

Features

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It's Not You; It's Technology

Bill McCurry

"This is a red flag in any relationship and retailers are hearing it a lot lately in the form of customers leaving them—for the mobile screen."

This abrupt observation is from Stephan Schambach's new book "Makeover, How Mobile Flipped the Shopping Cart." Many consumers are leaving their relationships with smaller merchants because they've grown apart. Those merchants haven't kept up with where their best customers are.

There are myriad surveys, many with a biased perspective, that show mobile is where customers are spending their time. The National Retail Federation (NRF) tries to avoid bias in their research. Its recent Technology and the Consumer Survey reports:

- 50% of consumers used mobile to pay bills
- 72% have ordered online for pickup in store (two-thirds said this "improved their shopping experience")
- 54% have used in-store navigation

As of now, only a few garden centers have adopted these technologies. If you're not a fan of surveys and "data," then consider your own observations. When you go for coffee, do you see the loyalty programs as a punch card, as a custom plastic card unique to that specific coffee purveyor—or do you see a mobile app used to award points and redeem discounts?

Looking Outside Garden Retail

Tom Keiser is COO of ZenDesk, a provider of software and other web support for businesses. He cautions, "Do not compare yourselves to other retailers. Look at banks, transportation, news, services, everything your customer touches. Your customer has rising expectations as technology makes the customer the center of everything."

Beth Comstock, former General Electric vice-chair, cautioned at this year's NRF Big Show that transformation and volatility are the new normal.

"Change implies it can be done, while transformation means it goes on forever," she told the audience. "You may think you're good, but you're not. Customers have to see and benefit from your innovation. Just saying it exists doesn't make it real."

Beth reflected on Netflix's beginning. First, very few people understood the concept of "net" in Netflix. Remember, they started with mail delivery and no late fees no matter how long you kept the DVD. The no-late-fees hook came from the primary complaint about Blockbuster: late fees. Had Blockbuster listened to its customers and resolved

that irritant, would Netflix be where it is today?

Meanwhile, during her talk at the January retail trade show, Apple Vice President Jennifer Bailey reported that in 2016, mobile commercial traffic overtook desktops. She said 87% of the time spent on iPhones is spent using apps.

CVS's mobile-based program gives shoppers points for walking into the store and puts coupons on her phone based on her established buying patterns. The customer doesn't need a separate card in her wallet. She's busy and, while she may love shopping at a corner store, she's hooked on what CVS delivers to her phone—rewards, offers, information and specials targeted just to her specific buying and living patterns.

Home Depot's app allows the customer to know exactly what's in stock at each store. The employees are mobile-enabled and can be directed to not only the specific location, but even to the shelf where desired items can be found. No more wandering around the store—and no more missed sales for product that's actually in stock—which means better customer experiences along with better economic results.

Using Apps to Connect

You may have seen the acronyms BOPIS or BOPUS. They stand for "Buy Online, Pick Up In Store." Lowe's reported 60% of their online orders were BOPIS. Here's the sweet spot for Lowe's: 40% of those people bought additional product on the same store visit. If the order is ready on time, the customer is more disposed to add other items to their cart. If the order isn't ready, the customer's disappointment and anger seemed to cool any desire to shop around and buy more.

Furthermore, apps make it easier for the customer to reach you. No more looking up the phone number. Just hit the "call us" button on the app and the phone starts to ring in your garden center.

Customers don't evaluate you as much against another garden center as they do against other favorite retailers and companies. When a customer wants to "touch" you, it must be to their expected standard.

Do customers enjoy buying bales of pine straw or bags of manure? Probably not. Is it more frictionless if they can use an app to determine how much product they actually need for the job they're doing? What if they can then order it for pickup and it's ready for them when they arrive, with someone to help them load their vehicle? What if the app then instantly bills the customer by scanning or communicating with their phone? Will that make the purchase easier and the customer more inclined to come back? Of course it will. Let's not allow our industry's customer move away from us because we're not on her phone.

"The individual plastic loyalty card program is expensive, isn't easy for the customer or the store, and it's not what customers use today," says Kurt Fromherz of Sunrise Marketing. Kurt's sold hundreds of thousands of loyalty cards to garden centers. While those cards are still available, he's seeing the biggest sales growth from retailers using their own mobile app.

"We knew an average customer would make three trips a year to a garden center. We realized if we could get that to five trips it could be a 60% increase in sales. We invested in our app and we make sure it's working in every way possible," says Vice President Tom Estabrook, who has Estabrook's stores in Yarmouth and Kennebunk, Maine.

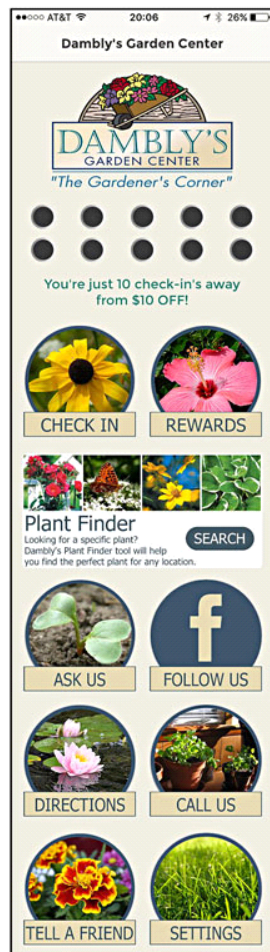
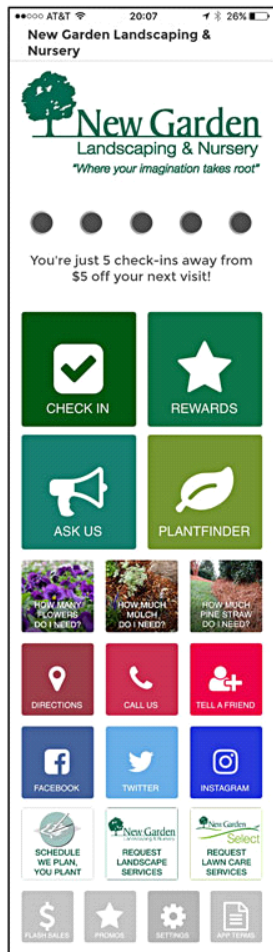
Estabrook's gives a reward for every five trips to the garden center. Tom stresses their app is "part of the real estate on the customer's phone." Customers scrolling through their apps constantly see Estabrook's logo.

Making the Investment

Sunrise Marketing partnered with app maker Eddy Ahmed of Appjel. By combining with an existing app platform, garden centers share the development costs across a wider group of businesses, resulting in lower costs for all. Additionally, Sunrise Marketing added functions specifically for garden centers, like Plant Finder or Mulch Calculator.

Kurt expands on Tom's concerns, "Apps aren't a silver bullet. We lose 10% to 15% of the app retailers because they won't invest the time, the energy and the imagination to keep it current. Those who do invest have a tiger by the tail. They are building community, building relationships, and most importantly, building traffic with resulting sales. They can't quit the app because it's the best driver of their business."

Having an app with no commitment to leverage what it can provide your customer is like buying an endcap without ever rotating merchandise on it. Soon your customers won't see it at all. Keeping the endcap empty is detrimental to the image you want in your customers' minds.



Dambly's Garden Center in Berlin, New Jersey, believes "satisfied customers tell our story best." Their app has a "Tell A Friend" button that sends an email from the customer to the friend's email or mobile number. The friend gets a prepared message saying the sender thinks they would enjoy the app, so "click here" to load it. It's easy, scalable and user-friendly. Tom says retailers using this see their referral community grow quickly.

Frictionless returns are coming soon to Walmart. The customer completes the return at home, brings it to the store, drops it into a bin, scans a bar code with their phone and their account is instantly credited. Their Walmart app's database instantly shows when the product was purchased and how much was paid. No questions asked! The customer loves the hassle-free return, while Walmart focuses on fraudulent returners who won't use the app because of the electronic trail.

Many innovations and transformations await retailers and their customers. Act now so you can be where your customers want you to be. They'll only wait so long before they migrate to someone else. **GP**

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Pictured: Look at these two successful garden centers and the home pages of their apps. Notice both the graphic differences as well as the distinctive features offered by each. When planning your app, consider what your customer values most. That's what will keep them in touch with you on a regular basis. (Apps provided by Sunrise Marketing.)