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Features

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Choose Your Own Adventure

Katie Elzer-Peters

It sounds absurd to talk 2021 planning when it's difficult to plan for next week, but there are definitely things you can work on now that will make next spring easier. Let's jump right in.

Merchandising

Madison Williams, Co-owner of Boulevard Flower Gardens in South Chesterfield, Virginia, says they've maintained about 30% to 40% of their new customers, in part because they started offering affordable field trip kits, and advertised their outdoor playground and open spaces for kids and families to get outside.

Consider Buying Early

Higher foot traffic and steadier cash flow has allowed them to get ahead for 2021 by buying product they might not need for six months.

"Our vendors are telling us, 'If you know you want it, get it now. We're going to sell out,'" Madison says. This includes everything from bagged fertilizer and soil to seeds. If you haven't yet received this memo, consider yourself served and weigh the option when making decisions.



Offer Alternative Experiences

Usually Boulevard hosts a pumpkin patch, but this year it will be scaled back and many customers might not feel comfortable coming in. Cue the creativity!

"We offer porch packs that deliver fall to their front door, including a straw bale, cornstalks, a flat of pansies and two mums," said Madison. "We're working on a pumpkin patch party that includes a carving kit, kettle corn and more."

Pictured: Bundles like porch packs help bring customers back in to keep them engaged during shoulder seasons.

Why not start planning now to implement that type of concept for winter indoor gardening, and early and late spring outdoor gardening to keep customers engaged, entertained and empowered?

Marketing

Once the product's delivered, that's where marketing comes in.

Wait, what? Of course, there's plenty of marketing (or customer communication, if you prefer) before the sale. You have to let customers know what you have, what your hours are, detail your COVID procedures, etc. But if you want to retain all of those new customers handed to you by the pandemic, you'll really want to kick things up a notch in your ongoing communications with those customers. Even better? You can work on creating those pieces now.

Provide Support and Advice

"A few months into 2020 our clients let us know they were seeing a lot of new customers that were not their core customers," said Katie Ketelsen, Creative Director for DIG Marketing, a marketing firm specializing in working with IGCs. "Our clients said, 'Customers are purchasing plants, not even knowing what they are.' We immediately shifted our strategy to 'how do we encourage them and how do we pick them up when they fail?'" (Because, let's face it, gardening is very much a matter of trial-and-error, and learning from errors and continuing on.)

Katie and her team do a lot of content production in addition to e-commerce website build-outs and setting up marketing flows.

"Moving into fall and gearing up for 2021, people are going to remember what happened in their gardens and will start asking, 'What do I do next?' We want to offer educational pieces that support that curiosity."

(And, hopefully, spark additional sales.) Those pieces might appear on the website, in email newsletters, in snippets on social media or as the basis for videos—long and short form. Make them once and use them in multiple formats.

Encourage and Empathize

DIG is also helping clients lean into social media and email marketing for customer retention by focusing on community building and celebrating new gardeners.

"We're leveling up and being human in front of everyone. We're asking, 'What's going well? What didn't?' We're purposely letting customers in on our own learning curves with stories about planting 50 tomato plants in one summer and being overwhelmed by them. 'That was silly,' we say. By admitting our own failures, we allow new customers to feel more comfortable."

And by celebrating the successes, they encourage customers to keep growing.

"Plan your editorial calendars now," Katie says. Next spring the gardeners you celebrated with and commiserated with are going to be looking to solve problems. How many tomatoes should they plant? When? What's good to grow in March or April where your garden center is? What's better for May or June?

"Make sure your content provides the solution," she says.

Create Communication Flows from Data

She advocates using your e-commerce platform as part of marketing, as opposed to your bread-and-butter income source.

"If you're new to e-commerce and want a quick win, the holidays are the time to try new things and fine-tune before spring." she says. "Spend time looking at your e-commerce and POS data, and producing marketing flows that bridge the gap between products and services."

For example, pull a list of customers that bought trees and shrubs, and make sure they know you offer landscaping. Don't ram it down their throats, but just stay top of mind.

Refining Your Tech Stack

Sam Kirkland from Epicor says, “Most businesses do not take advantage of their data.” You’ve already heard some simple ways to use data for marketing from Katie—pulling customer list segments and marketing specifically to those segments. Spend time now to learn how to extract customer data from your website, POS and social media accounts or hire someone to set up the reporting for you. (UpWork.com can be a great resource for this.) Then decide how you’re going to use the data to make purchasing and labor decisions.

On the subject of segments, Sam encourages all retailers to decide how they’re using e-commerce. Sam says to ask yourself, “Is your e-commerce program for customer retention or customer growth?” That distinction will drive all planning for your entire ecomm strategy.

“If you’re trying to protect existing revenue from existing customers, pricing needs to be the same in store and online,” he said. “Customers should be signed in to place orders and you’ll want a strong loyalty program attached. You can add surcharges for curbside pickup and delivery.”

Conversely, if you’re targeting new customers with your e-commerce system, online prices can be higher. He encourages, “Think about whether you even expect to see your e-commerce customers in person. How do you continue to engage with them if the answer is ‘no’?” (Celebrating their wins via social media as Katie recommends sounds like a good idea for this.)

Across the board, he encourages IGCs to remember that they didn’t have to discount this spring to get customers in the door and sell product.

“Raise your prices and innovate. Don’t give up the new customers you acquired without a fight,” he adds.

Financial Planning

What fuels all of these activities? Money. So how much growth can you predict in 2021? Steve Bailey, owner of Retail KPI Consulting and consultant to the Garden Center Group, has some advice for projecting 2021 revenue. His estimates are more conservative than some I’ve seen and heard batted around, but he says, “I’m a finance guy. We’re always conservative.”

Steve started by saying, “We have to describe 2020 as an asterisk year. It’s always, in reporting, going to have an asterisk behind it. We can’t really use it for planning. At the beginning of March, we were all saying, ‘How are we going to save this industry?’

“And it quickly pivoted to, ‘How are we going to save ourselves?’” Somewhere in between those two poles is the margin for growth we can expect in 2021.

He suggests you start by looking at trends in the data from 2015-2019. Pay close attention to trends in revenue, average sale and transaction count. Project those trends into what they would have looked like had 2020 been “normal” and then on to 2021. If you show only 1% growth for 2021, that’s likely not going to be accurate, he says. “But some people have told me they’re up 40% YOY and that’s not going to happen in 2021.

“A big factor in 2020 is that garden centers got a ton of new customers they had never seen before. If they can calculate their historical trend of spring to fall retention rates of new customers, that will help them project revenue gains for 2021.”

The bottom line? Steve says that a 3% to 5% increase seems more likely than a 40% increase.

See? You can plan for a profitable spring 2021, but you have to get started now. **GP**

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