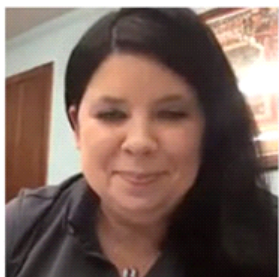


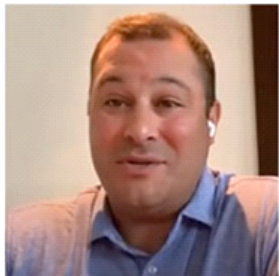
11/1/2020

Three Retailers on the Holidays and Spring 2021

Chris Beytes



In late September, I moderated a great discussion between three garden center owners/managers: Kate Terrell from Wallace's Garden Center in Iowa, A.J. Petitti from Petitti Garden Centers in the greater Cleveland area, and Dean Daren from English Gardens in the greater Detroit area. They were brought together (on Zoom, of course) by the folks at BFG Supply for their annual Expo in Cleveland (which was tremendously successful, they said).



Luckily, Zoom has a recording function so we can all watch the hour-long discussion, which covered myriad aspects of the pandemic, with an emphasis on fall, holidays and next spring. I went back and watched it to pull out a few key points from each of these experts who are living and working and running businesses through this whole mess.

On when they hit rock bottom during the pandemic:

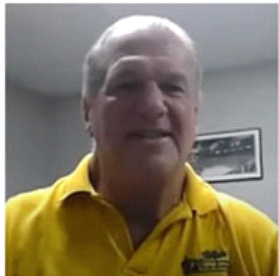
Kate: "Probably my third or fourth day into curbside and delivery only ... basically working harder than I've ever worked in my life for the smallest amount of money I could imagine and thinking how unsustainable this is, all the while having my 8-year-old in my office trying to learn second-grade math."

On August and September sales:

A.J.: "Things haven't really slowed down. We've been seeing about 40% to 45% increases all the way through the year, month over month. Supply is becoming an issue, it's a little tight. We're also cleaning through things really well. Patio has been

really strong ... we're even selling into 2021's supply. Plants are still moving, nursery ... really, there's no category that's lagging."

Dean: "Typically, we make money five months of the year; we lose money the other seven. Once in a while, there's a swing year where in July we make money. That doesn't happen very often. This year, we made money in August and had a positive contribution margin, which NEVER happens in August. Never in the history of our company. And we're on slate to have a positive contribution margin for September, also."



On the holiday season:

Kate: “We are planning for another record season ... we’re merchandising a huge gardener area in our greenhouse so people can gift a new shovel or trowel or watering can. All that stuff is not getting hidden for the holidays.”

On supply:

Kate: “I used to say, ‘The sky is the limit.’ Now I say, ‘Supply is the limit.’ We’re not able to get everything that we could be selling that people are asking for. I think fall will be a record just like spring. I don’t know that we’ll ever be able to repeat it in the future, but we’ll take the money now.”

Dean: “I’m looking at less just-in-time inventory [on domestic hardgoods] and bringing more in up front to make sure we don’t run out ... using profits from this year to invest in inventory for next year.”

On new customers:

A.J.: “We picked up about 125,000 new customers [a 27% increase]. I think we’re going to retain a lot of that new customer base.”

And how to keep them:

A.J.: “Honestly, if you haven’t done it already, it’s too late ... We made a really strong focus on the basics of customer service. Any problems, we took care of any issues they might have had. We really bent over backwards to make sure that everybody had a good experience.”

Dean: “I think there’s the potential for way more growth than for the little bit of drop-off we may have. I don’t think we’ve hit the massive amount of people who could be getting into gardening.”

On silver linings:

Kate: “We found out who is going to be with us through thick and thin—who thinks of my business as their business. And pricing: this was the year to raise prices. I hope you all raised your prices this year! And fewer sales. Typically, this time of year we sometimes have certain trees at 50% off, but this year, we don’t have the product and we’re getting full price for everything.”

And clean stores:

Kate: “I’ve always harped on everybody about a clean store, that women don’t shop at dirty stores. Having COVID around, we clean even more, so now I don’t seem like quite as much of a nag about the cleaning.”

For more on online sales, events (or lack of them), how Petitti’s has changed their Christmas merchandising, hot-selling categories (including a surprise category from Petitti’s), how English Gardens is sharing the wealth with its growers and plans to stay “essential,” and much more, watch the whole panel discussion at bfgsupply.com/oh-expo-speakers. **GP**