

September 2017

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.



New Modern Suburb Communities That Feature City Life Amenities Could Be Big Draw for Millennials

Almost half of Millennial homeowners live in the suburbs, and the majority stay in the same metropolitan area when they buy a home, according to research from Zillow. That all could change as home developers start building "suburban" environments, or urban-like developments in the suburbs, Annie Radecki, Senior Manager at John Burns Real Estate Consulting tells Yahoo Finance. The Village at Valley Forge in King of Prussia, PA, is one of the first "suburban" communities, reports Melody Hahm of Yahoo Finance.

The Village at Valley Forge is a community of luxury apartments, townhomes, condominiums and senior living coupled with retail shops, restaurants, a fitness center, healthcare and offices. Millennials make up 42 percent of all homebuyers, which is more than any other generation. These new "suburban" communities offer all the amenities of the city, including boutique fitness options, high-quality grocery stores and popular restaurants, without the hustle and bustle of cities. It's coined the "suburban" alternative to city life.

"Before its redevelopment from a failed golf course into a so-called 'suburban' center, King of Prussia was best known for its regional mall, IKEA, bad traffic and empty, dated office buildings," Radecki says. "Today, the suburban Village at Valley Forge offers a full calendar of community events, 24-hour Wegmans, REI, several healthy fast casual restaurants, bike trails, walking trails and a new Children's Hospital of Pennsylvania."

These type of communities could diminish the myth that Millennials don't want to buy homes, which has long been circulated. The reality is they have the desire to become a homeowner - the timing has just been delayed. And once Millennials do purchase a home, they'll need landscaping and gardening help to beautify their newly bought spaces. In the coming years, the IGC industry may see a surge in younger homeowners flocking to the garden center.

Get More Online Engagement Now! Increase Your Facebook Following In Six Simple Steps

Growing your garden center's Facebook following is not as hard as one might think. Daniel Knowlton of Social Media Examiner offers these six steps to increasing your number of Facebook followers by creating a specialized audience based on interests related to your garden center:

1. **Analyze broad target market characteristics.** Identify a target market that will allow you to reach Facebook users who are likely to be interested in your products/services. To identify your target market, use Facebook Audience Insights. This tool will help you isolate specific demographics of people who are likely to be interested in your product/service.

Go to Facebook Audience Insights and find the Create Audience section on the left. Enter the country and region(s) where your target market is based. If you want to target multiple countries, you'll need to repeat this process for each country individually. In the Interests section, search for and identify one or two core interests that are related to your business offering. Depending on your industry, there may not be any specific interests that match up with the products/services you provide. In this case, you'll need to get creative and use some of the other parameters in the Create Audience section. After you input this information, analyze the audience data that Facebook provides.

Use this information to make adjustments in the Create Audience section to fine-tune your audience. Depending on how targeted you want to get, you can continue to review the data on the Demographics tab and refine your audience. A good general guideline to follow is to make the audience more specific only when there's a clear skew in the data toward specific demographics (above 80 percent). Click Save at the top of the page and enter a relevant title for your audience, then click Save in the lower-right corner.

2. **Drill down to niche interests.** Using additional audience data provided by Facebook Audience Insights can help identify niche interests. Click on the Page Likes and Purchase tabs to see Facebook pages that the target market is likely interested in, as well as what it spends their money on. From here, identify three to five niche interests on each tab.

3. **Appeal to niche interests via a Facebook post.** Create an engaging Facebook post based on one of the niche interest topics you identified in the previous step. Choose an image that represents the niche interest. Ensure the post has some relevance to your business/industry. Be as creative as you like. Use branding sparingly, because it will likely decrease the shareability of the post. Adding a small logo somewhere is fine if you want to add a touch of branding. Make sure the copy is evenly spaced, clear and concise. Use emojis to add a creative element to the copy. Include a call to action or question in the copy to encourage engagement. You might ask a question or prompt users to vote on a topic by selecting a Facebook reaction. Once you've created the image and copy, publish your post to Facebook.

4. **Boost your post to target a niche interest.** Investing a small budget in boosting your Facebook post will give it the traction it needs to start getting reactions, comments and shares from your target market. Find the post on your page and click Boost Post in the lower-right corner. Fill in the boost post information on the left. Decide whether you want a call-to-action button in the post. In the Audience section, narrow your core audience to ensure you're sending the post to the targeted audience with the niche interest. Choose a small total budget and the duration of the boost, then click Boost. Now you'll just need to wait for Facebook to authorize the boost. Facebook generally reviews boosted page posts in 60 minutes or less.

5. **Comment, reply and encourage engagement.** Facebook's algorithm prioritizes posts that generate a lot of engagement early on, so start a conversation with users who react to the post to achieve this. Wait for someone to react to the post, and as soon as they do, comment on the post. Be sure to tag the person and ask a question to spark conversation. If you do this with 5 or more people, it should start a flow of organic comments, reactions and shares. If this tactic doesn't work, tag five more people who react to the post and ask them an open-ended question. Keep repeating the process until reactions and engagement are flowing. Another tactic you can try is to reply to every comment with a question. Asking additional questions should spark more comments, which in turn signals to Facebook that the post is performing even better.

6. **Invite engaged users to 'Like' your Page.** Facebook lets you invite people who have reacted to your posts to like your page. This is a great opportunity to gain additional likes from the small budget you invested to boost your post. The sooner you invite these people to like your page, the better. To do so, click on the number next to the reactions on your post. Scroll through the list of users and click the Invite button for people who haven't already liked your page.

Price is One of The Top Drivers of Consumer Loyalty

The top driving factor of U.S. consumer loyalty to a retailer or brand stems from customers' pocketbooks. Nine out of 10 (92 percent) loyal customers rank price and value as the top factor in driving loyalty to specific retailers, followed by product/quality (79 percent) and variety/selection (71 percent), according to the International Council of Shopping Centers' (ICSC) survey on brand loyalty.

"Retail is a highly competitive industry and the well-informed consumer has more influence on retailers and brands than ever before," Tom McGee, President and CEO of ICSC, says. "A physical retail space is vital for brands and retailers to have a competitive advantage and connect with consumers. Consumers want the best experience and the best value, in turn rewarding brands and retailers with their loyalty."

Here are additional findings from the study:

- The retail experience continues to be important, as 62 percent of consumers are willing to spend more if their shopping experience is customized to their personal interests.
- A negative experience can have consequences on consumers' future purchasing decisions. Eighty-two percent say they will buy elsewhere if they have poor customer service or experience rude employees.
- Millennials are not as affected by negative experiences, with 74 percent saying they would switch to buying from a different retailer if they received poor customer experience. Of the other age groups, 86 percent of Gen Xers and 85 percent of Baby Boomers would switch immediately.
- Millennials display the greatest brand loyalty, with 58 percent saying they will buy the same brand of products no matter what. The greater the variety of brands a store offers, the more likely Millennials are to frequent the store, with 80 percent citing variety as a driving force in visiting a store.

Now Trending in Garden Retailing . . .

- Not all shrinkage in garden center can be attributed to theft. **Administrative and paperwork errors account for 21.3 percent of shrinkage in retail**, according to National Retail Federation's (NRF) "2017 National Retail Security Survey."
- In-store events at your garden center can help drive customer loyalty and purchases. **Twenty-six percent of respondents have attended in-store events, and 58 percent report they were more likely to make a purchase from that store in the future**, says the "Shopper-First Retailing: What Consumers Are Telling Us About the Future of Shopping" report by Salesforce and SapientRazorfish.
- Making sure your garden center's in-store shopping experience is smooth and easy is crucial. **Fifty-seven percent of shoppers say they're less likely to shop with a brand in the future if they experience stress during a visit, while 63 percent think retailers should be doing more to relieve shopping stresses**, according to a recent Barclaycard study.

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JUST ANNOUNCED FOR NEXT SUMMER 2018! GCA Summer Tour 2018 Seattle, Washington

Next year's GCA Summer Tour is headed to Seattle, WA, for an exclusive behind-the-scenes look at garden center operations in this Pacific Northwest hot spot. You'll want to be sure to pack your notebook and camera to capture all the merchandising and indie retailing inspirations!



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Consumers Love to Touch Products Before They Buy, Study Shows



Good news for your physical garden center - a majority of U.S. consumers (72 percent) cite the ability to touch, feel and try products before they buy as the top reason for shopping in-store, making brick-and-mortar retailers as relevant as ever in this age's retail landscape, according to "The State of Brick and Mortar 2017" study by Mood Media. That number of consumers jumps to 78 percent worldwide.

Mood Media's study surveyed more than 11,000 consumers in 9 countries to better understand what influences consumers' decisions to shop in-store rather than online, what they like and don't like about the in-store experience, and what motivates them in the physical store.

"The tangible, tactile nature of brick-and-mortar is still viewed as a very real advantage, as is the desire for instant gratification," Scott Moore, Global Senior Vice President of Marketing for Mood Media, says. "Further, shopping as a form of entertainment remains important to the majority of people around the world. Consumers, particularly younger consumers, aren't just buying a product when in-store; they're buying an experience. And their expectations for a positive, emotionally engaging experience are quite high. Those businesses who deliver an elevated customer experience witness greater repeat visits, a greater number of recommendations and longer in-store dwell times."

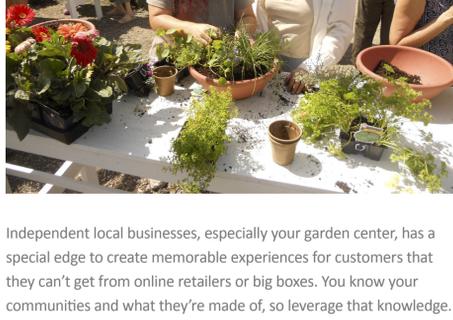
Here are additional findings from the study:

- In addition to being able to see and touch the product, the other top reasons U.S. consumers prefer to shop in-store include: the convenience of getting it instantly (66 percent); the ability to browse and discover new things (48 percent) and the ability to speak with a shop assistant (26 percent).
- One in five global consumers choose to shop in-store rather than online for the enjoyable atmosphere.
- Fifty-four percent of U.S. consumers say that discounts and promotions drive them to make impulse purchases, while 37 percent say that feeling in the right mood does so.
- Shopping in-store has its share of frustrations for U.S. consumers, including: waiting in line (60 percent); items not being in stock (47 percent); a busy, hectic atmosphere (43 percent); staff unable to assist (33 percent) and inconvenient store hours (22 percent).
- Eighty-three percent of U.S. consumers (and 78 percent globally) say they like hearing music when shopping in-store. One out of two U.S. respondents say hearing music in-store makes them feel more at ease. When there is no music playing in-store, consumers described their feelings as disappointed, disengaged and unwelcome. To ease the frustration of waiting in line, 77 percent of U.S. consumers say music makes it less dull.

Your Garden Center is Perfectly Poised to Create a Small Business Experience

Consumers would rather spend money on experiences, instead of on stuff, shows research from the NPD Group. Consumers' purchasing decisions are continuously being driven by activity, so small businesses - like your garden center, where activity is the focus - has the prime opportunity to create a memorable local experience for customers, according to Independent We Stand.

The trend toward experience-led spending is particularly strong among Millennials, who also happen to love independently owned small businesses, says Inc. Seventy-two percent of Millennials prefer to spend more money on experiences than on material objects, reports CNBC. Millennials are spending their cash on experiences, like subscription meal boxes and music festivals. Emerald insight points out that Millennials now represent the largest consumer group in the United States, so take heed of their spending habits.



Independent local businesses, especially your garden center, has a special edge to create memorable experiences for customers that they can't get from online retailers or big boxes. You know your communities and what they're made of, so leverage that knowledge. The key to turning your average garden store into a customer experience is to understand where local fun comes from.

Here are several tips to creating a memorable customer experience at your garden center, from Independent We Stand:

1. **Keep the community active.** Build relationships beyond your garden center and in the great outdoors. Organize a weekly outing along a nearby or biking trail and conclude the evening at your store. Or start a community garden and invite customers to help you plant crops.
2. **Teach customers a new skill.** Put your gardening expertise to good use by hosting a seminar or workshop that gives customers a new way to experience your business. They'll leave with a new skill - and a tangible item to commemorate their experience - as well as a story to tell their friends and family.
3. **Work together.** You don't have to set up the fun experience by yourself - get in touch with neighboring local businesses or an independent business alliance in your community to organize a widespread experience. For example, nearby retailers can create a loyalty program that rewards customers who try several of the different businesses in the same area.
4. **Go where the experiences are.** Consider bringing your business to an already-established experience. Participate in local farmers markets, craft shows and street fairs, since these types of events are known for drawing crowds of consumers looking for a weekend outing with family or friends.

Brick-and-Mortar Stores Keep Millennial Parents Within Spending Budget

Despite the convenience and ease of online shopping, a majority of Millennial parents say they prefer to shop in-store when it comes to purchasing school supplies for their children, according to a recent study commissioned by Citi Retail Services. The study reveals that 72 percent of Millennial parents plan to go shopping in a store rather than online this year.

"More Millennials are entering parenthood, which is having a profound impact on retailers," Leslie McNamara, Managing Director and EVP of Business and Market Development for Citi Retail Services, says. "These parents place tremendous value on their children's opinions when shopping and are not swayed by brand on big ticket items like electronics. Retailers can incorporate this into their approach when marketing to Millennials, whose habits may defy generalizations as they enter the next stage of their lives."



Here are some additional insights from the study:

- Sixty-five percent believe that shopping in-store enables them to more effectively remain within budget goals compared to shopping online.
- When asked why they prefer to shop in-store, Millennial parents responded it allows them to test items, such as trying on clothes or testing electronics (63 percent); to include their child in decisions on what to buy (60 percent); to more easily compare products (48 percent) and to get better deals (43 percent).
- Millennial parents value brands most for: school supplies, like notebooks and pens (31 percent); apparel, such as clothing and shoes (28 percent) and electronics, like computers, tablets and smartphones (23 percent).

