

GIFT CENTER GENIUS

Where you put your gift center can be nearly as important as what you put in it.

By Lisa Anderson Mann

The overall gift industry is a \$253 billion market. According to Pam Danziger, president of Unity Marketing and author of the *Outdoor Living Report* and the book *Why People Buy Things They Don't Need*, that means that one out of every ten dollars spent in retail is spent on a gift.

For garden retailers, a gift section can attract customers during the slow season, create incremental sales, cement customer relations and help maintain an even cash flow. Or it can become a money pit, an administrative headache and wasted space that resembles a garage sale and distracts from the business at hand. Attracting those retail gift dollars without weakening your customers' perception of you as a garden center is a balancing act — but it can be a profitable one.

Giftware at a garden center can be looked upon as an afterthought “or frosting on a cake,” said Lori Cook, the merchandiser for Berns Garden Center, Middletown, Ohio. “We like to view giftware as the frosting. Green goods are 70 percent of our business, but giftware extends and enhances our sales and appearance.”

“Offering gifts gave us a way to have our door open year-round,” said Luann Finke of Finke Garden Center, Lincoln, Neb. “Starting from scratch you have the opportunity to address the peaks and valleys of this business. It was important to us to be able to attract a quality staff, and that meant being able to offer year-round employment.”

But while the gift market is huge, competition is fierce — gift stores, big box stores, department stores and even grocery stores are all competing for their slice of the gift-purchase pie. What can you do to maximize your gift sales and ensure that your gift section is frosting not folly?

Find The Right Place

Too often, very little thought is given to gift sec-



Selecting the right products for a gift department helps differentiate an independent garden center from the big boxes. (Photo: Finke Garden Center)

tion placement, the square footage allocated to gift products or the visual merchandising required to make those gifts fly off the shelves. “Garden centers should think very carefully about why they have a gift center and what they expect it to do for them before they allocate the square footage to it,” warned Judy Sharpton, owner of Growing Places Marketing, Atlanta, Ga.

At Berns, 10,000 sq.ft. is allotted for gift items and home décor, but the space expands and contracts with each season. “January to March, giftware is our focus. Aisles are narrow, and we use about one-third of our indoor space down the center of the store. April through June, giftware is reduced to one-fourth of the space, due to the need for wider aisles. July through December, the entire store becomes home décor, Christmas and gifts. We move houseplants, tools and chemicals to the main greenhouse to accomplish this,” Cook said.

“It really doesn’t matter where the gift section is placed, so long as your customer has to walk through it,” said Sharpton. “It’s even better if they have to walk through it twice. It could be on the path to the cash registers, at the door to the greenhouse or between the register and the parking lot.”

“Sometimes people take a section of the center that is already underperforming and think that if they add gifts, it will help, but it almost never does,” continued Sharpton. “Customers don’t often come to a garden center looking for gifts, but if they see and interact with the merchandise, they’ll shop there. The more secluded the gift section, the less sales there are.”

Minnesota-based Bachman’s Floral Home and Garden stocks gifts in both its floral and garden departments. “Our gifts are displayed around the edge of the floral department and grouped by category, so for example, we have a contemporary gifts and décor section, a traditional section and one we call ‘Wink’ — you might call it a girlfriends gift section — where the products are fun, a little edgier,” said Paul Bachman, vice president of marketing, merchandising and store operations at Bachman’s. “We also have a kids section that has done well. We get a lot of young mothers, and the Baby Boomers are becoming grandparents now.”

In the garden department, Bachman’s gifts are more gardening oriented, and they are placed across the aisle from the traditional garden hard goods. “We consider these ‘finer gar-

den' goods; they are great gifts for gardeners. But they are products that are not conducive to being placed alongside chemicals or hard goods. They need their own environment and a little more creative visual merchandising."

Merchandise Carefully

In fact, gifts require different, more demanding merchandising than chemicals or hard goods. Customers coming in for fertilizer or potting soil are shoppers with a mission, while gift shoppers are frequently browsing without a clear idea of what they want.

"People have to be able to interact with the merchandise," said Sharpton. "Some gift centers get so cluttered that there is space for the products but not for the customer. My rule of thumb is there should be 50 percent of the space for the product, and 50 percent of the space for the customer. You can double- or triple-tier the products, of course, and you should have merchandise on both sides of the aisle, but leave room for the customer to maneuver and interact with the products; leave a little white space to set off the products."

Like Bachman's, Berns Garden Center displays gifts by theme, which helps customers find gifts that will particularly appeal to the recipient. Showcasing coordinated and similar-themed gifts together also encourages add-on sales. "We set 7-12 themes for each season," said Cook. "The item has to fall into one of our categories, or it doesn't make the order. This spring we have 'Romancing the Stone,' 'The Birds' and 'Sixteen Candles,' to name a few."

Stock Wisely

According to Sharpton, Cooks' criteria for purchasing — if it doesn't fall into one of her categories, it doesn't make the order — is a good one. "It's easy to go to gift markets and come back with a bunch of gifts that you can't fit in your space and will never sell," she said. "You should go with a firm idea of your square footage, available shelf space and the promise you have for your customers and measure every gift product you are considering carrying against that yardstick. If you don't know where you'll put it, if you don't know who will buy it, if you can't think of how it fits the kind of garden center you want to be, it doesn't belong in your store."

Finke chooses her gift items very carefully to help differentiate her independent garden center from the big box stores. Finke Garden Center specializes in native plants, so her gift selection is designed to highlight the regional flavor of her store. She seeks out local artists with an "earthy" feel and buys on consignment. "You need to look for the new and different, not just what has always sold," she said. "Make space for trial inventory; just don't go too deep until you see how it is received. We try to simplify our gift offerings; we are a garden center not a Hallmark store. Our customers look to us to provide unique, garden-oriented gifts. It's one area where the little

guys have an advantage over the huge corporations; we really know our customers and can select gifts that will appeal to our customers, rather than relying just on demographics."

Unfortunately, it's not enough to consider placement, products and square footage just once and forget about it. Like green goods, the selection, price points and even the space allocated to gifts shifts according to the season and gift-giving occasion.

"In spring, we focus our price point on the \$10-\$50 range. With most of the money in our customers' pockets going toward plant goods, they will add some fun \$10-20 items to the cart but rethink things if they are \$50-200. We use the high-end items more as display and bring them forward in summer when customers are tweaking their gardens," said Cook.

"During the planting frenzy of April and May — other than a spike for Mother's Day — people don't pay much attention to the gifts," said Finke. "We stock and promote our gift and garden art lines early in the pre-plant season, in February and March. Our gift sales are a little dormant during the summer but pick up again in September, and of course, we have a strong Christmas business."

"The gift business is always a moving target," said Bachman. It's difficult to dabble in. You may be able to lay out a few gift items and pull in some impulse sales, but if you want to create a gift destination — where people will come in the slow season to shop — you need to make a commitment. It takes inventory and space, lighting and fixtures, and it takes talent. We have a 6-person visual merchandise department that makes sure new products are well placed and freshens the older products constantly. You need to be sure it's a commitment you're willing to make."

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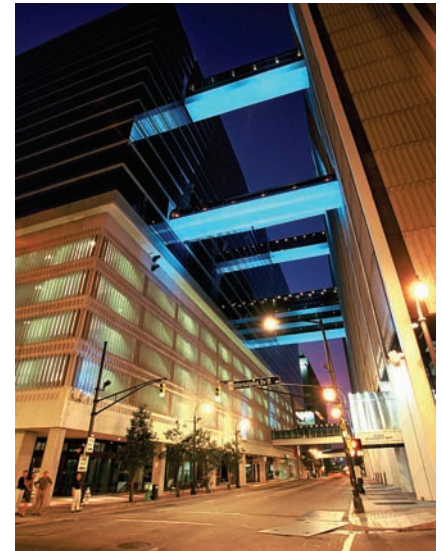
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