

Independent Garden Centers Say Thanks For the Growth of Big Box Retailers



Maybe it's time to stop fighting against Wal-Mart and Home Depot and start using them to our advan-

By Stan

What!? Has Pohmer lost his marbles (or those few he has left!)? Has the cold weather in Minnesota finally caused hypothermia and slowed down his thought process and judgment faculties?

Doesn't he realize that both Home Depot and Lowe's will compound their phenomenal past growth by doubling their current size in the next 3-5 years? And both Target and Wal-Mart will continue to add over 100 new stores every year for the foreseeable future? And Kmart, who initiated the rise of mass market involvement in horticulture retailing, just may be serious this time about turning their programs (and company) around and effectively using Martha Stewart to appeal to their customers? Doesn't he understand that these big box retailers are stealing sales away from us at every turn?

The answer to all of these questions (including those that challenge my intelli-

gence) is emphatically, yes! Rather than be intimidated by their existence and growth, we should all be infinitely thankful for what they've done and the opportunities they've provided for us. Before you call the little men in the white coats to cart me away, allow me to explain my rationale.

COUNTING THE BLESSINGS

The first thing we should be thankful for is how many more consumers they have exposed our categories to through their store expansion and tremendous advertising reach in their circulars and ads. They've brought more consumers into horticulture than independents could ever think about doing on our own with our limited advertising budgets. And this includes the occasional gardener who makes up over 60 percent of the market today, a customer segment that the independent wasn't effectively reaching (our core consumer has traditionally been the "serious" gardener, a much

1/4 Square

Vitamin Institute
Ad #

Write in 745

1/4 Square

Tanks A Lot
Ad #

Write in 776

1/4 Square

Sunlight Supply
Ad #

Write in 777

smaller segment population). The big box retailers have expanded the potential marketplace far beyond what it was for us before.

The second thing we should be thankful for is the incredible opportunity they've provided for us to truly differentiate who we are, what we offer and how we deliver. Their growth has forced us to question and define our position in the market, who our customers really are and how we relate to them. Would we really have gone through the agony of change without them challenging our existence? I think not!

Thirdly, be thankful for their size, broad geographic scope and their dependence on systems to make business decisions, all of which are really advantages to the independent, if we choose to capitalize on them. They have to take a shotgun approach to the marketplace, focusing on the largest population segments (as in the classic definition of "mass" merchandiser), while you can take a targeted laser approach in identifying exactly which consumer segment you want to appeal to. Because of their size, out of necessity they have developed an operational focus on managing their businesses, rather than a consumer-centric focus that is more easily achieved by the independent. And, while accurate point-of-sale data is an incredible tool in helping to manage a business, the consumer is left out of the decision-making process if one relies solely on data to make these business decisions. In my mind, consumers are the ones who make it all happen in retail; to leave them out of the equation breeds mediocre results, at best.

USING THE BIG BOXES

We need to change our traditional mindset of competing against the big boxes to one of using the strengths and difficulties of these retailers to our advantage, seizing the opportunities they're handing to us...but only if we consciously choose to do something with them. It's all about evaluating and focusing, starting with our consumer and then tailoring programs and services that can exceed the customer expectations that the big boxes have set.

The key is not to try to compete head on, but to understand what their strengths are and what they have difficulty in providing, who their customer is and which of them you share, and then using this information to develop a position, assortment, displays, and services (such as education, sales expertise and delivery) that are truly differentiated...all with the goal of exceeding the expectations that the big boxes have set for the consumer. And remember, too, that this consumer is different than the one you've had in the past; the mass marketers have greatly expanded your customer base and changed their level of experience and competence from what you've been accustomed to. If you keep the consumer paramount in all of your planning, all of your programs, all of your marketing and all of your operational execution, you will have achieved the ultimate level of differentiation from the big box retailers and taken away the perceived price advantage we usually accord the mass marketers.

So, thank you big box retailers for the potential you created, the opportunities you provided us and the standards and expectations you established for the consumer. It's now time for the independent garden centers to do something positive with the gifts we've been given!

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