

NEXT SEASON'S SILVER LINING

Dollars per square foot, turns, naked plants and how to squeeze the most out of a short season — a few thoughts on packaging and new media support.

By Laurie Scullin

Okay, the weather was less than optimal. In some places in the U.S., spring weather was okay but to most retailers this was “that spring” — the spring I will always refer to as the all-time low point, but please feel to fill in your choice of words here.

So we know we have a seasonal business and we know that some years we will have to squeeze more sales out of less time, so what can we do to tweak out the product mix to end up with more dollars? I am a big believer in product mix — a marketers term for that magical ratio of higher margin products you love to sell to those essential lower margin products you have to carry.

We all know the supermarket example: The high margin bakery and cold cuts are boldly up in the front of the store. Those pesky supermarket folks force you to walk through their aromatic assortment of fresh baked cakes and fresh cut flowers (flowers at supermarkets are high margin compared to a can of peas). I spend a lot of time pondering supermarket layout, and as

you sort out next spring, let's see if a few things apply to our side of the retail ledger.

Dressing the Naked

Packaging is still huge in supermarkets. I am amazed at how clever the product package and POP displays can be. Who knew you could make a package of Oreos completely resealable? Now I can sneak a cookie, hardly make any noise and keep all the rest of the cookies intact! I have no idea how much the good folks at Nabisco spent on their Oreo package design, but how great is the idea of making it easier for us hapless dieters to have “just one more?”

How might we move more of the higher margin items? Well, packaging is an area where most of us could improve. I am still amazed how few of our plant products are packaged at retail — I call them “undressed” plants. Plain pots and small tags still take up much of retail and in a short wet spring when we need every dollar and need to make a stressed shopper's decisions easier, dressing up plants helps.

I expect you have seen the research that proves a “dressed up” plant sells at a faster rate and can carry a small margin premium. We see this time and time again. Typically, dressed plants sell through at around twice the rate of “naked” plants and we usually see, depending on the test set up, a 10 to 15 percent price opportunity. While a premium pot and a large tag may not be as sexy as that Oreo package, they do make a difference — a measurable difference on a retail bench.

Even the big plant brands have all pushed into upgraded pots these past few years. Kyle McKean the marketing manager for Conard-Pyle helped choose the bright green pot for The Knock Out Family of Roses. She talks about what drove her to that unique color: “With any design or packaging, I believe it is important to create something that will stand out from the pieces around it. There have been studies done that show this shade of chartreuse-green is the color the eye sees the most easily.” A good example is road and construction signs — have you noticed that many changed from school bus yellow to bright chartreuse green?

“When choosing a color, we wanted to pick a shade that would work with all members of The Knock Out Family — with a range of bloom colors and dark-green foliage, we felt we needed a bright pop of color to tie the series together,” McKean explains. “At first the reaction to the pot color was negative from the men and positive from the women — a sign that you are on the right track! All agreed that you could spot the pot from a mile away. Everyone was talking about the color, which made it a success in our book because creating something that stands out and is memorable is always better.”

Retailer Research

Moving into dressed plants is not a comfortable change and there are some cost premiums that need to be thought out in your pricing; however, the key is faster sell through rates and the reality that consumers have shown with their pocketbooks that they will gravitate to the better looking material. Pot and tag companies have a wide range of premium containers and larger tags on a gallon plant, a 10- or 15-cent upgrade



The new, resealable Oreo cookie package is an example of innovate and creative packaging. Unfortunately in the plant retail world, too many “undressed” plants sit on the shelves. In a short wet spring, when we need every dollar and need to make a stressed shopper's decisions easier, dressing up plants helps.

TECH TALK

to a pot/tag can make a huge difference to your margin and sell through rate, especially in a poor weather spring.

As companies look to go one more

step in improving packaging and margins, we are seeing some very fun packaging ideas being introduced. This spring, Jiffy Products is working with Wenke Greenhouses in Michigan

on a packaging test looking at wrapping Jiffy peat pots with a paper wrap instead of using a plastic tag and then selling plant, pot and wrap in a cardboard plant carrier.



The bright-green pot from Conard-Pyle Knock Out Roses is a prime example of using packaging to distinguish itself from the pieces around it.

Lisa Ambrosio of Wenke is looking for ways to keep her IGC retailer customers a step ahead. "We saw this package this March at Spring Trials and liked the idea of 'Plant in a Jiffy' — no plastic used for tag or pot," Ambrosio says. "Will a six-pack of peat pots sell well enough to justify the packaging? We're not sure, but we are testing a salsa garden package versus the plain peat pot of tomatoes and peppers to see which moves off the bench faster."

Knowing the Secret (to the) Code

Another big similarity to the supermarket is the new use of QR codes and other new media. A QR code is a small square barcode that a consumer photographs using an app on their smartphone. The phone screen then displays a more detailed message on the product — often a YouTube video showing how to use the product or a special website enabled for the smaller screen of the phone. With 90 percent of Americans toting cell phones and with up to 60 million new smartphones being sold just this year, the food and consumer goods companies like P&G and Nabisco are betting that we will whip out our phones to learn and to interact with their products. Recipes, videos showing how easy it is to use, menu planning and companion products are just a few of the ideas being linked to QR codes.

Why QR codes? Well, survey after survey tells the story that consumers are not comfortable buying plants. They do not know how to use them, where to use them and basically find our product intimidating. This is especially true of the younger consumers who, just as it



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While at Spring Trials this March, Lisa Ambrosio of Wenke Greenhouses took note of the 'Plant in a Jiffy' program. Ambrosio is testing a salsa garden package versus the plain peat pot of tomatoes and peppers to see which moves off the bench faster.

happens to turn out, are quite comfortable using new apps on their smartphones.

And getting a QR code onto your product is not that hard, especially with a few companies who have leapt into the technology. According to Becky Bush, sales manager for John Henry Co. and a leader in putting QR codes on tags, "We have been able to link QR codes to the rich information that lives on our database at BloomIQ.com, so we can easily assist a retailer or grower creating a special experience for the consumer." Companies like John Henry can also help design the content that the QR codes link to.

What does a QR code have to do with poor weather and the idea of dressing plants? Well, the reality is that all this "new media stuff" is important and a well-dressed plant Spring 2012 should not only be in a nice pot and with a nice tag, but also have all the support we can layer on it. The good news here is that the plant brand companies are well down this path.

"We use a lot of new media to support retailers with The Knock Out Family of Roses, from Google Adwords as a pay-per-click program to a fan page on Facebook, there is tremendous opportunity to better connect to consumers," says Conard-Pyle's Kyle McKean.

"When I read the posts on our Facebook page, it is clear that



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The huge advantage to IGC retailers is that you do have a story to tell, and you already are putting extra energy into a personal shopping experience for consumers. The new media tools can enhance how you talk about those extra reasons your IGC is the right place to shop.

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While survey results show that consumers are not comfortable buying plants, younger consumers are very comfortable with new technology on their smartphones, which, if used correctly, can create a more comfortable garden center experience.

consumers are looking for help with simple gardening tips and garden design. New media lets us answer these questions and talk to a large audience in real-time.”

Finding the Balance

The challenge is how to put the right amount of energy into all this new media outreach and still run the business. The huge advantage to IGC retailers is that you do have a story to tell, and you already are putting extra energy into a personal shopping experience for consumers.

The new media tools can enhance how you talk about those extra reasons your IGC is the right place to shop. Twitter, Facebook, QR-code outreach and your website all can tell a story — with Twitter and Facebook allowing for a two-way dialog with customers. It is that connection to customers that we have been missing as retailers. The success of Facebook tells the story that we ‘need’ social connection. Executing a new media strategy for a garden center is a big undertaking but it does boil down to just two things: having a compelling story to tell about plants, staff and services. Then putting the right amount of time (and the right people) into sharing those stories.

What can we do about the weather? Not much — but we can structure our product mixes to include a better blend of higher margin products and improve the sell through of items with packaging and new technologies. 🌿

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