

garden centers of america Garden retail trends report

May 11, 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.



Lead Your Customers by the Nose with a Signature Scent

A distinguishable scent can transport a person back to a certain place and time - and it can trigger an association to your garden center's brand. At least that's what some companies are counting on. A number of companies are even trying to trademark the scents they use to attract consumers, reports *The Wall Street Journal Europe*.

Some of the inventive ways to entice a consumer's sense of smell include a U.S. ukulele company's use of a pina coloda scent on their stringed instruments and Verizon Wireless's use of a flowery musk in its marquee stores. United Continental Holdings, a top U.S. airline, pumps a mixture of orange peel, sandalwood, cedar and leather into its boarding bridges and lounges at O'Hare Airport in Chicago.

Consider choosing one distinct scent to represent your garden center to customers - perhaps a hint of soothing lavender that could flourish in their gardens or rosemary that recalls all the delicious edibles you have in store.

Imagine Ripping Out Your Store's Cash Registers - It Could Happen!

If you can imagine your garden center without its cash registers, then you might be glimpsing at the future of retail. Stores should be ripping out their cash registers and checkout lanes now, according to Chris H. Petersen, Ph.D., CEO of Integrated Marketing Solutions, and here's why - lost sales.

POS systems, registers and checkouts are all seen as "expenses."

Centralized checkouts may address the store's need to reduce these expenses, but what is the cost in terms of lost sales? How many shoppers abandon their carts because they don't want to wait in line?

How much do customer satisfaction and experience suffer when shoppers stand in line, idly waiting for the "privilege" of being checked out?



Here are more reasons why retailers should nix the cash register, Petersen says:

- Checkout lanes take up considerable floor space.
- Security and theft prevention could remain in place with a sensor scan at the exit door.
- Your cashiers could be redeployed as sales associates, helping consumers on the floor.
- Associates could check out customers in the aisle with smartphones and card readers.
- Electronic receipts can be e-mailed to the customer or printed at portable printers.



Important E-mail Marketing Campaign Checkpoints

Your garden center's e-mail marketing strategy shouldn't be left to chance. One way to ensure success is to use split testing to make sure you get it right, reports *Entrepreneur*. Simply take two randomly selected groups of your subscribers to test. Send one group the sample newsletter and the second the newsletter with a slight variation. This way, you can tell if the slight change yields any results.

Here are five more tips to get the best from your e-mail campaign:

- 1. Decide what you'll test.** Design testing that goes further than colors or call to action. You might be surprised at the test results of a campaign with the same content, but one as a fancy HTML design and the other a plain text, personal-looking e-mail.
- 2. Personalize subject lines.** People are used to seeing their name in the subject line, but the recipient's web address or city stirs added interest.
- 3. Find buzzworthy content.** E-mails with videos and infographics tend to generate more buzz. Test the content of your e-mails to determine what works best with your customers. Do they respond better to newsletters vs. discounts? Testimonials vs. blog content?
- 4. Define success.** Know what you are testing for. Are you looking to improve conversion rates? Click and open rates? This will determine what type of testing is best.
- 5. Always use best practices.** Here are some best practices to keep in mind:
 - The minimum sample size recommended is 100.
 - Slice and dice your database by demographic data - age ranges, gender, location, etc.
 - To decide the best day, send the same sample e-mail to a random group of people each day, for seven days.
 - Only test one variable at a time.
 - Listen to the data collected. Never trust your hunches.

Now Trending in Garden Retailing . . .

- Start tailoring your promotions and product recommendations based on consumers' previous purchases - **more than three-quarters of shoppers are receptive to the idea**, reports the CFI Group.
- Half of shoppers don't know exactly what they want when they enter a store, and 93 percent can't find the right store associate to help find an item - but **85 percent buy more when they're helped by a knowledgeable sales associate**, according to research from TimeTrade.
- Sales per shopper are up **5.8 percent compared to the same month a year earlier**, reports RetailNext's March 2015 Retail Performance Pulse.

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 brought 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.

Register by May 31 and save \$50 on each registration - no quantity limits!

Save Big at IGC East and IGC Chicago!



Each Members save \$100 on each IGC Retail Conference "All-Access Pass" Package 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.](#)

Technology and Traditional Retailing Can Co-Exist to Your Garden Center's Profitability



Technology, from mobile to online sales, is no longer looming at your garden center's doorstep. It's here, now ... and it's friendly. Technology is no longer thought of as obliterating brick and mortar stores - now it's coexisting with physical retail stores, according to PricewaterhouseCoopers' white paper, "Retailers and the Age of Disruption."

The brick and mortar store remains the most frequent retail touchpoint, with 36 percent of global shoppers going there at least weekly. Compare that to 20 percent who shop weekly online via their computer, 11 percent online via mobile phone and 10 percent online via tablet.

But even if the brick and mortar store is still king, garden centers need to streamline their in-store efforts so consumers still have a reason to pass through your front door. One example of a retailer providing a unique, brand-defining experience is Migros, a leading supermarket chain in Turkey. It uses kiosks to sell online to customers in-store. The kiosks push e-commerce sales by connecting customers with product that is unavailable in-store. In-store design studios and personal shopping assistants are two other ways retailers are providing more customized services.

To learn more about how brick and mortar and technology can work together, check out the video link above, a panel discussion among outdoor retailers of how it's working for them. Pour some coffee, though - it's a long one, but well worth the time spent.

Consumers Love Loyalty Programs - How Are You Wooing Them with Yours?

Loyalty programs are going strong in 2015. To continue that momentum, garden centers must develop programs that fulfill customers' needs rather than simply offering a discount, according to the 2015 Bond Brand Loyalty Report. More consumers than ever are enrolling in loyalty programs, and the average number of programs in which customers are enrolled has risen from 10.9 programs per member in 2014 to 13.3 programs per member in 2015. Still, the average number of programs in which members are active has declined from 7.8 to 6.7.

Since consumers have a threshold for how many programs they will actively engage, it is important that garden centers differentiate their programs.

Customer satisfaction with your program relies on monetary incentives like the amount of rewards earned per dollar spent and how easy it is to redeem the rewards. To stand out from your competitors' loyalty programs, think about the experience-driven factors you tie in.



- Is your loyalty program worth the effort of participating?
- Does your loyalty program meet your customers' needs?
- Is your loyalty program easy to understand, enjoyable and simple?

'The Golden Days of "40 Percent Off" Sales Are Over'

To appeal to customers during the recession, your garden center may have followed the path of many other retailers by offering frequent, deep discount promotions. That trend held strong for many years after the recession, but it is now becoming passé as the economy strengthens and retailers look to use promotions more sparingly, reports *The Washington Post*. In an article titled "The Golden Days of '40 Percent Off' Sales Are Over," the *Post* says that fashion retailers like Express, NY & Co. and others are looking to scale back their sales in the hopes that they will improve their bottom lines, even if they sell fewer items. This move to fewer sales spurs higher profitability and greater brand exclusivity, experts say.



Weaning your customers off of a steady diet of promotions can be tricky, however. Some retailers are still finding ways to give customers the deals they are looking for - but in a more strategic way. They might be cutting back on the frequency and scope of sales, but they are giving customers more targeted, personalized promotions in their place: a hand-personalized pot with every Mother's Day orchid purchased, for example.

Keep It Simple for Customers: They're Tired of Info Overload

People are more connected to information than ever. By 2020, more than 50 billion devices will be connected to the Internet, says Pat Bakey, Global Head of Consumer Industries at SAP. This leaves consumers with the task of sorting through all the information, and it has them seeking a more simplified shopping experience. In fact, the Global Brand Simplicity Index found that 38 percent of consumers are willing to pay more for a simpler experience, and 70 percent are more likely to recommend a brand because it provides a simpler experience.

Your garden center could benefit by removing the clutter from the shopping experience. To consider how your garden center could change, ask yourself these questions: How hard do customers have to work to buy our products? Are they constrained by a lengthy purchasing experience? How could we make things simpler at our garden center?