

A U T U M N 2 0 1 3

Industry Trend Report



Trend No: 1 Boomer consumers are changing

By: Jean Dumas and Frank Zaunscherb

The Baby Boom Generation, synonymous with living for the moment, was born between 1945 and 1965 (now between 48 and 68 years old). It is this powerhouse group of consumers that was responsible for the development of ornamental horticulture in Canada over the last 25 years. As boomers bought homes they landscaped their properties and regularly participated in lawn and garden activities, making it one of the most popular leisure activities of the period. Installation and maintenance services were also in demand from more affluent consumers.

Prior to the 2008 economic crisis, experts predicted a trillion dollar (CDN) transfer of wealth over the next 20 years and, as boomers received inheritances from their parents, this windfall would automatically translate into strong purchase levels for ornamental horticulture products and services during retirement. Five years later, many boomers carry heavy debt loads and are ill prepared for retirement and longer life spans. While inheritances may help to alleviate their debt, evolving circumstances, changing interests and new spending habits should be expected as this generation ages. These will have a significant impact on the way you sell your plants, products or services.

According to the Conference Board of Canada, the demand for

Insights and Opportunities

Significant trends are at work shaping the future of the ornamental horticulture industry and affecting businesses that grow and retail plants, and sell related products and services.

With nearly three decades of relevant experience in the Canadian ornamental horticulture market, MARCON+ZRB examines these trends and reports on what they mean to you and your business.

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condominiums and town homes will continue to be on the rise thanks to changing demographics. From the 2011 census, the number of people living in single-detached homes starts to drop around age 55. Two thirds of the population aged 50 to 54 occupied a single-detached home in 2011.

Over the next few years, a significant number of boomers will downsize to a home with a predictably smaller outdoor space.

Depending on the age and location of the house, condo or townhouse, the landscape may be mature and in need of upgrading, new and requiring a complete design and installation, or a compact balcony or rooftop calling for a creative solution. Consider the implications and sales opportunities for the types of plants, landscape materials and design required for such spaces. Is your business positioned for a sizable downturn in Boomer sales volume for traditional lawn and garden plants, supplies and landscapes, but ready to provide the value-added solutions they will be looking for? How will you market that you sell what they want?

It is no surprise that, as a group, boomers are in better shape than their predecessors, and many are interested in multiple activities. They golf, bike, trek, and do so many other things that they spend less time taking care of outdoor spaces. Even the ones who don't downsize and plan to stay in their single-detached home look for quick gardening solutions in the spring. This includes using services to help them save time. The recent trend is to purchase more perennials for colour and fewer annuals to save time planting. The result? Gardens are more mature with more perennials and the overall volume of all flowers sold has been flat or decreasing.

Consider the importance to your business of increasing value-added products and services that deliver timesaving colourful plant solutions, not only in the spring, but throughout the year.

Which brings us to design. Boomers are great consumers of outdoor living spaces. Not only do they enjoy and use them often, they love to entertain. They are willing to spend money to have a fully decorated outdoor living room, including plants, hard landscapes and other value added products like furniture and lighting. There is a strong opportunity for the design and installation of these outdoor spaces, and as the trend indicates, increasingly in small areas. Consider the importance of positioning your business as a source for value-added, ready made, seasonal plant arrangements as a way of generating ongoing contact and sales with your clients.

Make no mistake. Boomers have crossed the digital divide and are web savvy consumers of plant information. They research and make buying decisions before ever going to stores or contacting a service business.

Think about how to best communicate on-line with Boomers not about what you sell, but about what they are interested in.

The secret is in the story you tell and the way you tell it.

Boomers are changing what they want and the way they buy your products and services. Is your organization adapting to take advantage of these trends? There are interesting growth and profit opportunities for horticultural businesses but these cannot be realized by simply repeating what has worked in the past. Consumer understanding, innovation and creativity is more critical today than ever before.