

garden centers of america Garden retail trends report

August 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.



Baby Boomers Prefer to Buy Products In Your Store Instead of Ordering Online

New statistics show Baby Boomers are outspending other generations by an estimated \$400 billion each year on consumer goods and services, according to TimeTrade's "State of Retail: Baby Boomers 2015." Research also shows they are spending more than they did a year ago.

The way Baby Boomers spend their money and the things that influence their purchase decisions differ from other generations. For instance, while Internet users ages 50-69 go online to compare prices, commercials on television are what really sway their decisions.

The way Baby Boomers research prices online is also distinct. When researching products, they are more likely than Millennials to use consumer websites and publications.

Once they've researched their purchase, they mostly prefer to buy products in-store. Eighty-nine percent of TimeTrade respondents between the ages of 55 and 64 say they like to touch and feel the products before they decide to buy.

Get Your Employees On Board to Curb Loss Prevention & Keep Shrinkage at Bay

How does your garden center's shrinkage measure against retailers nationwide? Shoplifting was the main cause of inventory shrinkage last year, with 38 percent of the \$44 billion in losses in the U.S. at the hands of customers with sticky fingers, according to a survey from the University of Florida and the National Retail Federation.

Employee theft came in a close second, accounting for 35 percent of the year's losses for retailers.

The good news is, many of us aren't just sitting on our hands when it comes to employee accountability in loss prevention. Nine out of 10 of the retailers surveyed offer staff an anonymous telephone hotline (95 percent), review loss prevention procedures during new hire orientations (91 percent), include loss prevention issues in the company code of conduct (91 percent) and post employee loss prevention information on bulletin boards and posters (88 percent). And these efforts seem to be making a difference. Nearly two-thirds of retailers surveyed report their shrinkage rates either decreased or remained flat because of them.

Before You Hire, Scrutinize that Background Check

Hiring at your garden center might seem like it should be a quick and simple process during the peak season in order to fill much-needed positions. But there is reason to push pause or at least slow down that process - long enough to carefully consider the results of background checks on prospective employees.



In NRF's *STORES Magazine*, an article titled "Reality Check" points out that theft and fraud aren't the only dangers that could arise from a bad hire - 80 percent of the active shooter incidents reported by the FBI between 2000 and 2013 occurred in the workplace.

While you probably wouldn't hire someone with a criminal background, a candidate's potential for criminal activity isn't always obvious unless that person has been convicted of a crime. Instead, you might want to place weight on other indicators like spotty or intermittent work history.

Here's Where Your Garden Center Has the Edge on Online Sellers

As digital stores become mainstays in the life of the consumer, brick-and-mortar stores aren't fading into the shadows. Here's why, according to *Chain Store Age*.



Convenience - The immediacy of leaving your garden center with an item just bought tops the fastest delivery online shopping can provide. Your customers could also pick up items in-store that were purchased in your online store and best the usual amount of time it takes between traditional online purchases and fulfillment. Another convenience factor: Brick-and-mortar stores give consumers an accurate look at shelf availability, as well as the flexibility of purchasing an item while they are already out and about.

Ancillary Sales - Your garden center, full of products your customers can see and feel, is the best tool to increase ancillary sales. The science of merchandising, from store layout design to shelf assortment, maximizes the potential for additional sales.

Distribution - Fulfilling online orders from brick-and-mortar stores reduces the time and expense associated with completing e-commerce transactions.

Now Trending in Garden Retailing . . .

- Considering a fee for your garden center's loyalty program? It could fly - especially with younger customers. LoyaltyOne's survey results show **75 percent of 18-24 year-olds and 77 percent of 25-34 year-olds say they would consider joining a fee-based rewards program.**
- **Value drives 85 percent of Millennials to purchase, followed by customer satisfaction (75 percent) and uniqueness (67 percent),** according to a recent survey conducted by LIM College professors Robert Conrad and Kenneth M. Kambara.
- **The top three theft deterrents used by retailers last year: burglar alarms (100 percent), digital video recorders (93.2 percent) and armored car deposit pick-ups (90.4 percent),** according to the University of Florida and National Retail Federation's "National Retail Security Survey 2015."

TAKE ADVANTAGE OF YOUR GCA MEMBERSHIP BENEFITS



Save Big at IGC Chicago!

Enjoy your GCA Member Benefits at IGC Chicago, August 18-20 at Navy Pier:

- Two free drink tickets per company for **Tuesday** evening's IGC Show Party and Concert, featuring the *Gin Blossoms LIVE* in a free concert! It's the fun and networking event of the year!
- Special reserved seating at the *Gin Blossoms* concert - be sure to come early, seating is limited!
- Exclusive access to the GCA Member Lounge (Navy Pier, Third Floor, Room 324) during show hours and free buffet lunch there Wednesday, 11:30 a.m. - 2 p.m.

Enter the promo code **GCAER** when you register: [Click here.](#)

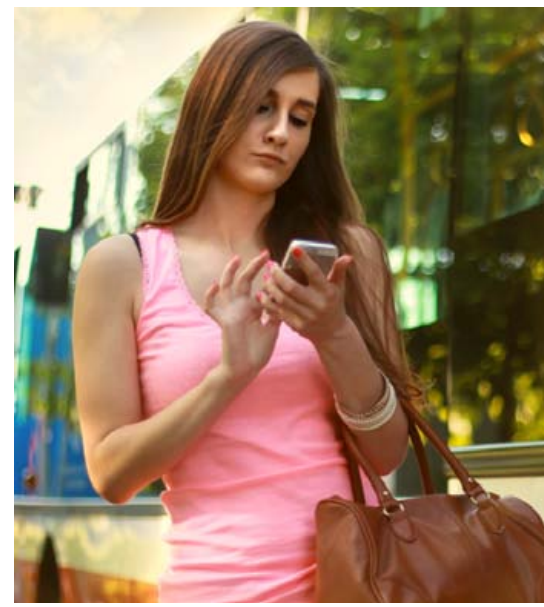
Target's New Concept Store Connects Customers with High-Tech Home Vendors



TargetOpenHouse, a new storefront in San Francisco, uses experiential retailing to demonstrate the latest technology for the home to consumers, and connects vendors of the technology directly to the consumer with the goal of serving the customer better. How could you take this concept and run with it at your garden center? Some of us already host "vendor days" to bring customers into direct contact with suppliers - watch this video, above, and think carefully about what more you could do at your store. This is cutting-edge retailing.

If Even Just One of Your Customers Is Unhappy, You Need to Hear About It

The positive ripple effect happy customers can have on your garden center business is a given, but the tsunami brought on by a single unhappy shopper could have an even greater effect on your sales. In a recent study of 2,500 consumers, about half of those surveyed reported having an issue during a shopping venture, and 81 percent of these less-than-satisfied consumers did not reach out to the retailer regarding the concerns. Now, 32 percent of these "silent" shoppers say they are unlikely to recommend the store, according to the study, conducted by LoyaltyOne, the Verde Group and Dr. Deborah Small, professor of marketing and psychology at the Wharton School of the University of Pennsylvania.



On the flip side, those shoppers who do contact the store about a negative experience and see the issue resolved are 84 percent less likely to negatively impact store revenue. What is your garden center doing to make sure every one of your customers has a voice in reviewing the shopping experience - good or bad - at your store?

Marketing Your Garden Center on Instagram Could Make a Big Impression on Millennials

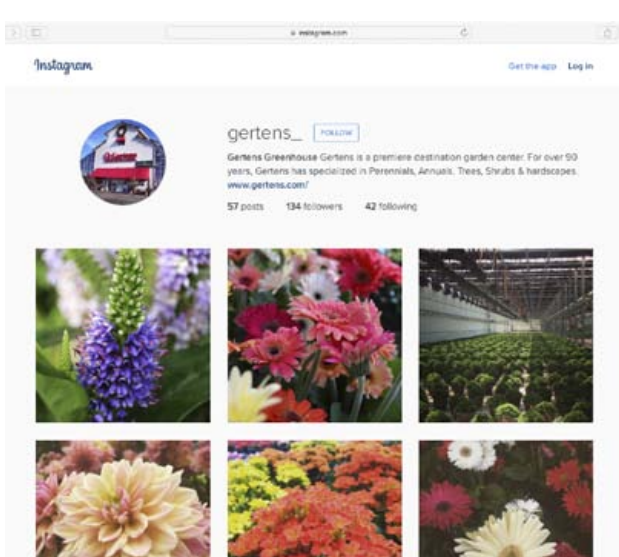
Instagram can be a valuable marketing tool for our garden center - when it's used right. But before you post another traditional product photo on the social network, take a look at these tips, from a recent Retail Customer Experience article.

Remember, always post photos that are editorial and authentic, not staged product photos.

Fan Photos - Instagram may be heavy on visual marketing, but that doesn't mean you have to generate all your own content. Add user-generated content to the mix to celebrate your store's fans and inspire new ones. Remember, it's important that your customers can easily access any of the products you feature on Instagram.

When to Post - Content on Instagram should be the best, and therefore posts are likely less frequent than on Twitter or Facebook. Another factor to take into account is that Instagram is used mainly by Millennials, so the content you post there should appeal to that demographic.

Who It Works For - If your garden center customers aren't engaging on social media, or you have an older customer base, Instagram might not be the appropriate marketing tool for you. Still, 58 percent of Millennials expect to connect with a business whenever and on whichever channel they choose.



Sales Conversion Boils Down to These Three Things

Converting foot traffic in your garden center to dollars in the till depends on three key factors, according to HeadCount Corporation's report "Conversion: The Last Great Retail Metric." While there could be hundreds of things that happen in-store to impact a sale, none of them have quite the effect as staffing, inventory and merchandising. Here are ways to gauge the success of these three areas of your retail operations:

1. STAFFING

- **Level** - Schedule the right number of staff available to deliver the service levels required to maximize customer conversion.
- **Scheduling** - Allocate staff resources to match traffic patterns in the store and ensure that peak traffic periods are sufficiently covered.
- **Effectiveness** - Train staff members so they are ready, willing and able to assist your customers in a courteous and professional manner.

• **Transaction Processing & Till Availability** - Ensure your customers are processed efficiently at check-out and basket abandonment is minimized.

2. INVENTORY

- **Availability** - Maintain sufficient inventory levels to minimize stock-outs.
- **Mix** - Make sure you have the right mix of SKUs for the prospects visiting your garden center.

3. MERCHANDISING

Position your garden center products so they're easy to find and purchase. If your customers can't find the products, or if they're displayed in an unappealing way, it can negatively affect conversion rates. On the other hand, compelling displays can help increase conversion rates.

