

garden centers of america **garden retail trends report**

May 2018

Garden Centers of America (GCA) has a renewed vigor and is continuing to expand the services available to you. As part of this expansion, we have revamped the whole concept behind our monthly newsletter. It is the goal of GCA to provide you with the information and resources to help you grow your business. Garden Retail Trends Report is designed to keep you on top of what's hot in retailing, both within the industry and out.

Heard the Buzz? Gardening Is at an All-Time High



Get ready for a busy year - the number of gardening households is at an all-time high, and the number of younger gardeners has increased, according to the National Gardening Survey by Garden Research. The national survey reveals that 77 percent of American households are gardening, and increasingly the gardener is a young man (27 percent of males between 18-34 years old reported increased participation in lawn and garden activities last year, compared to 23 percent in 2016).

The survey finds the proportion of older gardeners is holding steady (35 percent), but younger households reached a high in gardening participation. "From small beginnings with a succulent here and a houseplant there, the under-35s are now truly engaged in the full range of gardening activities," industry analyst Ian Baldwin tells Garden Research. "18- to 34-year-olds now occupy 29 percent of all gardening households. It's a strong sign that they are finally 'in.'"

The survey reveals that the young gardener is investing in knowledge, but rather than getting glossy, coffee-table books, many of these gardeners acquired information from gardening apps websites.

Overall, American gardeners reported spending a record \$47.8 billion on lawn and garden retail sales, the highest ever, with a record average household spend of \$503 - up nearly \$100 over the previous year.

Container gardening and landscaping set new highs in gardening sales, too. If gardeners have the budget, they're investing in raised beds, says Baldwin. Indoor gardening is also making a big comeback, with 30 percent of all households buying at least one houseplant, calling back to the '70s and '80s when almost every home had various sizes and shapes of non-flowering plants in pots or macramé hangers.

The National Gardening Survey also includes information on cannabis for the first time - 33 million households (27 percent) say it should be legal to grow for personal use, and 19 million households (15 percent) say they would grow cannabis if it were legal to do so.

To read the entire survey, visit www.gardenresearch.com.



Omnichannel Retailing Is Key to Running a Profitable Garden Center



Did you know how truly influential your garden center staff is to the customer's shopping journey? New data from InMoment's Retail Industry Report reveals that customers spend twice as much in-store when they receive assistance from a sales associate. Furthermore, they spend 2.2 times more when they visit a retailer's website in-store - all the more reason to make sure your garden center's website is armed with relevant content, gardening inspiration and an accurate inventory list.

The report, which surveyed more than 25,000 North American consumers, touched on customers' experiences throughout their shopping journey, from their decision to visit the store to the in-store experience and their feelings post-purchase.

Mobile browsing won't necessarily lead to showrooming, says InMoment. A consumer's average single-trip spend increases nearly four times when engaged by both in-store associates and the retailer's website, indicating that the more help a consumer receives - digital or human - the more he or she is willing to spend.

"Despite fears that brick-and-mortar buying might lose its relevance, in-person shopping has transformed into an omnichannel opportunity to sell more, and deepen customer relationships," Dr. Paul Warner, Vice President, Consumer and Employee Insights at InMoment, says. "For retailers, it's not about choosing one channel over the other, but rather leveraging each for their unique strengths. Online storefronts can showcase selection, while your people can provide personalized care. It's this combination of the human and the digital that increases conversions as well as overall loyalty."

Here are some additional insights from the report:

- Of those who visit the store's website while in a brick-and-mortar location, 72 percent were younger than 44 years old, with the highest proportion of visitors (26.1 percent) coming from the 35- to 44-year-old demographic.
- Consumers ages 18-24 are almost twice as likely to visit the retailer's website before a store visit when compared to all other age groups.
- Forty-one percent of consumers under age 34 say research was the primary reason they prefer to shop online.
- The technology and entertainment sectors saw the largest increase in spend (3.9 times greater) when consumers reported having an interaction with staff versus those who did not.
- Garden centers must hire the right personnel and provide initial and ongoing training, in addition to helpful resources to assist customers. Ensure that what employees recommend in-store is consistent with what shoppers can find online.

Creating a mobile solution and user experience that meets targeted customers where they are and with the information they desire is crucial. This can include product specs, purchasing details, inventory status, return policy, store locations, hours and more. You should also create a mobile app for your garden center that puts product information front and center.

If you're worried your garden center's website isn't updated enough to drive more spending in-store, or you aren't sure what "omnichannel retailing" entails, then attend John Kinsella's Continuing Education @ IGC track, "Using Online Commerce to Build Store Foot Traffic & Sales," this summer at the IGC Show in Chicago, August 14-16. Kinsella will go into detail on the tools you need to build up and successfully maintain your garden center's website in order to drive sales and customer loyalty to your brick-and-mortar garden center. For more information, visit www.IGCShow.com.

Millennial Parents Shop Differently Than Those of Previous Generations, New Study Reports



As Millennials hit their late 20s and 30s, many are reaching their next step in life: parenthood. Findings from the National Retail Federation's (NRF) quarterly Spring 2018 Consumer Engagement report reveals how these new parents shop, spend and engage with brands differently than parents in other generations.

"The Millennial generation has at turns confounded, inspired and challenged researchers and analysts with their spending habits," Katherine Cullen, NRF Director of Retail and Consumer Insights, says. "As many Millennials move into parenthood, we are beginning to see how their expectations and shopping preferences compare with those of previous generations. Whether it's using a subscription service to make sure diapers don't run out or going online to research the best crib or car seat, Millennials shop differently than other parents."

Between 1981 and 1994, Millennials are parents to 50 percent of today's children - more than 1 million Millennials become new mothers each year. Millennials make a significant contribution to the \$1 trillion U.S. parents spend annually on raising their children.

Millennial parents differ from other parents both in their lifestyle and shopping choices. According to the report, 40 percent hold a graduate degree, which is more than double the 19 percent of other parents, and 69 percent of respondents earn more than the national median income of \$59,000 a year, compared with 53 percent of other parents. Millennials also hold a positive outlook on their futures: The generation's consumer confidence has risen by more than 20 percentage points since 2008, and a third feel that their financial situation has improved over the last year. Eighty percent of Millennials with children are in their 30s.

Here are some additional insights from the report:

- Seventy-eight percent use their phones to research products (compared with 58 percent of other parents), 75 percent to check prices or availability (also compared with 58 percent) and 71 percent to pay at checkout or place an order (51 percent).
- In addition, 71 percent will leave a review, process a return or chat with other parents after purchasing, compared with 43 percent of other parents.
- Millennial parents are often in a hurry, and 86 percent have used same-day shipping, compared with just 67 percent of parents from other generations. And they're willing to pay for convenience - only 53 percent expect free shipping on small orders under \$50, compared with 66 percent of other parents.
- Subscription services - which can supply automatic refills and discounted prices on items such as diapers, formula and baby wipes - are used by 40 percent, compared with 18 percent of other parents.
- Millennial parents say where they shop matters, with 44 percent only shopping at stores that reflect their social or political values, a factor cited by only 23 percent of parents from other generations.
- Once a retailer gains the loyalty of Millennial parents, they are much more likely to stick with it than other parents. The survey found 49 percent remain loyal to a retailer despite cheaper options, compared with 30 percent of other parents.
- Fifty-two percent will remain loyal despite more convenient options, compared with 35 percent of other parents, and 64 percent will shop at a store they are loyal to before looking at a competitor, compared with 54 percent of other parents.

"To keep parents of any generation happy, retailers must deliver on both price and quality," Cullen says. "But Millennials are very concerned about good customer services and are twice as likely to back out of a purchase for lack of it. For Millennials, service ranks ahead of convenience, selection and loyalty programs."

Now Trending in Garden Retailing . . .

- Brick-and-mortar stores are still relevant in younger customers' shopping journeys. **Of Generation Z consumers surveyed, 98 percent shop in-store some or most of the time**, according to the "What Do Gen Z Shoppers Really Want?" report from IBM and National Retail Federation.
- Your garden center's website should be full of valuable gardening tips and product information. **More than half (54 percent) of shoppers say they feel more confident in their online purchases if the retailer offers detailed product specifications.** Meanwhile, **49 percent feel more confident if a product listing has extra content available**, reveals the "Enabling Experience-Driven Commerce Anytime, Anywhere" report from Avionos.
- Making changes to your garden center signifies industry development. The top three changes that retail small business owners anticipate making this year include: **expanding their business' online presence (36 percent), venturing into new product lines or categories (34 percent) and raising employees' wages (21 percent)**, according to the NRF Retail Small Business Owner Survey 2017.

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Big Box Giant Goes Seamless: Walmart Debuts Mobile Checkouts for Lawn & Garden

In an effort to make the shopping process as smooth, easy and enjoyable as possible, Walmart is testing out a new program in more than 350 of its stores that arms associates in the lawn and garden section with a mobile POS device and Bluetooth printer for quick, seamless checkout, according to *Progressive Grocer* and *Retail Dive*.

With the "Check Out With Me" program, staff members can ring up customers' items in the lawn and garden section of the store, swipe a credit card for payment and provide a printed receipt on the spot or send an e-receipt. Previously, if the store did not have a register in the lawn and garden section, customers would have to exit that area and enter the main store to pay for their garden-related products.

The Check Out With Me program is not the first mobile technology that Walmart is testing - the retail giant continues to expand its mobile self-checkout "Scan & Go" technology to 100 additional stores nationwide, on top of the test stores in Dallas-Fort Worth, TX, Orlando, FL, and Northwest Arkansas.

Walmart also launched an in-store app-based mobile assistant, as well as a Mobile Express returns service. The retailer has even added new and improved features to its app to assist customers with their shopping trips.

'Transformists' May Be Disruptive, But They Can Be Your Store's Most Loyal Customers

Today's most powerful influencers are not Millennials, according to a survey by Insider, Inc. and Digitas of more than 1,600 U.S. adults ages 18-54. Defying demographics, they cut across ages and backgrounds, united by a proactive, ambitious, change-for-the-better mindset.

Called "Transformists," these consumers are digitally-savvy, adept at using technology to navigate and succeed in the world around them. Curious and connected, they gather information from many sources - and use that information to shape their decision-making.

Here are some more insights about Transformists that you could use to your garden center's benefit:

- There are 38 million Transformists in the United States, representing 24 percent of the age 18-54 population.
- Two-thirds of Transformists are Millennials - but only 1/3 of all Millennials are Transformists.
- Forty-seven percent have a college degree or higher, and 62 percent work full time.
- Transformists are two times more likely than the general population to act on the content they consume - sharing it, factoring it into their decision making and applying it to their everyday life.
- Transformists gather information from two times more sources than their general-population peers.
- On a weekly basis, 85 percent of Transformists seek information on local news, entertainment, current events, national news, and food and cooking.
- They are 62 percent more likely to get information from mobile apps, and 33 percent more likely to get information from social media.
- Seventy-two percent use Instagram (versus 44 percent of their general-population peers).
- Thirty-nine percent share brand posts daily and 37 percent comment on brand posts.
- Fifty-nine percent post online reviews.
- Ninety-five percent expect companies to conduct business in an ethical manner.
- Sixty-one percent are more likely to buy a product if part of proceeds go to a cause they care about.
- Fifty-four percent say they'll pay more if a product is made by a company they trust.
- Ninety percent stick with a brand once they find one they like.



Transformists live by their values and are driven by high expectations - both for themselves and for the people and retailers around them. Garden centers that understand and speak to these Transformists can benefit strongly from their loyalty - and turn them into their most powerful advocates.

Here are five ways to win a Transformist's loyalty:

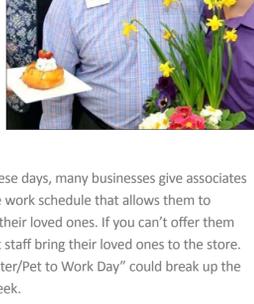
- Look beyond Millennials.** For too long, marketers have been fishing in the same Millennial hot spots, but the swath of Transformists goes well past age 30. Marketers should also speak to Transformist consumers in their 30s, 40s and 50s who share the same go-getter mindset as their younger peers.
- Don't hide your values.** Transformists don't want or need everything to be politicized, but they do value knowing what a retailer stands for, what its purpose is and how it's working to affect change. Your garden center should speak authentically and openly about their mission and how they are trying to make a difference beyond their organization.
- Get newsy.** Transformists are unabashed information-seekers. Retailers should choose media platforms for advertising and content that Transformists gravitate towards, and consider engaging them with information that acts as a learning experience and satisfies their curiosity, rather than relying on marketing platitudes.
- Appeal to their ambition and adventure.** Transformists are self-awarded adventure seekers and go-getters. Garden centers should find ways for Transformists to seek out new experiences that drive personal growth.
- Encourage word of mouth.** Transformists are well-versed in issues and products, and well-connected in their communities. Your garden store can gain their loyalty by encouraging feedback and providing a platform to share informed and respected opinions.

10 Appreciation Tips to Show Your Garden Center Employees How Much You Care

Do your employees feel appreciated? As it turns out, most small business staff members do feel appreciated, according to Independent We Stand. Eighty-four percent of small business employees say they are happy with their current job, reveals a study by Aflac. More than two-thirds (67 percent) of small business staff members report that feeling appreciated is a benefit to working for a small business.

It's common sense that high morale among staff means more productive work days and more pleasant customer service - two keys to small business success. But it's not just about your business' bottom line: High employee morale signals that staff members feel happy and successful, which can foster a more positive environment within your organization.

To keep morale up, here are some tips from Independent We Stand to show your staff you care about the work they do:

- Celebrate their successes.** Your employees' successes are your business' successes. Celebrate their jobs well-done in a monthly meeting or with a token of your appreciation. A coupon or gift card should do the trick.
- Shout them out.** Take your celebration of their success to the public. A quick shout-out on your business' social media pages shows your staff that their work doesn't go unnoticed. Social media shout-outs also give your staff a chance to get to know the people who serve them in your garden center.
- Welcome and farewell them.** Employees will come and go, but you can make sure they feel valued at every step of the way. When a new team member joins your garden center, host a lunch or coffee break in order to welcome him or her. When a staff member leaves the nest, part ways with a kind word in front of the team and a memento, such as a photo or a card.
- Reward loyalty.** While they're on your team, give staff members a reason to stay. Similar to a customer loyalty program, an employee loyalty program may feature incentives like an in-store discount, extra vacation time or a cash bonus. After all, it may be cheaper and more efficient to retain associates than to hire new ones.
- Treat them to lunch.**  Treating your staff to a catered lunch gives them more than a free meal. It's an opportunity to pick their boss' brain, get to know each other and feel more comfortable in their work environment. Small businesses who eat together succeed together.
- Host their families.** These days, many businesses give associates the benefit of a flexible work schedule that allows them to spend more time with their loved ones. If you can't offer them more time at home, let staff bring their loved ones to the store. "Bring Your Son/Daughter/Pet to Work Day" could break up the monotony of a busy week.
- Invest in health and wellness.** Surely, your garden center runs more smoothly when your employees are happy and healthy. Help associates make healthy choices and allow them to prioritize their well-being. You can stock the break room with healthy snacks, start a staff walking or jogging club, or treat employees to a gym membership.
- Support their causes.** When it comes time for your next charitable campaign, let staff choose the cause. During the holiday giving season, offer to match your employees' donations to local non-profits. Taking an interest in associates' favorite causes shows them that you care and helps you get to know them better.
- Provide opportunities for professional development.** Put your employees' skills to good use by allowing them to develop new abilities. Set aside a budget for online courses, industry conferences and skills-based workshops. Then, let staff request funding for the professional development opportunities that appeal to them. Investing in organic intelligence will keep your business and your associates on the cutting edge of your industry.
- Take their advice.** If you're not sure how to show employees you care, let them tell you. Administer a suggestion box or monthly check-in with your staff to hear their ideas for improvement. Once you hear what they have to say, take their advice to heart and implement what you can. That way, they'll see that you take their ideas seriously.

In business, the customer is always right. As a small business owner, your employees are always right. Treat your associates with as much attention as your customers, and they'll work hard for your store.

