

# garden centers of america Garden retail trends report

February 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.



## Green Industry Generates Nearly \$200B Annually, Generates 2M Jobs Nationwide

The green industry is going strong, generating \$196 billion in annual revenue while creating more than 2 million jobs in the United States, according to a newly released study from the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS).

What economists call the "green industry" - nursery and greenhouse production, landscape services and horticultural product distribution - is bringing plenty of green to a lot of people across the country. A new study by the University of Florida Institute of Food and Agricultural Sciences shows that the industry generated \$196 billion in revenues annually, and more than two million jobs in the United States.

Green industry products include sod, flowers, bedding plants, tropical foliage, trees and shrubs, among other types of plants. The industry also includes many businesses that provide services such as landscape design, installation and maintenance, plus firms - such as lawn and garden stores - for wholesale and retail distribution of horticultural products.

The \$196 billion estimate for revenue contributions by the industry includes additional impacts arising through the industry supply chain - for example, fertilizers and chemicals purchased by nursery growers. It also reflects spending of household income by industry employees and tax revenues generated by the industry.

The study compared industry activity in 2013 to previous studies for 2002 and 2007-08. Employment in the industry went up 4.4 percent between 2007 and 2013. The landscape services sector showed the biggest job gain, with 24 percent, while retail florists lost the most jobs, a 49 percent decline, from 2001 to 2013, the study reported.

Still, direct green industry employment was 1.6 million nationwide in 2013, according to the study, published in the journal *HortTechnology*.



## Buy Online, Pick Up at Your Garden Center? Pros & Cons You Need to Consider

Shop your garden center online, pick up in store? The rollout of "click-and-collect" capabilities, which allow shoppers to purchase an item online and pick it up in-store, have been touted as a key advantage that traditional brick-and-mortar retailers can leverage over Amazon, according to a recent CNBC report. The service brings shoppers into garden centers, increasing the likelihood that they'll scoop up extra items on their visit, and streamlines distribution to get orders into customers' hands faster. Shoppers are digging the service, too - 32 percent used click-and-collect during the recent holiday season, according to a study by the International Council of Shopping Centers.

But be careful - offering this service could put a damper on your profitability if it isn't executed properly. Forty-two percent of retailers surveyed cite preparing online purchases for in-store pickup as one of their highest costs for fulfilling orders, according to a study by JDA Software.

The cost, savings and sales boost generated from click-and-collect depend largely on the product's location, your customer base and location, product selection and your ability to find the cheapest way to get it to the consumer. The additional labor cost that's often required for the service, taking workers off the floor to find the items and pack these orders, can also weigh on your garden center's profitability.

The answer to rolling out "buy online, pick up in-store" is not one-size-fits-all. Interested IGC retailers will have to figure out the most profitable method of execution, which could include charging a small fee for the service.

## Newest Speciality Foods To Stock In Your Gourmet Food Department

Got speciality foods - or thinking of getting into the category? A good guide to follow on what's up-and-coming is the Winter Fancy Food Show, hosted last month in San Francisco, CA. *The Gourmet Retailer* reports turmeric and truffles are among the trendiest flavors. More hot trends noted include:

- Chirps, available in BBQ, cheddar and sea salt flavors, are snack chips made with organic cricket flour.
- Speciality teas: Rishi's Turmeric Ginger Chai, Spice Hunter's Smoky Turmeric, Health Verve Food's Organic Turmeric Drink and Organic Turmeric Brown Rice, and Republic of Tea's Organic Turmeric Ginger Tea.
- Tropical Fields Crispy Coconut Rolls are an addictive rolled cookie treat.
- The Pure Wraps Coconut Wraps, produced in original and curry flavors, are made with coconuts and Himalayan salt. They can be used in the same ways as tortillas.
- Lemoncocco is an Italian beverage that combines Sicilian lemons and coconut cream for a refreshing drink.
- Volpi Roltini Singles are individually-wrapped sticks of salami, mozzarella with pepperoni, mozzarella with prosciutto and mozzarella with spicy salami.



## Digital Gardening & Landscape Design Set the Mood In New 'Sims 4' Gaming Pack



Your gaming customers may soon ask you for that fabulous flowering shrub they spotted in The Sims 4 Romantic Garden Stuff Pack, just released for the popular life simulation video game series. A mixture of flowery flora and marble furnishings that enable players to build new styles of parks, or to revitalize their backyard. Here's how the developers are selling it: "Do you prefer a manicured lawn with trimmed rose bushes and flowers entwined around a wooden trellis? Perhaps instead you want to create your own Victorian inspired botanical gardens, replete with spitting lion fountains and stately Doric columns? All of these items and more empower you to create lush landscapes for romantic moments like dates, proposals, and weddings - or simply to enjoy a lovely afternoon outdoors." See the game pack trailer here by clicking the play button above.



## Uber Drives Into Retail with Same-Day Delivery Service

Kyle Lacy called it. You may remember *IGC Magazine's* social marketing guru said it at the IGC Shows last summer - next thing we know, garden centers will be using Uber to deliver customer containers same-day. Well, that day is about here. Uber has announced plans to start same-day deliveries in select U.S. cities for a host of notable brands and retailers, including Nordstrom, Rent The Runway, 1-800-Flowers, Cole Haan and Google Express, according to *Mashable*. The latest delivery partnerships are available in New York, San Francisco and Chicago, with the possibility of a broader expansion down the road.

UberRush, the startup's delivery arm, will let the initial group of retailers incorporate the delivery system directly into their own applications as Uber does with its car service in third-party travel and messaging apps. For example, while shopping on Nordstrom's app, customers will see two shipping options on the checkout page: standard mail delivery in 5-7 days or an Uber delivery in a matter of hours. Uber charges a delivery fee and takes a cut for the service.

## Four Ways to Help Assure the 'Keepers' You Hire this Spring Stay with You Long-Term

With spring peak season hiring efforts under way, you'll want to retain the sales floor keepers you find - and, of course, your dedicated, longtime frontline people. Here are four keys to do just

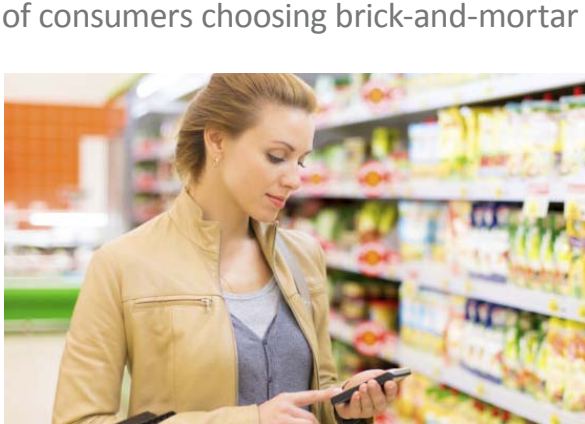


that, from Steven Kramer, CEO of WorkJam:

- 1. More communication and community spirit.** Pursue new communication methods to encourage dialogue between your garden center's frontline workers and store management to make your staff feel like they're part of a larger community.
- 2. Fair and inclusive scheduling.** Your supervisors need tools that can collect individual employee shift availability in one place (rather than having to piece together written notes, texts and week-old conversations), and integrate that information into the scheduling algorithms alongside forecasted store traffic and other operational factors.
- 3. Reciprocal feedback.** Implement accessible platforms that serve as safe spaces for workers to reach out with questions, concerns or ideas for strengthening store processes.
- 4. Customized training and recognition.** To bolster in-store training and meet your employees' demands for more technology, augment in-person instruction and evaluations with digital resources. Making training materials available in online portals and mobile apps frees your employees to structure their own development. Integrating technology offers your managers a better view into your frontline staff's growth, allowing them to form individualized performance feedback and shift assignments.

## Bricks & Clicks Combine for Robust In-Store Shopping

Consumers still love shopping at brick-and-mortar stores, and the proof is in the International Council of Shopping Centers' (ICSC) recent "Holiday Consumer Purchasing Trends" study. Physical stores drove sales, with 91 percent of consumers choosing brick-and-mortar retailers. And many time, those in-store shopping experiences involved a digital element. Here are some of the findings:



- Seeing, touching and trying on merchandise was cited as the number one reason to shop in-store (32 percent), followed by the ability to browse (26 percent) and the ability to get the item right away (24 percent).
- Sixty percent used their mobile device while shopping in-store to do such things as compare prices, check availability and view reviews/ratings.
- Fifty-six percent researched products before they even entered the store, noting they arrived better informed and ready to purchase.
- Nearly one-third (32 percent) used the click-and-collect method, with 69 percent purchasing additional items in the store of collection and 36 percent making another purchase in an adjacent store.

## Now Trending in Garden Retailing . . .

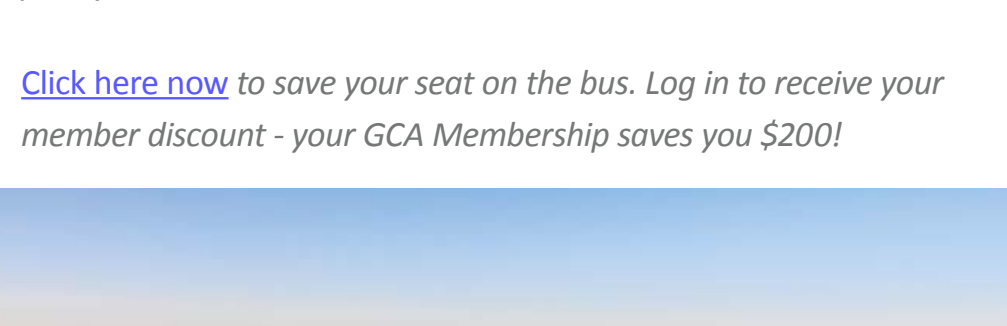
- Keep stocking those impulse items by your registers. A report from CreditCards.com finds that **84 percent of Americans say they have made an impulse buy at some point.** Of the consumers in the 18-29 age bracket, 61 percent say they made most impulse purchases for themselves.
- Data security is always on consumers' minds. At least once in the last year, **more than one-third (35 percent) of respondents say they decided not to buy products or services from a company due to privacy concerns,** from a study conducted by Morrison & Foerster.
- With the EMV chip card compliance deadline months past, it's time to check up on where retailers stand. Among 200 retailers surveyed, **only 8.5 percent say they are already compliant, and 14 percent are unprepared.** Almost half (48 percent) are prepared or somewhat prepared, but still have work to do and/or are still evaluating their options for EMV, according to a survey by ACI Worldwide.

Join GCA's and the IGC Show's Social Network

## TAKE ADVANTAGE OF YOUR GCA MEMBERSHIP BENEFITS

### Registration Now Open! GCA Summer Tour, Portland, OR June 26-29

All aboard the GCA Summer Tour as it heads to Portland, OR, for an exclusive behind-the-scenes look at the garden centers that make this Northwestern market a hub of retail innovation. Portland has been called a treasure trove of merchandising and retail inspiration, so be sure to pack your notebook and camera!



### Enjoy Exclusive Savings & Special Perks at IGC Show Chicago & EIGC - The Eastern Show for IGCs

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

Other benefits include:

- Two free drink tickets per company for redemption at Tuesday evening's IGC Show Party & Concert
- Special reserved seating at the concerts - come early, seating is limited!
- Access to the GCA Member Lounge at IGC Show Chicago, with a special catered lunch buffet available at your convenience



Watch for more details about IGC Show Chicago and EIGC - The Eastern Show for IGCs, coming soon!

**EIGC** The Eastern Show for IGCs  
 Show - Conference - Education for the East!  
 August 2-4, 2016  
 Valley Forge Casino Resort, Philadelphia Metro Area, PA

**IGC** The Independent Garden Centers  
 Show - Conference - Education - Incredible!  
 August 16-18, 2016  
 Navy Pier Festival Hall, Downtown Chicago, IL