Trends for Garden Centre Retail Promotion

Chris Primett
Malcolm Scott Consultants Ltd, 1 Loves Grove, Worcester WR1 3BU,

The garden centre market in the U.K. has been going through a tough time during the 1990s. The total value of the garden market fell by 5% from 1990 to 1994. However, within this overall picture plants were one of the few sectors to hold their value. In 1996 the U.K. garden market was worth £2.8 billion of which plants accounted for £950 million at retail prices.

After a period of rapid growth during the 1980s, garden centre retailers have been facing the challenge of a static market. The response has been a marked increase in the number of acquisitions and buy-outs and the development of initiatives such as loyalty cards by retailers aiming to retain or increase their market share.

The trend towards market segmentation (Table 1), which started 20 years ago, has resulted in three well-defined types of outlet for garden plants (Table 2). Together these are responsible for about two-thirds of the retail market as a whole.

Specialist retailers such as plant nurseries, which are driven by the range of plants they carry, have about 13% of the market. Independent garden centres are responsible for 24% of the total garden market. But while they have lost overall market share to the multiples, they have successfully increased sales of nursery stock when plant sales overall have shown no growth. The garden departments of do-it-yourself retail multiples, which are driven only by price, account for 28% of sales and are still showing strong growth in product lines such as growing media and fertilisers while their sales of plants have remained static or declined.

Most business development has been taking place in large garden centres which are re-inventing themselves as leisure destinations designed with education, fun, and entertainment in mind. These retailers are promoting garden inspiration, once people are inspired, the mechanics of selling are cheaper and easier.

The traditional garden centre faces increasing pressures from competitors both within and outside the garden market and retailers will increasingly have to decide which of the three types of outlet they should be specialising in as the market segments further. This in turn is likely to influence the way growers promote their plants within each of the three distinct types of retail plant sales outlet.

Table 1. Trends in the garden retail market.

Decade	Consumer trend	Market trend	Retail trend
1970s	Mass consumption, values, mass tastes	Commodity lead, product development	Supermarket approach, physical expansion
1980s	Growth of individualism	Market growth and segmentation	Specialist shops, planned layouts
1990s	Lifestyle consumption	Market share	Acquisitions, loyalty schemes
		Further differentiation price, product range or place	Specialists within a single unit entertainment

Table 2. Segmentation in garden plant retailing.

Predominantly pleasure driven environments
Historic gardens, independent garden centres, some garden centre chains

Predominantly price driven environments
DIY multiples, supermarkets and hypermarkets, some garden centre chains

Predominantly range driven environments
Nurseries, florist shops