

Merchandise Buying In Today's Economy

By Pattie Braglia

Like many independent garden centers, we here at Countryside Flower Shop & Garden Center, Crystal Lake, Ill., have also witnessed our sales trends mirror industry trends. Compared to 2010, our sales decreased 3.6 percent, but saw an increase in sales from July to December.

Dealing with a tough economy is all about making necessary adjustments to thrive and not just survive. Here are four ways we've made adjustments at Countryside to see improvements:

Planned Promotions Versus Sales

Rather than putting whole categories of product on sale, we are selecting key items and featuring them. For each week during the season, we are planning in advance which items to promote. This spring, we are promoting fairy gardens in a big way. With our wide array of products and plants we are able to offer better pricing. Rather than putting them on sale, we are featuring all the plants and accessories for customers to make their own and holding workshops to teach them how.

Another example is birdseed. Rather than putting all birdseed on sale, we feature sunflower and thistle seed at a special price, which increases traffic for all birding supplies. We promote value-sized Wave petunias that encourage gardeners to come in and buy other premium annuals. Later in the summer we may choose to promote hydrangeas in tandem with advertising support from our growers. When buying, we negotiate a better price based on

purchasing volume for these featured items.

Improved Inventory Management

Less inventory is carried over for us. For every category, we establish a goal for selling through and a deadline for moving the merchandise out. If the sell-through is strong as it was for Christmas items this year, we do not put the whole category on sale prior to the holiday as many retailers do. If we have excess inventory of items such as ceramic containers, we may put them on sale but promote them in tandem with indoor plants or annuals to get a higher ticket sale.

Over the last few years we have purchased based on our needs through May not June. Rather than storing and carrying inventory longer while tying up cash, we are pre-booking less and ordering as needed more. Because of strong relationships with vendors based on service and availability (not just lowest cost), we have been able to get quick turnaround on orders, lower minimums and twice weekly shipments as needed. The responsiveness allows us to be well-stocked for peak weekends. In some cases, we have been able to negotiate consistent pricing for an entire season.

Use Sales Data In Decision Making

We look at the top 20 percent and bottom 20 percent of SKUs in each category. We review and remove the poorest performing SKUs for the next purchasing cycle to free up space and dollars for new products with a higher potential of turning.

For the top performing items in each category we may adjust prices to achieve a higher margin,

especially if we have a better variety and quality of product than our competitors.

For example, we chose to raise prices on our best-selling vegetables since we grow more than 200 types, many of which cannot be found elsewhere. However, we purchased fewer and have not raised prices on annual flats.

Purchasing Changes Over The Years

When I started buying for Countryside five years ago, we bought hard goods from five different vendors. Most of my time was filled with meeting with different representatives and managing the process with all of those different companies. I was determined to consolidate my purchasing to two primary vendors with a third available if needed.

The trust built by focusing on fewer relationships keeps me better informed on products, pricing, back orders and credits. It also allowed me to spend more time on the sales floor with customers. I am more in tune with the products, customer needs, merchandising and emerging trends.

Bottom line, the focus on fewer vendors has resulted in greater responsiveness and efficiency. For green goods, many more plants are purchased locally to minimize freight costs, maximize quality, and ensure fresh stock. **LGR**

Pattie Braglia is the hardgoods buyer at Countryside Flower Shop & Garden Center in Crystal Lake, Ill. She can be reached at pattie@countrysideflowershop.com.

