

CHRISTMAS RETAILER

MANAGEMENT



HOLIDAY SEASON RECAP

As we dive into 2009, *Lawn & Garden Retailer* asked retailers to reflect on lessons learned during the 2008 holiday season and reassess plans for 2009.

By Darhiana Mateo

It's been only a short time since retailers across the country breathed a collective sigh of relief after having survived a challenging holiday season marked by a volatile economy, unpredictable weather and waning consumer confidence.

And it's already time to reassess and plan for the 2009 holiday season.

As retailers crunch numbers, take stock of their best sellers and slow movers, and tailor their plan of action for next year, *Lawn & Garden Retailer* chatted with a few garden centers across the country about how their businesses fared last holiday season and what steps they plan to take to ensure they can weather — and thrive! — in the tough times ahead.

Cost-Conscious Consumers

Many garden centers braced themselves for a drop in sales during the traditionally bustling November and December months. And this was by no means limited to our industry bubble: The National Retail Federation (NRF) reported a 2.8 percent decline in holiday sales in 2008.

Not surprisingly, garden centers from coast to coast also reported a decline in profit compared

to 2007. Bill Zawisza, senior Christmas buyer and merchandiser at the Amherst, N.Y.-based Menne Nursery, says the store was “down over [2007] numbers, but not as bad as we could have been.” Overall, sales were down for big-ticket items, such as Menne’s signature line of live and artificial trees, but ornaments and decorative items moved steadily. “Our best sellers were ornaments across the board,” Zawisza says.

Menne’s story echoes a greater trend playing out across our industry. Consumers are thinking twice about spending their shrinking discretionary dollars on major purchases. “People were making do with what they had,” he adds.

At Sid’s Greenhouses and Garden Center in Palos Hills, Ill., a destination for live and artificial trimmed trees, overall garden center sales — including tree sales — were also down. But “Christmas decor was a highlight.”

“This season, the economy certainly played a huge role in what’s going on. People are still shopping but being a little more conservative with their spending, especially big-ticket items,” says Kent Witt, Sid’s merchandising manager and buyer.

However, some garden centers, through creative marketing and flexible pricing, saw surprising results. The hottest sellers at California-based McShane’s Nursery & Landscape Supply were, in fact, live Christmas trees. How did they manage that? “They were priced and marketed really well, and the sales reflected that,” says Steve McShane, owner and general manager. “There were a great deal of bargain hunters this Christmas season. We did our best to not disappoint them with several clearance and sales items throughout the season. Anything that we needed to move was merchandised well and marked down.”

A Hard Look at the Numbers

Today’s tumultuous economic climate is forcing some businesses to not just reassess their holiday season strategies — but to rethink this department all together.

For the past three years, Danville Gardens, with locations in Danville and Champaign, Ill., has been closely tracking its poinsettia sales. In spite of a strong holiday season in 2008, the garden center recently decided to stop growing poinsettias and will be focusing on the spring and fall seasons. “This will be our last Christmas season,” says co-owner Lisa Campbell. “This is going to be a big change for us.”

This past Christmas season, the garden center slashed their poinsettia production by 3,000, limited the amount of retail goods they ordered and cut back on staff. But at the end of the day, the staple Christmas crop just did not make sense for

the business:

“When we really started looking at the numbers, we were either losing money or just coming out even,” says Riki Schull, office manager.

Tomorrow’s Trends

Across the board, garden centers can attest to one dominant trend: “In a tough economy, consumers are becoming much more price sensitive,” says McShane. “We’ve responded with excellent value and improved service.”

Savvy businesses know that they need to pay close attention to emerging trends in consumer preferences, including the declining interest in big-ticket items and the increasing popularity of nontraditional Christmas merchandise and unique holiday home decor items.

Menne Nursery also saw an increased interest in nontraditional colors. Instead of the usual red, white and green hues, customers were clamoring for violets, cinnamons and metallics, such as gold, silver, copper and platinum.

Some old trends, however, still hold true: “Paying attention to every customer and giving them that extra individual attention that they’re not going to get from the box stores,” Witt says, is more important than ever.

Show Me the Money

Cutting costs is at the top of the list for many retailers. They’re identifying their strengths and weaknesses and acting accordingly. Most of all, they’re listening to their customers and responding to their needs in creative ways.

“We’re searching out more unusual home décor pieces,” says Zawisza. “We’re going to watch the purchase of trees, wreaths and garlands because we have two large box stores near us.”

As we enter a new year, we know that consumer needs are changing; the market is evolving, and the economy is as unpredictable as ever. Some factors might be beyond our control, but it’s up to us how we respond to these challenges. Reassess and then take action: Christmas 2009 will be here before you know it! Let’s make it a jolly one. 🎄



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