



# Garden Retail Trends Report

May 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.



## 'Get Real' with Millennials: Value Is More Important to Them Than Message

Millennials are unresponsive to most traditional forms of advertising. They engage with store brands, but they do so differently than previous generations. Instead of using over-the-top expensive marketing tactics, your garden center should try to actively engage with the younger set in meaningful ways, says Josh Perlestein, CEO of Response Media. These consumers prefer brands with an authentic image. It's better to add value to their lives by providing relevant gardening tips, resources, community platforms and content.

Here are three ways your store can bring value to Millennial customers' lives, from Perlestein:

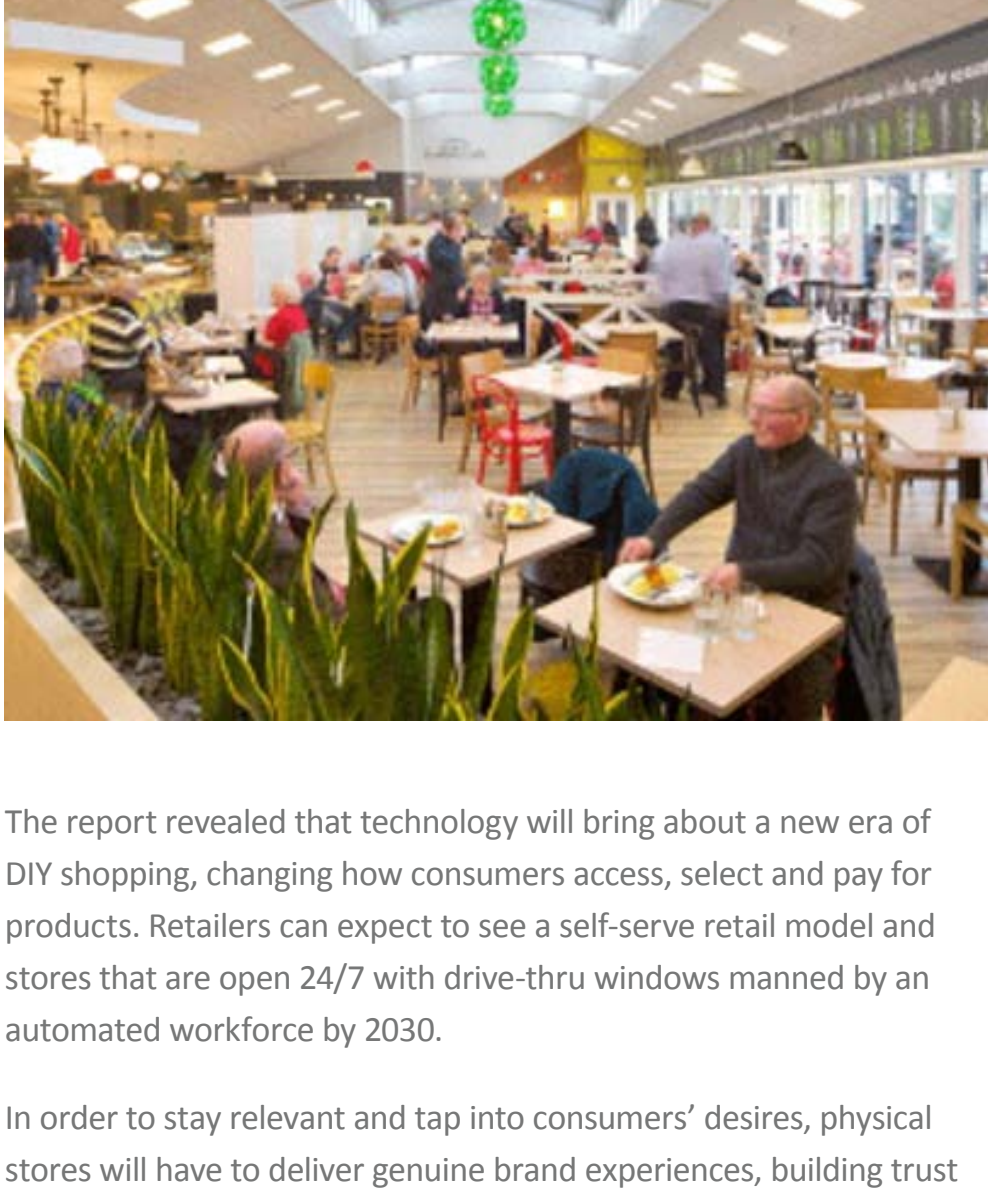
**1. Understand who Millennial consumers are and where they're going.** Talk to your Millennial customers and ask them what's driving their brand choices and purchases. Set up a quick survey - either in-store or online - to gauge what steps they took to discover your garden center and what needs they're looking to be filled. When you have the answers to all of these questions, you can attune your store brand's messaging and efforts toward these needs.

**2. Determine when and where to add value.** Determine how your garden center can add value to and enhance Millennials' lives - whether it is by showing them how to grow fresh produce for their next dinner party or telling them how house plants purify the air. Ask how you can address their unmet needs in the marketplace. Run various tests in a process called "value discovery" to see what type of content results in the most customer engagement and interaction for your garden center.

**3. Determine where your target audience can be reached.** Based on customer feedback, data collection and analytics, you should understand where Millennial customers came from, how they discovered your brand and their path to purchase. Then use this data to identify the best options for reaching them. Focus on gaining better placement and more frequent exposure to scale what works.

## What Will IGC Retailing Look Like in 2030?

In the years ahead, digital technology and other innovations will play a key role in shaping the retail model, including the way your independent garden center does business. In particular, converging channels, customization and constant connectivity are expected to change shopping trends by 2030, according to Synchrony Financial's "Future of Retail: Insight and Influences Shaping Retail Innovation" report.



The report revealed that technology will bring about a new era of DIY shopping, changing how consumers access, select and pay for products. Retailers can expect to see a self-serve retail model and stores that are open 24/7 with drive-thru windows manned by an automated workforce by 2030.

In order to stay relevant and tap into consumers' desires, physical stores will have to deliver genuine brand experiences, building trust and loyalty in the process. A majority of consumers (55 percent) are excited to see the blending of in-store and entertaining experiences in the form of coffee shops, bars, cafes, music or complimentary samplings of products or services.

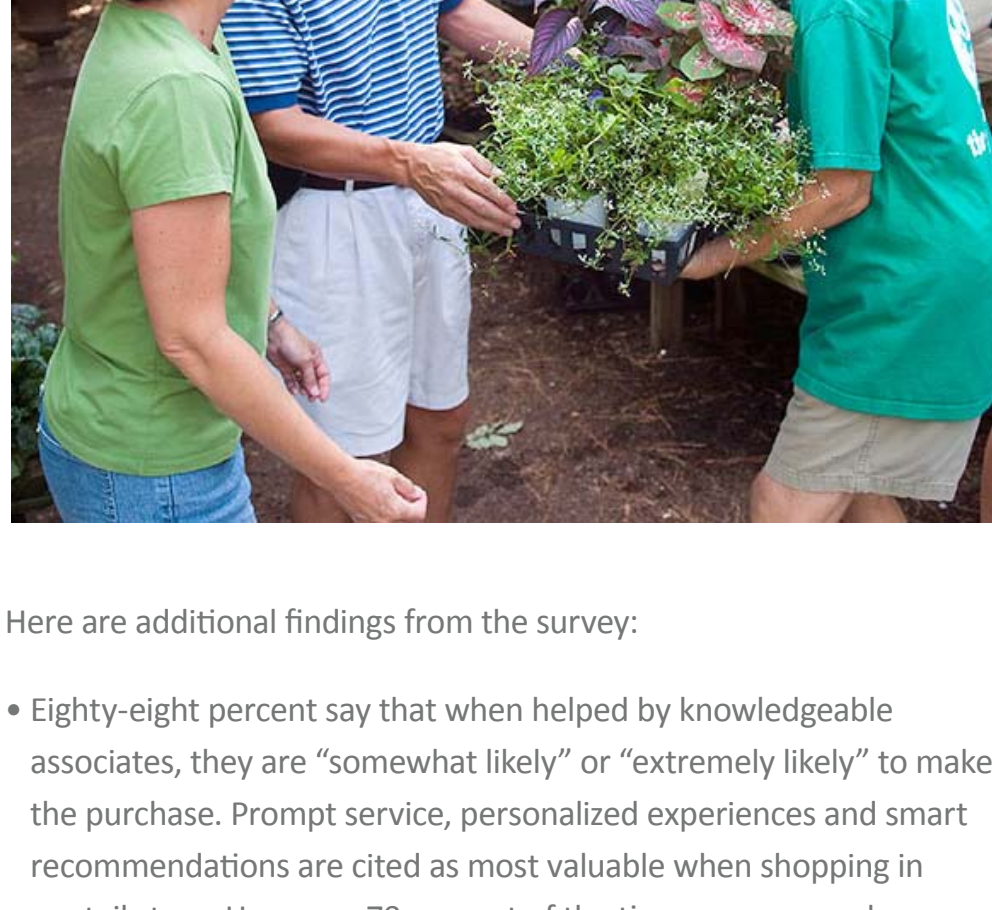
Here are additional insights from the report:

- By 2030, retailers across channels will be able to deliver better personalized products and offers to consumers by tapping into the personal information they willingly provide, and customers will expect this. Retailers, including indie garden centers, will be enabled to direct consumers to preferred in-store items and send immediate customized sales offers by utilizing RFID in phones and wearables, as well as biometric scanners for fingers and palms. "Digital assistants" in the form of in-home chat bot devices will become popular.
- Technology will give rise to a more demanding shopper base that expects purchases from your garden center to be instantly available or returned. Seventy-seven percent of consumers anticipate better return methods for online purchases in the future. Instant gratification will become an important part of the shopping experience in the form of stores on wheels, trunk stores, pop-up shops and subscription services; return buttons in retailer apps that re-package and pick up items; real-time inventory accessibility and better ship-to-store options.
- The confluence of channels and high-definition camera technology will allow shoppers to visualize how a new patio set, decking and more will look at their houses through virtual or augmented reality. Consumers will be able to secure in-home retailer services, purchase on demand using smart labels or QR codes, shop in 3D and use instant try-on features.
- Instead of carrying items to appeal to everyone, IGC retailers should focus on a niche, as 57 percent of consumers agree that retail shops must streamline and focus on doing one or two things well. Specialty retailers like indie garden centers are the go-to in high-involvement categories, while online and automated reordering will reduce the need for as many one-stop shops.

## Personalized Service Gets Customers to Spend Close to 5% More In-Store

Lackluster in-store customer experiences are costing brick-and-mortar retailers big money - is it zapping profits from your garden center? Stores lost about \$150 billion in potential revenue last year by failing to provide shoppers with personalized in-store experiences, according to TimeTrade's "State of Retail 2017" survey.

The report reveals that consumers would increase their in-store spending by 4.7 percent if they received more personalized service from retailers. In fact, about half of survey respondents (49 percent) say they "never" or only "sometimes" receive what they consider to be personalized service.



Here are additional findings from the survey:

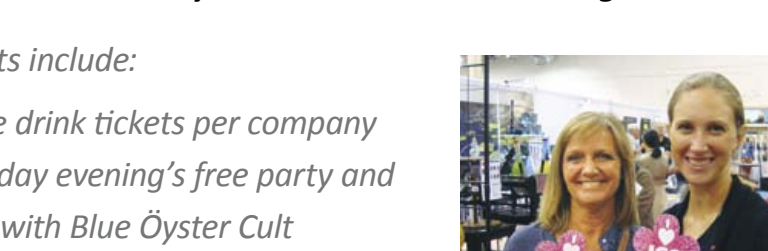
- Eighty-eight percent say that when helped by knowledgeable associates, they are "somewhat likely" or "extremely likely" to make the purchase. Prompt service, personalized experiences and smart recommendations are cited as most valuable when shopping in a retail store. However, 70 percent of the time consumers shop a store, they can "never" or only "sometimes" find a sales associate when they need assistance.
- Eighty-two percent say they still do half or more of their shopping in physical stores, excluding grocery stores. Moreover, 70 percent say they plan to do the same this year, with 14 percent saying they would increase the amount of in-store shopping they do. Is your garden center ready to give them a great experience?
- When an item is available online and in a nearby store, 75 percent say they prefer to buy from a physical store.
- Personalization is especially important among Millennial consumers, as 47 percent of them do 75 percent of their shopping in stores as opposed to online. Twenty-nine percent always start shopping online, then go to a physical retail store to complete the purchase. Is your website representing all your garden center offers?

## Now Trending in Garden Retailing . . .

- Ninety-three percent of customer journeys involve multiple channels, and 72 percent of consumers browse for products online before buying it in a brick-and-mortar store, according to "The Modern Consumer" survey.
- Customers live in the here and the now, so consider rewarding them with exclusive in-store deals and discounts as soon as they walk in your garden center. Sixty percent of consumers want real-time promotions and offers, from SPS Commerce's "The Age of Unified Retail: Moving Beyond Omnichannel" white paper.
- Centrally located? Fifty-one percent of the Millennial generation reported that a store's location is most important when deciding where to make a purchase, according to "The Rise of Small Format Retail" report from Koupon Media.

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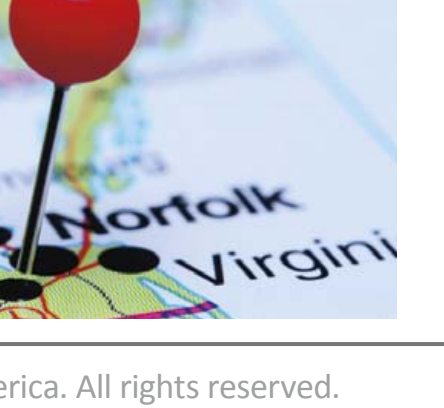


## TAKE ADVANTAGE OF YOUR GCA MEMBERSHIP BENEFITS

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### GCA Summer Tour, June 25-28, 2017 Newport News/Virginia Beach, VA

GCA Summer Tour 2017 heads to Virginia for an exclusive behind-the-scenes look at garden center operations from Richmond. Be sure to pack your notebook and camera to capture all of the merchandising and indie retailing inspirations in store!



Click here now to save your seat on the bus. Log in to receive your member discount - your GCA Membership saves you \$200!

### Enjoy Exclusive Savings & Special Perks: IGC Show, August 15-17, 2017!

GCA Members save \$260 on each IGC Retailer Conference All-Access Pass registration during the early bird registration period, and \$100 off each IGC Show Monday Garden Center Bus Tour registration!

Other benefits include:

- Two free drink tickets per company for Tuesday evenings' free party and concert with Blue Oyster Cult
- Special reserved seating at the concert - come early, seating is limited!
- Access to the GCA Member Lounge, with a special catered lunch buffet available at your convenience



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## Virtual Reality DIY Gardening Demos? It's Already Happening in Home Improvement



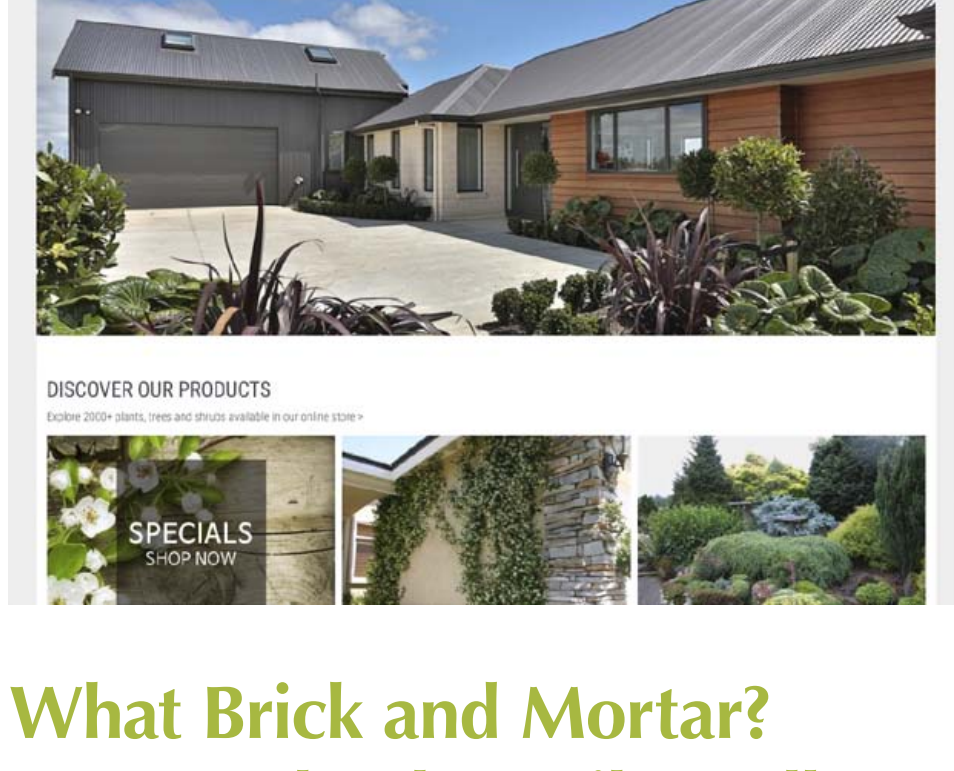
Are virtual reality gardening demos next? Lowe's recently debuted "Holeroom How To," its first virtual reality DIY skills-training clinic, at its Framingham, MA, store, reports Deena M. Amato-McCoy of Chain Store Age and Matt McFarland of CNNTech. The first clinic teaches customers how to tile a shower, and eventually, a broader range of topics - including home landscaping - may be offered in all Lowe's stores.

To participate, customers enter the interactive virtual reality-based environment and wear an HTV Vive headset to receive tutorials on basic DIY skills, supplies and steps needed to complete a project. The HTV Vive hand controller is used to simulate mixing mortar and placing tile.

In a trial run, Lowe's found that customers had a 36 percent better recall of how to complete the project, compared to people who watched a YouTube how-to video. And, unlike in-store clinics that are hosted at a preset time and day, the virtual reality classes are available anytime the store is open.

"Our studies show that Holeroom How To actually lifts unskilled DIYers to a memory performance level comparable to that of experienced DIYers," Lowe's Innovation Labs says. "This allows us to teach our customers in a way that we could have never previously imagined, and give them the confidence they need to undertake a daunting renovation."

[See more in the video here.](#)



## What Brick and Mortar? New Zealand Retailer Sells Plants Exclusively Online

Thinking about setting up an online store? Consider this example. The Plant Store based in New Zealand is a completely online plant nursery that sells green goods and offers garden consultations without the footprint of a brick-and-mortar store.

Owner Michael Tither tells *The Southland Times* that there was very little cost setting up his online store, and since starting it two years ago, there has been a 100 percent increase in business. He has been able to focus on building trusting relationships with customers rather than worrying about maintaining a physical store and all the costs associated with it.

While Tither does not have a physical retail store for customers to shop, he does have a distribution center in Invercargill, New Zealand, that is used to send products all over the country. Pop-up stores are opened over the weekend to showcase The Plant Store's products and build relationships with customers.

See The Plant Store's full range of offerings here: <https://www.theplantstore.co.nz>



## This Austin Retailer Takes 'Sustainable' to the Next Level

IGC retailers with an interest in sustainable operations, lean in. An eco-conscious home improvement startup is expanding beyond its base in Austin, TX, according to Marianne Wilson of Chain Store Age. TreeHouse will open its second location - and the nation's first net-zero energy store - at a shopping center in Dallas, TX, June 1, and a third store is due to open this fall in Plano, TX.

TreeHouse carries a selection of products and services that promote healthful and sustainable living spaces, with a special focus on performance and design. Every product has a score that accounts for health, performance, corporate responsibility and sustainability.

Before opening its second location, TreeHouse opened a Sustainable Home of the Future pop-up in a different Dallas shopping center, showcasing the importance of maintaining a healthy home through educational vignettes. The temporary display was constructed out of sustainable materials and includes efficient fixtures and appliances, a rainwater harvesting tank and a food recycler that turns scraps into compost.

"TreeHouse is reinventing home improvement with the twin goals of ecological and human health," the company says on its website. "Our core principles are applied to everything in the store. From thoughtful and innovative products to comprehensive, high-quality services - every element is designed to build a better home."

Check out the TreeHouse's website here: <https://tree.house>

## Your Return Policy Could Double as a Conversion Tool for Your Garden Center

IGC retailers put so much thought and effort into making the sale that sometimes they forget about generating a clear return policy, which many shoppers look for before making a purchase. The return process is the No. 1 reason that brick-and-mortar shoppers don't buy online, according to a comScore survey.

Your store's return policy should clearly define what items can be returned and how long the shopper has to return said items, among other details. When done properly, your return policy is a sign of good faith to the customer, acting as a conversion tool.

Here is what you need to include in your garden center's return policy, from Pamela Hazelton of PracticalEcommerce:

- 1. Clear communication.** Don't generate a return policy that is hard to decipher or incorporates legalese - your policy needs to be simple and easy-to-understand. Use bullet points to explain the entire return process, and if there are any items that can't be brought back, explain why. Make sure this info is in your policy: what can be returned and in what condition; the return-by time limit; who pays for return shipping if you accept returns by mail; how quickly returns are processed and how money is refunded (store credit, refund or exchange).
- 2. Convey convenience.** Customers want your return policy to be convenient, and if you sell garden products online, they expect the same convenience when returning a product as they do when ordering it. More than 60 percent of online shoppers want a return label included in the box or the ability to print one quickly.
- 3. Cost matters.** Avoid implementing restocking fees on returns, as most consumers view this as punishment. If your garden center has an item shop, consider paying for the return shipping, especially if the item was damaged or incorrect.
- 4. Be flexible.** People are busy and don't always have time to review and return their purchases in a short amount of time. Shoppers have come to expect at least 30 days to return an item, and longer return deadlines are a bonus.
- 5. Don't hold the money.** Once the return is in your hands, it should be inspected and processed quickly. Explain to the shopper how soon they can expect to receive a credit or refund.
- 6. Don't be greedy.** It's understandable that some custom items and specialty products will lose value when returned, but strict policies on generic items will cost you big sales. Avoid using any terms that trigger distrust, such as "restock fee," "we cannot be held responsible," "less any shipping charges" and any "MUST" directives in all caps or bold or red text.
- 7. Reconsider RMAs.** While a return merchandise authorization (RMA) makes the online returns process easier for the seller, it forces customers to go through another step that can be time-consuming. Requiring a RMA could cost you sales.