

# garden centers of america Garden retail trends report

April 13, 2015

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.



## How Is Spring Shaping Up at Your Garden Center? Study Shows Weather Almost Always Changes from Year to Year

Spring is in the air! The coming of spring is widely anticipated across many industries, and maybe never more so than with independent garden retailers. How early or how late the warmer weather arrives can significantly impact the business of selling your product, and David Frieberg of Planalytics reports that weather trends are only the same from one year to the next about 15 percent of the time. The year-to-year fluctuations in the weather can translate into substantial revenue swings.

A clear picture of the impact can be seen in weather sensitivity analytics, which identify the percentage of total sales affected by the weather. In March, the weather sensitivity for lawn fertilizers was 19 percent nationally but 43 percent in Chicago.

Most retailers do not take into effect the volatile nature of the weather when planning for the year. As a result, retailers add error into their forecasts when they assume the weather will repeat itself.

## Your Store Employees Need Feedback, Don't Flub It Up!

Don't hesitate to give your garden center staff the feedback that will help them grow in their current positions - and in their long-term careers. Here are seven common management obstacles to overcome when it comes to providing meaningful feedback, from Anese Cavanaugh for *Inc. Magazine*:



- 1. You fear giving it, and it shows.** Your feedback is careful and tentative. Perhaps you use the "feedback sandwich" formula, "You're Awesome. You Suck. Wow, You're Amazing." Instead, be confident in your feedback. When it's clean and well-thought-out, feedback is a gift.
- 2. You don't want to hurt their feelings or break their trust.** If your feedback is in the service of this employee, you're more likely to build trust equity with them than hurt their feelings.
- 3. You're not prepared for it.** When it comes to reviews or a difficult conversation, preparation is essential. This feedback could change the course of this employee's career, so be prepared.
- 4. It's personal and/or outdated.** Make feedback timely. If it happened more than a year ago, you've missed your window. Make it in service of their growth, and beware of personal grudges camouflaged as professional feedback.
- 5. You haven't created "sacred space."** You give your feedback "on the run," quickly in passing and without an intentional "container" to deliver it in. As a result, it's sloppy and disconnected, and your employee doesn't feel honored.
- 6. You leave them hanging.** You drop the feedback that the employee fell short of the mark, but you don't give her direction on what she can do to make it better.
- 7. Your presence leaves them feeling irrelevant or judged.** If your feedback is given with contempt, irritation or apathy, your employee will notice. Be conscious of your presence.

## Inexperience Isn't a Bad Thing! When It Comes to Store Employees, It Brings Benefits

Speaking of employees, some garden centers shy away from hiring inexperienced, younger workers, but it's a practice that could bring key benefits to your store - here's why, from Peter Gasca of *Entrepreneur Magazine*:

- Fresh perspectives.** Young employees are more open to new ideas and know how to take constructive feedback. They are also able to take on contemporary challenges since they have grown up with access to so much information.
- Fresh solutions.** Young, talented individuals are hungry for challenges, and they can be encouraged to find solutions that more experienced employees may never have considered.
- Collaboration and new networks.** Younger generations today have grown up on technology and are used to its integration into everything they do. They are the first generation raised on the sharing economy. As a result, collaboration is something they will be good at and something they will expect.
- Contagious creativity and enthusiasm.** Young people are not jaded by the rigors of business and life. The ones who realize the importance of work experience at a young age are courageous, ambitious and typically enthusiastic. These positive attributes will likely rub off on everyone at your garden center, if you allow them to.



## Now Trending in Garden Retailing . . .

- Paying via mobile device is a technology dawning on the horizon, but consumers are still wary. In fact, **66 percent, globally, are concerned about having their credit information hacked while using a mobile phone**, according to research from PricewaterhouseCoopers.
- Even so, **four out of 10 retailers are looking to add the mobile payment service, ApplePay, in 2015**, says a study from IHL Group.
- **Millennials made up 32 percent of the housing market in 2014, up from 28 percent two years earlier, and they are now the largest segment of buyers**, according to the National Association of Realtors.

## TAKE ADVANTAGE OF YOUR GCA MEMBERSHIP BENEFITS

### GCA Summer Tour, Milwaukee, June 21-24



This year's GCA Summer Tour turns the spotlight on leading and innovative retailers in the Milwaukee area - plus lots of local flavor and color!

Network with your fellow garden center professionals and energize your business with fresh retail strategies driven by the best practices proven to power profits. Tour-goers will have the opportunity to take advantage of the area's many dining and entertainment opportunities, including the Milwaukee RiverWalk, a 2-mile excursion that winds along the river with access to some of the city's best restaurants, brewpubs, shops and waterfront nightlife.

Register today at [GardenCentersofAmerica.com](http://GardenCentersofAmerica.com). Register by May 31 and **save \$50 on each registration - no quantity limits.**

### Save Big at IGC East and IGC Chicago!



GCA Members save \$100 on each IGC Retail Conference Passport registration during the early bird registration period, and \$60 off each IGC Show Garden Center Bus Tour registration!

Other benefits include:

- Two free drink tickets per company for use at the IGC Show receptions and the **Tuesday evening FREE party and concert featuring the Gin Blossoms LIVE!**
- Special reserved seating at the Gin Blossoms concert - be sure to come early, seating is limited!
- GCA Member Networking Lunch

Enter the promo code **GCASAVE** when you register: IGC East Registration: [Click here.](#) IGC Chicago Registration: [Click here.](#)

## Heinz Ketchup's Consumer Campaign Pours On the Goodness of 'Grow Your Own'



A Heinz Tomato Ketchup campaign is touting the brand's use of natural tomatoes in its products - and is inspiring consumers to grow their own. The initiative, started two years ago in the U.K. and now promoted across Europe, demonstrates how farmers bring Heinz tomatoes from the field to the table and explains the tomato-growing process. It also encourages customers to grow their own tomatoes at home using seeds from the Heinz Seed Company.

The marketing campaign is supported by a "Grow Your Own" app and Facebook page, where fans can post photos of their progress with their own tomato gardening projects. Fans can also compete to win a free pack of tomato seeds or Heinz-labeled gardening items like watering cans.

## Impulse Sales at the Register Require New Strategies - Think Curbside Convenience

The convenience of curbside pick-up and self-checkouts has satisfied the customer who is short on time, but it has negatively impacted the sales of impulse items that would entice customers at the checkout, according to *STORES Magazine*.

When the customer isn't waiting in line, they aren't purchasing the sweets, snacks and magazines retailers normally strategically place at the checkouts. For garden centers, these may be hand gardening tools or gifty items.



Here's a sweet response: The Hershey Co. is adapting to meet the customer where they are, whether curbside or at a self-checkout. Hershey's will run tests on upgraded kiosks or menu boards at stores that have curbside pickups. They will also test a dispenser that releases chocolate bars on-demand, and there's talk of bringing vending machines outdoors to appeal to shoppers outside of the store.

## Here's How to Guard Your Garden Center Against Menacing Cyber Attacks

Cyber-criminals have put small businesses in their sights for the past few years, says *The Milwaukee Journal*. In 2013, 42 percent of small and midsize businesses reported that they experienced a cyber attack



within the past year, according to the Ponemon Institute's *Risk of an Uncertain Security Strategy* study. And the trend doesn't seem to be slowing down, as smaller businesses tend to

neglect investing in cyber security. To help protect your garden center from hackers, here are some tips from Paul Lopez of *Forbes*:

- Use different passwords for every account.
- Conduct regular backups of business data. Make sure the backed-up data is located off-site, and periodically test the data restore.
- Keep your antivirus software up-to-date, and stay abreast of all software patches and updates.
- Know where your cloud-based data is stored.

## Three Business Models Shaking Up the Way IGCs Retail

There is no same-old retailing anymore. Are you on top of the latest shopping trends that are changing consumer expectations - and the way your customers view your garden center? Here are three new business models shaking up the world of retail, as reported by Kyle Fugere of *dunnhumby Ventures*:

- 1. Consumer-to-consumer** - More retailers are recognizing the value in understanding every product they sell, even after the sale. This knowledge can help you better target your customers for upgrades and gain control over the product lifecycle. Expect to see more retailers embracing the resale of their products as a better way to understand and build loyalty from their customers.
- 2. On-demand** - On-demand business models, like Amazon with its Amazon Prime free two-day delivery, deliver products to customers when and where they need them. Now, customers are getting more efficient with their time, and are becoming more direct in their shopping habits. In response, more retailers are using store inventory to fulfill e-commerce orders rather than relying on a centralized warehouse. Is this a best practice you could apply to your garden center's online sales?
- 3. Subscription commerce** - Beauty product sites like Birchbox are leading the way with this new business model. Start-ups are changing up the once-a-month delivery cycle with delivery of products when and where they are needed. This model could disrupt retail and consumer buying patterns by displacing products that people buy on a regular basis. For example, a garden center could know enough about the customer to predict when she will need to stock up on fertilizer for her fruit trees. Make sure your store is the one checking in with her during peak season.