

THE *Virus* WHO STOLE CHRISTMAS?

How will the pandemic affect garden centers' holiday business?



By Christina Salwitz

At the time of writing this piece in July, levels of COVID-19 diagnoses are at record numbers nationwide; however, when it comes to holiday retail, garden centers may prove to be the likely winners. After many long months dealing with this crisis, they're able to prove vast amounts of flexibility because with fresh items, expecting the unexpected is built into the daily mix of concerns.

On the other hand, the advantages of running a partially outdoor business are somewhat more challenging in cold climates where the cozy holiday retail experience is a huge part of the year's success or failure where you're balancing shipping concerns, product mix and social distancing.

Unlike retailers whose locations are solely indoors, smaller retailers have the advantage of pivoting through retail shipping challenges in more nimble ways if they are thoughtful about it. They are able to delay their decision making on Christmas until the latest point and react more immediately. Savvy managers will be watching the retail sector for the next month now that non-essential shops have reopened to see how consumers and retailers behave post-lockdown.

Pinterest says their fans are looking for ways to really ramp up their Christmas celebrations in 2020, and retailers can look to tap into this to maximize their engagement and response, even beginning now with related tie-ins.

What Are Shoppers Thinking?

According to Pinterest surveys, people are worried about the pandemic's impact on preparations they used to take for granted. Pinner's pointed to concerns like delayed shipping, a potential shortage of ingredients to make their favorite recipes and a need to work harder this year to create the same holiday experience in the face of a pandemic. As one Pinner put it, "I'll

be starting to look online much earlier than normal because shipping delays are quite likely at the moment. You don't know exactly when you're going to see the products."

The emotional reasons are strong, too. After a tough year, consumers are craving the comfort of the holidays. And the early planning that once felt like a chore now feels extra special and takes on new meaning. One Pinterest survey participant stated, "I really want it to be super Christmassy and kind of over the top this year ... I'll be going above and beyond with tons of decorations and a tree and activities."

Pinterest research also shows that Pinner's are explicitly looking for help from retailers this year in navigating the shifting holiday climate while still making their celebrations feel special. As you develop content, think about designing specifically to meet customers' early planning needs.

Consider different planner archetypes when crafting your content as well as merchandising mix:

- The self-gifter
- The traditionalist
- The shipping-first shopper
- The rookie host

Molbak's Garden and Home in Woodinville, Washington, is a great example of pivoting with expert ingenuity and creativity. They expanded their gardening products and supplies to create offerings for customers who don't own houses or have large yards. While those home garden staples were available, their selections in container planting for small spaces and fostering the huge indoor plant craze were very intentional. They also offered medicinal plants and natural home remedies for those looking to invest in at-home wellness routines to take advantage of the big self-care trend.

Other categories to watch for holiday that Molbak's capitalized on are:

1. Home Cooking Supplies and Goods
2. Camping and Survival Gear
3. Micro and Sub-trends of those categories above, such as Beekeeping

Molbak's also added PPE Goods & Essential Items to their essential merchandise and goods wherever they could, offering masks ranging from \$9 to 18 ready for purchase!

Holiday 2020 Will Feel Very Different — And It Should

Shopping, or at least the physical act of shopping in a store, is all about using all our senses, and wearing a face covering will, for many, intrude on the enjoyment of the experience of the fragrances of greenery, gourmet goods and gifts. Will this automatically shift everyone to online sales? Or will it manifest by discounting your already on order fall merchandise in October and November?

This is the time when the relationships with vendors are going to be paramount. Leveraging existing relationships between buyers and vendors can be an untapped goldmine. By cultivating some good favor, retailers can have a better idea of what buyers will most likely be looking for.

So how will retailers forecast sales and orders if buyers will be placing orders closer to the delivery date? This is where we find the tricky part for this year: Orders are very slow to be made or they simply aren't being placed now, thanks to a perfect mix of financial fear and lack of financial means. However, pent-up demand for familiarity and comfort are wild card factors as garden centers have already seen plant sales records across the country for spring and summer, so don't count anything out.

What does that mean on the back end? The process is a little more opaque now. We think the same amount and type of orders will be placed from buyers, but they'll be placing them much closer to expected delivery time.

Volumes of purchase orders that may have been cancelled earlier this year for September deliveries will likely be delayed. But in the fourth quarter, that same long lead time for the production process (plus a newly super short delivery window) will become the stuff of nightmares for retailers. How do you manage orders when the lead time to production is longer than the actual time you have to the order date? Will the Coronavirus have essentially stolen Christmas?

Taking Back Holiday Shopping and Beyond

The Grinch may just have too much power here, though, in making us panic months down the road. We hear stories that make us clutch our pearls in fear, such as certain retailers announcing that they are holding back inventory for fall deliveries. But there is danger in this level of short-term thinking and reactionary panicking, with longer-term effects that could very well become a holiday season's self-fulfilling prophecy.

As more and more states are re-assessing restrictions due to rising infection rates or are not reopening at all for business as usual, hopeful signs as of this writing point to a very hesitant return to work and a return to regular income. Q3, and especially Q4, are still far enough in the future that optimists feel there will be holiday money to spend. But will retailers have items to offer?

Weighing the Options

There is the "wait and see," where wholesalers simply wait until buyers are ready to order again and then hope and rush production and delivery. Or they could also take the "educated guess" approach, and utilize manufacturers reopening now

to get a jump start on producing a stockpile of items, using research and experience to estimate what retailers are going to want to order, and how much of it they'll want.

Option one takes the uncertainty of inaccuracy out of the mix but ramps up the physical constraint of time. Option two allows brands to have enough time to produce items, but there is the potential for wasted time and money on inventory that won't actually be bought. And, until we get a definite and full "all clear, let's reopen everything" announcement, production and demand remains a bit of a "Buttered Cat" scenario.

The knee-jerk reaction on the retailer side, now, is to stop purchase orders, stop winter collections and pause plans. However, if we wait until everything is 100% back to normal and a secure market assured, those retailers will find themselves well behind demand for the holidays. In fact, many factories have already opened back up again. And, while shipping times may still be impacted, the means of production are there.

There is no denying that this is a time of leaner spending and it's probably not the right time to launch an expensive marketing campaign. But what it is time for is to realize that the COVID-19 shutdowns are temporary, and hopefully we can plan for more normalcy for the fall and winter season.

So no, the Coronavirus may not steal Christmas after all. It's just the unnerving balancing act that savvy retailers may be able to attract shoppers to their sites. However, the reality is many suffer from 90% cart abandonment. Only 2.86% of ecommerce website visits convert to a purchase.

If retail is to suffer this Q4, it will come more from a lack of planning for post-crisis and an unwillingness to adapt to a changed world. While many variables remain unknown, now is the time to be forward-thinking and prepare to save your own holiday season and seasons beyond with these key emphases: Carefully plan your offerings, make products more accessible, minimize high-touch displays, freshen your displays more often and focus on your store feeling "safe and open." 🍀

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