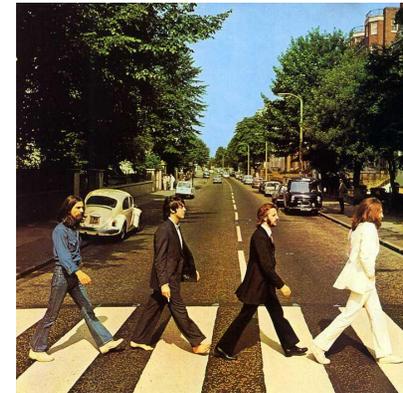


What's Happening in the Lawn & Garden Market?



Chris Beytes, Editor, *GrowerTalks*

A brief history of our world

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Before WWII

- Gardening was a hobby primarily for the wealthy



Before WWII

- Gardening was a hobby primarily for the wealthy
- It was more utilitarian/necessity for the regular folks



After WWII

- Abraham Levitt and his sons helped create the modern subdivision



Levittown, on Long Island



After WWII

- They started giving birth to the Baby Boomers



After WWII

- They enlarged the house, then bought bigger ones



- The Boomers started buying their own homes, larger than their parents, and eventually would up in McMansions and Faux Chateaus



After WWII

- Garden centers followed the same path between 1950 and 2000, from small nursery to mega chain retailer



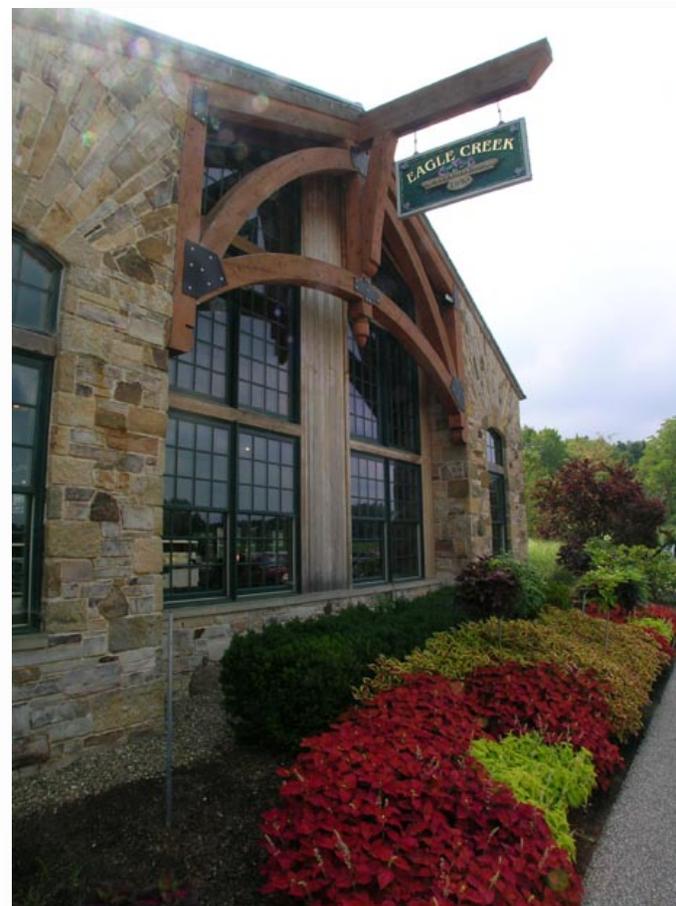
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The role of landscaping

- Then: for ornamentation and differentiation



The role of landscaping

- Now: for lifestyle and function/purpose



The role of landscaping

- Outdoor rooms ...



The role of landscaping

- Rainwater conservation/runoff control ...



The role of landscaping

- Privacy ...



The role of landscaping

- Edibles ...



The role of landscaping



The role of landscaping

It's about lifestyle, it's more purposeful. It's no longer just "ornamental" horticulture. (Which is why some programs now call themselves "environmental horticulture.")

Changing Demographics

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Baby Boomers

- 77 million, born between 1946-1964



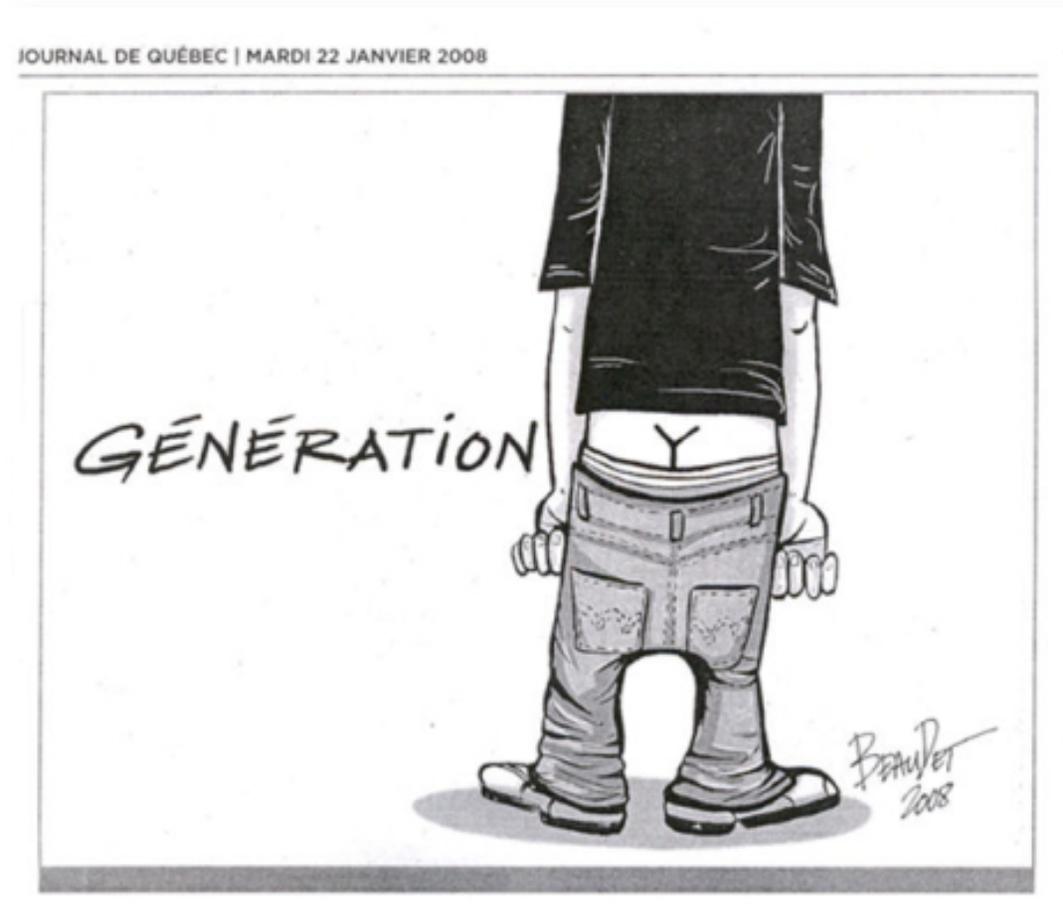
Gen-X

- 49 million, born between 1965-1979



Gen-Y

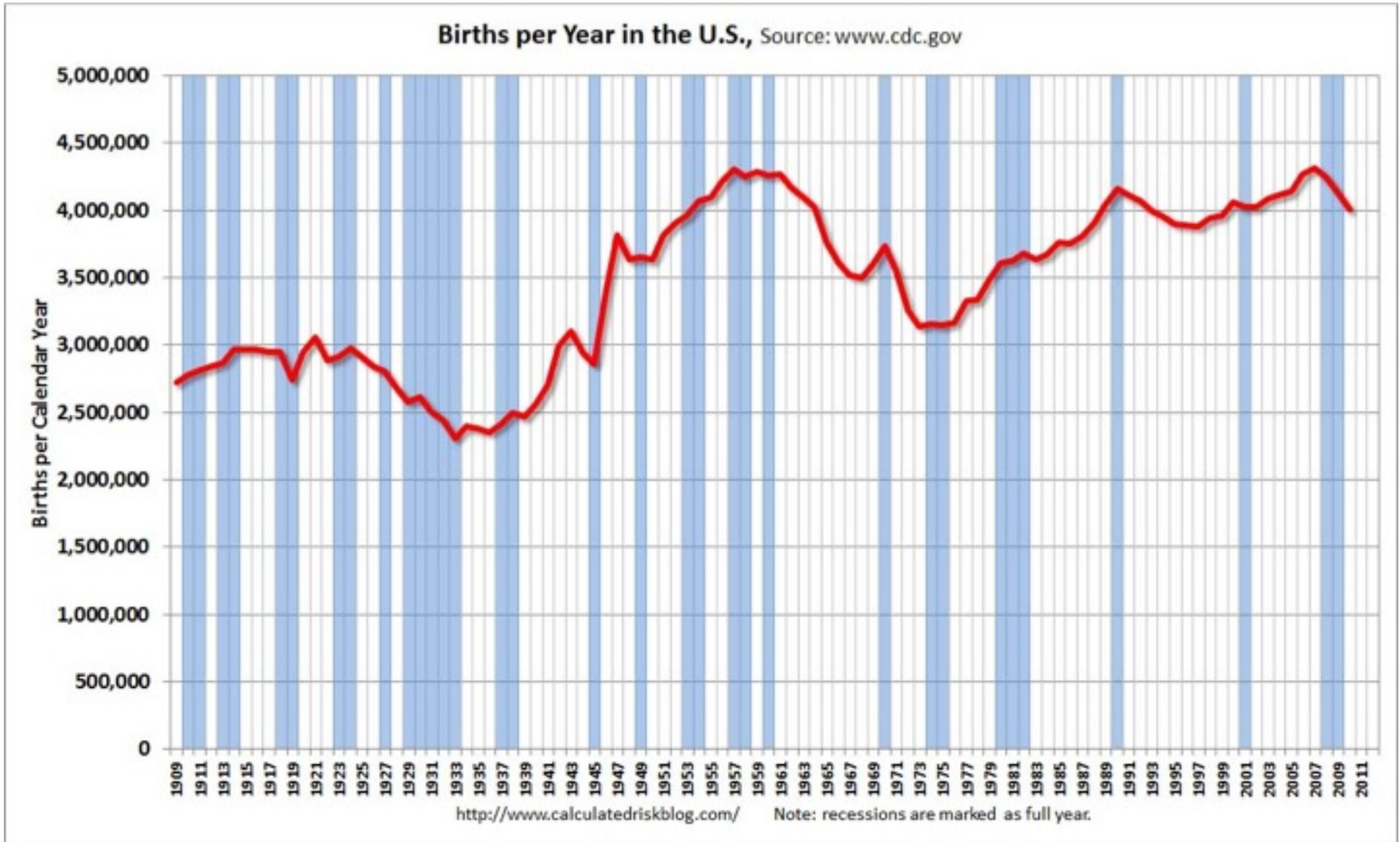
- 76 million, born between 1980-2000

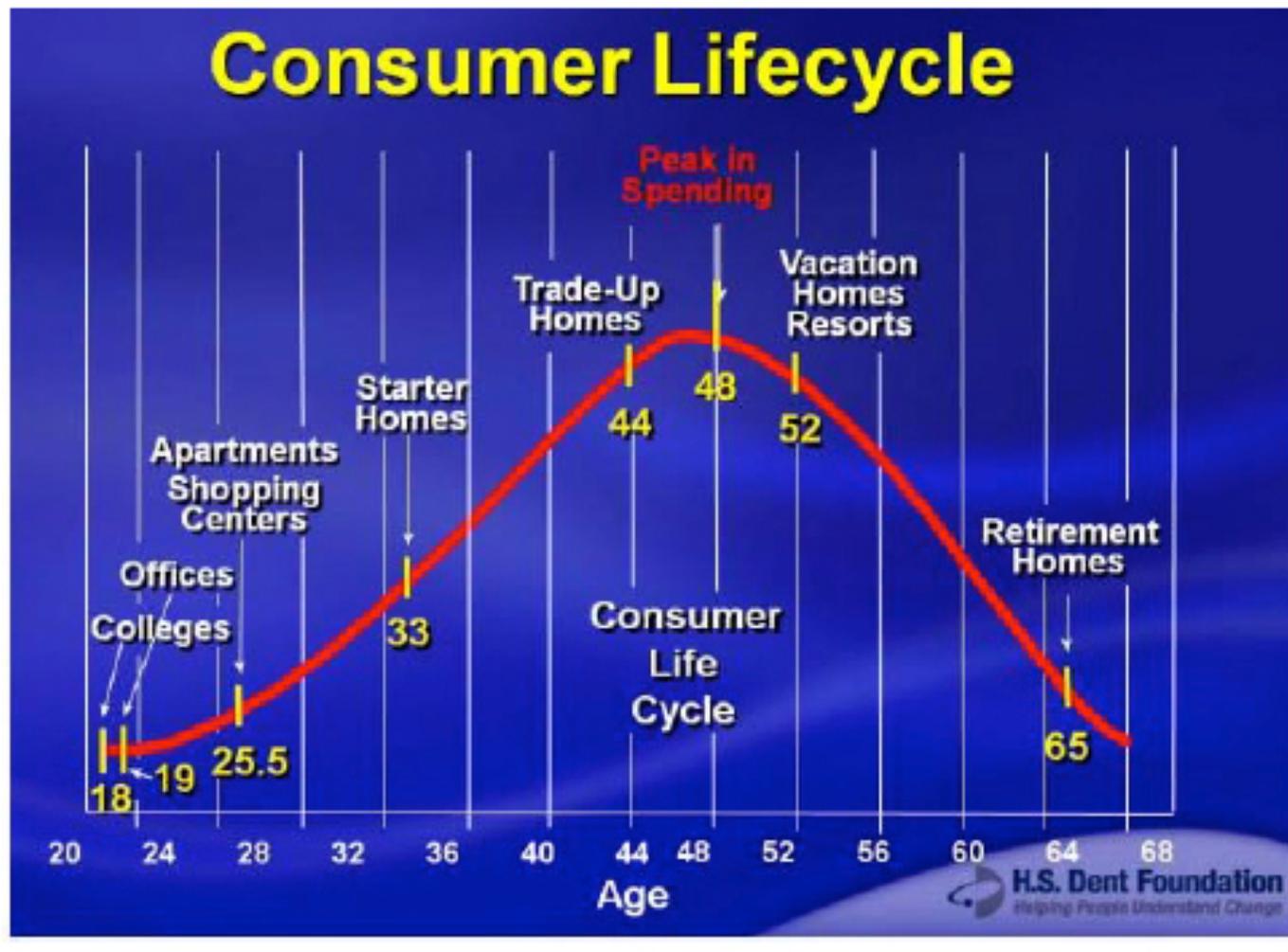


The big problem:

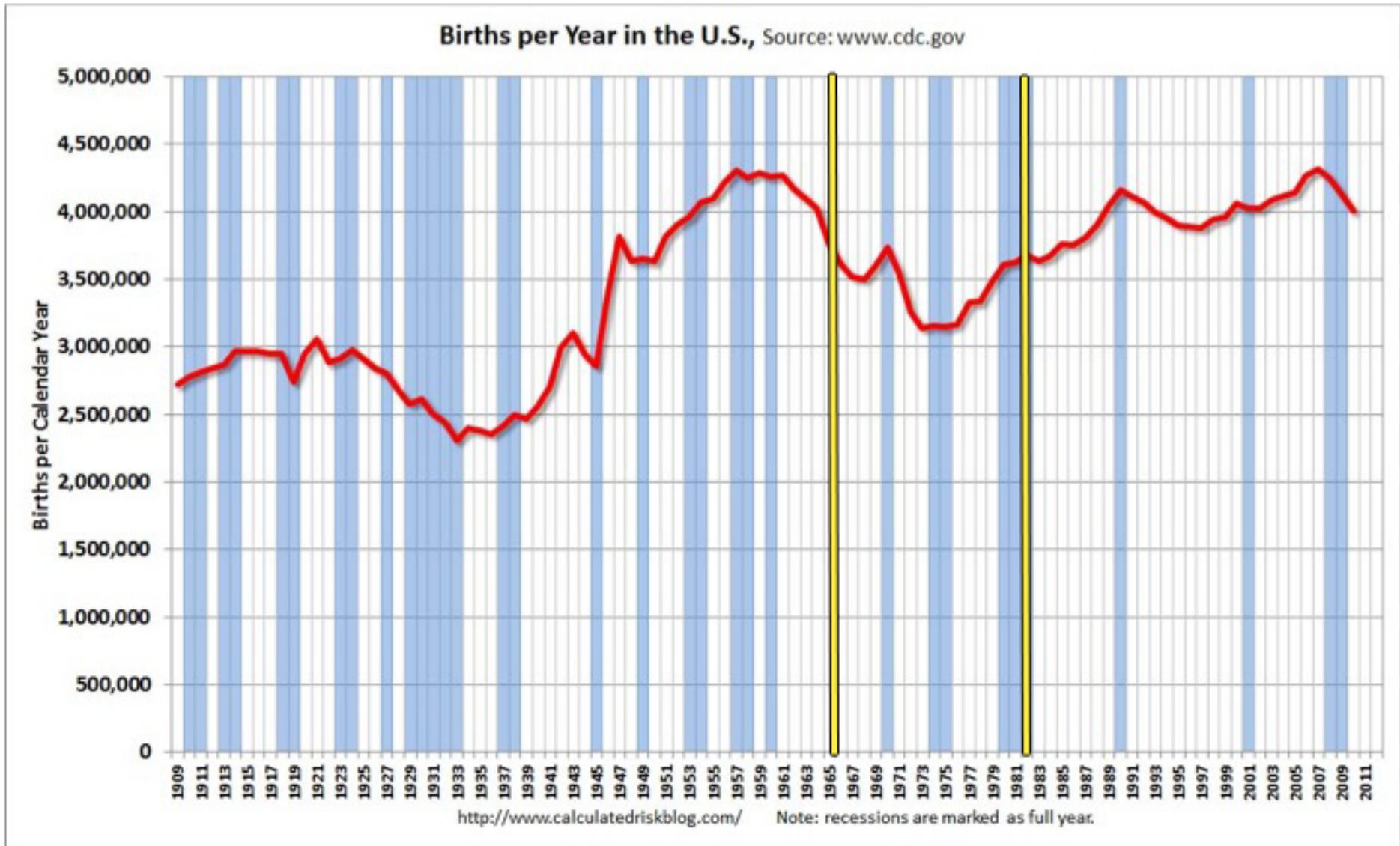
- There are fewer Gen-Xers than Baby Boomers, leading to a dip in the consuming population.

Changing Demographics





Changing Demographics



Who is Gen-Y?

Says Dr. Charlie Hall: “Arguably the brightest, most aspirational, best educated and the greenest generation to date.”



But also:

- Incomes down. More than 30% are unemployed. They carry large school debts.



What will they do in the future?

- They will move into the housing market, but what can they afford?



What will they do in the future?

- They aspire to home ownership, but will be cautious because they witnessed the house bust.



What will they do in the future?

- They want to live in urban areas – “walkabout suburban town centers,” says Charlie.



What will they do in the future?

- They're liable to rent for years.



PHOTO: SCOTT OLSON/GETTY IMAGES

Immigrants:

- 40 million (13% of households)



Immigrants:

- 40 million (13% of households)
- Immigrants arriving now to 2050 will drive 82% of population growth



What all this means to you

GROWERTALKS

Size/scale

- Gardening will continue to be done on a smaller scale. More containers, fewer and smaller beds.



Convenience

- Packaging will be even more important



Convenience

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Convenience

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What all this means to you

GROWERTALKS



What all this means to you

GROWERTALKS



Convenience

- Not just convenience of carrying, but of purchasing, too



What all this means to you

The Container Store's elfa closet design system:

The screenshot displays the elfa DESIGN CENTER interface. At the top left is the elfa logo and "DESIGN CENTER". To the right, there is a "LIVE CHAT" button with the text "We can help! Click here to chat with an elfa expert." Further right are two pricing boxes: "Installed: \$1,151.90" and "Do It Yourself: \$921.52", followed by a red "Buy Now »" button.

The main design area is a 3D rendering of a closet. Above the rendering are four view options: "Design View", "Bird's Eye View", "Technical View", and "Clothing". The rendering shows a closet with a height of 96" and a width of 84". It features a top shelf with folded clothes, a middle section with long and short hanging clothes, a bottom section with shoes on shelves and a hanging rack, and a central drawer unit. The walls are a light tan color.

On the left side, there is a vertical menu with the following items: "Man", "Reach-In Closet", "Bifold", "84" x 26\"", "Wall Color", "Wht. & Birch Fascia", "Save My Design", and "Create a New Design". Each item has an "edit" button next to it. At the bottom left of this menu are social media icons for email, Facebook, and a plus sign for "Share".

On the right side, there is a vertical menu with the following items: "White Mesh", "Long Hang (20)", "Short Hang (8)", "Shoes (5)", and "Drawers". Each item has an "edit" button next to it.

At the bottom of the page, there is a link: "Saved Designs | Sign in to view your designs »".

Authenticity

- Two aspects: Natural materials, and origin of product



What all this means to you

GROWERTALKS



What all this means to you

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Going green

- One of your biggest challenges – and opportunities

Going green

- Peat has a bad wrap in the gardening press, and that could carry over to many bagged garden goods



Going green

- Future consumers will be VERY attuned to environmental issues. It will be critical for peat producers and sellers to spread positive environmental messaging not as a REACTION to negative press, but to plant a positive message in the minds of consumers long before they hear the negative.

Going green

- Sustainable/natural/organic products

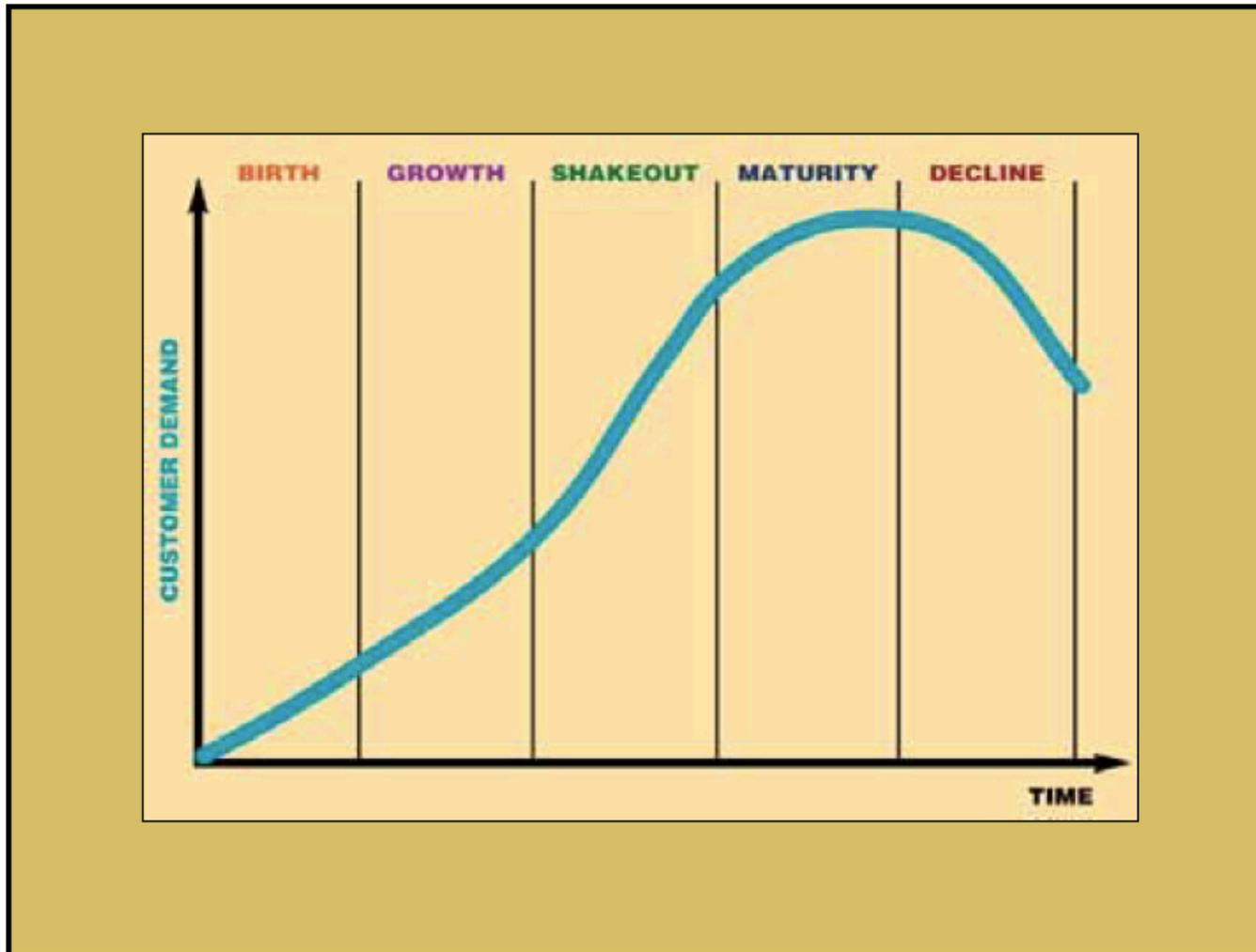


We're a maturing industry

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We're a maturing industry

Five stages: Birth, Growth, Shakeout, Maturity, Decline



Two options for businesses competing in a mature industry:

- Differentiation: Produce a differentiated product and charge sufficiently higher prices to more than offset the added cost of differentiation.
- Low-cost: Produce an essentially equivalent product at a lower cost—be the most efficient producer.



- What is “social media”? Two definitions:
 - Friends and family
 - Business-to-Consumer, Business-to-Business

- How I view it: The opposite of mass media

- Facebook, Twitter, YouTube, Pinterest etc. are just tools to help you do that. The phone was the first social media tool. A fax machine even works, but we didn't get all excited when we got our first fax machine.

- Social media is a mindset, not a task for your to-do list. Either you're into it or you aren't

- Social media is personal. It comes from a person, not a business. That gives your business a personal touch.

- Should YOU be using social media?

Opportunities

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Opportunities

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- Green/Organic/Sustainable

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- Telling the story, make it personal and important. Not just dirt or mulch.

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- New technologies, materials, textures, colors, application methods, durability, benefits (drought)

Biochar?

Opportunities

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Opportunities

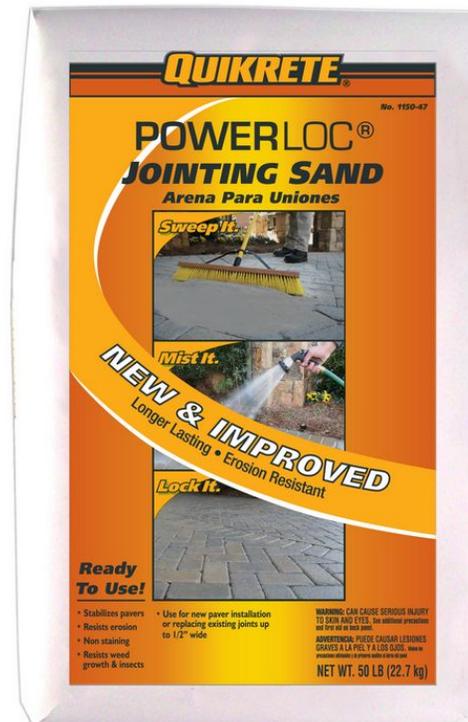
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\$2.78

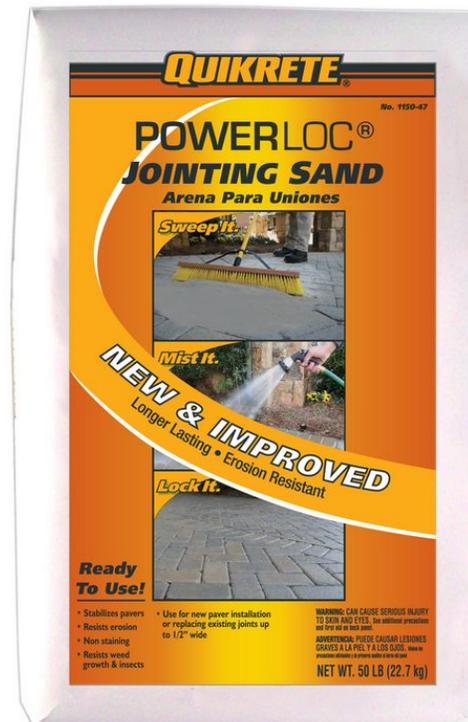
Opportunities

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Opportunities

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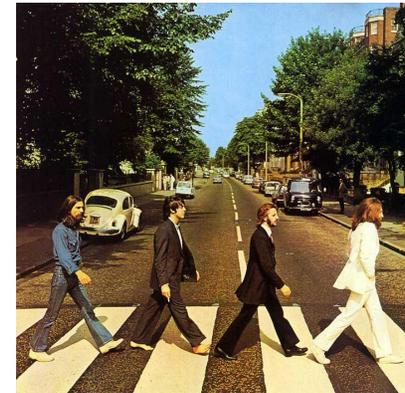


\$13.10

Finally ...



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