

# ‘Dance with the one who brung ya!’

That’s a pretty nebulous lead-in to this month’s column, isn’t it? Okay, so let’s begin by re-stating one of the basic premises of retail — there are only a few ways to increase sales:



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population of shoppers coming to your store

Achieving any one of these can positively impact your top line; achieve two or more and you start compounding positive results.

In today’s highly competitive marketplace and with the consumer continuing to face major challenges on spending, it’s going to be difficult to increase retail price points across the board unless you can clearly demonstrate that your product, service or shopping experience is superior to that of your competitor selling at lower prices.

Yes, the consumer is willing to pay more for something, but it’s your job to justify and rationalize the differentiation to them so they readily comprehend your comparative value equation. Very simply, if the consumer can’t easily discern why you’re the better choice, then the low price competitor wins.

I agree that we have an opportunity to strategically raise prices on selected items, categories and services, but, for the sake of argument, let’s agree that this approach isn’t going to accomplish the significant sales improvement we need and desire.

**Generation Y’s Importance**

Maybe it’s just me, but it seems like every issue of every trade publication, and every national and local trade event or convention has a feature article or seminar(s) on ways to attract Gen Y to become purchasers of our products. We talk

- 1. Increase retail prices
- 2. Increase the transaction value to your existing customers (have them spend more each time they come into your store)
- 3. Increase the frequency of shop from your existing customers
- 4. Find new customers to increase the

about the different likes and dislikes of Gen Y compared to the Boomers, Seniors and Gen X. We talk about the differences in what’s important to them. We talk about what their drivers and attitudes are. We talk about ways to connect with them through social media and communicating with them to foster relationships.

Gen Y will be important to our industry at some point in time, and it’s critically important that we start the process of educating and connecting with them now, early in their lives, so that they start recognizing the real value of our products and how our products can be part of their lives and lifestyles.

But note one important phrase I used with regard to the Gen Y consumer: *Gen Y will be important to our industry at some point in time.*

Generation Why?

Allow me to explain my concern with the direction of our current marketing and sales efforts. I’m getting the sense that, as an industry, we’re looking at Gen Y as our saviors; if we can just get them purchasing our products, then all of our sales woes will miraculously disappear.

In my mind, however, this is a false reality. I agree that they will be important in the future, but they’re not in a position to remedy our sales dilemma today. Consider the following data in the figure below (note that these numbers refer to all spending, but I believe our industry sales pretty well parallel these trends):

Age	10 to 28	29 to 45	46 to 64	65+
Label	Generation Y	Generation X	Baby Boomer	Senior
% of Population	27	20	26	13
% of Households	6	36	38	20
% of Spending	4	37	44	15

We know that the growth of our industry for the past 25 years has come from purchases from the Boomers and Seniors, who currently account for 39 percent of the population, but a disproportionate share of spending (59 percent) and households (58 percent). We know that the Gen X demographic group, per capita, purchases less floriculture product than the Boomers/Seniors. We also know that the Gen X segment is considerably smaller in numbers than the Boomers/Seniors (20 percent vs. 39 percent), so even if we were able to get their spending on par with the Boomers/Seniors, there would still be a sales shortfall.

Many in our industry are looking at Gen Y as

the Holy Grail with 27 percent of the population to capture. But the reality is that, while their numbers are high, their current spending ability and capacity are now at only 4 percent of the total spend. And note that Gen Y accounts for only 6 percent of households, and we know that there’s a direct correlation between home ownership/household formation and involvement with floral product.

Old School

Yes, Gen Y has tremendous potential for our industry, but it’s potential that can’t be realized today. We need to start now to plan for a future with Gen Y, but our immediate need is to keep the spending of our current buyers, the Boomers and Seniors, while we do.

We can’t afford to write off the Boomers, Seniors or older Gen Xers now or in the immediate future — these are the demographic groups that have made us what we are today and continue to pay our bills in this challenging environment.

And think about some of the changes that they’re going through that will make them even more important in the near future:

- They can’t afford to sell their homes to fund their retirement in Tahiti because their homes have lost value, so they’re staying put.
- They’re staying employed longer to fund their future retirement and pay their bills, so they have continued income.

- They’re staying healthy longer so they can stay active in their yards and gardens.

These older generations continue to accumulate wealth. They

have the time, the money and the interest and experience with our products that can all play to our advantage — if we start to cultivate their interests again.

But just like we need to learn how to connect and adapt to our future Gen Y consumers, we need to learn how to adapt to the aging Boomers and Seniors. Some things to consider:

- Older people enjoy shopping, not only as an necessity, but also as a social and leisure experience.
- They spend more time per visit, want personal attention and seek talkative and friendly cashiers.
- They like smaller stores that are more focused.
- They seek quality products, are more loyal to



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brands, and aren't as price sensitive.

- Mature consumers have the time and want to be well informed, making them heavy Internet users and shoppers.
- Just as we've learned in

marketing to Gen Y, Boomers and Seniors also want advertising that they can relate to.

Keeping these bullets in mind, each and every point made plays to the strengths of the locally owned

garden center. You just have to make an effort and be willing to adapt.

I'm a strong advocate of starting the process now to develop and connect with the Gen Y consumer,

learning how to communicate with them on their terms and addressing their age specific needs and wants. They truly are our future and we can't afford to ignore them as our industry did to Generation X.

We need to be positioned so that when they do have money to spend, we've created the demand with them.

Yes, the consumer is willing to pay more for something, but it's your job to justify and rationalize the differentiation to them so they readily comprehend your comparative value equation. Very simply, if the consumer can't easily discern why you're the better choice, then the low price competitor wins.

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But at the same time we need to strike a balance to simultaneously strengthen and improve our involvement with our core customers — the Boomers and Seniors — in order to maintain our industry's viability as we begin the slow and evolving transition of sales influence from the older to younger generations.

It's good to look at and plan for the future; just remember that we need to 'Dance with the one who brung ya!'.... **LGR**

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