

Features

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Young Retailer Award: Diversify or Disrupt

Ellen C. Wells

To paraphrase a common quote of angst, it's a retailer-eat-retailer world out there. Slip in any way off customer expectations and, thanks in large part to the power of social media, a business can be on a downward spiral. It seems like business is now a constant battle to constantly exceed, to not just succeed but to stay in place.

We have two options to keep the dollars coming our way and not toward our competitors—whether those competitors are garden retailers or others ways to spend customers' disposable income. Those options are to diversify or disrupt. Widen the offerings or change the game. When the chips are down, what would you do?

That's the question we posed to our three 2017 *Green Profit*/Dümmen Orange Young Retailer Award finalists. Stephanie Genrich opts for shifting perspectives on what Genrich's Garden Center offers, creating twists on common categories to set themselves apart. Vashti Kern, who grew up in the orchid-centric Bird's Botanicals, has worked her whole life in a business that is constantly both diversifying and disrupting the concept of garden retail. And Andrea Bickley Snelgrove explains that a clear understanding of what diversification is—knowing both your resources and your demographics—has helped Wingard's Market overcome pitfalls associated with the constant battle to keep up.

With the words of wisdom from our three finalists on this topic of diversifying or disrupting, I'm not so sure the word "young" should be included in this award! Read on to learn a thing or two yourself.

And good luck!

YRA ESSAY QUESTION:

To keep up with the competition—or even to just stay afloat—traditional grower and retailer operations either have to diversify their offerings or find a way to “disrupt” the industry in order to do business in a way others have not yet

explored. Given the competition—both from within the industry and from other ways available to consumers to spend disposable income—which would you choose and why?

STEPHANIE GENRICH

AGE: 23

TITLE: Garden Center Manager

OPERATION: Genrich's Garden Center, Florist & Greenhouses, Rochester, New York

Every independent garden center wants to stand out from the many new nontraditional flower retailers. As a third-generation member of our family business, I've watched as we have adapted and diversified ourselves and our products to keep pace with our competitors. Through embracing changes, we have rebranded our business into a unique destination for customers. We have evolved from a simple ball and burlap nursery to an extensive greenhouse, garden center, florist and upscale gift shop. With this growth, we have redirected ourselves to the new and ever-changing ways consumers are shopping. However, at the root of everything we do we rely on our strengths of customer relationships, selection of products and offering inspiration to our customers.

We have not deviated significantly from some of the core categories that have been successful for our business for over 50 years. Instead, we shift perspective and create unique twists on a category in order to differentiate ourselves from the competition. Air plants, terrariums and miniature gardens have been very popular the last several years. But instead of doing a typical display, we take unique containers paired with specialty plants to display our products. This inspires customers to try new varieties and combinations that they would not have chosen. We pride ourselves on growing newer varieties of plants and being available to customers to help with educational plant advice.



Every January we travel to AmericasMart in Atlanta, Georgia, where we get merchandising ideas and learn what's trending. From eye-catching mannequin displays to new products and categories, we try to set ourselves apart through offering new and niche items. We have items like scarves, jewelry, gourmet foods and boutique home décor. These chic gift categories, along with cross-merchandising products, set us apart from traditional garden centers, have attracted younger customers to our shop and have raised our average ticket sale.

Curb appeal attracts potential customers. We install showy garden beds by the road adjacent to our parking lot, unique 20-ft. tall "petunia trees" on metal frames, and multiple display gardens that attract customers from the moment they drive down our street. The visual of a clean storefront with healthy, well-maintained plant material is more inviting than any big box store's large industrial storefront and blacktop.

Over the years we've downsized our floral department, yet remodeled the area with a mixed vintage contemporary flair that allows customers to watch a designer at work. Through this remodel we gained 1,000 sq.ft. of greenhouse retail fairy accessories. We've experienced a lot of success with adding whimsical and unexpected elements into displays. Every year we fully tear down displays and rearrange and update our layout. As a result we create a fresh look customers are excited to see each spring and typically will spend more time here looking at everything we have to offer.

It's difficult to compete with the ease of online shopping these days, but when buying something living don't you want to personally view its health and condition and interact with a knowledgeable person about plant care before you purchase it? Customers recognize our business's experience and associate this with healthy plant material and the old-fashioned values of customer service. We welcome customers into the store, remember the names of our regulars, walk customers out with their shopping carts, and load soil and bulk goods. This creates a welcoming environment that customers don't get everywhere anymore. This is undoubtedly one of the biggest factors setting us apart from any box store or new online marketplace. This personal connection is something that will never be achieved at a box store or certainly never available online. I believe that no matter how you diversify your products or your business from competitors in your industry, one thing should never change: customer service.

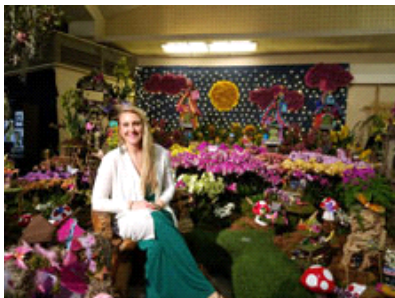
VASHTI KERN

AGE: 31

TITLE: Marketing Manager

OPERATION: Bird's Botanicals, Kansas City, Missouri

I grew up in the family orchid business starting at the early age of three. I washed pots, but mostly I got muddy and wet. At eight, my job was to label plants and sweep floors. On weekends, we would attend orchid shows throughout the Midwest. I would beg to run the cash register and count the money after the show. I never dreamed I would use my degree in advertising and marketing to apply my ideas, organization and leadership to make a plant business successful.



In our company, Bird's Botanicals located in Kansas City, Missouri, we have taken diversification to another level. We grow about 10,000 orchids of many genera in a climate-controlled underground cave! The "cave" is a natural cooler (58-65F), with just fans and vents. The HPS lights give off enough heat (68-75F) to raise the temperature for good growth. We can speed up blooming or slow it down with just the click of a timer. Humidity is between 65% and 85%. About three years ago we started growing Venus Flytraps. We are now the largest carnivorous plant grower and retailer in a five-state area. We cater to the plant connoisseur and collector.

Our facility is very intriguing to our customers. To help facilitate their interest, we offer classes—Beginning Orchid Growing 101, Advanced Orchids 102, and Carnivorous Plant Culture—for \$29.00 per person, which includes an orchid plant or Venus Flytrap. We give tours for groups of 10 or more for \$7.00 each. Six years

ago I started a Spring Open House event to encourage weekend hours, plant specials and to attract new customers. Every year is a new creative theme. This year's theme was flower Feng Shui, and the cave was organized by color. We offered wine tasting, a silent auction and free tours. It was another huge success. I designed the flyers, social networking, website advertising and organized the event. Since then, we have been invited to participate in the "Not So Late Show", a Google 360 video tour and a television clip on Public TV.

We bring the orchids and unusual plants out to various locations; we're essentially bringing the product to the people. I create unique displays to showcase our award-winning orchids and use creative merchandising to encourage more sales. During the summer weekends we sell at two local farmers markets. My Saturdays begin early at the Overland Park Market to establish an enticing booth with attractive signage.

One of our most successful ideas is an orchid lease program. Once a month, a client receives 10 orchids at \$25 each. We put the plant in a ceramic pot, which they purchased, with decorative sticks and moss. They water every other week, and we replace them with fresh plants once a month. I like to match the colors of the Phalaenopsis orchids with the season. We bring the orchids back to the cave, give them a drink of water, a little grooming, and load them up for the weekend market at a discounted price. Making money twice on an orchid is definitely profitable.

Our staff includes two full-time employees, one part-time, one intern and six volunteers. We water all the plants on Monday, Stay open late on Tuesday (wine night), provide free delivery to the wholesalers on Wednesday, repot on Thursday, load the trucks for markets on Friday, and go to a show or Market on Saturdays and Sundays. The variety and diversification that our business offers is why I love my job so much!

ANDREA BICKLEY SNELGROVE

AGE: 27

TITLE: Gift Shop and Merchandising Manager

OPERATION: Wingard's Market, Lexington, South Carolina

For a small- to mid-sized independent garden center, attempting to disrupt the industry would be an impractical and risky choice. When companies disrupt industries it is typically through a form of technology. Many retail businesses have been displaced by companies selling online. While that may happen to some degree in our industry, I believe customers love the atmosphere when they come into our garden centers. Buying everything we offer online would deprive them of the sensory experience we are able to provide. But that does not mean we cannot be innovative and adaptive. Diversification allows us to continue growing and to expand into the markets that interest our current and future customers.



When I used to think of diversification I understood it to be a business simply adding complementary products. After experiencing diversification first hand, at Wingard's Market, I have learned that it is a lot more complex than that. Diversification is more about focusing on what resources you have available and understanding your customer demographics. Then, you can apply that knowledge so your business evolves into something greater. When thinking of adding a new area within your garden center you should use the strengths of your employees to pursue that area. Adding a new

market with an existing employee is much simpler than hiring new, because they already know the fundamentals of the business. There are always costs and risks involved when you want to expand. One way to prevent incurring so much risk and avoid having to manage another business is to build partnerships with other small businesses in the community that complement your garden center. By doing this you are helping to grow two businesses within the community. It is important for small businesses to continue growing because our communities depend on us for jobs and tax revenues.

At Wingard's Market we know our customer demographic very well. They are primarily women between the ages of 32 and 75, and 85% are repeat purchasers within the year. Using this information we expanded our gift shop and carried more items that middle-aged women would be interested in. Three years ago we started seeing a trend through our younger customers. They wanted to learn more about growing their own food to start eating healthier. We had been selling Florida citrus and fresh pecans around the holidays. Based on that success, we decided to expand by opening a fresh produce market, which would offer a larger assortment of fresh, local vegetables. This effort has been a huge hit with our new and existing customers.

There is a new generation that garden centers are seeing called Millennials (age 20-35). There are more Millennials in the population than there are Baby Boomers. I am considered a Millennial and from what I have observed, our lives are based more on experiences rather than material things. The sensory experience I mentioned before is exactly what our future customer is looking for. The lifestyle of healthy eating is also important to our generation. Garden centers need to embrace how we can diversify our offerings to the future customer. We need to incorporate new technologies that they are accustomed to (i.e., mobile everything) while continuing to give them the experiences they crave. We could not have asked for a more opportune time to think about how diversification can help us grow.

Independent garden centers can grow by looking at the lifestyles of our future customers, knowing our demographics, using our resources wisely, and exploring new ways to evolve our businesses based on our customers' interests. I strongly believe the possibilities are endless. **GP**

Meet the 2017 Judges:

Bill Calkins—Business Manager for Independent Garden Centers, Ball Horticultural Company

Will Heeman—Chief Daymaker at Heeman's Garden Centre and 2016 Young Retailer Award winner

Bill McCurry—Green Profit columnist and owner of McCurry Associates consulting firm

Kate Terrell—Store Manager of Wallace's Garden Center (and a former YRA nominee!)

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