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Pile It On!

Late last month, *GPN* broke the news about plans for a new branding strategy at Home Depot. (You can find an abbreviated version of that story on page 8 and the full version online at www.gpnmag.com in the news archive.) Reportedly, the "good, better, best" strategy already in place in much of the store will be making its way to the garden center sometime in 2007.

We at *GPN* saw this as pretty big news, and not just for those growers who supply Home Depot. If true (and the Home Depot will not comment on the story, either to confirm or deny), this new strategy signals major production changes for Depot growers, who now have to coordinate production and merchandising for at least three brands. More importantly, it could also have a major effect on the way consumers view our product.

You can call the starting price point "good" if you want, but it's still the lowest-level, lowest-priced product of the three choices. Semantics aren't going to change that fact. So whatever plants are placed at the "good" level will quickly become commodities, making it difficult for the rest of the industry to get a decent price for that product.

Yea, it's safe to say that when my phone started ringing late last month with reports that changes were afoot, we immediately "went to press," if you can still say that in our electronic world.

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Writing On The Walls

Since there are no box stores in downtown Chicago, where I live, I try to visit stores whenever I'm out travelling. I think the box stores are a good indication of the entire market: Big garden centers usually mean lots of local gardeners, "sophisticated" plant material indicates knowledgeable customers and good-looking product means a competitive market.

It was about two years ago on one of these trips that I first saw Home Depot's "good, better, best " strategy applied to the garden center. A posterboard-size sign explained the price point differentation among foliage plants in three different pot colors. The approach seemed to work on foliage because the different price points corresponded to different plant sizes. But I remember wondering whether or not the same strategy would ever be applied to color and how it would work.

Like I said, that was two years ago, so the "good, better, best" specter has been around the garden center for a while; we've just managed to avoid it until now.

Reality Check

At least for the people I spoke with and their interpretation of other people's reactions, Home Depot's change in strategy came as a big surprise; people were not ready for this change, especially only two springs after the big pay by scan implementation.

I've always been on record as a proponent of pay by scan. I have seen it be tremendously successful when worked properly. And somewhere down the road, I may become a fan of multiple garden center brands; we'll just have to wait and see. But whether or not I support the approach, I think there are other, bigger concerns right now. Growers have real worries: Is there enough time to prepare for this change before implementation, how can they be responsible for sell through when they don't have 100-percent control over inventory, and how many radical changes can they successfully implement at one time?

In closing, I just want to say kudos and thanks to the people who took a chance sharing the Home Depot information with *GPN*. I know it was a big risk, and we all appreciate it. We shouldn't feel like discussing these kinds of things are treason; it gives us an opportunity to put our heads together and benefit from each other's experiences and ideas.

With that in mind, I'd love to publish some of your thoughts about this or any other industry development, and don't worry, if you'd like to remain annonymous, we'll keep your name out of it. Just E-mail your comments to bwhite@sgcmail.com. GPN

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