

# GROWERTALKS

## Growers Talk Business

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### Looking Ahead

*Abe VanWingerden*



**ABE VANWINGERDEN**

We're just finishing poinsettia season as I write this article. We always finish off the season with a few consumer focus groups here in the greenhouse to assure what we're putting out in the stores matches up with what the consumer wants. This year, we continue to see some prevailing trends:

- Consumers are buying their poinsettias later in the cycle for the third year in a row.
- While consumers are attracted to novelty colors, they're still very traditional in their buying habits by continuing to choose red.
- Our data shows a huge affinity for white poinsettias and a declining

trend in pink.

Now, onto 2016—Leap Year. Election year. Early Easter year. Another year. As our team meets at the end of every season and talks business, 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.

### Headwinds

**Election year**—It won't impact consumer buying habits, but it is a distraction and it tends to divert attention away from other activities and hobbies, as people invest time in either watching the proceedings or participating in them. No matter your political position, it impacts what's on television and the amount of advertising that happens for other products like ours. If you do advertise, you'll need to find a way to break through the noise and clutter more than ever in 2016. Use your products as "escapes" from the noise of this election year.

**Department of Labor Rules**—With Obama not up for re-election (as was the case with Clinton and Bush in previous years), we tend to get more "executive orders" executed in their last year in office. One that's already

been executed, but just not been implemented, is the Department of Labor rules on overtime and how it's calculated. I've talked with many of you in the last six months on this and we need to assure each of us is formulating a plan of action to address this so we protect our employees and protect our businesses.

**Affordable Care Act**—Again, no matter your political feelings, 2016 is the year that the ACA becomes more of a reality for small businesses. New penalties for non-compliance, new paperwork to meet the requirements, and a larger focus by the government on enforcement. The key for all of us is the same as any regulations: Study it, get some help from experts and have a plan of action.

## Tailwinds

**Lower gas prices**—All of our data suggest consumers will have more disposable income in 2016 due to lower gas prices and they say they'll spend it. But even among our most novice garden consumers, quality of the product is still the No. 1 factor for them. We have to take their money with a great product; they won't just give it to us because they have more of it.

**Our product is impulse driven**—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. Consumers typically aren't going to buy more gas or other items just based on a display, but our category is unique and we need to capitalize on this impulsive nature so we can sell more.

No matter the tailwinds or headwinds, our plan for 2016 is a relentless focus on quality in everything we do. It's the No. 1 way to drive growth.

No matter your business position or whom you're selling to or what year it is, you can still focus on producing a quality product and good things tend to happen.

Wishing everyone business success in 2016. When we all grow our business, the industry grows. Let's continue to work together in 2016 to make that happen. **GT**

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*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.*