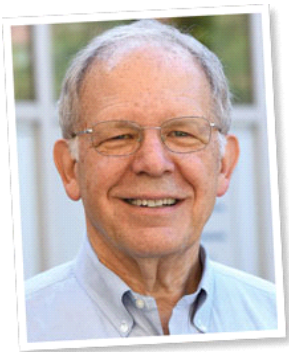


10/1/2023

Retail Is Dead (2021); Retail Is Not Dead Yet (2023)

Bill McCurry



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Remember when online was the only answer to COVID isolation and thousands of retail stores closed? What a difference a few years make.

COVID brought an end to retailers who couldn't quickly adjust or lacked the capital to survive the dark period. We mourn those retailers and the thousands of lost jobs. Concurrently, other retailers had the resources and focused teams to survive the changes and, in many cases, thrive in the uncertain times.

Major corporation CEOs have teams of PR hacks to make their bad decisions look good. Rarely will you hear one say, "I made a mistake." Instead, they blame a variety of issues beyond their control. For instance, Nike did an about face from their focus on DTC (Direct to Consumer) or "cutting the retailer out of the distribution chain."

Like other large companies, they found through their desperation the grass wasn't greener on the other end of the distribution chain. Nike's short-term margin boost from direct sales looked good for a couple quarters, but Nike's stock price slipped 40+% after their decision to emphasize DTC.

If a national brand doesn't reach customers, who's driving demand? Nike tried to quietly reestablish Foot Locker and Macy's as major supporting retailers. These retailers won't share with us the likely generous terms and conditions Nike gave them. Now, due to their desperation, Nike is back attempting to rebuild their brand through retail displays and promotions. But what happens when retailers help rebuild Nike's market only to get dumped again to provide Nike short-term gains?

Let's not underestimate the power of Nike's brand or the fact consumers still shop locally. "Retail therapy" is rebounding for retailers who offer the escape that retailing once provided. Consumers complain to researchers because many stores no longer offer ambiance or relaxation as they once did. Consumers mention lack-luster displays, inadequate inventories, lack of staffing and general cleanliness as turn-offs to their former enjoyment strolling through stores. Fortunately, these are sweet spots garden centers can easily leverage.

Tonkadale Greenhouse (Minnetonka, Minnesota) is creating a unique event to create excitement at their store—their first Potted Plant Show. Customers like to brag and talk about their plants. Now they can show them off.

Colonial Gardens (Blue Spring, Missouri) has an Apple Bake Off and apple cocktail contest. Colonial Gardens (Phoenixville, Pennsylvania)—no relation to the previously mentioned Colonial Gardens—has Pumpkinland every

fall. These fun events encourage dropping by the garden center and can't be done online.

Garden centers offer fall door décor in packages, including things like small hay bales, corn stalks, mums, etc. for one price, ready to load in your car. Two kids and a pickup truck can "install" this in minutes.

Some retailers offer "delivery and installation." Not every customer sees value in that, but a surprising number do. The harried homeowners may want the fall look, but feel they lack the time to haul the stuff home and set it up. Who knows the future potential of being a full-service resource? Don't think about what you would buy; consider what solves your customers' problems.

September was Hunger Action Month. Homestead Gardens (Maryland and Delaware) began early in August educating their customers about the quarter-million people suffering food insecurity in their local area. They asked for specific donations of food and child-care supplies.

It's my observation that small businesses devote a larger percentage of net profits to local non-profits than major corporations. However, we do the poorest job of informing our customers that when they shop locally it benefits their local community. Your customers need to feel good about the benefits of shopping local.

Constantly let your team, your suppliers and your customers understand what you do to support their community. Local garden centers provide support for their stakeholders, whether it's building a supplier's brand in your marketplace, supporting the local community organizations or providing a fun respite from the day's hassles. Don't keep your story hidden! **GP**

Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at wmccurry@mccurryassoc.com or (609) 731-8389.