

GROWERTALKS

Growers Talk Business

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What's in "Store" in 2017

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We're just finishing up another poinsettia season as I write this article. This year, we continue to see some prevailing trends.

First, consumers are buying later in the cycle again this year. This is the fourth year in a row we've seen this and it shows in our sales data. We've had four years in a row of strong positive sales (yes, the market continues to grow), but four years in a row of declining sales before Thanksgiving. To back this up, we held this focus group on December 8, and eight of the 12 participants in the focus group hadn't bought their poinsettias yet. On the other hand, we'd shipped 85% of our poinsettia plan already to our stores. There's work to do in 2017 that's now a defined trend.

Second, our data continues to show a huge affinity for white poinsettias and a declining trend on pink. This is a number the industry rarely touches, but I would challenge each of you to look at your white and pink percentages to see if they're right. If you're still in the 90% red, 5% white, 5% pink game, then your numbers need to be revisited.

On the business side, as I've noted in the past, our team meets at the end of every season to talk about where we're at and we make some base ground rules in our thoughts for the following year.

First, we don't talk the weather because we don't control the weather. We can look at long-term forecasts, but they're rarely right, and even when they are, it's difficult to change your plan to match them.

Second, we always talk things that are going to help and things that are going to be a challenge. We did the same at the end of 2015, but man, it's a whole new year in 2017, and our "Headwinds vs. Tailwinds" are completely different this year.

As a recap, my 2016 Headwinds were: 1) Election year; 2) Department of Labor Rules; and 3) Affordable Care Act implementation. On the 2016 Tailwinds, it was: 1) Lower Gas Prices; and 2) Impulse-Driven Product. All of these items impacted sales in 2016 or took time that should have focused on creating more demand for our product.

2017 Headwinds

- More product being sold on the Internet—While we don't see plants being sold online anytime soon, if the Internet takes footsteps out of the stores for other products, we need ways to get them back into the store. Online promotions, discounts for visiting the stores, contests and recycling programs are all ways to get those footsteps into your stores.
- Health care options for your employees—As we go through “repeal and replace” over the next year, no matter your political feelings, 2017 will be a year you need to educate your employees on their options and what programs you provide. You can win employees' loyalty by handling this hardship for them. Study the new options, get some help from experts and have a plan of action.
- Department of Labor Rules—Folks, this isn't going away either. Agricultural exemptions and how to handle overtime pay will continue to have an impact, even if the current rules are changed/revised. I've talked with many of you in the last six months on this and each of us needs to formulate a plan of action to address this so we protect our employees and protect our businesses.

2017 Tailwinds

- Housing is growing again—Housing is on the uptick as the inventory of homes isn't currently meeting demand. This is the first time this has been the case in years, and with expected increased spending on homes over the next five years, we need to do our work to assure plants are a part of that spend.
- Our product is STILL impulse driven—Just like last year, this is a key factor because we can drive additional business with great ideas, great displays and great execution. Ninety-one percent of consumers in our panel say they're either very likely or somewhat likely to buy plants they hadn't already planned to buy simply due to a product display in the garden center. Our big box partners tell us that while everything else can probably be bought online over time, live goods will become even more of a traffic driver over the years. They'll invest in better live goods presentations, as it will be the category they use to get people in the stores.

No matter the tailwinds or headwinds, our plan for 2017 is a relentless focus on quality in everything we do. It's the No. 1 way to drive growth. No matter your business position, who you're selling to or what year it is, you can still focus on producing a quality product.

Lastly, as we're so polarized in our nation right now, let's remember a simple rule that seems to have been violated in 2016: As we work on building back stronger relationships in 2017, please focus on the best traits you see in others and focus on things that you need to improve in yourself. Too many times, we see only the worst in others and we see only the best in ourselves. Let's turn that around in 2017 and focus on developing productive relationships with our customers and employees.

Wishing everyone business success in 2017—when we all grow our business, the industry grows. Let's continue to work together in 2017 to make that happen. **GT**

Abe VanWingerden spent eight years working for Procter & Gamble in Sales and Marketing and is now part owner and President of Sales/Marketing at Metrolina Greenhouses, Huntersville, North Carolina.