

A HOLIDAY HUMDINGER

In already economically uncertain times, Christmas had many garden center owners on pins and pine needles. Find out how they fared during the 2007 holiday season — and hear what they have to say about it.

By Paige Worthy



For the 2007 holiday season, many of you went all out: You decorated your stores inside and out, and you stocked up on gifts, greenery and grab-and-gos. Still, sales were mixed in the shaky economic climate.

Ever since that mean sixth-grader let it slip in the lunchroom that Santa Claus wasn't real, Christmas has seemed like something of a gamble to most of us. The National Retail Federation reported last month that overall holiday sales, which combine November and December's numbers, rose a meager 3 percent in 2007 to \$469 billion. That's the lowest holiday growth since 2002, when sales rose only 1.9 percent.

In this business, the holidays are even more of a gamble. A freak snowstorm the week after Thanksgiving can throw off the entire holiday selling season in a garden center. Trying to buy just the right number of live trees — and figuring out how many customers will even want live trees instead of artificial, pre-lit trees — and stock enough ornaments and gifts to satisfy fickle customers buying for the gardener who has everything? It's a delicate balance.

The proof's in the figgy pudding: Based on the response we received to our 2007 holiday survey — with input from more than 100 retailers from across the country — it's clear that your Christmas experiences were as unique as snowflakes.

Santa's Mixed Bag

When we asked you to sum up your holiday selling seasons, your answers were all over the map. Some had banner years, some suffered dismal sales and some were cautiously optimistic despite a few stumbles along the way.

The Good

"Our marketing department sent e-blasts weekly with our Top 10 items, which emptied out our shelves quickly. We kicked off our holiday season with a party for our reward customers. **Customer service was at the top of our list that evening.** Our customers loved the attention they received and returned numerous times during the season to shop."

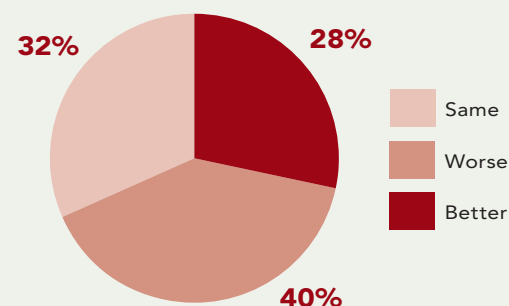
"For a season without very much snow, we did OK! Christmas for us is the only season that when the weather gets bad, the customers come out in droves! We only had one major snowfall, but that triggered the buying. For quality, fresh trees, I think most of the customers will patronize the local, family-owned farms. Our tree sales were up 20 percent."

"Coming off a very difficult fall and Halloween season, it was hard to predict the future or set goals. The holiday was great and moved fast without many complaints. People were asking for more. Sold tons of ornaments to **people looking for a bang for their buck**, something different than the chains."

"Better than expected. Next, we'll increase our Christmas buy. More customers want the decorating done for them."

"The season got off to a great start: October and November were very busy, and we were up about 18 percent. In December, we had three major snowstorms and very cold temperatures. Lights, outdoor décor and cemetery décor

How was your season compared to last year?





Ornaments weren't as popular with customers this year as in the past; only 26 percent of garden center owners said they were bestsellers.

were all down in December. We ended the season with about a 12 percent increase overall, mainly due to strong early sales."

"Gift card sales get better and better each year."

"We had some busy spurts and some lulls. In the end, we sold all the poinsettias and most of the greens, but not much left after we paid the bills!"

The Bad

"Disappointing. Although we had a 2 percent increase in top-line sales, the bottom line will take a hit. Dry Christmas sales were disappointing, with heavy markdowns. Any sales growth came from regular merchandise."

"Our season was behind last year. **Weather affected many of our days, so traffic was down.** Besides live trees and wreaths, everything else was lacking sales. We did a little more advertising and displayed better, but the people were not coming."

"This was a weird one. There were problems getting material in from Canada and other suppliers as well. I think the poor U.S. dollar up there did not motivate them as in the past. The early

Thanksgiving did not seem to help as expected, as the weather here in the Northeast was cold and snowy for the next few weekends. I would've expected that to help, as folks didn't get out to the cut-your-own lots on lousy week-

ends, but we didn't see a big rise in tree sales."

"The Christmas season started off with a bang but seemed to slow down considerably until a few days before Christmas.

Although traffic seemed to be steady, purchases were limited to small-value items."

"Many customers waited for sales to purchase the more expensive items. There are just so many

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CHRISTMAS RETAILER

MANAGEMENT



Last year's holiday season presented more ups and downs than usual, from snowstorms in the Northeast to big box competition.

stores people can support; we're saturated with retail."

"Our sales were down 30 percent. Credit card sales ran about 25 percent. A lot of \$1, \$5 and \$10 bills in the register... Bills \$20 and up are rare."

"Our poinsettia sales were off by about 200, and we had to mark them down just to get those sales. We have a new Wal-Mart, Sam's Club and Lowe's open in the past year, and we expect they've shown their impact. Our sales were off about \$11,000 for the month, and we didn't have as much traffic."

"It was a tough season. **Most of our customers were cutting back.** I would say we saw a 15 to 20 percent decrease in business."

The Ugly

"Ugh! It really only takes one word. A warm November kept people out of the Christmas mood. We normally send tons of gift baskets and boxes that people order for their out-of-town friends and family. The ice storm hit right in the heart of that season, and we struggled to climb back up."

"A lot of folks are going with fake trees... YUCK! I didn't make my money back on cut

trees this year, after 20 years in business. I used to sell 700 trees a season and couldn't even sell 300 this year. So sad."

"Crazy, busy, cold and wet. Singing Christmas carols while destroying trees with the chainsaw never gets old!"

Bestsellers: Back to Basics

The vast array of merchandise at the Atlanta gift market and stops on the Garden Centers of America's holiday tour would suggest that gifty hard goods would be all the rage during the holidays in the garden center. But when asked to name their bestselling items of the 2007 Christmas season, the response was overwhelmingly green.

It seems that consumers veered toward the traditional this holiday season, shopping the independent garden center primarily for live trees, fresh greenery and plants as gifts. In each of those categories, nearly half of the garden center owners surveyed say they were top customer picks. Gift cards were equally popular, making them the single most popular non-plant item.

Ornament sales in garden centers weren't as popular — only 26 percent of garden centers, down 7 percent from last year, named them bestsellers at their stores. In addition to those timeless live goods, write-ins for hottest "new" product category of 2007 included LED lights, lotions and scented candles (see page 46 for more on this trend).

Poinsettias:	46%
Greenery:	42%
Gift certificates:	40%
Live trees:	37%
Ornaments:	26%
Holiday tree décor (garlands, lights, tree toppers, skirts, etc.):	21%
Other holiday plants:	21%
Gift baskets:	11%
Artificial trees:	10%

Holiday Gatherings

Despite the apprehension that some felt about the holiday season, many garden centers held special events to celebrate their clientele, make the holidays feel more festive or offer special incentives to shop big in the store. Open houses were the most common among all other holiday events in 2007: More than 80 percent of you welcomed customers into your garden centers for these events, up nearly 15 percent from 2006.

Some of you personalized the season even more, getting the community involved or offering unique events that made the experience special for customers. One center invited youth choral groups to perform; another sponsored a bake sale with sweets from local schools. Ladies' night out events, which we covered in our January issue of *Lawn & Garden Retailer*, were a big hit — one center even countered with a "men's last-minute night" about a week before Christmas. And many of you evoked memories of simpler, more traditional Christ-



Many garden center owners haven't made their plans for Christmas 2008 yet, but those who have remain optimistic that this year will bring more success because of what they learned in 2007.

mases, roasting chestnuts on an open fire, serving s'mores and offering cocoa and hot cider to anyone who visited.

Open house:	80.3%
Holiday food:	57.6%
Visits from Santa:	40.9%
Other:	36.4%
Live music:	19.7%
Live reindeer:	7.6%

What a Difference a Year Makes

For the most part, factors beyond any of our control left garden center owners fearing for their holiday sales. Unpredictable weather and an equally shaky economy kept customers inside or more conservative in their spending, to be sure, but you're doing everything in your power to keep those valued customers coming back. When asked what you'll do to improve for 2008, responses again ran the gamut.

- Bring back traditional Christmas colors.
- Adjust ordering to reflect sales decline in roping and live trees.
- Increase specialty offerings to include smaller trees and more compact displays.
- Try to get some new vendors; send buyers to gift shows.
- Increase advertising and let people know we have gift cards.
- Cut way back on Christmas gifts and concentrate on more year-round gifts that can be sold at Christmas.
- Increase the order of cut Christmas trees and make sure they come from a sustainable or organic grower. A lot of customers asked for them last year.
- Need to find that hot decorative item or gift idea — that's the one major component we were missing in 2007! 🦌

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