Hope Springs Eternal in

Spring 2004

Despite some ups and downs, spring 2004 came out pretty good for garden centers.

By Catherine Evans





his was quite a spring for garden centers in the United States. All across the country different garden centers have been calling in with results from this past spring to let us know how it really went for them. For some people it was the best year they have ever seen, and for others it has been the worst (don't forget that terrible rain in the Midwest). Most said March and April were better than last year, May and June worse, but there are people who beg to differ about that as well. Basically, all of the regions across the United States are reporting something different, and even within the regions answers varied a little bit.

One of the hottest trends people saw was the Endless Summer hydrangea. Garden centers all over the country could not keep enough in stock. Another popular thing was the Blooming Bucks programs, which went over very well.

On average, the 2004 spring season seemed to turn out a little on the average side, but people are still trying to come out of their shells from September 11 and the weakened economy. It is apparent that consumers are getting into the shopping mood a little more now, but there is still some time to tell whether they will emerge sooner than later.

OVERALL, HOW WAS YOUR 2004 SPRING SEASON?

"Our spring was very good but not great, meaning we did not break any records. April and May were up, but March was down and June slightly down. The overall margin was up slightly, and expenses were flat." *Ken Long, L.A. Reynolds Garden Showcase, Winston Salem, N.C.*

"The spring season was up just a little bit, not nearly as much as we would have liked. We got off to a very good start in April (up 30 percent), then May (up 9.9 percent) was not as good as it should have been and June was down (10 percent). Overall, we are up almost 10 percent." *Paul Begick, Begick's Nursery, Bay City, Mich.*

"The season recovered from 2003, but we're still slightly down, about 1 percent, from our sales targets. Overall, it was a decent spring. The economy in Northern California still hasn't recovered. I think we are still seeing that, and people are being a little cautious about how they spend their money." *Kevin Twohey, Whitings Nursery, St. Helena, Calif.*

Top: The greenhouse was full of color at City floral, Denver, Colo., keeping stocked up for the busy weekends. Bottom: Selling high-end pottery (Armstrong Garden Centers, Novato, Calif.) helped the pots fly off the shelves in 2004.

HOW DID THE WEATHER AFFECT SALES?

"The weather was perfect this year. We didn't get rained out on a single weekend. I believe that it was a positive impact on sales, since last year was the wettest spring on record and the previous year we were under drought restrictions." David Williams, Williams Nursery, Westfield, N.J.

"We consider weather our biggest competitor. We had adequate rain this spring, and it happened during the week and mostly at night. Last year rain was mainly on weekends, and in 2002 we had a major drought. So the weather was a welcome relief this year." Ken Long, L.A. Reynolds Garden Showcase, Winston Salem, N.C.

"Weather was a big factor. The day before Mother's Day we were down \$6,000, and some of those days that you miss, you just don't make up again. The rain in our area was quite spotty, we had more than we needed a few times." Paul Begick, Begick's Nursery, Bay City, Mich.

"We had rain in January and February, typical Northern California. We had a real dry March that kicked things off really well and regular rain in May, so we were fine." Kevin Twohey, Whitings Nursery, St. Helena, Calif.

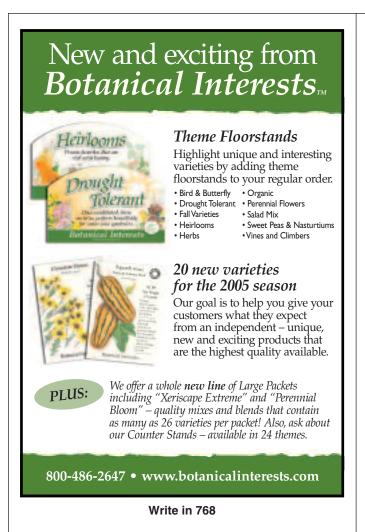
WHAT WERE SOME OF THE TRENDS OR **BEST SELLERS YOU NOTICED THIS YEAR?**

"We did extremely well with Proven Winners this year because we switched suppliers, had plants in peak blooming condition the entire season and got them two weeks earlier than last year. The osteospermum did extremely well, and it seemed we could charge \$1 more than the rest of our Proven Winners, since there seems to be an extra-perceived value on daisy-type flowers. Colors were all over the board this year; it seemed that people were mixing everything. Red zonal geraniums became the popular color again this year, after a few years of pink being the leader. Gerbera daisies remain very strong; we sold more than 2,000 units at \$7.99 each. The number-one woody this year was Endless Summer hydrangea. We sold about 200 units, and if we could have had another 500 I

think they would have sold those too. We noticed a 50-percent gain in our pottery sales this year. Part of this was because we increased the amount of high-end pottery we were selling, and I think we

did a better job merchandising the plants." David Williams, Williams Nursery, Westfield, N.J.

"I don't know if we call it a trend or not, but our annual sales



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MANAGEMENT

and hanging baskets were up a lot, while our perennial sales were flat to down. Shrubs were also down a little, and trees were down a lot. We did not have a good tree inventory in late March and April, which hurt

sales. We also picked up a line of Mexican ceramic pottery from a company called Masart and reordered 10 times, which blew our minds." Ken Long, L.A. Reynolds Garden Showcase, Winston Salem, N.C.

"Color was the item that brought most customers into the store. Annual sales were about 25 percent of total sales, tree sales were down, shrub sales were okay but Endless Summer hydrangea was the leader to pull up sales."

Chuck Johnson, Johnson Nursery & Garden Center, Cookeville, Tenn.

"Perennials are still pretty strong, so were flowering shrubs, particularly the dwarf types. Those are the areas that are still growing. The Endless Summer hydrangea was a big hit here. Our big mixed hanging baskets did very well; we were able to get \$23.99 for those baskets, which sold better than just plain or ivy geraniums." Paul Begick, Begick's Nursery, Bay City, Mich.

"The Yellow Flower Carpet rose was pretty good, and hydrangeas were really big this spring. We did Endless Summer, and they couldn't give us enough of them. Gardenias were big in the spring and are still strong. On the hard goods side, umbrellas (patioshade) in different colors have been a big seller, and fountains are still good." Kevin Twohey, Whitings Nursery, St. Helena, Calif.

WHAT BRANDS DID YOU USE (PROVEN WINNERS, THE FLOWER FIELDS, ANY, ETC.)? HOW WELL DID THEY DO?

"I think that the Proven Winners brand is very strong with the plants, but we tried to promote their soil and fertilizer and did not have success. We did move tons of Miracle Gro soil, so maybe that is the brand our consumer recognizes for that particular product. Monrovia has some of the best quality plants in the industry, and we promote their plants as the best and attach a premium price and an extended warranty to them. Plants That Work and the P. Allen Smith Garden Home Collection did not move as well for us this year, but part of the problem was where we placed the plants. Garden Splendor plants are spectacular, and it makes up a large portion of our perennial sales. The brand does not yet have much consumer recognition, but since the plants are very consistent and generally bigger than other vendors, they still out-sell other perennials on the benches. Instant Color is a fairly generic brand, but again it's a quality plant, so it would sell



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even if it wasn't branded. The pots are nice, and they are what they say: instant color." *David Williams, Williams Nursery, Westfield, N.J.*

"Jackson & Perkins, Proven Winners and Monrovia all did well because they are all established brands customers ask for by name. We had very little requests for The Flower Fields, but Wave petunias are still selling great. We added Smith & Hawken this spring, and so far it is doing very well; we are happy we picked up the line. Scotts new Nursery Select didn't do so well, and we do not plan on adding Nursery Select flowers next spring." *Ken Long, L.A. Reynolds Garden Showcase, Winston Salem, N.C.*

"All branded annuals did well, but Proven Winners or The Flower Fields did not bring the customer into the store. However, customers did read about new plants in magazines like *Southern Living* or saw them on HGTV and came in for them." *Chuck Johnson, Johnson Nursery & Garden Center, Cookeville, Tenn.*

"The P. Allen Smith Garden Home Collection did very well; I was pleased with that. This is the first year we carried the collection, and I think it was all we had hoped for, maybe even a little bit more. Natural Light had a post card mailing; they mailed out 5,000 postcards in the area, and we got a 13-percent return, which was for a free \$10.99 perennial. Of course, some people bought some other things, and some people just got the free perennial and walked out. But we did get a good response; a greater percentage bought something else." *Paul Begick, Begick's Nursery, Bay City, Mich.*

"We are very big Monrovia retailers; they are my biggest green goods supplier. Monrovia product for us sells really strong. We actually just put in their soil not too long ago, and that's selling pretty well. Even with the Sudden Oak Death...there were initially some questions from people, but Monrovia reacted so well. They feel so strong about their product that it didn't really slow sales down." *Kevin Twohey, Whitings Nursery, St. Helena, Calif.*

WHAT KINDS OF MARKETING PROGRAMS OR PROMOTIONAL STRATEGIES DID YOU USE, WERE THEY SUCCESSFUL?

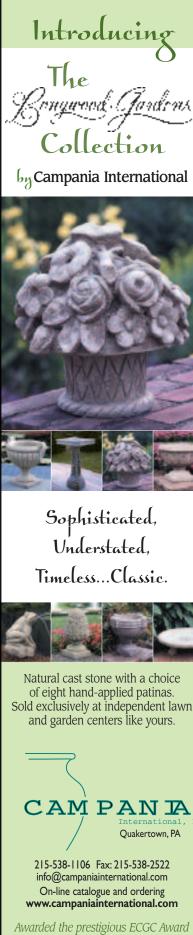
"This year we launched our preferred customer program Best Buds Club and used a large portion of our marketing budget to pay for the cards, handouts etc. We have reduced our phone book advertising to a line listing since we think it's a large waste of funds. We do six postcard mailings a year, and we may do more once we have more names on our loyalty program. We (like many other people in the industry) have a



Mixed hanging baskets was one thing consumers couldn't get enough of, like the ones above at Poundridge Nurseries, Pound Ridge, N.Y.

Blooming Buck program where we hand out bucks through the months of April, May and June that are redeemed the last week in June. It has turned the last week in June into one of the best-selling weeks." *David Williams*, *Williams Nursery*, *Westfield*, *N.J.*

"TV ads are our biggest success; we have been doing regular TV advertising for four years. Blooming Bucks, after six years, continues to be a huge success — about a 55-percent redemption. We also do weekly newspaper •



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for two consecutive years

ads in the local garden section, which has a very good readership." Ken Long, L.A. Reynolds Garden Showcase, Winston Salem, N.C.

"We run some TV ads when P.

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Allen Smith's show is on locally. One of the other TV stations has Rebecca Cole ("Rebecca's Garden"), and we run ads in conjunction with that as well. We have a relatively inexpensive spot early

in the morning when the shows are on. We gave some local organizations (a local garden club and high school) a percentage of the sales, and that brought people in. We would keep track of the sales, and

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we gave the organization approximately 5 percent of the gross sales. The organization puts out coupons to their lists, and we write the amount of the sale on the coupon to keep track. We also use our Bonus Bucks program, where everyone who spends \$10 gets \$1 dollar in Bonus Bucks, and they can redeem that in the last week of September. For something marked up to \$100, you can use up to 50 Bonus Bucks." *Paul Begick, Begick's Nursery, Bay City, Mich.*

"This year we did a Blooming Bucks program for the first time, and it was very successful. During a span of two months, for every \$10 a customer spent, they got a Blooming Buck, and they saved those up to use during a two week period when the season started to wind down. We did it the last week of June and the first week of July. It really helped extend our season. I write a bimonthly newsletter that goes out to about 6,000 people, and that is a huge deal for us. It's basically about plants and new introductions. Last fall I did an article on gardenias, and redid it in the spring and on our Web site; it really helped with gardenia sales." Kevin Twohey, Whitings Nursery, St. Helena, Calif.

BASED ON THE 2004 SPRING SEASON, WHAT ARE YOU PLANNING ON DOING DIFFERENTLY FOR 2005?

"We will continue to fine-tune our loyalty program. We have a marketing map that lists our market area by carrier route. We were able to cross-reference it with demographic information and will increase our marketing into certain areas that our target customers live in. This has been our first year with a POS system, and we hope we will be able to use the information that we are starting to get out of our POS." *David Williams, Williams Nursery, Westfield, N.J.*

"We need a better date for our spring open house. By next year, we will have an upgraded Windowsbased POS system, which will aid in buying and reporting. We will have longer operating hours as we consider people's time to be our second biggest competitor behind weather." Ken Long, L.A. Reynolds Garden Showcase, Winston Salem, N.C.

"In 2005 we must have larger signs that show flowers and give better information; customers do read the small tags in the pots." *Chuck Johnson, Johnson Nursery & Garden Center, Cookeville, Tenn.*

"We are going to reevaluate our advertising. We currently use radio, TV



Whiting's Nursery, St. Helena, Calif., said sales still went strong in their fountain department.

and some home and garden showplace circulars. The circular is what we will be looking at more. The response is not so much the circular itself, but we are being distributed through the newspaper, and I have some questions about them getting to the right place. We have one billboard on the interstate, and we do advertising in a local Michigan magazine, which is sent more heavily to the local counties. People will drive for plants; we are trying to be a destination store — a destination place, a nice place to shop and spend time." Paul Begick, Begick's Nursery, Bay City, Mich.

"We're moving to a new location in town, and that is going to be huge. Our plan is to do a preferred customer program and initiate it this next year when we move. We're probably going a little more into the furniture side. We'll have a better display area for gifts. Mainly, just get the new location open and get it going." *Kevin Twohey, Whitings Nursery, St. Helena, Calif.*

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