

Building social capital through branding: The case of northwest Ohio's greenhouse industry

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Presentation Outline

- Northwest Ohio greenhouse industry
- Cluster-based economic development
- Northwest Ohio greenhouse cluster
- Building social capital



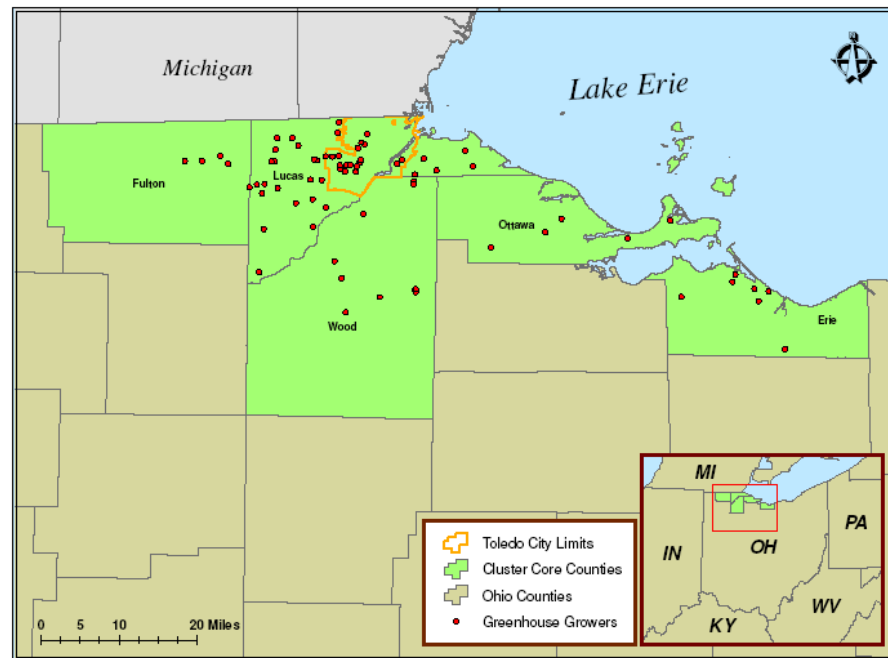
Northwest Ohio greenhouse industry

Northwest Ohio's greenhouse industry

- 82 greenhouses
- Economic impact of \$100 million
- Nationally a top producing region
- Family-owned
- Flowers and bedding plants dominate
- 78% sold in Ohio



Northwest Ohio greenhouse locations



NW Ohio greenhouse industry, SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none">■ Critical mass of growers■ Extensive grower experience & knowledge■ Passionate and committed growers■ Predominantly family-owned and operated■ Large regional production capacity■ Access to local university, extension, and Agricultural Research Service expertise	<ul style="list-style-type: none">■ Historically, little collaboration between growers■ No identifiable market brands■ Lack of strategic marketing■ Small size of individual growers■ Generational nature of business■ Heavy reliance on traditional sources of fuel■ Old greenhouse buildings■ Dated production technology■ Limited access to capital
Opportunities	Threats
<ul style="list-style-type: none">■ Increase collaboration with each other■ Capitalize on latent market demand■ Develop identifiable market brand and improve marketing■ Develop niche markets■ Alternative energy options available in region■ Adhere to higher quality standards	<ul style="list-style-type: none">■ Global competition■ Price wars with regional competitors■ Big Box store purchasing agreements■ High utility costs

Collaborating to compete

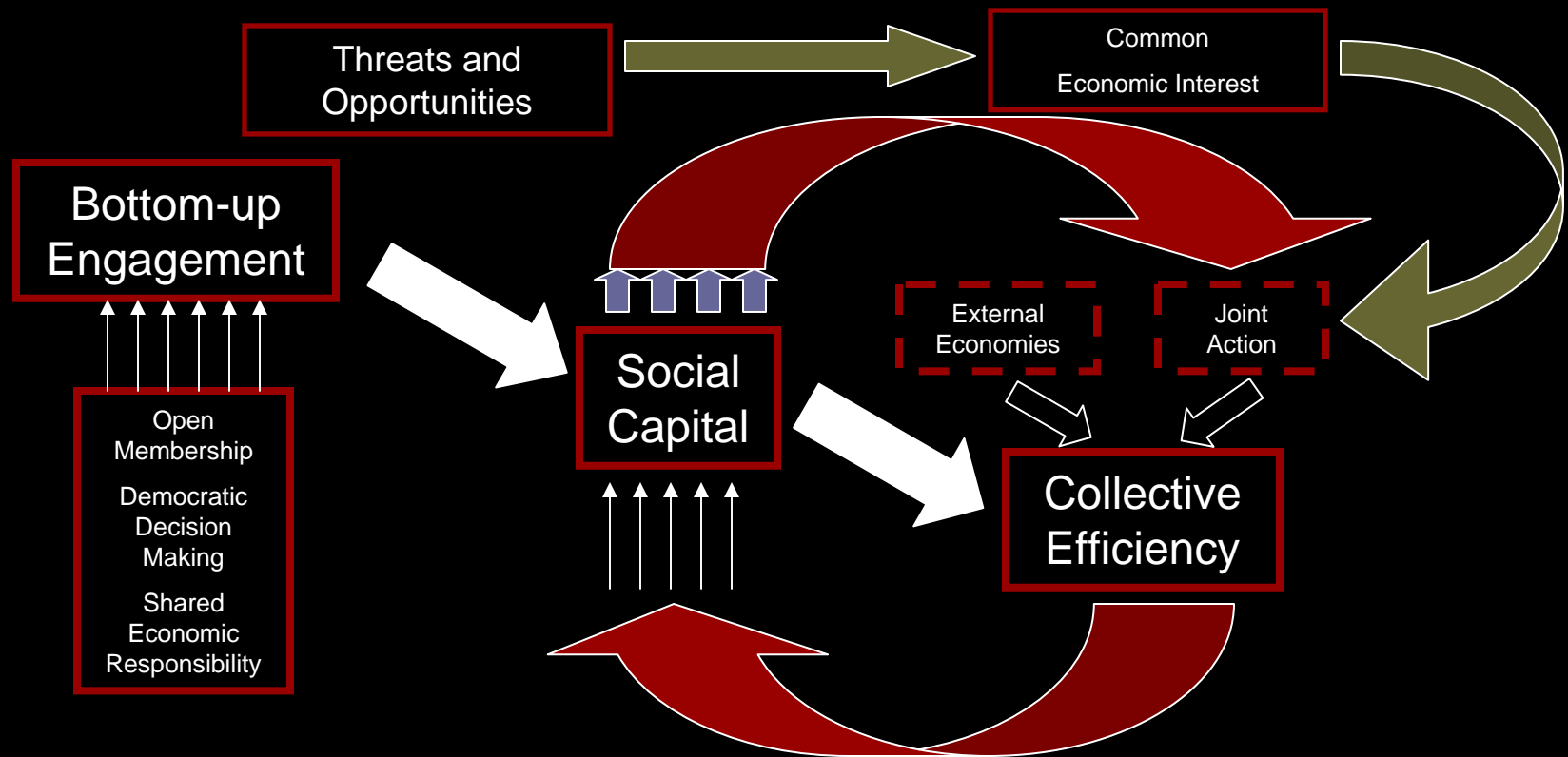
“If we don’t pull together to identify and solve our own problems, we will surely lose a number of greenhouses”

(Dick Bostdorff, Owner,
Bostdorff Greenhouse Acres,
Bowling Green, Ohio)



Cluster-based economic development

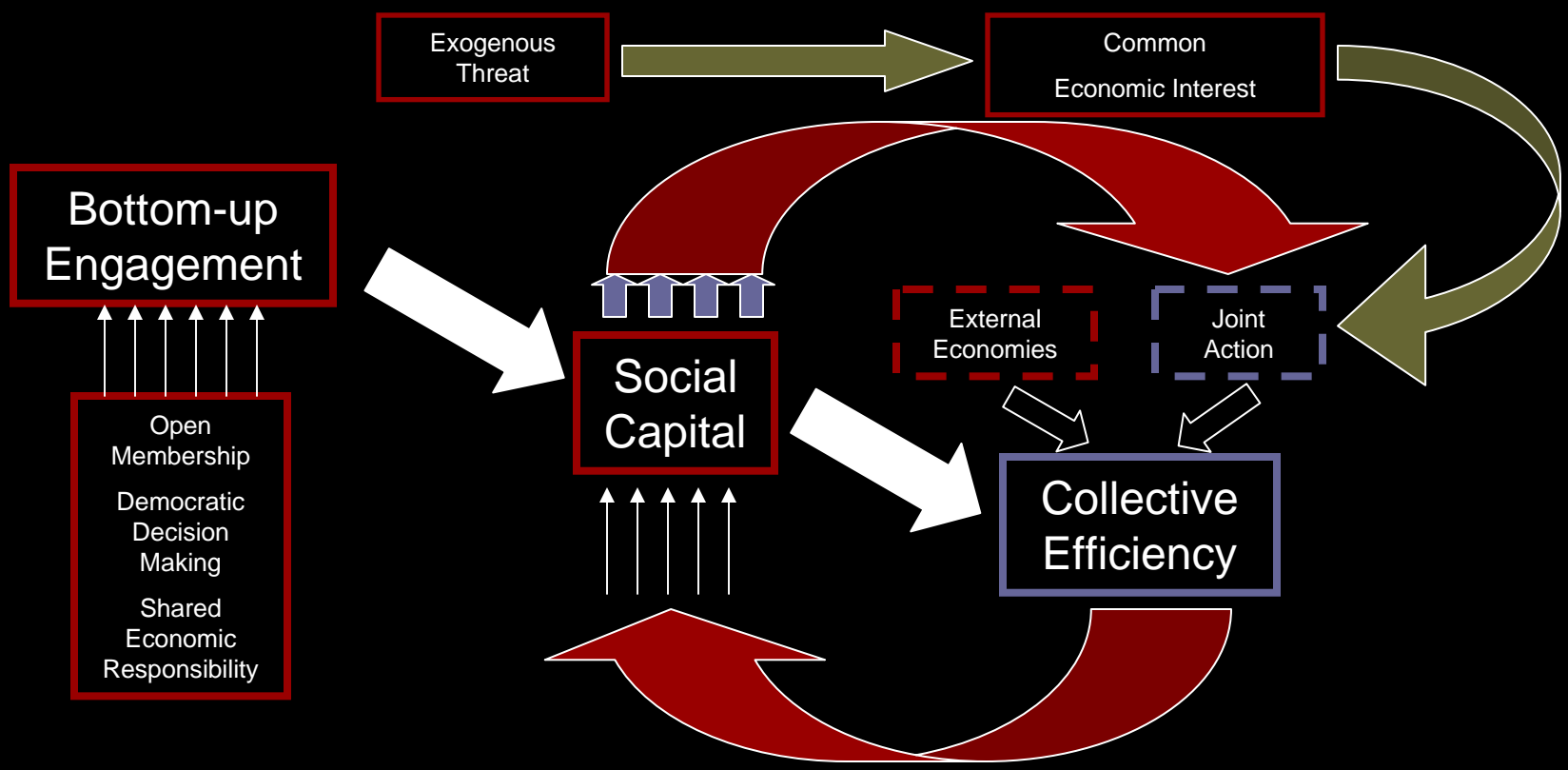
Cluster-based economic development



Northwest Ohio greenhouse cluster

Dynamics of NW Ohio greenhouse cluster

Joint action and collective efficiency



Joint action and collective efficiency

■ Collective Efficiency

- The competitive advantage that can be attained through a combination of *external economies of scale* and *joint action* (Schmitz 1995)



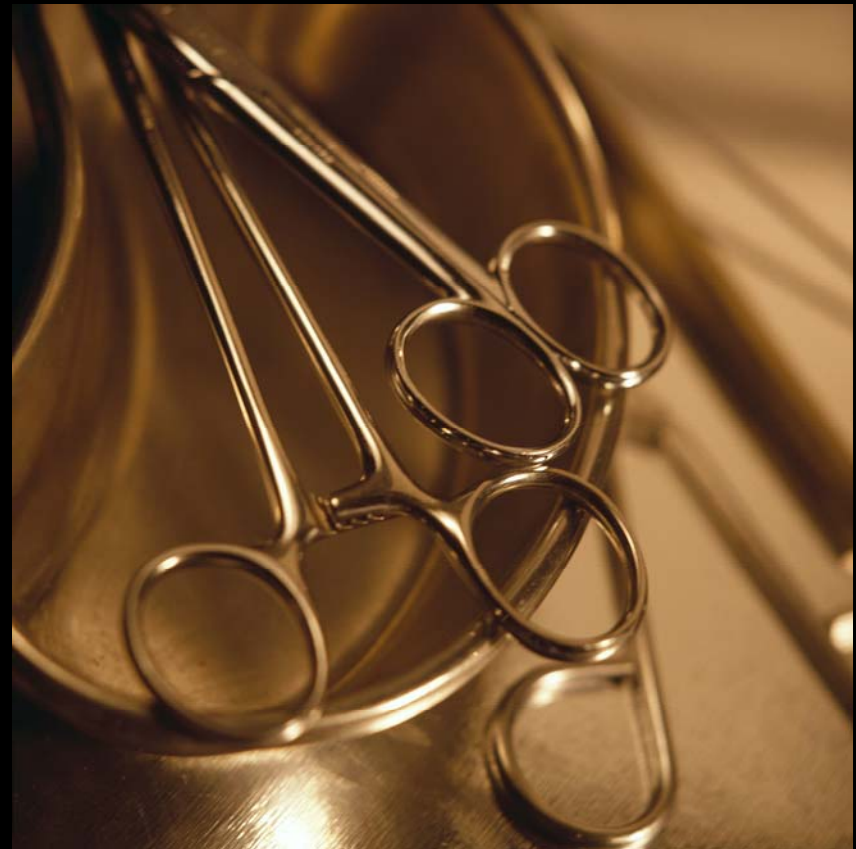
Catalyst for joint action

- Numerous studies show that an exogenous crisis is often the catalyst for joint action among competing producers



Catalyst for joint action

- Surgical instruments industry in Sialkot, Pakistan
 - Need to improve quality to meet international assurance standards (Navdi 1999)



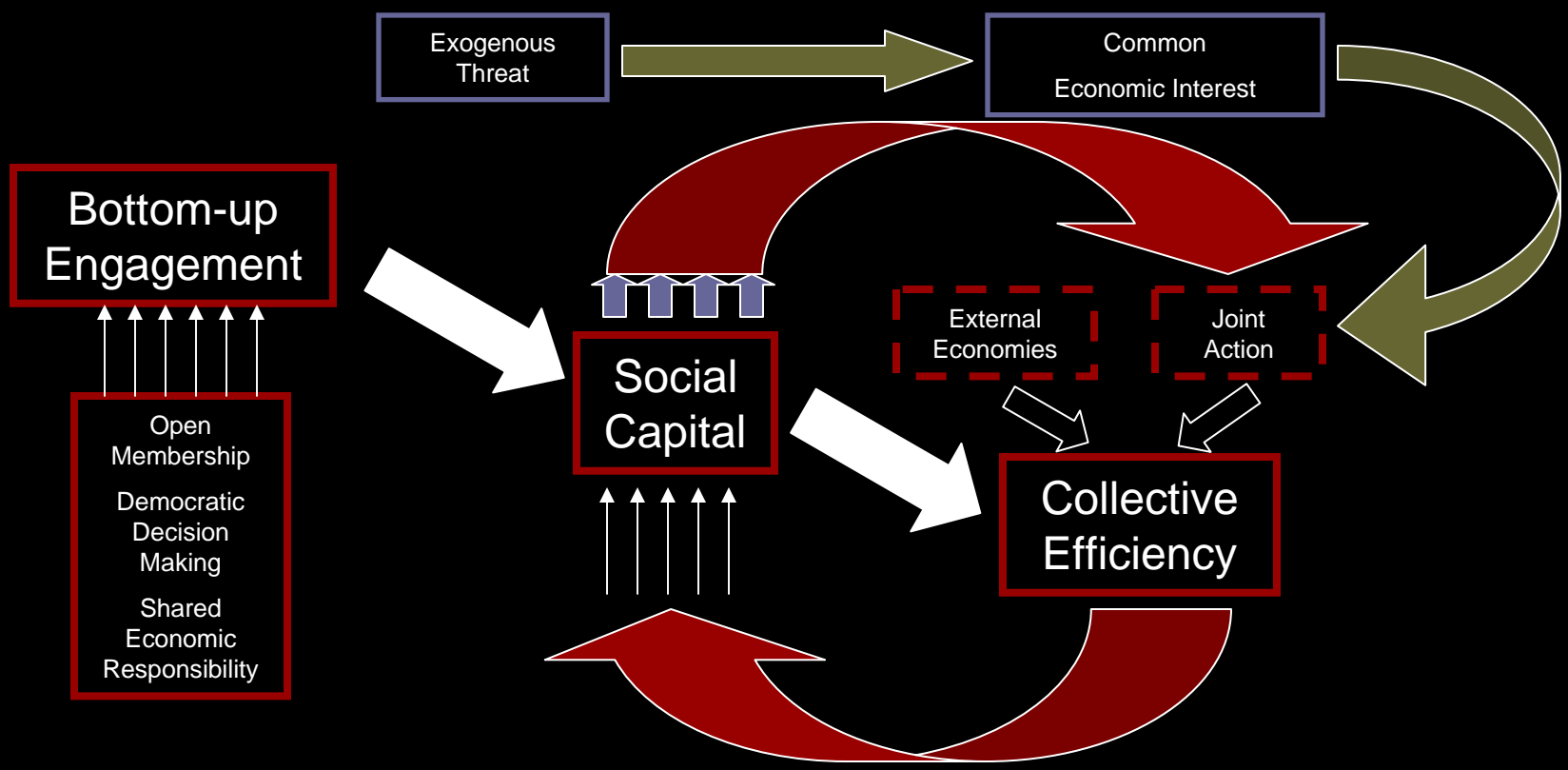
Catalyst for joint action

- Danish livestock and dairy industry, 1870s
 - Decision of German government to impose stiff duties on import of Danish livestock (Svendsen and Svendsen 2000)



Dynamics of NW Ohio greenhouse cluster

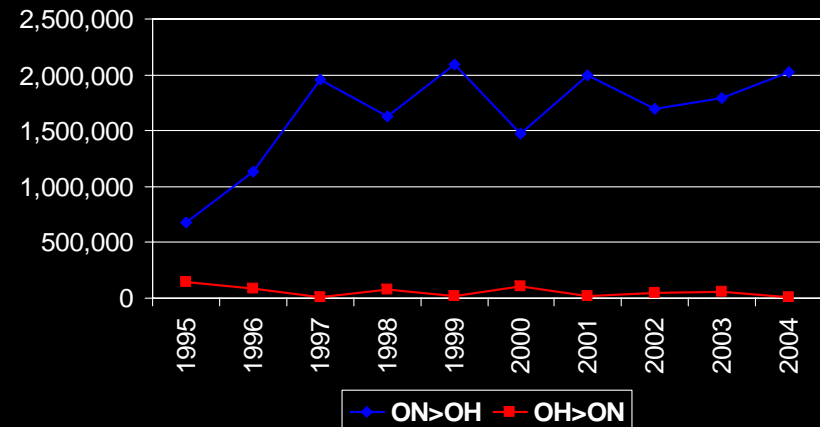
Exogenous threats and common economic interest



Exogenous threats and common economic interest

- Presentation of cluster concept to 8 growers in October 2004
 - Canadian competition
 - High energy costs
- Follow-up meeting in December 2004

Ontario-Ohio Floriculture Trade, 1995-2004



Selling the cluster concept

- Presentation to Toledo Area Flower and Vegetable Growers Winter Conference in January 2005



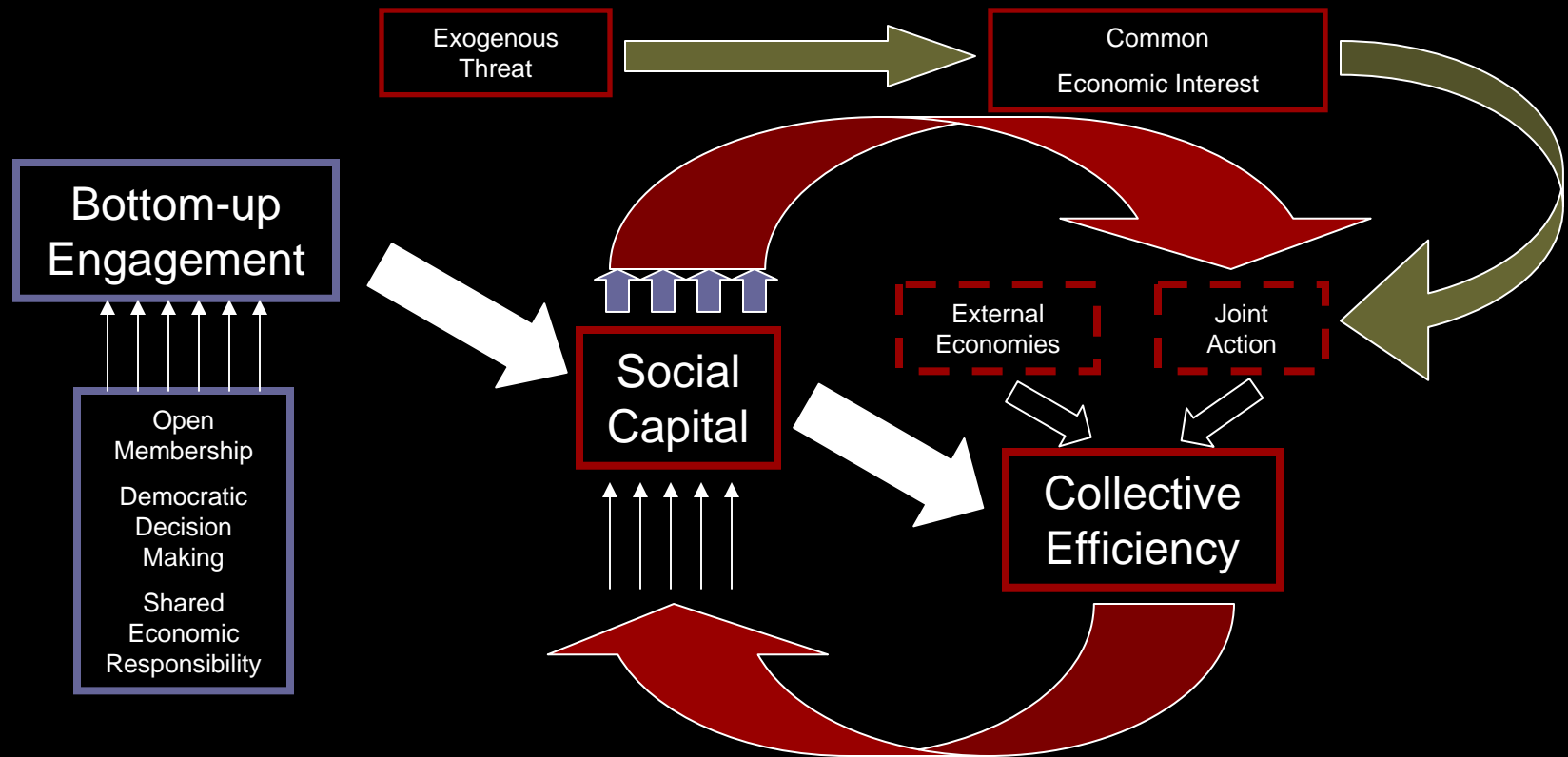
The cluster infrastructure

- Advisory Board (January 2005)
- Project Manager (January 2005)
- Champion (May 2005)
- Ambassadors (April 2006)



Dynamics of NW Ohio greenhouse cluster

Bottom-up engagement



Bottom-up engagement

Open membership

- Open membership
 - All growers were invited to become part of the cluster



Bottom-up engagement

Democratic decision making

- Growers numerically dominant on Advisory Board
- Key decisions are made by growers
- All growers in attendance at Advisory Board meetings can vote
- Decision of choice of cluster champion and first cluster project made by growers



Bottom-up engagement

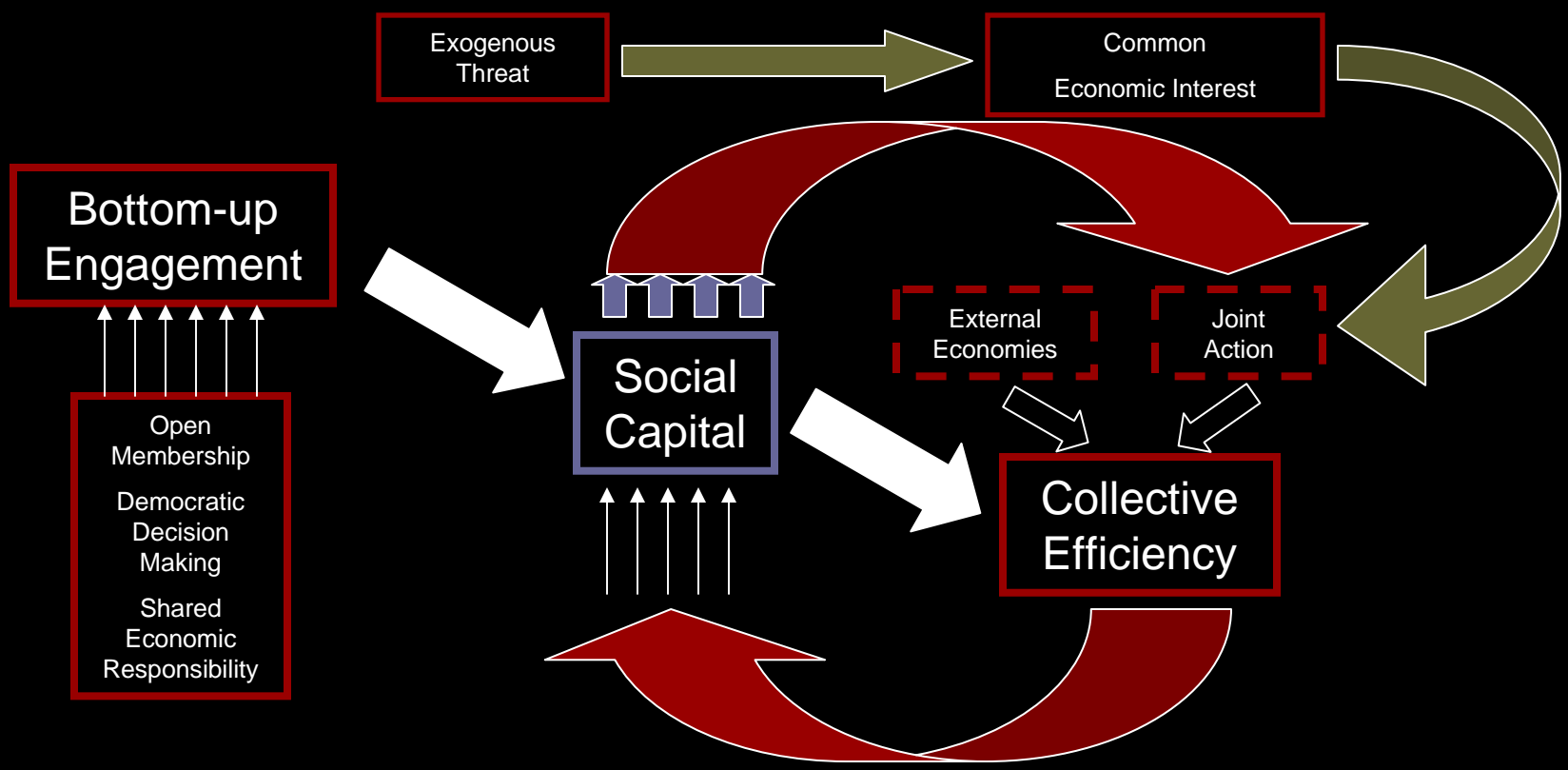
Shared economic responsibility

- Cluster participation has been free to growers
- Benefits of cluster equally available to all growers in the region



Dynamics of NW Ohio greenhouse cluster

Social capital



Building Social Capital

Social capital

- “the stock of active connections among people: the **trust, mutual understanding, and shared values and behaviors** that bind the members of human networks and communities and **make cooperative action possible**”.
- Cohen and Prusak (2001)



Level of trust

- Growers did not trust us (the academics)
- Growers did not trust the government (source of funding)
- Growers did not trust each other



Building trust

- Giving growers decision making control
- Identifying a first project that helps to build trust



Building trust

The first project

- First project had to meet a number of criteria
 - Had to meet grower need and bring demonstrated to the industry
 - Had to have high potential to build collaboration and trust among growers
 - Had to be non-threatening to growers
 - Had to have a high probability of success



Building trust

The first project

- Two projects identified by growers
 - Branding and marketing
 - High energy costs



Building trust

The first project

- August 2004
 - Branding and marketing company hired
 - Chosen by the growers
 - Locally-based company



Building trust

The first project

- Thread had to develop trust of growers
 - Attended Advisory Board meetings
 - Accompanied Champion on his visits
 - Involved growers heavily in brand development



Building trust

The first project

- November 2005
 - Maumee Valley Growers established

MAUMEE VALLEY GROWERS

Choose the Very Best.



Building trust

The first project

■ Spring 2006

- Marketing campaign launched
- Consumer-oriented website launched

(www.maumeevalleygrowers.com)



MAUMEE VALLEY GROWERS
Choose the Very Best.

Do the Bloomin' Right Thing...

Buy locally grown plants and flowers to help our region grow!

Support homegrown businesses for all your planting needs and discover:

- Friendly, knowledgeable assistance
- Helpful gardening tips and design ideas
- A fabulous selection of type, color and size
- Beautiful, high quality plants and flowers

So the next time your green thumb is itching to get growing, get going to your neighborhood greenhouse. There's a Maumee Valley Grower in every neighborhood in our region, please show them your support:

Erie County Cleveland Road Greenhouses	Putnam County Indian Trails Greenhouse & Nursery McAdams Greenhouse	Lucas County Barrow's Greenhouse Bench Farms Bittersweet Farms Country Side Gardens David Bench Farms Dennis Greenhouses Florandscape Inc. Gedert Greenhouse Hecklinger Greenhouse Inc Hillview Greenhouse Inc Hoen's Greenhouse Keil Greenhouse Knitz Greenhouse Natter Greenhouse Ohlman Farm & Green House Schneider Landscaping-Garden Schweizer Farms and Greenhouse Sprague Farm Market & Greenhouse Tom Strain & Sons & Daughter Too! Tony Keil Rhodes Garden Fresh Wardell's Farm Market Warmke & Son Nursery Inc Wenz Brother's Farm LTD
Fulton County C.J. Brick Greenhouse Inc Jeffers Greenhouse Schmidlin Greenhouse Schmidlin Produce Inc	Sandusky County Schmittuz Gardens	
Hancock County Village Green Landscape	Wood County Bostdorff Greenhouse Klatz Floral Garden Center Lakewood Greenhouse, Inc (Wholesale) Naturally Native Nursery	
Henry County Hastedt Family Greenhouse	North Branch Nursery Obie's Flowers Wolf's Blooms & Berries	
Ottawa County Thompson Landscaping Inc Wistinghouse Florist & Greenhouse		

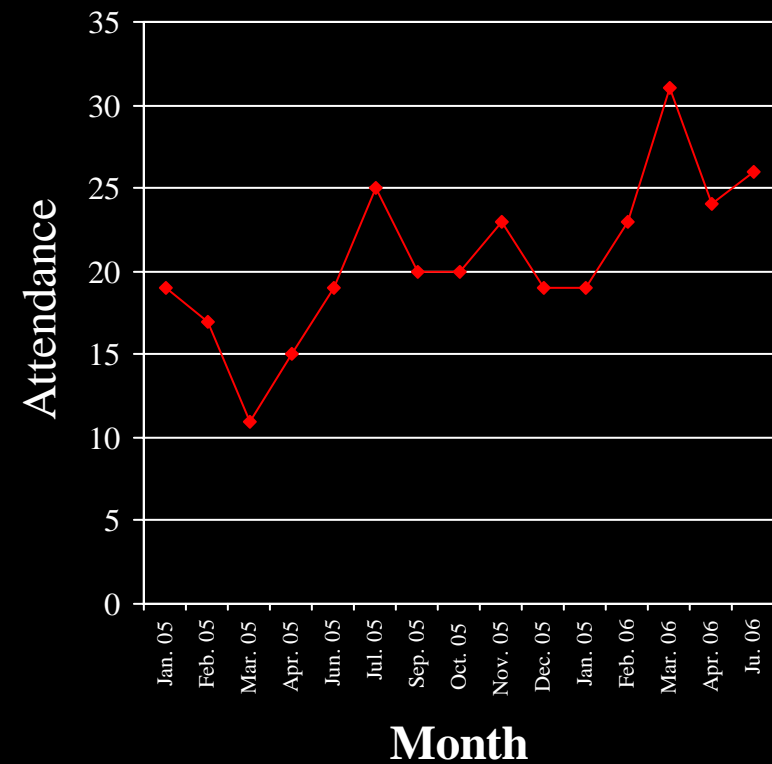
Maumee Valley Growers is an association of neighborhood growers who are dedicated to growing the Northwest Ohio floriculture industry by producing locally grown, quality plants for gardeners in our region. Through their collaborative efforts and your support, we can make a strong and positive impact on our local economy.

Choose the Very Best. Choose a Maumee Valley Grower.

maumeevalleygrowers.com

Metrics of Success

- Interest in the cluster has increased
- Growers are talking more with each other
- Growers have exhibited higher levels of ownership of Maumee Valley Growers



Challenges ahead

- Building more trust
- Engaging more growers
- Building the brand



Challenges ahead

- Addressing the energy cost challenge
- Transitioning away from federal funds



Acknowledgements

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