

Nursery Papers

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It's not the Aussie backyard anymore, it's the Oz 'outdoor room'.

Consumers are paying to create new 'outdoor rooms' that are an extension of their lifestyle. Retailers are in a unique position to benefit from this trend as:

- There is space to put in displays and show different styles;
- Your brand (name and identity) is already recognised and has local credibility;
- The supply lines and chains are already established; and
- You have the stock to show clients and the space to do it in.

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Nursery & Garden Industry
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Landscaping – the growth opportunity for retailers

Landscaping has become one of the major growth markets in the nursery & garden industry, with landscapers holding 25% of total garden product distribution for the year ending 30 June 2002. While other sectors grow or remain stable, the retail nursery sector continues to lose market share at 18.2%, down 2.8% from 2003*.

Although these figures illustrate the expansion of the landscapers sector, they do not reveal the reasons for this growth.

Martin Kneebone of **RETAILworks**, author of the Australian Garden Market Monitor, believes that the consumer shift away from gardening towards landscaping is being driven by a range of factors including:

- A general decrease in people's gardening skills;
- The media's high profile garden makeover shows;
- People are becoming more time poor; and
- A more stylish outdoor living area is replacing the traditional backyard.

According to Martin Kneebone, the growth of the landscaper sector is likely to continue in the medium term. However, retail businesses that look for new approaches and take advantage of the local market can also experience growth.

A number of garden centres are already capitalising on the trends behind the

landscaping boom. They are driving their businesses forward by moving from the traditional 'plant seller' role and embracing the 'total garden concept'. Some now report over 30% of their business coming from landscaping services and associated products.

This *Nursery Paper* examines the processes used by retailers who have successfully tapped into the landscaping market by utilising their competitive advantages.

* Source: Australian Garden Market Monitor – year ending 30 June 2003.



"We were tired of seeing business walk out the door, so we now have our own garden consultancy service – and the buck stops, and stays here," says Greg Belbin, owner/manager of Grow Master Howrah, Tas.

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1 Have a plan and sufficient resources

Planning the move into providing a landscaping service is the first and most important step.

This includes:

- Researching the market;
- Assessing your current economic resources;
- Considering the capabilities of existing staff or new staff requirements; and
- Developing a thorough business plan.



Landscaping by *Garden Magic*, NSW. Located in Sydney's growing south-west region, *Garden Magic* has tapped into the demand for landscaping services created by new residential developments in the area.

2 Alliances, employees or subcontractors? Consider carefully.

According to several retailers, this is an important question and the answer will be different for each business.

For retailers interested in expanding into the landscaping market but with limited resources or knowledge, forming a strategic alliance with a local garden designer and/or landscaper is a good option.

Developing a co-operative arrangement where each partner is prepared to share specific strengths, and resources are pooled for mutual gain, can increase business while allowing you to remain focused on your core operations.

Before entering an alliance, it is important to examine important issues relating to the 'potential partner' including their operation, how they will benefit from the arrangement and their expectations.

Design and management

The design service is the key to winning work. If you don't have suitable staff already working for you, then employing a garden designer is critical.

"I've worked in many garden centres and there is always staff with flair, style and the plant knowledge who are readily adaptable to helping design garden

spaces," says Colleen Mailey of *Garden Proud* in Western Australia.

Newman's Nursery & Topiary Tea House in South Australia employs a full time garden designer who is on the road or working on designs five days a week.

Other tips

- Look inside your business for budding talent.
- If you are going to employ anyone, employ a garden designer first.
- Make sure your designer is a sales person as well.

Landscaping

If you are thinking about employing staff, getting the right people is essential. Most good landscapers work for themselves or with larger landscaping contractors.

Jon Hall of *Newman's Nursery* uses existing staff from the nursery to help his

on-staff landscaper and maintenance man. "We can easily roster the staff, they love to get on-site and where necessary we can bring in extra casuals. But we leave the hard landscaping to sub-contractors."

Garden Magic in New South Wales has two teams of employees and three subcontracted teams.

"It works best that way for them to meet the demands," says Jim Barr.

"Finding reliable staff, the need to supervise them and time management are the key factors working against employing people", says Simon Collings of *Fitzroy Nursery* in Victoria.

Other tips

- Manage the project to ensure you retain control it.
- Stick to soft landscaping.
- Use subcontractors for hard landscaping.
- Build relationships with good subcontractors.

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Once the garden design plans are complete, invite the customer to your business and show them the plants and products being recommended. *Zanthorrea Nursery, WA.*

3 Get out and about to grow your business, then get the potential customer in to win their business

In developing the landscaping section of your business, it is vital that your staff visit people's homes to begin the process. Providing advice on-site is the start of a long-term relationship.

"The old days of someone pulling up with a trailer and loading a bundle of plants on board is over", says Simon Collings. Colleen Mailey agrees that retailers can no longer just wait for a customer to come and buy something. "We must get out and provide the service – landscapers don't have time to do this well so this is a big opportunity for retailers."

A big advantage for retailers is that the plants, garden styles, related products and accessories are at the garden centre or retail nursery for the customer to see. Once the plans are complete, make sure that you invite the 'potential' customer to your business to see first hand what is being recommended. This is your opportunity to cement the relationship and sell them even more.

Other tips

- Make appointments and be on time.
- Manage the time – keep the visit within the scheduled time.
- Invite the customer to your business to collect their plans.
- Show the customer the plants and accessories recommended in the plan.



4 Your service is valuable – charge for it

Garden designers charge for their services, so should retailers charge for the design service provided by their staff?

The majority of retailers charge for their design service, but the price varies based on the different levels of service provided.

Fitzroy Nursery in Victoria charges \$300 for detailed plans and plant lists, while in Western Australia, Colleen Mailey says \$100 an hour sorts out the serious customers from the others.

A popular marketing tool is to refund the initial consulting and design fees if the customer goes ahead with the retailer as the garden installer.

"We refund our design fee in full if the customer uses our landscaping team – and we don't discount our prices either," says Jim Barr of *Garden Magic*, where landscaping jobs average \$5,000 in plant sales and can be up to \$80,000 in total.

Other tips

- Have a variety of design services, from initial consults to full detailed plans, and fees.
- Consider reimbursing a portion or the entire fee if you win the job.

Lisa Isherwood's contemporary garden design, Perth Flower & Garden Show, 2003. Creating a display garden at events such as garden shows is one way of promoting your landscaping service.

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5 Compete on quality and service – not on price

Quoting is an important component to winning work, but how can you be competitive?

Retailers have many unique advantages, including the ability to show customers the plants and products before they purchase and on-going support. Highlight your competitive edge and the benefits you can provide to a potential landscaping customer rather than trying to win a job on price. Inevitably, if you lower your price to match your competitors and you win the job, there will be no profit at the end of the day.

“We have credibility and are very professional in approach. Often we are the dearest quote, but we still get the job because the client trusts our name,” says Jim Barr of *Garden Magic*.

Newman’s Nursery provides a quote for a plant list and delivery only or a quote for a complete garden installation. “We can supply the plants in more than one delivery which really suits the DIY market. We also encourage people to get other quotes but we win a large proportion of the business we quote on,” says Jon Hall.

Other tips

- Keep quotes for the garden design and the installation separate.
- Point out your advantages in your quote – quality, guarantees, reputation.
- Highlight your dependability – you will be here tomorrow and the next day.
- Do not compromise your quote.
- Make margins on every aspect of the job.

6 Train all retail staff to sell your landscaping services

All your retail staff must be involved in selling your landscaping service.

“Our nursery staff are trained to look for opportunities to refer customers on to our garden designer,” says Jon Hall. “People are usually coming to the garden centre for more than just a plant so offering them the service is very important.”

Good staff training means more than horticultural knowledge. Research shows that people are thirsty for information about plants, but the success of the TV makeover shows means that they are also searching for ideas.

A Good staff will promote the right plants as well as other products, such as pots or water features, which can enhance the garden space.



Highlight your reputation and dependability in your quotes. *Newman’s Nursery and Topiary Tea House, SA.*

Other tips

- Have regular training sessions to teach your retail staff how to on-sell products.
- Have your designer fully inform all staff about your design/landscaping service – what you do and what your partners can do.
- Record TV makeover shows and make them available for staff to watch in their breaks.



By creating display courtyards that incorporate plants, products and design, you can inspire your customers and win landscaping jobs. *Fitzroy Nursery, Vic.*

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The ability to display landscaping materials provides retailers with a competitive advantage. *Bonnyrigg Garden Centre, NSW.*

7 Build display courtyards & gardens

People need to be inspired! Just as they go along to garden shows for ideas, they will come to your business to help them make their decisions.

"We have defined areas where we show people what they can do with plants and other products. By creating separate environments within the nursery we give people ideas," says Simon Collings of *Fitzroy Nursery*.

Other tips

- Create 'display shells' in which plants and accessories can be placed.
- Change them regularly and be striking – make an impression!
- If space is at a premium, have display cards showing your completed landscaping projects.
- Have staff input/competitions for displays in your business.

8 Carry a good range of ancillary products

"Include ancillary products such as bird baths, barbeques and statues in your display gardens," says Colleen Mailey. "And remember to change the products and displays on a regular basis."

"It is Garden Magic's big advantage," says Jim Barr. "We have everything at hand and available. Convenience is very important."

Even if you don't stock particular items, such as barbeques or outdoor furniture, Colleen suggests having alliances with other local suppliers and putting in their products to display.

Other tips

- Keep product range brochures, especially for items you do not normally carry.
- Extend your product offer to include lighting, furniture and statues.

9 Target market locally – use your reputation and presence

For many retailers, their landscape customers come from visits to the business. This highlights the need to have retail staff trained to identify and on-sell the design and/or landscaping services.

"Every month we promote our landscaping service in our newsletter which goes out to 60,000 homes. We call the service 'Magic Creations' and our business comes from that, and of course referrals," says Jim Barr.

Word of mouth from happy clients and referrals from sub-contractors who work with retailers can create even more local business.

Other tips

- Contact your local newspapers with information about interesting projects.
- Hand out flyers about your landscaping service to all retail customers.
- Mention the service in all your advertising and promotion.



Include ancillary products, such as statues and outdoor furniture, in your displays.

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10 Make your landscaping customer a regular and loyal customer

“Providing the landscaping in the first place brings customers back to a nursery to replace plants, refurbish or for new ideas,” says Jon Hall of *Newman’s Nurseries*. “And importantly the fact that we can provide advice and will be here tomorrow means they trust us and keep returning.”

Other tips

- Send landscaping clients a special newsletter with advice on maintenance.
- Offer a free annual inspection to provide advice on plant health, ‘upgrades’ or minor makeovers.
- Provide a loyalty card for future purchases.



At *Garden Magic*, every landscaping client becomes a member of their loyalty program offering discounts of up to 16%.

According to Steve Reardon of The Coastal Plant Supermarket, supplying to the landscaping trade is 50 percent of their business.

“Convenience is a big factor and we also have a big range. They might have to pay a little more but they see value in a one-stop shop arrangement,” says Steve.

Inner Melbourne is a long way from the plant markets and *Fitzroy Nursery* has a small but regular clientele of landscapers buying plants. “They’re after specialty plants and top ups for jobs,” says Simon Collings. “Convenience is important to them.”

Other tips

- Compile a list of garden designers and landscapers in your area from the Yellow Pages.
- Send them a letter and point out your advantages to them – plant choice, stock on hand, trade price, convenience.
- Have a trade price list and offer account terms.



Inspiring your landscaping customers with new ideas is one way to make them a regular and loyal customer. *Gardens R Us, NSW.*

Landscapers can be customers too!

There’s a general feeling in the retail business that landscapers will always go to find the cheapest price, no matter how far they have to go to get it!

While plant markets are popular with them, some retail nurseries see opportunities to do business with landscapers.

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