

ANALYSIS

Garden centres are not yet fully adapted to online retail but they often excel at embracing the experiential element of shopping, writes **Emily Hardy**

What high street retailers can learn from the garden centre experience



Likewise activities frequently trump purchases of product when it comes to consumer spend. Footfall in traditional shopping destinations is falling and consumers are moving online, so it is not enough to just sell stuff any more.

Retailers need to lure shoppers into their stores by enhancing experiential retail – retailtainment.

And that is where garden centres are in luck because they are, by their very nature (gardening being a passion), leisure destinations.

Mintel senior retail analyst Jane Westgarth says: "Garden centres are the place to go for fresh plants, but they are also desirable places to visit for leisure."

Hoping to capitalise on the trend towards leisure spend, many good garden centre groups have been proactive at cultivating the experiential element of their large stores to further grow their appeal.

Local strengths

Many of the strengths of a garden centre are innate and consequently cannot be replicated to benefit other sectors in retail industry.

Garden centres, for example, tend to be set in attractive rural locations with pleasant surroundings. Unlike cramped built-up town centres, the leisure appeal is woven into their DNA – they are desirable places to visit.

Additionally, 80% of the approximately 2,700 garden centres nationwide are independently owned, offering that personal touch and a sense of being local. Independence gives the added benefit of allowing a business to be agile and responsive to quickly change its product offer to meet customer or seasonal demand.

According to consultants M&J Associates director Andy Newman, this gives garden centres an "element of flair that's started to disappear a little from mainstream retail".

Because garden centres often own the freehold, they are not bound to expensive property leases. They have an immediate head start when it comes to balancing the books and potentially more cash to play with.

Newman says: "When you have a freehold operation, you have the potential to be profitable. And because garden centres tend to have had the same ownership for many years, or are family businesses, they benefit from stability of ownership and management."

Westgarth adds that, even if the retailer does not own the land, garden centres tend to be in cheaper locations.

She says: "Rent is often lower than in urban locations. The building and the infrastructure costs are cheaper too. If you're opening a B&Q store from scratch, you need to first acquire a small site in a suburban location, which is much pricier."



Broad ranges key

The market is intensely competitive and value-retailers such as B&M and Ikea continue to take chunks of it. Even Poundland has its own Charlie Dimmock-branded garden range.

But garden centre groups have worked to raise the bar in retailtainment to ensure they keep their appeal. Newman says that, for fear of growing too weak, garden centres have evolved into destination centres. "They have become garden and home department stores," he says.

Many are now multi-platform stores, complete with cafes, children's soft play and seasonal activity areas such as Christmas grottoes. By offering such a broad range, garden centres have evolved into local family attractions.

According to Newman, the best garden centres are those that maintain the feel of an independently run store, even if they are in fact part of a chain. He says: "Notcutts is a great example of a very traditional garden centre business with a long heritage. It has recently recruited some retailers and invested heavily in redesigning each of its 18 stores.

"However, when Wyreside has a bit more of a corporate approach, Notcutts has retained its

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Jane Westgarth, Mintel

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Centre: The cafe in Nottowatt at Woodford Park.
 Left: Dobbin in Chesterfield, Right: Dobbin's cafe/restaurant.

local feel and flexibility. It is less formulaic and changes what it sells on a week-to-week basis."

Nottowatt marketing director Julie Murray says: "Our customers want to enjoy a leisure experience when they shop with us and we pride ourselves on our expert advice, talks, demonstrations and inspirational displays as well as providing a place to relax and enjoy a coffee with family and friends."

Newman says an industrial approach to store design can appeal to customers and cites 17-store garden centre group Blue Diamond as a great example. He says: "The stores are merchandise, with lots of stands. Shoppers can wander through its illogical product mix, and they always look relaxed and content."

Westgarth observes that some of the most spectacular examples of merchandising in retail can be found at garden centres. She says: "Beats Garden and Home in Lancashire has the most stunning Christmas display you'll see. It created an inclusive alpine scene last year, complete with Ferris wheels and ski lifts."

Reasons to visit

Retailers across the board have reaped the benefits of installing cafes in their stores and Westgarth believes many customers visit

garden centres primarily for the food offer.

She says: "They invest in restaurants to generate significant revenue. Some are reporting about 25% of sales generated from catering alone. It's not a case of offering a few sandwiches and an indifferent cup of coffee though. Garden centres have prioritised the food offer, with chef-led restaurants."

She says that large centres often now have both a tea room and a restaurant for shoppers to choose from.

In particular, Petrusiana Nurseries in Richmond is highly regarded for its award-winning glasshouse restaurant and its tea room and has even become a bit of a celebrity hotspot.

Newman says: "It gives all sorts of people a reason to visit, regardless of the occasion or time of day, and it becomes a great local meeting place. Good garden centres always have a decent restaurant at [their] heart because, out of season, the food becomes key."

Garden centres, which altogether generate sales of around £3.1bn a year, are arguably what department stores aspire to be. And that may be their strongest selling point.

By offering the ultimate cross-selling experience, they become less reliant on factors

such as the weather and can offer something to interest everyone.

Specialist concessions act as a big driver of footfall. As Westgarth says: "By installing a concession operator who is an expert in their field, garden centres get an instant kick."

Dobbin's garden centres, for example, has a tie-up with kitchenware specialist Lakeland, Jofas and Cotswold Outdoors. The former Tesco-owned retailer also has an independent bicycle concession at its Edinburgh centre that new chairman Andrew Dracay envisages being rolled out further.

Other potential garden centre adjacencies include clothing and footwear, kitchen and bedrooms, grocery, toys, books, cards and gifts, with each retailer branching out into the categories they deem an appropriate fit for the local community.

However, Newman warns that garden centres must never lose sight of what they do best. "A good garden centre must always be a plant expert and remain very passionate about that," he says.

Westgarth agrees and says the trick is to ensure all categories sit together well and are "relevant to the end consumer".

Ripe for innovation

Online is an area in which garden centres are lagging behind. While the garden centre experience is difficult to duplicate online, today's tech-savvy, grown-fingered shoppers expect the convenience of multichannel.

Some forward-thinking garden centres – such as Long Acres in Surrey, which now offers drive-through click-and-collect for heavy goods – are adapting to it, but most are still languishing behind.

Westgarth says: "The garden centre industry has been very slow at developing online and multichannel but shoppers are mixing up the way they shop and want to at least be able to browse online."

She predicts, however, that garden centres are on the verge of change. "Very rapidly, there will likely be more technology at the point of sale," she says. "There will be devices or an app to show what a plant looks like when it's matured, and the development of more educational services online. And while the garden centre shopping experience can never be duplicated online, I would not rule out a surge in shopping for plants on the internet in the near future."

There are several established plant retailers, such as Crocus, which has cultivated partnerships with a number of retailers and is the engine behind Waitrose's online offer.

Westgarth concludes: "The ones that are standing still are the ones that will suffer."

But while garden centres do not rival Amazon when it comes to fulfilling online demand, the sector leaders excel at creating demand in-store. So if it's store inspiration and retailtainment you're after, don't underestimate the strength of this sector.