



By Stan Pohmer

Selling The Experience

Focusing solely on selling product just won't cut it in today's marketplace. It's up to you to create a reason for consumers to spend in your garden center.

Much has been written about the need to sell not just product, but the purchase experience to consumers. I wholeheartedly support this philosophy! Focusing on selling just product puts all the pressure on price as the key point of differentiation in the purchase equation, something our industry has been guilty of for far too long.

Choosing a Focus

"Good" product quality is the minimum price of entry into today's competitive game. Unless one has exceptional product, be it from a superior size, readily recognizable quality differences, or unique forms and plant types, simply competing on "good" product won't give you any serious advantages over your competition. Focusing on the experience brings all sorts of tangibles and intangibles into play; some that require resource investment, others that are more attitudinal in nature and don't cost a lot to provide. Some of the critical factors involved in providing a compelling purchase experience are fixtures, presentation and display; as well as differentiated customer service and knowledge. Other key factors include ambience generated by physical properties, layouts, sounds and smells, the attitudes and personalities of the sales staff, and signage and other education/information vehicles.

Most discussions about selling the experience center on how retailers interact with the consumer. This is critically important. But as I listen to growers, it seems as if the focus on cost begins at the retailer/grower discussion level. This same philosophy works its way through to the retailer/consumer relationship. I recognize that with the high energy, insurance and transportation costs,

increasing payroll costs, and tighter margins than we've enjoyed in the past, controlling the cost of acquisition is an extremely important component of profitability.

Some say that we're dealing with commodity products where price is the only differentiator. I agree that, in some cases, our product has become (or we've allowed it to become) commoditized, but in other industries this commoditization has been overcome (Starbuck's anyone?). It wasn't overcome just on the basis of banging heads on costs (which would only exacerbate the problem), but rather by repositioning the commodity through experiential selling.

A Pay by Scan Panacea?

It wasn't too long ago that suppliers produced products, sold them to retailers, and retailers were then responsible for selling the products to the consumer. There was a major disconnect between the producer and the end consumer. A grower's destiny was in the hands of the retailer. If the retailer didn't do a good job satisfying the consumers' needs, the grower had no way of reaching his potentials. Fast forward to a few years ago to the introduction of pay by scan. Whether one likes it or not, one thing that can be said is that pay by scan has brought the grower and consumer closer than ever before. To be successful with pay by scan, growers have had to become better at providing more consistent and seasonally appropriate product specific to a store or market, become better merchandisers and become better product managers.

The success of pay by scan is in the fact that growers have had to learn to focus on the consumer and develop a new mindset that results in a different approach to the market and their retail cus-

tomers. I've seen several pay by scan programs that truly address the experience the consumer has in the garden center.

I'm not suggesting pay by scan is the panacea for the industry or it's the right program for everyone. What I am suggesting is there are some lessons everyone should be taking away from pay by scan.

1. It's no longer the sole responsibility of the retailer to develop a relationship with the consumer. Granted, it's the retailer's facility where the sales transaction takes place, but it's now recognized that the grower needs to be actively involved in enhancing and facilitating this transaction with the consumer, helping to develop the superior customer experience.

2. The grower also should be enhancing the experience the retailer has with his suppliers. Assuming that most growers are providing at least "good" quality products, unless he adds something to the retailer's experience and success, the only point of differentiation is price. To become the supplier of choice, the grower must add something more of value than just a lower price to develop some sense of loyalty in the relationship to the retailer.

Relationship Work

Each retailer has different needs, is positioned differently in the market, and has different ways of operating and marketing. Identifying what might work requires the grower to seriously study the retailer's business model and look for the opportunities to add services and programs that make sense, one by one.

Here are a few ideas to start you thinking:

- Offer educational seminars for the retailer's sales teams to make them better prepared and

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knowledgeable so they can be more responsive to the consumer's questions. Or organize customer seminars throughout the season that will enhance the retailer's image in the marketplace.

- Loan some of your employees (even management) to work in one of your customer's garden centers during a weekend. Not only will you be providing extra hands for your customer, but you can also help provide a better experience for his consumers too. And who knows, you might learn something about his customers you can use to enhance your programs with him.

- Recap the season by week and by item and make recommendations on line consolidation, expansion or new product categories. Become your retailer's category manager and even make suggestions on your competitor's programs, especially those that complement your programs. Though you may not win all the turf battles, if you put your retailer's success at the top of the decision table and stay objective, he'll be financially healthier and you'll establish more credibility and build loyalty.

- Before the season ramps up, offer to host tours of the retailers' facilities for some civic organizations or school classes. You can contact the organizations to set it up and organize the visits. The retailer gets credit for being a good community member, and you gain exposure for your products.

Create a Reason

Next year is promising to be a challenging year for retail. New home construction and re-sales are projected to continue to be soft, creditworthiness for mortgages and loans are being scrutinized, consumers are trying to work down record level credit card debt, and discretionary spending on non-essentials will be lower. All retail categories and channels will be looking for that competitive edge to capture their fair share of the available (and reduced) consumer spending dollars. And the consumers will be choosing to spend their dollars where they can get the best value, not just the best price.

It's all about creating a reason for consumers to spend in your retailer's garden centers, and for the retailer to buy your products. You can play a major role in helping the retailer build that superior experience, giving him the opportunity

to buy more of your products versus those of your competitors.

From my perspective, you can either sell your product on the merits of price, or you can help build a better value and experiential proposition for your customer and his consumer. Short term, price may be the

easier route, but for the long term, which will build sustainable sales, profits and loyalty?

I think you know where I'll cast my vote... **GPN**

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