

W I N T E R 2 0 1 4

Industry Trend Report



Trend No: 2 Are Gen X and Y really different from Boomers?

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Considering that Canada's 8 million plus Baby Boomer consumers (aged 49 to 69 years in 2014) are gradually reducing their annual purchases in the ornamental horticulture marketplace, most garden retailers and service providers understand they will need to place greater emphasis on Generation X and Y consumers.

Gen X and Y are two distinct age groups that have been repeatedly studied and effectively targeted by other industries. While slightly different breakdowns exist, the following are most commonly used:

- Gen X: Born between 1965-1980 (age 34 to 48 years, in 2014), approximately 7.4 million in Canada;
- Gen Y: Born between 1981-1995 (age 19 to 33 years, in 2014), slightly over 5 million in Canada.

Do Gen X and Y consumers hold the potential to drive important growth for the ornamental industry in upcoming years in the way that Boomers have been doing for the past two decades? The answer is maybe, and we will examine why.

Studies show similarities and differences between the realities and purchasing habits of Gen X and Y and those of Boomers. In our

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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previous article published in the autumn, 2013, we highlighted the following trends driving the purchasing habits of Boomers. These trends also apply to the younger generations and shape their buying decisions:

- New houses have smaller or no outdoor yard to maintain
- Growing trend of outside living rooms
- Ornamental horticulture competes with more leisure activities than ever before
- Less time available for gardening activities
- Digital media savvy

Focusing on the differences between Gen X and Y versus their predecessors, provides important clues about how to attract and inspire these consumers:

1. Lower Knowledge Levels:

Gen X and Y participants in focus groups held in the US recently were invited to comment why they are less inclined to purchase from garden centres. Here's a sampling of their feedback :

- "Gardening requires time and expertise."
- "Garden centres are for experts, not novices."
- "Garden centres are for when you make big projects."
- "I have very little in common with gardeners, I'm too busy and cash strapped."
- "I don't pay attention to what is going on at garden centres. They are not on my radar."

Gen X and Y generally have less practical knowledge about gardening than Boomers and are uncomfortable with the technical language and skills associated with selecting, planting and maintaining plants. They would prefer plants and gardening to be more accessible and "user friendly". Some garden centres may actually be intimidating this important segment with the tone of their communications, product selection and a style of merchandising that has been traditionally targeted towards experienced gardeners. Consider how many of these potential customers are shopping in big box store garden centres instead, or worse, discouraged from gardening at all. As a retailer, tailor at least a portion of your business to better address this segment's interests. As a landscape service provider, position some of your services to better solve some of their time, lack of knowledge, and budget

It is easy to point to entertainment and more competing leisure activities than ever before as to why Gen X and Y aren't as interested in ornamental horticulture as the preceding generation was. While they may not be excited about taking care of large flower beds, manicured lawn or large landscape plantings, all of which equate with work, time and expense, research has shown that there are opportunities to inspire and attract this group.

Unquestionably, they have a love of nature and show respect for the environment. They are health conscious and understand the important connection between good health, exercise and good quality food. They have a strong sense of pride in their home.

Their interest in growing food is fertile ground to nurture a better relationship with this segment. How many garden retailers plan to devote display space, plants, products, and easy to digest information geared to making grow-my-own-food fun and accessible?

They are not inspired by showpiece lawns, but they are very interested in safe and soft outdoor play spaces for their children and pets. Pallets of fertilizer in one corner of the store, seeds and top dressing in another area, and lawn tools hanging on a rack, does not appeal to these parents. Retailers and service providers need to rethink how to better position their products and services to create those safe and soft play spaces.

"Radiant Orchid" is the Pantone® colour of the year for 2014. Garden retailers should sell and promote indoor and outdoor plants that bloom this exciting shade, but that alone is not going to attract Gen X and Y to your store. Incorporating display concepts that provide interior and outdoor decorating inspiration using Radiant Orchid coloured plants will.

This demographic, and Gen Y especially, does not like to be sold. They prefer authenticity: explain the facts and they will make their own decisions.

3. Ready-to-use products and service purchasers:

Like their predecessors, Gen X and Y like beautiful surroundings, but they are not willing to spend as much time on actually doing the work.

They are more receptive to simple, ready-to-use products and solutions such as pre-planted small space balcony containers and colourful seasonal patio planters.

Budget allowing, they are willing to pay a specialist to take care of their garden.

4. Appetite for branded products:

Gen X and Y place greater importance on brands than their predecessors. For them a brand is synonymous with comfort level, a known promise and quality standard understood and shared by their peers. They eat at The Keg, buy at Ikea and insist on Apple products. The less knowledge they have about a product, the more they need reassurance from the brand. The absence of known strong branding may be a factor contributing to a little of the intimidation this generation feels about plants. Developing your business' own successful local brand, and carrying branded products are both important to connecting with them.

5. Heavy digital media users:

Traditional advertising, like printed materials and broadcast media, doesn't reach Gen X and Y as effectively as it does Boomers. Remember, it was the Gen X consumer who was responsible for the decision to stop producing the once venerable Canadian Tire catalogue. Clearly web-based marketing efforts and social media savvy are the tools needed to connect with, inform and inspire this group. Simply having a website and a social media presence, however is not enough. A proper marketing plan, well-crafted and inspiring content, and careful timing are essential.

CONCLUSION

Together Gen X and Y, represent over 12 million Canadians and are the key to the successful operation of a garden centre, big box plant department or a landscape service business today, and into the future.

Are they very different from Boomers?

Yes, if you compare them with how Boomers purchased your products and services in the past. And no, because of the trends described above affect both Gen X and Y, and Boomers in the same way.

If you want to access the sales potential of both demographics, you need to be sure that your

ornamental horticulture product selection or service offering is in tune with these trends, and your marketing strategy is updated and tuned to their attitudes and interests.