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Ian Baldwin: National Gardening Survey Highlights Need For Change In Retail Industry

By: Ian Baldwin | August 10, 2015



The National Gardening Survey is an online survey by Harris Interactive of a statistically representative sample of householders, drawn from a database of 7 million households. The survey was carried out in early 2015 and covered a householder's participation in and spending on gardening in 2014. The data is compiled into a 260+ page report available from The National Gardening Association. The NGS's 30+ year's history gives us a huge database

of consumer participation and spending.

When I first saw last year's National Gardening Survey (NGS) results from the 2013 gardening year, I was wary of the massive jump (18 percent) in total DIY garden spending and 21 percent rise in spending per household. That did not reflect what we were hearing from our clients out in the retail trenches.

So this year's survey, showing a drop of 23 percent in total spending and 24 percent less per household, comes as a leveler. No behavior survey is perfect, so we expect ups and downs, but we now have data from the same questions for more than 30 years, and the overall trend is pretty disheartening.

In reality, the previous year's numbers were an anomaly, and this year's report just shows garden spending returning to the doldrums of 2010 to 2012, well below 2008. Now that's discouraging.

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People Are Still Gardening, But They're Not Spending As Much

There is some good news. Despite all the distractions available, householders are still gardening, though I suspect fewer consumers now use that word. Participation in gardening has been statistically flat for the last five years, with around 70 percent of all homes doing something. That is still 84 million homes, a market many industries would love to have, but we used to be the nation's sunny spot. Remember, less than 20 years ago, we were America's favorite outdoor pastime, with Martha Stewart hauling in great armloads of perennials and four to five gardening magazines at the supermarket checkout?

Well that "good thing" has changed to a so-so thing for many. You can almost hear them saying, "If I have time and can figure out what to do — is there a good gardening app?"

The dilemma we face is that, despite all the competition for their time and money, householders continue to do something in the garden, but are spending less and less money doing it. Even as household spending picks up again after the recession, garden spending has not. Has competition reduced unit prices? Are consumers still buying the same number of products as six years ago? I don't think so. If anything, with the exception of warehouse clubs, the price-driving big box stores have increased prices lately. Similarly, the local garden centers (LGCs) we know have steadily increased prices, and all our clients show an increased average sale per customer.



Food Gardening Continues To Shine

Fortunately, the shining star of the last five years, food gardening, has held its own and is clearly here to stay. This is the only activity that has steadily increased its share of garden spending since 2005. Everything else has had highs and lows.

Some individual products have done well despite the spending malaise. Cyclical spending such as machinery, as well as maintenance tasks like insect control, rise and fall with the need. Yearly spending to keep the property looking tidy in categories such as lawn care and flower gardening have declined at the same rate as everything else, but there has been no growth in any of these categories in the last 10 years. The survey does not allow for more modern color planting using flowering shrubs, grasses and perennials instead of annuals, so this activity probably continues to rise, which is great news given the higher ticket and extra tie-in products.

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Baby Boomers Remain Biggest Market

It comes as no surprise that over-55 year-olds are the biggest spenders of the age groups. This was not always the case. The 55+ group's spending share averaged 37 percent from 2003 to 2008. It rose to 44 percent in the 2009 recession, and has now reached the highest ever recorded: a staggering 51 percent in 2014. So the lawn and garden market is even more dependent on the baby boomers, as they adapt to retirement, fixed incomes and health care issues.

At the other end of the spectrum, the recent surge in gardening by the youngest group in the survey, the 18- to 34-year olds, seems to have faded. Could it be they were tempted to try it and weren't thrilled with the process or end result?

“But My Peers Are Doing Well Now”

The surviving independents who weathered the recession are looking forward to some good years. The operative word is “surviving.” Think how many LGCs and greenhouses are no longer in business in your area or on your contact list. Did all that business go to the big guys? Obviously not. The NGS tracks spending at all retail outlets, not just LGCs, in 16 activities from lawn care to water gardening. Results show flat to declining purchases over the last 10 years in everything but food gardening, irrespective of where they shopped. So most LGC growth is probably from categories outside the NGS scope, such as gift/décor, patio/outdoor living, food, apparel, Christmas, installation and so on. A good POS project might be to compare core garden department sales and customer count, before and since 2009.

On Average, Things Are Not Even “Average”

Gardening is clearly not capturing consumers' imagination and dollars like it used to do. But because one year's data is always suspect, when analyzing the National Gardening Survey (NGS), we took a look at two sets of data, averaging results from 2009 to 2014 and comparing them with similar averages from 2001 to 2008.

The average household spending from 2001 to 2008 was \$435, but from 2009 to 2014 it was \$359. This explains why many LGCs, even the best, are still not seeing their sales top those of 2006 or 2007. It also validates the move by the sharper operators into other categories, departments and services as they see core gardening products stagnate.

The NGS asks householders about garden spending irrespective of where they shopped. So if the whole retail sale is down and the national chains are increasing their share of a shrinking pie, it puts even more pressure on the LGC channel.

Unlike other recoveries after recessions, garden spending is not expanding as the economy improves.

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Get On Your Customers' "Screens"

The NGS data shows:

- Total garden spending peaked at \$39.6 billion in 2002.
- Spending per household peaked at \$466 also in 2002.
- Participation peaked at 91 million households in 2005.

If ever there were three statistics that called for reinventing garden retail, these are the ones. Yet we have clung on to the same model, hoping for a better economy, more housing starts, improved weather, new politicians or whatever. The garden retail model has worked so successfully for decades: consumers driving to a store (when they are open) and in their spare time(!) being told what to do and buy, then going home and hoping for success. This is clearly not the way forward.

Now think about how the consumer's spare time has changed. In 2002, there was very little if any broadband Internet, online shopping or streaming video. In 2005, there were no smart phones, while Netflix mailed DVDs, Google was a start-up desktop search engine and Facebook was for Ivy League students.

Think of the burgeoning choices consumer now have to spend their discretionary time and money — most of it involving staring at a phone, tablet, computer or TV.

The new elephant in the gardening room might be "screen time," estimated to be at least 12 hours per day for the average American adult.

Change The Image Of Gardening

The glass is still absolutely half-full when it comes to our industry. Americans like gardens, they just don't like "gardening."



How did that happen? The world seems to have defined gardening as hot, messy work that involves commitment, knowledge and some mysterious intuition, not to mention the expense and risk of failure. That sounds like cooking, too. Yet how did they manage to make cooking so exciting and desirable?

We have allowed others to define our image which, as any politician will tell you, is not a good strategy. But despite this image, 84 million households are gardening, with probably a few million more wishing for the end result.

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We have to change the image. We need to talk about at-home entertaining or home-grown veggies, family time with nature, kids' projects, saving monarchs, relaxation and escape or pride in property enhancement and style. We should take nothing for granted and look at everything as an opportunity.

Look For Your Opportunity Now

If you are looking to retire in five to ten years, why care? You will probably be OK as an owner, though your employees might not be thrilled with the strategy.

But if you are building a saleable asset or a business for the next generation, the time to start changing is overdue. No one (least of all a consultant) truly knows the future, but leveraging your skills and reputation into a garden success resource center, based on a wide range of services, seems attractive. These might include conventional retail, with design-build indoors and out, at-home maintenance, garden coaching and mobile-everything, including real-time diagnostic services. There will obviously be great niches in upscale life and outdoor living centers or gourmet food and cooking/brewing centers. I see a strong niche in all-natural, organic/local, environmental activities or decorating/party planning or a complete do-everything-for-me center. There are opportunities in agritourism, apparel, weddings, cafes, community centers and whatever your local market can relate to.

The timing is perfect now that "local" is in vogue as consumers turn back to their communities. Meanwhile, most LGCs have under-used land and buildings, empty seasons, talented teams, under-leveraged borrowing capacity and a safe, strong balance sheet.

But as the National Gardening Survey has shown for ten years now, there is no time to waste. Ladies and gentlemen, start your engines!

A Call To Action: Six Take-Aways From The 2015 National Gardening Survey

1. Food gardening is the only garden category with consistent growth since 2008, but the plant portion of that spend is a small part of the total spend. LGCs must get into the food gardening business, not just the food plant business, and become the go-to retailer for every aspect from irrigation to raised beds (a big seller at Home Depot this year) to canning supplies. This should all be backed by how-to classes on YouTube and tasting/cook-off events. Celebrate your localness with local food how-to knowledge!

2. After ten years of declining customer count, the immediate strategy for most LGCs should be to drive more traffic using a combination of competitively priced, driver-item products and categories that extend the season such as apparel, food, bird, home brewing supplies, indoor gardening and so on.

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3. Many younger consumers are interested in gardening, but are very dependent on their mobile device. LGCs must invest in making their website and marketing methods mobile friendly. Generation Y is trending towards smaller independent retailers, but only if they can find and use them on a mobile device.
4. Analyze your category trends (unit sales, dollar volume and customer count if possible) since 2006 and identify where the growth is. Is it in gardening or other categories?
5. Take a long hard, unemotional, objective look at your company's image. Does it still look, feel, smell and operate like a 1995 garden center? Profitable means more than just pretty.
6. Take a clear, strategic look at what it will take to become the local community's one-stop, first-time garden/landscape success center, including "do it for me."

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