

# Prioritizing Profit

How can you make more profit from green goods this spring?

By Bridget White

**F**or most garden centers, green goods is the largest single department. It stocks the most products and takes up the most square footage. But what about profit? How do green goods compare to other departments when it comes to profit?

It might be hard to tell because so much of a store's annual sales come from green goods, and most of those sales are in such a short period of time. But these are exactly the reasons you need to prioritize profit and find out if your green goods are living up.

With spring right around the corner, and already on top of you in some markets, the time is almost up to put those little green guys to work for you. We've asked around and collected the top five ways retailers are increasing departmental profits. Some of our suggestions will take time and money to institute; some you can do overnight; but all will definitely increase your bottom line.

## CHARGE FOR QUALITY

How do you price your green goods? Do you have set prices for pot sizes? All 4-inch annuals cost x, and all 6-inch annuals cost y. If so, you're leaving money on the table.

Very few consumers make purchases based on pot size. We all know instinctively that most floral purchases are based on impulse — whatever looks good at the time goes home. So why not use that to your advantage when pricing?

For example, you normally sell a 10-inch hanging basket of petunias for \$14.99. That price is based on what you think your customers will pay, the quality of the baskets you normally get, what other people in the area charge, what time of the year it is, etc. But what if today's shipment of 10-inch hanging basket petunias was outstanding, much larger and with more flowers than the baskets you normally get? Would you price them at \$14.99 because that's what you always charge for that product or would you bump the price up some to account for the increase in quality?



Greeting cards, gourmet snacks and bulk bulbs turn this checkout line into a profit center.

What we're really talking about here is grading, something that has been a part of the European retail system for years. Wholesale buyers from upscale garden centers happily pay more at the auction for larger plants with more flowers because they know they will be able to charge more at retail. It doesn't matter if the same crop is in the same size pot; what matters is the presentation each plant makes. Consumers are already accustomed to a certain amount of grading. They know that plants purchased at Wal-mart will not be the same quality as those purchased at their local independent garden center. All you are doing is taking grading to the next logical level.

This is a fairly easy theory to implement, and it will show immediate increases in profit. There are a few considerations you should be aware of.

- Some consumers may have looked at sale

papers and want to know why your x is more expensive than the store down the street. Explain to them about quality and that they get what they pay for. This argument will make itself if you can have an x from the store down the street for a quality comparison.

- You may need to rethink how you receive plants. Someone will need to be responsible for assigning a price, and it would make sense that the same person be responsible for this task week after week. This person should not be your lowest hourly employee, nor should it be you (you can't do everything).

## SELL IDEAS NOT PLANTS

I know we write incessantly about display gardens, the mannequin technique and inspiring customers, but it really is true. Consumers need ideas; they will pay for ideas. No one ever spent

\$1,000 on a bunch of plants; they spend all that money to decorate their patio like a tropical oasis.

And that's where you come in. How are they going to put together that look when some of the plants are in the greenhouse, some are with the annuals and some are out back with the shrubs? They would have to be pretty motivated, and that assumes they know they want a tropical oasis.

No, the problem is not the desire. Most people would love to have a nicely landscaped

yard, but they just don't know where to start or which plants can be mixed or what kind of look they want. Offering a sea of alphabetized bedding plants in various colors does nothing to help customers create their dream landscape. All it does is make your store colorful and show that you know the alphabet.

Display gardens are great. They should definitely be your long-term objective in selling ideas, but they are not the only way to tap into this idea.

- Garden vignettes can be created with potted plants and props, making them quick to set up and easy to move around the garden center. You can create your vignettes based on theme to get the most impact.

- If you can't even find the space for vignettes, create idea boards and handouts. Enlarge color photography to poster board size to really show the detail of the display garden. These can easily be switched once a month to keep people coming back.

- Don't forget signage. Display gardens are useless if customers don't know what's being shown. Put tags with each plant and give out a flier detailing what's needed to recreate the garden.

#### GIVE YOUR GROWER CONTROL

How useful are tightly budded annuals on a busy spring weekend? You know, the ones that will be beautiful in a week or so but don't look like much now. It sounds like a silly question because we all know annuals without flowers are money holes; you just can't sell them. In fact, the only

way to have a chance at selling annuals is to make sure they are in full bloom on Friday afternoon.

Is there one person at your company that makes sure this happens? It's usually the person who receives the order and decides to either accept it or send it back. But have you thought of assigning this task to someone else, someone who doesn't even work for you...someone like your grower?

Your grower is really the only person who knows what is going to look good each weekend. What if the impatiens you ordered don't look good, but the vincas do? Wouldn't you rather have blooming plants that look good instead of rigid compliance to your order?

Giving your grower at least some control to substitute product can help ensure that all the plants in your garden center are at their peak. Most of the time you will probably get what you ordered, but in the instances where a substitution would help sell plants, giving your grower this authority will benefit you both by raising sell-through.

Working with your grower in this way is not as difficult as you might think, but there are a couple of things to keep in mind:

- You can institute this to whatever level you feel comfortable. Give total control, give occasional substitution privileges or ask for a call before any substitution.

- This idea is predicated on having a good grower who you know and trust. If this is not the case, think twice before giving them control.

#### ACT ON YOUR IMPULSES

We would all like to say that customers do not wait in long lines at our garden center, but especially during spring's peak, that's just not true. On the first warm weekend in spring, there are lines at every garden center in town, and at most stores, whether it's a garden center or a shoe store, time spent standing in line is wasted. There is nothing to do but stand there and look at your watch.

Paco Underhill, author of *Why We Buy*, argues that the "wasted" time customers spend in check out lines is one of the worst offenses of retailers, not because the line is long but because it's wasted. Underhill advises his customers to use this time to brand the store by posting your mission statement, a promotion about your new product line or even a corporate video. I say why not use this time to raise profits?

Grocery stores have the whole line thing figured out. It's no coincidence that they stock magazines and candy at every checkout. They know there will be lines and are trying to maximize that wait time. I have seen studies showing how much profit is made from the items at a grocery checkout...impressive.

Likewise, there are impulse items that garden centers could stock near the checkout, and you'll probably be surprised at how much profit can be generated there. Gardening books and magazines, miniature plants, mixed bouquets, anything unusual that will catch the customer's eye will be perfect. But don't forget a few simple rules:

- Blooming plants always draw the most inter-



**Top:** This overflowing cart is able to carry only six premium-size items before it is too full to shop. A bigger cart might mean more sales. **Bottom:** Vignettes such as this give customers ideas that inspire them to make more purchases.

est, and make sure they are packaged nicely.

- Keep the price point low. By the time customers get to check out, they have already spent all the money they intended to spend, so you will probably only be successful with smaller, less expensive add ons.

- Be sure to keep items within customer's reach. If they have to get out of line to browse, they will choose not to browse.

### MIND YOUR SHOPPING CARTS

How many debates have you heard about shopping carts? Well don't worry, we're not about to rehash the wagon versus upright debate, but there are other cart considerations that can have a real impact on your profit this spring.

The most important thing is size. Have you ever tested your carts to see how much product they can hold? Most people would be surprised at how little product will fit in their standard carts. One or two flats, a few 1-gal. perennials, maybe a hanging basket, but that probably has to be carried.

This does not look like a message to buy in abundance, and what do you think people do when their cart is full or near full? They start evaluating every purchase, "Do I really need two of these? Where will I put it? I still have to get a flat of impatiens. Maybe I'll just pass on it altogether." A full cart is a clear signal to customers that they have bought enough and should stop shopping. To really maximize your profits this spring, your store should offer the biggest shopping carts you can find.

And what about cart placement? Do you put all of your carts near the front door? Of course, that's the logical place. But what about all those people who only wanted to buy a couple of things and ended up with much more? They can only carry so much, and very seldom will these customers walk from the back of your property to the front just to get a cart.

On the way up front, they will remember how much of a hurry they are in or how tight their budget is that month, and the sale will go out the door, literally. The only way to really maximize the purchase from these customers, and there are lots of them, is to place shopping carts throughout your store, making

it convenient for them to purchase their unanticipated selections.

- I know purchasing new carts is a pretty high dollar suggestion. But you can buy a few at a time, until all are replaced.

- The best way to maximize cart

placement is to choose two or three central locations around your property, and put signs in several other places directing people to the additional carts.

Bridget White is editorial director of Lawn & Garden Retailer. She can be reached by phone at (847) 391-1004 or E-mail at

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