

Nursery Papers

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Adding value to your business

Times are tight in the nursery and garden industry. And when times are tight, it's time to explore new ideas and approaches to the products that we sell.

Drawing from his visit to several leading UK garden centres and Glee, often considered the world's biggest annual gardening and leisure event, Neville Sloss lends an international perspective to the question of how to add value to your business.

This issue of NGIA *Nursery Papers* looks at what is being done to build businesses overseas and how these ideas can be implemented by Australian growers and retailers.

• Your Levy at Work •

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Nursery & Garden Industry
Australia



Know-how for Horticulture™

Adding value to your product, your service and your customers' experience

‘It's all about making your product more interesting and attractive to buyers...’

This message, which applies equally to producers and retailers, came across loud and clear at leading edge garden centres in the United Kingdom and Glee 2005, where the latest international trends for the gardening industry were being showcased.

Standing out were several distinct trends in the international marketplace:

- Interior gardening is in – indoor and house plants offer the biggest greenlife growth potential for both growers and retailers
- Producers need to add value by providing the ‘finished’ product where possible
- Value adding doesn't just occur at point of sale – plant products must be supported with excellent merchandising materials by both the production and retail stages



Both producers and retailers can add value by providing the ‘finished’ product wherever possible.

- Retailers need to add value to the shopping experience of their customers beyond traditional plant and garden product sales.

In this issue of NGIA *Nursery Papers*, we explore these trends by examining several examples of what is being done to adapt to a changing market. We also offer further tips on how these examples can be applied to help your business grow.

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Producers

Create a 'finished' product – plant and container

Two trends in particular are creating opportunities for growers who are willing to adapt to shifting marketplace demands:

- The use of potted plants in outdoor rooms, and
- The returned popularity of indoor plants.



Set a wholesale price that reflects the value you have added to your product on top of the cost of the plant and the pot.

The rapid growth of these trends is evidenced by both the space being devoted to indoor plant displays in UK garden centres and the product offer from leading European and UK nurseries at Glee 2005. Garden centres and nurseries are using clever presentation techniques to highlight the unique characteristics and striking features of the products that they offer.

Colour is a prominent example, with plants boasting coloured foliage being colour-coordinated with decorative pots. Similarly, pots in flower are wrapped in colourful packaging to provide ready-to-display decorations or gifts.



Bring out the beauty of particular plants by complementing coloured foliage with coloured pots.

Tips

- Plant popular indoor and outdoor plants in containers that complement particular features of the plant such as shape or colour
- Sculptural plants are popular and colour remains in high demand
- Don't feel like you have to do it all – seek professional advice on plant/pot combinations. Not too many growers are interior or exterior designers!
- Set a wholesale price that reflects the value you have added to your product on top of the cost of the plant and the pot



Pots in flower presented in colourful packaging provide ready-to-display decorations or gifts.

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Retailers

Add new products to entice customers to return regularly

UK garden centres visited reported that around 30–35% of their space was devoted to greenlife – far less than the vast majority of Australian garden centres.

These garden centres have diversified their product offer for a very good reason – profit. Grosvenor Garden Centre in Chester reported that despite a fall in plant sales as a percentage of total sales, sales of clothing, giftware, furniture and cookware were all on the rise. Not only that – their restaurant was booming.

Other shifts in consumer profiles have seen sales of chemicals and fertilizers falling significantly. ‘Gardeners are reactive rather than proactive these days’, said UK garden centre owners.

In another development, the United Kingdom, with Australia following tight on its heels, has seen the emergence of ‘farm-fresh’ as a strong selling point for fresh foods such as vegetables, fruits, meats and other produce. Dobbies Garden World of Atherstone, for example, has incorporated a ‘farm-shop’ into its garden centre. Dobbies reports excellent sales and importantly, regular visits by customers.

And how are UK garden centres combating the sales slump over winter? Many garden centres are now selling Christmas decorations and for some, November/December has become their biggest or second biggest turnover period.



Your home delivery van can also act as mobile advertising.



Diversifying your product offer can greatly increase overall profits. Many garden centres selling Christmas decorations to combat the winter sales slump report that November/December has become their biggest turnover period.

Tips

- Look for other products you could sell to complement your current business
- Add products which bring customers into your business more regularly or frequently
- Consider leasing out space to an independent fresh food operator or creating the space to host a weekly or monthly grower market
- Turn your coffee shop into a restaurant and aim it at those with disposable income – these people are more likely to buy product when they visit rather than just a cup of coffee

Offer the services or programs that your customers want

Bents Nursery and Garden Centre in Glazebury have been voted the best in the UK and are well worth the visit to see how it’s been done. Aside from their restaurant and other promotional features was a section dedicated to ‘show gardens’. These were gardens that cleverly displayed the range of products on offer, from plants to pavers to garden houses and garden features.

Bents’ show gardens provided powerful inspiration to customers to buy. In addition, Bents was also affiliated with garden designers and landscapers to whom they supplied products, should customers be seeking to buy the whole garden look.

Tips

- Create show gardens and the merchandise to promote them – have pots of featured plants ready to put on the trolley once people have seen how good they look in a setting
- Landscaping and garden design are becoming increasingly popular options – offer customers ‘the whole package’ by having in-house or contractor affiliates as part of your garden centre business
- Offer home delivery – with the move to more finished products, a home delivery service is worth considering. Furthermore, your delivery van acts as mobile advertising. Charge for small orders, free delivery for large
- Consider a loyalty program but remember: this doesn’t mean discounting!

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Producers & Retailers

Merchandise – help your product sell by giving it that little something extra

Visits to nine leading UK garden centres confirmed the obvious yet few take heed!

Smart presentation, clever positioning, good signage and clear, attractive labelling all work to sell the product.

Keith Turbett, International Business Manager for Scheurich pots and containers, tells a story of one garden centre that increased its return per square metre for pots and house plants from £160 to £6,000. How did it achieve this? By creating a stylish display using promotional merchandise where 'less is more' was the guiding principle.



Guarantees are about building customer loyalty and trust. Also, even if customers do return for a refund, the return visit is an excellent opportunity to sell more plants.

Tips

- Produce point of sale materials – for example, A4 sleeves or banners to give to your retailers (But make sure you incorporate them into your costings!)
- Retailers – make use of promotional materials provided by your suppliers
- Create special displays of products on promotion
- Position the displays or products in high traffic or highly visible locations within your garden centre
- Change displays and promotions regularly.



Guarantees – win customer belief in the quality of what you offer

“You cannot guarantee a plant once it is in the hands of some non-gardener!” is the common protest voiced when the issue of guaranteeing plants is raised.

But guarantees are all about building customer loyalty and nurturing trust. Customers are far more likely to return to a business whose products they trust to be healthy, robust and likely to survive the time ahead. Leading garden centres in the UK are now providing two or five year guarantees on the plants they sell and report that very few people come back to seek a refund. More importantly, if customers do return for a refund, the return visit is more often than not an excellent opportunity to sell additional plants.

Producers are even moving to match retailer offers, as demonstrated by one of the best new products at this year's Glee. Hans Van Veen BV of Holland's new release, Guarantee Climbers®, is a range of five new clematis varieties offered with

'Show gardens' not only display the range of products on offer, they also provide powerful inspiration to customers to buy.

a two year guarantee and presented with a label and/or plastic sleeve promoting that guarantee.

Tips

- Consider a guarantee for your plants – one year, two years or five years
- Any returns will be far outweighed by the value added to your offer.

The changing market and culture of gardening is not just an Australian phenomenon. Smaller courtyard gardens, outdoor rooms, 'bringing the outside in' – all these trends are occurring overseas and the smart operators in the nursery industry are moving with the times – both producers and retailers.

Consumers nowadays are seeking ready-made solutions such as stylish and fashionable plants already matched with stylish and fashionable containers.

Lastly, keep in mind that for most customers wanting to build or rebuild their garden, money rather than personal skill and labour is increasingly becoming the common means to the end.