

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

December 2016

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.



Hit 'Pause' on Implementing Those Overtime Changes at Your Garden Center

Last month, a preliminary injunction against the Department of Labor's (DOL) new overtime regulations was secured by the National Retail Federation (NRF), dozens of other business groups and 21 states. The ruling has since been appealed by the DOL, but the injunction remains in place while the appeal is under consideration, according to NRF.

Since the new rules are on hold while the injunction is in place, indie garden centers can halt any compensation and reclassification changes that were being made, in compliance with any applicable state and local laws. But, you should be ready to comply in case the injunction is reversed. For retailers that have already implemented changes, each company should evaluate which changes, if any, should be reversed following the U.S. District Court's ruling.

It is unknown whether the DOL's appeal will be resolved by January 20, when President-Elect Donald Trump takes office. He has not publicly taken a position on the overtime regulations, but he is not expected to support them. It is possible that Trump's DOL could withdraw the appeal and allow previous overtime rules to remain in place, or draft a revised version that would be more acceptable to retailers.



IGCs Will Love Pantone's 2017 Color of the Year: Greenery

It's the color your customers will be looking for this season - and it's all about what we do: Greenery. The Pantone Color Institute has revealed the fresh, zesty yellow-green shade as the 2017 Color of the Year. The revitalizing shade is said to be emblematic of new beginnings, symbolizing the first days of spring when nature's greens revive, restore and renew. Illustrative of flourishing foliage and the lushness of the great outdoors, Greenery encourages consumers to take a deep breath, oxygenate and reinvigorate.

Greenery also symbolizes the pursuit of personal passions and vitality. Laurie Pressman, Vice President of Pantone, tells *The Washington Post* that Greenery was chosen to represent a yearning to reinvent ourselves. "The Color of the Year is chosen to reflect what is taking place in the world. This is a color we see building up in all areas of design and is reflective of a mood," she says. "Greens help our heartbeat to slow down, help us to breathe and pull ourselves away from a world tied to flat screens and immerse ourselves in the physical beauty of the natural world."

Leatrice Eiseman, Executive Director of Pantone and a past keynote at the IGC Show, says, "Greenery bursts forth in 2017 to provide us with the reassurance we yearn for amid a tumultuous social and political environment. Satisfying our growing desire to rejuvenate and revitalize, Greenery symbolizes the reconnection we seek with nature, one another and a larger purpose."



Getting to Know Gen Z: What IGCs Need to Know

Just when you thought you were starting to understand how to market to Millennials, there's a new generational group on the horizon already shaking up the retail landscape. Generation Z, or individuals born between 1999 and 2006, has become a major influencer of consumer spending, according to a new study by HRC Retail Advisory.

"Generation Z has significant influence over household purchases," Farla Eφος, President of HRC Retail Advisory, tells *Chain Store Age*. "Retailers must appreciate the different expectations and habits of this group, as well as of Millennial parents with kids, and develop and execute strategies that address their needs in order to stay competitive with this increasingly important consumer segment."

HRC's study found that Gen Z consumers are heavily influenced by friends, bloggers and social media, with shopping habits that focus on in-store shopping at malls and online shopping.

Here are some additional insights from the study, which surveyed 3,100 Millennial and Gen Z participants in the United States and Canada on their shopping habits, attitudes and influences driving their purchasing decisions:



- While more than 60 percent of all survey respondents say they visit a mall or shopping center at least once a month, 72 percent of Gen Z respondents and Millennial parents with kids say they do so.

- Among all respondents with a preference, 62 percent would rather receive a gift card than an actual gift, and this number climbs to 69 percent among Gen Z children. Are gift cards in your garden center's mix?

- Gen Z shoppers tend not to be strongly influenced by celebrity endorsements from athletes, actors and musicians. Instead, more than 61 percent of their purchase decisions are most strongly influenced by friends, with 13 percent being influenced by bloggers.

- Approximately 50 percent of Millennial and Gen Z shoppers use social media while they shop. Of the time spent online, the most popular site is Facebook (61 percent), YouTube (38 percent) then Instagram (24 percent).

Now Trending in Garden Retailing . . .

- Your store brand's online presence is a major point of engagement for your customers. **Six out of seven consumers conduct online research before they enter a store**, according to Lithium Technologies' "The State of Social Engagement 2016" study.
- Your customers value transparency regarding their online orders. **About 40 percent of online shoppers say they check the status of their orders at least once a day, with more than 10 percent checking multiple times per day**, according to OSM Worldwide's "The State of Online Shopper Delivery Expectations and Actions" study.
- Is your garden center fully stocked? **Eighty-one percent of consumers will shop your competitor if a product is backordered or out-of-stock**, according to Radial's "Consumers' 2016 Holiday Shopping Expectations" study.

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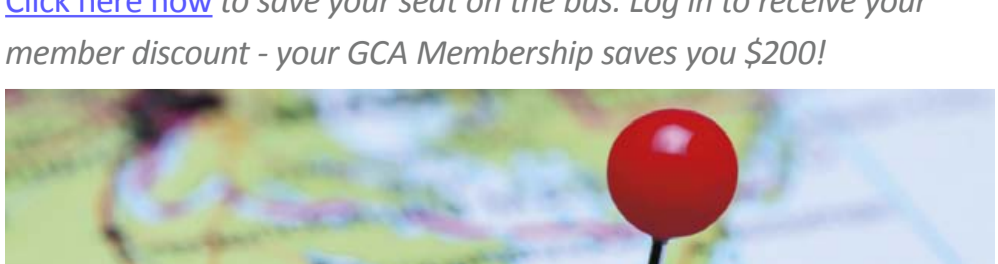
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No More Store Checkouts? Amazon Is Testing It Now



New technology from online retail giant Amazon could allow shoppers to walk into a brick-and-mortar grocery store, grab what they want and simply leave - without waiting in a checkout line or interacting with a cashier. Amazon Go, already open to Amazon employees through its beta program, utilizes the most advanced machine learning and artificial intelligence in place of cash registers in a new 1,800-square-foot grocery store in Seattle. The program is scheduled to open to the public in early 2017.

As seen in the video released by Amazon above, shoppers scan a code in the Amazon Go app on their smartphones at a kiosk as they enter the store, then they grab the items they need and leave. Their Amazon accounts are charged once they leave the store, and the virtual cart automatically detects when they pick up or put down an item.

Amazon calls the innovation "Just Walk Out Technology," and it uses computer vision, deep-learning algorithms and sensor fusion to function.

[Watch the video here.](#)



Lowe's Rolls Out Robot Sales Associates in San Fran

In other retail tech news, for the last few months, Lowe's has been testing a new kind of sales associate to help customers locate items in-store - the multilingual robot, LoweBot. Twenty-two of the robots will work in 11 Lowe's stores located in the San Francisco Bay area.

Customers simply tell LoweBot what they're looking for, and the robot takes them to the product's location. To find the items, LoweBot communicates with the store's central computer for the location using LIDAR, lasers and cameras to navigate.

In addition to assisting customers, LoweBot can monitor inventory in real-time, detecting patterns that might guide future business decisions, says Lowe's.

Kyle Nel, Executive Director of Lowe's Innovation Labs, tells *CBS San Francisco* that LoweBot won't replace workers. "Not at all," he says. "This was designed from the ground up to be an assistant to the store helper."

Lowe's decided to test out LoweBot in its stores after a successful two-year pilot of OSHbot in an Orchard Supply Hardware store.



Rework Your Garden Center's Loyalty Program So It Works Better for You

When well-executed, a loyalty program fosters better connections between garden center retailers and their customers. But just throwing points at your customers every time they make a purchase isn't going to cut it. A successful loyalty program should help you identify brand advocates, reward them, increase engagement and actually make your website browsing/shopping experience more enjoyable.

Here are three ways a loyalty program can actually improve the shopping experience for your customers, focusing on value and memorable moments, according to Jess Mizerak, Customer Loyalty Strategist with Antavo Loyalty Software:

- **More than just the shopping transaction.** Your loyalty program should not only reward purchases, it should also reward other brand engagements, such as social media sharing, referrals or sharing reviews of your store. Your program should focus on the rewards customers can get for their points later. Are you providing a true experience? Are you offering opportunities? Are you connecting with a charity or other social causes?

- **Incentives to write reviews and share on social media.** Give loyalty points to your customers for sharing their experiences with your store on social media, making it worth their time and helping them get closer to that valuable reward or experience that you've offered. If you have a loyalty program that allows you to incentivize Instagram hashtags, you can also ask customers to post their photos and videos on Instagram, using one of your brand's hashtags, which will be seen by your customers' friends. Finally, run occasional contests to get people talking about your brand on social media, and build excitement around your projects. If you base the contest on the week's best landscape, container garden, garden description or video, you've just set yourself up to get some great content that you can use in marketing later on.

- **Generating relevant info to make your e-mails shine.** By using your loyalty program to help generate more data, such as user preferences and interests, you can apply that to all your marketing campaigns for more success. Segment your loyalty program members by more interests, and make offers that directly appeal to that interest. You've got a greater chance of encouraging more engagement and more purchases, while discouraging "unsubscribes," if you send relevant content.

Tout It! Gardening Curbs 'Nature Deficit Disorder'

As many of your customers work in drab office buildings and fight traffic on a daily basis, modern lifestyles sap consumers' spirits. He calls it "nature deficit disorder." But now, the good news for your customers: Scientists believe spending time outdoors gardening or some other outdoor activity has a positive impact on our mental well-being, the *Daily Mail* reports.

Cameron suggests that spending time in the garden can provide the answer for those who do not have access to the great outdoors. He says the answer for those who do not have access to the great outdoors. He says the answer for those who do not have access to the great outdoors. He says the answer for those who do not have access to the great outdoors.

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