

GROWERTALKS

Growers Talk Business

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2021: An Inflection Point Year for the Industry

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Happy New Year to all who love this wild ride in live goods we take every year and are ready for another one. I think we're all glad to put 2020 in the rearview mirror from a pandemic standpoint, but many of us also experienced one of our best years ever in 2020 from a business standpoint.

With that as a backdrop, how do we look at 2021 and make plans that assure we continue the success we experienced in 2020? What can we all do in our fragmented industry with so many players to make this a long-lasting trend versus 2020 being the year we go, "Remember that year? It was our best year of the 2020s." How do we make 2020 the springboard to a decade of growth in our industry? For our team, we're focused on three key initiatives/strategies to make sure we're part of this growth:

1) Have a deliberate online and direct-to-consumer strategy. While the pandemic will go away, we believe the BIGGER long-term change will be in "business activity," like business travel and work-from-home options for employees and employers. Businesses have noticed that commerce is still getting done with significantly less business travel, and the advances in technology (think Zoom and Teams) have allowed us to quickly replace travel with much more efficient ways of communication.

With that as a backdrop, consumers are doing more research and buying online. And if your company interacts with the consumer in any form, you need to have a relevant "buy online" strategy. Even if you sell exclusively to retailers, you need to be engaged with their online teams. Start small, but start FAST. In-store trips are down and time per trip is down in our metrics, and that means consumers are buying more online.

2) Grow enough product to meet this increased demand. Even if you're worried and don't want to grow more product, at a minimum, focus on what consumers bought FIRST as the season got rolling, not the last stretched item in the store they picked up in July and paid full price for this year. Find out what you ran out of first and focus on those items.

Secondly, know the trends only IMPROVED from second quarter to fourth quarter this year on sales. Why? Because we all caught up on production and put more product out there versus last year.

Also, talk to your consumers. We learn as much finding out what we didn't have versus only looking at what sold. The misplaced notion that travel and entertainment will be back 100% by next spring is just not supported by any data metrics we see and thus we have the opportunity to convert that person who bought a stretched petunia and overgrown coleus this year in July to an energized "spring is here" gardener in April of 2021. This is a three-year recovery process from COVID when it comes to travel and entertainment, not three months. People are investing more in their homes again and the reality we saw in 2008 around people wanting to build a physical barrier around their house with either plants or fencing is even more prevalent today.

3) Invest in data analytics so you know what's selling every day. Our action items will need to be both quick and data-based as we all have to make commitments for 2022 even before spring 2021 hits. Also, know that things that had been ideas for years that came to fruition this year—like that new water feature (that business is way up right now)—will turn into live goods this year to decorate around that water feature in 2021.

And momentum breeds momentum, so as consumers spent more time in the garden this year, they inherently bought other items (planters, raised beds, etc.) that will hopefully lead to more sales next year. Rather than bury ourselves in endless daily COVID-19 studies or weekly vaccine progress, it's actually time to bury ourselves in our own sales, regional economy, consumer and anecdotal data to make great calls on what to do for the next few years.

With that as a backdrop, the core message is that we have to control what we can control. We can't control the weather, so planning against it should be a small amount of your time investment, but investing in an online strategy pays dividends. Investing in more product based on data metrics pays dividends. And investing and understanding consumer trends pays dividends.

2021 is an inflection point for our industry. What are you planning on doing to stay on the leading edge of this opportunity? **GT**

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