, and, as the economy grew, more of the average wage-earners found resources over and above their regular needs and discovered the delightful hobby of growing orchids.

Many commercial ventures began during the 1950's, 60's and early 70's. Most converted to the production of cut-flowers because it was a natural escalation from an overgrown hobby to a profit-making hobby-business on a part-time basis, while continuing a normal livelihood. Needed were plants, space, a little know-how and a minimal staff. The market was able to absorb the majority of all flowers produced at that time. The hobbyist was able to "have his cake and eat it too," until the tax shelter laws changed. The backyard grower found that this hobby-business was no longer quite profitable. As orchids grew in popularity, they became more competitive and the full-time commercial growers began to convert to mass production to fulfill the growing demand of the cut-flower markets.

In the mid 1970's, from a multitude of orchid producers, there evolved five to six major orchid pot-plant nurseries within the United States. While the scale of operation among growers was increasing, the total number of growers was diminishing. The trend continues towards fewer, larger producers, who are steadily expanding. Numerous full-time, commercial cut-flower growers, a large group of "retired income" backyard growers, as well as a substantial amount of "supplemental income" hobby growers have become established. A quick review of any major orchid periodical where orchids are advertised for sale will readily substantiate this trend.

Within the past two years, the merchandising of orchid plants has taken a major turn, based in part upon the rapid increase in the purchasing power of the Orient.

I have been in a unique position of having contact with a high percentage of growers from around the world as they visit the Rod McLellan Company in South San Francisco, either as tourists, or on orchid purchasing trips. It has been tremendously interesting to poll growers as to their opinion regarding the popularity of specific clones, growing trends, merchandising and growing techniques.

Tremendous interest has been shown by plant brokers and growers throughout the Orient, primarily from Japan, Taiwan and Thailand. Without doubt, the booming economy of Japan has been primarily responsible for the largest drain of selected U.S.A. clones in history. This sudden drain of selected proven clones and choice seedlings has caught American hybridizers off guard, having depleted their inventory of years of accumulated selected varieties. It takes a minimum of three to five years to again accumulate enough selected clones from which divisions may be offered. Plant merchandisers had not anticipated this sudden depletion and had not planned sufficient quantities of plants to cover this rapid increase.

Another major influence upon the availability of selected stock is the proposed patenting of choice orchid plants. Some growers are removing from any sales whatsoever their choice selected clones with the intention of holding the original mother plant and all subsequent mericlones from sale until a specific time when a limited amount of mericlones will be released at premium prices. Patenting allows a grower to control a specific clone's sale and its propagation. Although patenting is incidental to the sudden exodus of our fine clones and seedlings from the U.S. orchid scene, it, too, has made a notable impact upon orchid plant availability as growers have removed specific fine clones from sale until their mericlones grow to a salable size.

One is forced to ponder the future availability of orchid plants of quality. Will there be enough to supply the now universal demand? Will large hybridizer-merchandisers emerge to meet this demand? From all visible signs the temporary shortage of stock will be covered over a three-year period with mericlones playing an increasing role in the market place.

Although the orchid trade is currently suffering from a depletion of recognized quality stock, it is my personal opinion, following extensive discussions with orchidists from around the world, that although we have fewer major producers of orchid stock in the United States, we have an unprecedented quantity of backyard hobby-commercial growers who are filling that production gap. There are those that resent these fringe-businessmen, feeling that they tend to lower the general price and quality structure of the orchid plant market. It is my feeling that they actually give a much broader base and diversity to the product we are all growing and merchandising. Nationwide, small growers are producing new hybrids to meet recognized specific customer needs and, as they progress, they become aware that quality and diversity of genera is the demanding force behind the product they have chosen to grow. The smaller producer finds it necessary to specialize and build an image around a particular genera or line of breeding thus filling the very specific needs of the dedicated hobbyist.

Among the major commercial growers a new field of plant merchandising is evolving: the general public market. The convenience of the public or mass market outlet serves to introduce the consumer to the actual existence and availability of orchid plants. Recognizing that the "orchid hobbyist devotee" is extremely selective in his or her choice of plants to add to a collection, and possibly purchasing only ½ to 2% of an entire hybrid cross, major growers began searching for methods to merchandise the balance of their crop. Noting the boom in the green plant or house plant industry, they began to offer orchid plants directly to the general public through mass outlets: local garden stores in addition to their own specialty

shops. Because of this newly found enthusiastic market for average-quality plants, growers can now better plant their crops for color, season, and even genera. With this expanding market growers are finding the balance necessary to raise their crops profitably.

Faced with the cost of each hobbyist sale skyrocketing due to time-consuming personal selectivity, this new "public market" is a welcome addition to plant merchandisers. Since the public or mass market lacks the dedicated sophistication of the true hobbyist, it dovetails nicely with major producers of hybrid orchid plants allowing them to market not only the very choice clones to the hobbyist through direct sales but the average quality plants as well. This allows for a reasonable profit from the grower's four- to six-year investment. This newly discovered market thereby solves the major grower's total dependence upon the highly-selective hobbyist market and allows them to expand to meet new demands, still skimming the choice, select stock for the hobbyist. It also allows the needed room for the expansion of the smaller hobby-commercial growers to experiment in areas of hybridization not profitable to the larger growers. This serves as yet another means to meet the demanding needs of the dedicated hobbyist.

The natural tendency of the average hobbyist is to look with disdain at the mass producer of orchid plants whose partial income is derived from the unsophisticated general public sales area. The fact is that without the growing interest shown by the general public it would be impossible for any sizeable merchandiser of orchid plants to continue to exist in today's market because of the rapidly escalating costs of production. Additionally, after approximately two years of building their orchid collection, the hobbyists naturally become so selective in their wants that their purchases account for only a small fraction of any given hybrid that has been produced by the grower. How then is the larger grower able to dispose of the balance of the hybrids he has produced if he does not seek to sell to the general public.

It becomes obvious that orchids are rapidly becoming accepted by the public as the ultimate in pot plants, thereby allowing both the large and small growers an expanded market for their product. This does not interfere or jeopardize the selective hobby market in any fashion; hence, both areas can co-exist together because they share different market interests.

It is my feeling that the popularity of orchid plants has hardly begun. Presently, there is an eager and receptive market for literally any orchid plant in bud or bloom. It is not unusual for such merchants to retail such intriguing items as oncidiums, phalaenopsis, cymbidiums and paphiopedilums and from the vast quantity of "impulse buyers" will come many of the more selective hobbyists of the future.

One of the major weaknesses in the mass form of marketing is the conveyance of "how to grow" information, and this facet is one that needs constant attention.

There have always been skeptics, who, when faced with any deviation from the norm, have voiced alarm and skepticism at the future of the popularity of orchid plants sold on a mass basis. These folk tend to live in that narrow, protected environment of the super-specialists who tend to recognize only their specific interests.

There are changes taking place in the marketing of orchids, and there is a wide world of plant lovers who are waiting to be introduced to this fascinating family. There are certain things in life that bring beauty and refinement into the lives of people and I firmly believe that orchids are among them. Let's share that wealth with as many as possible. — *Rod McLellan Company, 1450 El Camino Real, South San Francisco, California 94080.*