

## **(Containerized Table-Top Christmas Trees: Part I. Consumer Demographics and Grower Perspectives**

Submitted by

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From 1996 to 2003, the percent of households in the United States using a live Christmas tree declined from almost 50% to 27% (Drake, 2004). Another source (Helmsing, 2004), noted that sales of live trees have decreased from 35 million in 1990 to 23 million in 2002. To regain market share or develop new markets, it is necessary to understand why consumers are choosing options other than live trees for their homes during the Christmas holidays.

Marketing surveys have been conducted to better understand any problems or concerns consumers might associate with live Christmas trees. Issues included transporting the tree home, messiness due to needle drop and difficulty of removal after the holidays (Florkowski and Lindstrom, 1995). Survey participants listed inconvenience (69%), mess (55%), and fire hazard (45%) as the main reasons why they choose not to use live Christmas trees (Drake, 2004). Clearly, solutions to these problems and an investigation of alternative products needs to be considered to prevent a greater level of dissatisfaction among consumers regarding live Christmas trees.

The study consisted of surveying two separate groups at different sites: 1) Pennsylvania Christmas tree growers who attended the Pennsylvania Christmas Tree Growers Association (PCTGA) summer meeting at Rock Springs, Pennsylvania, 8 Aug. 2003, and 2) consumers who attended Ag Progress Days, Rock Springs, Pennsylvania, 19 and 20 Aug. 2003.

Consumer participants were asked to respond to questions regarding: 1) past Christmas tree purchases, including table-top trees; 2) if applicable, why only artificial

trees were displayed; 3) where trees were displayed in their home; and 4) demographic questions. Growers were asked to answer questions pertaining to: 1) current and future Christmas tree production practices, including table-top trees; 2) opinion concerning consumer demand for table-top trees; and 3) demographics.

## Results

### *Consumer participant demographics and past Christmas tree purchasing and usage.*

A total of 392 consumers participated in the survey, of which the following demographics were identified:

Demographic	Percent of consumer participants
Female	63%
Household income of \$59,999 or less	56%
Lived in a household with at least one other adult	89%
Lived in a household without children	65%
49 years of age or older	50%
Lived in a home with at least 2,000 sq ft of floor space	51%
Had earned at least an associates or technical degree	50%
Lived in Pennsylvania	92%

Ninety-three percent of respondents had displayed a Christmas tree indoors during the holidays with 69% of participants displaying a live tree in 2002. On the average, only one live tree was displayed in the home, however, in some instances, up to four trees were displayed. The average number of artificial trees displayed in the home was also one, but zero to seven trees were also reported.

Reasons for the use of more than one tree included: (1) participant enjoys decorating for the Christmas holiday and likes to decorate more than one tree (54%); the trees added decorative features for entertaining (44%); a separate tree was used for a family member's private bedroom (25%); and an additional tree was needed to display extra ornaments (15%). The primary locations where Christmas trees were displayed included the living room (76%), family room (37%), and dining room (10%). Other less popular locations, less than a 5% response, included: outdoors at the home's entrance, on balconies and decks, a hallway/foyer, the den, the kitchen, master and secondary bedrooms, and in a four-seasons room or conservatory.

To better understand what might limit a consumer from purchasing a live tree, participants who only displayed an artificial tree in 2002 were asked to indicate the reason(s) for not using a live tree.

Reasons	Percent response
Would rather not have to pay for a live tree each year	54%
Problems with maintenance (watering, cleaning up fallen needles)	48%
Too difficult to disassemble and dispose of	36%
Too difficult to transport and assemble	33%

Worried that pets and children would play with and/or damage the tree	30%
Allergies/allergic to live Christmas trees	27%
Available trees were too big for the space in the home	23%
Couldn't find a tree the family or the participant liked	18%

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Participants were asked to indicate where they have purchased live Christmas trees in the past. Sixty-four percent had purchased their trees from a Christmas tree farm; 17% from a road-side Christmas tree stand; 16% from a garden center or retail nursery; 13% didn't purchase but used a live tree from their own property; 12% from a fund-raising organization; 7% received the tree as a gift; 5% from a home improvement store; 2% from a grocery store; and less than 1% purchased from the Internet or by mail.

The purchase of a live Christmas tree is usually a family activity. Forty-three percent of participants responded that they were present when the live Christmas tree was purchased from a retailer, 54% of their spouses or significant others, 33% of their children and 16% stated that other household members were present at the time of purchase. Other individuals who were at the retailer when the tree was purchased included a friend of the participant's child (3%) and the participant's adult friends (1%).

Sixty-one percent of participants were aware that table-top Christmas trees were available for purchase. Twenty-four percent of participants actually purchased a table-top Christmas tree in the past, with 63% of these trees purchased in a container and 29% purchased as cut trees to be displayed in a tree stand. An additional 8% of these participants reporting that they purchased both containerized and cut table-top Christmas trees. Participants who purchased table-top Christmas trees also indicated where the tree was displayed. Sixty-nine percent of the participants who purchased a table-top Christmas tree displayed the tree in their own home, while 44% gave the tree as a gift.

Of those who purchased a containerized table-top Christmas tree, 9% indicated that they had discarded the tree after Christmas, 5% gave the table-top Christmas tree to friends or family after the holidays, and 86% planted the tree in their yard. Hence, it appears that a majority of consumers may be planting the trees in their yards to enhance their property with a landscape tree. Thirty-seven percent reported that the table-top tree survived for two or more years, while 49% reported that it didn't survive the first year after planting.

*Grower participant demographics, past Christmas tree supply and future table-top tree production.*

A total of 113 growers who attended the PCTGA summer meeting participated in the survey of which the following demographics were identified:

Demographic	Percent of grower participants
Christmas tree operation is entirely wholesale	29%
Christmas tree operation is entirely retail	10%
Christmas tree operation is 75% retail	50%
Christmas tree operation has a re-wholesaler component	4%

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Gross sales for 2002 were \$50,000 or less	46%
Has been growing Christmas trees for 20 year or less	52%
Grew Christmas trees on 30 acres of land or less	48%
Average number of employees, including the survey participant, in 2002:	
Full-time	3.1
Part-time	2.7
Season workers	7.2

Most growers were from Pennsylvania (86%), with the remaining from surrounding states including Ohio (3%), Maryland (6%), New Jersey (2%), and New York (3%). Growers reported selling Christmas trees through retail outlets such as seasonal lots (20%), road-side stands (15%), on their Christmas tree farms (78%) and through the Internet (10%). Other means included wholesale to garden centers or retail nurseries (34%), home improvement and grocery stores (4%), and fund raising organizations (26%).

When asked about past experience with selling table-top Christmas trees, either containerized or cut, 63% of growers reported that they did so in the past. Of these growers, 93% reported that they would do so again during the 2003 holiday season, with 46% planning to increase the number of table-top Christmas trees they grew for future sales and 54% planning to grow the same number. Almost all of the growers who sell table-top Christmas trees (96%) encouraged their customers to plant the trees after the holiday season. Of the growers who didn't sell either containerized or cut table-top Christmas trees, 50% responded that they didn't do so because the market for full-sized trees was good; 32% indicated that different management procedures are required for growing table-top Christmas trees than full-sized trees; 11% didn't believe they had a market for table-top Christmas trees; and the remaining 7% indicated that they were either new to the business as Christmas tree growers or their trees were not yet large enough for sale.

When asked their opinion concerning consumer demand for cut table-top Christmas trees, 59% believed demand would increase, 34% believed demand would remain steady, and only 7% believed demand would decrease. When asked about consumer demand for containerized table-top Christmas trees, growers indicated that they believed demand for these trees would be even greater. Sixty-eight believed demand would increase, 30% believed it would remain the same, and only 2% believed it would decrease. Growers were also asked about profitability of cut table-top Christmas trees compared to full-size cut trees, classified as 6 to 8 ft or 8 to 10 ft in height. Twenty-five percent believed they were more profitable than full-sized cut trees, 22% believed they were less profitable, 18% believed the profitability was the same and 35% either don't know or had no opinion.

## **Conclusion**

Ninety-three percent of the consumer participants responded that they have displayed either a real or artificial Christmas tree in their own home, a higher percent than the 79% of those who participated in a survey conducted in 2003 (Drake, 2004). Consumers who participated in this survey also appear to have a greater interest in using live Christmas trees. Sixty-nine percent of these participants displayed a live Christmas tree in their home as opposed to recent data that indicated that 27% of consumers did so (Drake, 2004). With an audience already willing to use a live Christmas tree indoors, a live containerized table-top Christmas tree could be relatively easy to introduce to this population. In fact, 61% of participants were aware that table-top Christmas trees were available for purchase, with 24% having actually purchased this product in the past, mostly in the containerized form. For those participants who didn't display a live tree, when given the option of choosing either an artificial tree or no tree at all, a live containerized table-top Christmas tree might provide a clean, low maintenance, environmentally friendly alternative.

Data also indicated that participants used more than one tree to decorate rooms in their home or outdoor entrances and patios. Participants also indicated that they displayed more than one tree because they liked to decorate for the holidays and they wanted an added decorative feature for entertaining. According to national statistics available from the U.S. census, the square footage of floor area in new one-family homes increased during the period from 1973 to 2002. Data indicates that there were no new homes 3,000 square feet or larger built in 1973, however, 19% of homes built in 2002 were included in this category (U.S. Census Bureau, 2002). Other evidence demonstrates that newly built smaller homes with under 1,200 square feet are becoming less common, with only 5% built in 2002 as compared to 25% in 1973. With the increased square footage newer homes offer for entertaining family and friends, table-top Christmas trees can fill voids and/or decorate rooms where guests socialize.

Another aspect that could be promoted is the use of a table-top Christmas tree as a gift item. Approximately 6% of the consumer participants reported that they have given a table-top tree as a gift in the past. Table-top trees may appeal to gift givers looking for alternatives to more common offerings. Creating point-of-purchase materials that methodically outline care and handling, as well as planting of containerized table-top trees after the holidays, could appeal to those looking for added-value. As indicated by the results from this survey 86% of those who purchase a containerized table-top Christmas tree planted it in their yard, however approximately half (49%) of these participants responded that the tree didn't survive the first year after planting.

After analyzing these survey results growers and retailers could position their table-top Christmas trees to meet a variety of consumer needs: 1) as an alternative to an artificial tree; 2) an addition to other trees they use to decorate their home; 3) serve a dual purpose as a landscape tree (containerized table-top trees); or 4) as a gift item. The next step is for growers and retailers to inform consumers about potential uses and how to achieve desired results, for example: 1) how to successfully care for and plant a containerized table-top tree outdoors after the holiday season or 2) using table-top Christmas trees to decorate the buffet table for their next holiday party.

## Literature Cited

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