National Hardware Show

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Enhance the green world's value

Creating emotions with flowers and plants

John and Beverly, thank you very much for inviting me here today. My mission is to turn my dream into reality: "Enhance the Green world's value". And I love to share this dream, my reality show, with you all, you wonderful people.

I aim to do my very best to increase the flowers and plants use and expand the gardening philosophy in the world.

I can't realise this dream alone and that's why my mission today is to convince you investing in Garden Centres areas in your DIY stores and the best argument I know is profitable business, money, dollars dollars dollars.

I've already done that in Ukraine when, few years ago, Mr Alexander Gerega, the owner of Epicenter, the biggest <u>National</u> DIY Company. This Mr. Gerega, for me Alex, in 2009, had projected an investment equal to U.S. Dollars 300 millions and called upon me, Marco Orlandelli, proud 3rd generation in this line of business, to design and finalize the first Garden Centre Chain in Ukraine.

When We started this project the number of DIY's was limited to 23. The success of Garden Centers helped to expand with an 4 years from those 23 to 40 stores.

Why Mr Gerega wanted me? The answer is simple. Consumers in Ukrain were not really interested in buying flowers and plants.

Why? The answer is as simple. Nobody was offering flowers and plants in the right way.

The success of my close collaboration with EPICENTER Company did, of course, not pass unnoticed by the competition. They copied my ideas and in no time Ukraine was crowded with Garden Centers and the volumes and profits were booming. Everybody in the chain made lots of money and Ukraine has become one of the biggest importers from Holland.

This was not my success, it was the success of the Green Value.

For those among you, who don't know me, I am Marco Orlandelli from Mantua, from the well known North-Italian Orlandelli Floricultural and gardening family. My grandfather founded the company after World War II, selling our horticultural production as a street vendor. Our company is a tipical Italian family business; papa, mamma, my sister and my brother are working as a team and we render a personal service in all our 4 companies. We have a royal business, because all our customers are the king. Our staff is very loyal, active since many years and treated like family.

Our 4 companies are:

Garden Center Valle dei Fiori, in English Valley of the Flowers Giardini Valle dei Fiori, our landscaping company Entergreen our consulting Company for Garden Centres and DIY Organizazione Orlandelli for design, manufacturing and production of trolleys; this is my father's baby; he has a life-long experience with logistics, he is an expert in trolleys and displays for flowers and plants.

Among our customers are triple AAA Garden Centres and DIY's spread over all the continents. For us The U.S. market has top priority, that's why we started our own operation since last year, in order to be able to render you the best and personal service that exists. I invite you kindly to visit our stand at this NHS exhibiton.

With our services and our products we supply some of the most beautiful Garden Centres and most efficient Home Centres in the world and from last year we operate directly in America with our local people.

The reason why we are here today is to find arguments to improve our business. We are here to understand where the consumers want to spend their money. The answer is very simple: the consumers and we too spend money to improve the life quality and the life quality of the people we love!

The American flower and Plants trade can take a good example from the Pet Industry. It is a proven fact that during the crisis years the Pet business has continuously flowered.

Why people spend more money in times of crises on their pets? The answer is simple.

Pets are essential for the quality of life and pets are our best friends.

What can the Flower and Plants trade learn from the pets industry? Plants and flowers, I repeat, are essential for the quality of our life. What we have to add is make Flowers and Plants our best friends. let me give you another example:

In the recent statistics of Stock market Tourism Award, the Tuscany Region is one of the most appreciated places in the world to spend holidays and where the people would like to live. The statistics also said that people make a first mental connection between nature relaxing holidays and the Tuscany Region. The magnificent and spectacular hills of Tuscany with the high Cypresses plants and different nature colours transmit to the people the sense of quality life.

Everybody knows what the photosynthesis is, but maybe we are not really aware of its benefits.

Let's read what Wikipedia writes about it:

Photosynthesis maintains atmospheric oxygen levels and supplies most of the energy necessary for all life on Earth.

Consumers and we are conscious that our cohabitation with flowers and plants has a lot of positive benefits on life's quality but we don't use this potential in the retail. We have many indicators confirm that people find the life better if they stay close to the nature. The eco-sustainable Megatrend is growing very fast and Garden Centre has this essence inside. I've spent all my life in Garden Centre and I'm definitively convinced that what we have done in our business till now it's nothing compared to the big passion that the consumers have in this kind of hobby. In the past this business was at the margin of the DIY investments but now, it is the right moment to open our mind and start to look at the Garden Centre in a different way.

There is a new Green Culture waiting and If we understand it and we educate our Consumers, we will build a huge new market trend that nobody has seen before.

I have many many ideas to tell you about how you have to create and maintain your profitable Garden Centre but today we remain concentrated on three main points and "improve life quality with flowers and plants" is the first one.

Now, imagine that we've taught our Consumers that plants and flowers improve life's quality and they are in our Garden Centre and imagine that they walk inside. If we think that the Garden Centre's layout has the same construction philosophy of a hardware store, we think wrong.

Few years ago my friend John Herbert, EDRA's General Secretary, visited our Garden Valle dei Fiori and the first word he said was: wow!!! He was impressed about the multicolours we have in our Garden and I remember his face; he would like to be a butterfly and fly inside and reach every single flower in the Garden. When I speak about my company I like to use the word Garden and not Garden Centre because when the Consumers are inside they need to have the same feeling as they would be in a Garden and not in a commercial area. I remember the words of my friend Gianfranco Paghera, one of the most important Landscapers in the world, who designed the green areas on the Palm Island in Dubai; we come from the same horticultural school but he is much more famous than me...Paghera says that the first step to create a good atmosphere in a Garden is to create three big points of interest with three big plants or groups of plants: the biggest on the right side, the medium on the left and third quite in the middle if not more on the left side. We have to do this to create automatic proportion and we have to do that with Plants and not with posters or signals.

We made several studies about people's attitudes in relation to the Garden Centre and there is a big difference between the DIY and the Garden Centre customer. The first one is moved by what he/she needs, and the second one, is moved by the Emotions. People are attracted by the colours of flowers, if we consider this during our layout study we will have a great success and we can sell all the plants we want.

You can do an easy test in your stores. Take a display of green plants and put it in front of the entrance and another one with flowering plants and place it just few feet behind the green plants. You will discover that the people go directly to the second, the flowering display. Now try differently, put the display with the green plants between two flowering displays. You'll find out that the most interesting display for the consumers is the green one. This is a rule of contrasts.

There is another important aspect that we normally don't consider when we prepare the layout of our Garden Centre: the height of the plants. Flowers and plants are not items that we sell by the pound. We sell the feeling and the emotion the plants transmit to the clients.

Normally the Garden Centre layout is like this: a corridor in the middle, right and left the same tables with the same heights and as a result we've a flat presentation just with few emotions. Showing plants on 3 different height levels for example or create displaying like an island with different kind of plants and you'll discover more dynamic in your Garden.

Creating emotions with flowers and plants is the second keyword of today.

In order to obtain the maximum result we have to follow two layout secrets:

- Think like a landscaper
- Play with heights and colours of plants

Summing up of the first two keywords:

- 1. Improve life quality with flowers and plants
- 2. Create Emotions with flowers and plants

The last keyword of today's speech is:

3. Profit, profit and profit

If we follow the rules I explained in my lecture, profit is the logical conclusion because:

- The essence is: Garden Center is Green Market and Green market is PROFIT earnings and the incoming
- The Garden Center, if handled with proper passion and care, will boost your profit margin
- The Garden Center will bring much more and new prospects into your store
- Outdoor business will grow in the future and you'll needed to complete your merchandise
- Your investments in the Garden Centre will also expand the global passion for flowers and plants and the global passion for flowers and plants will enhance the green world's value.

What I told you today it's all true and all right but what really makes the difference is what I learned from my Australian friend Nick Sammut, the owner of Flower Power, the biggest Garden Centre chain in down under:

Upkeeping of plants and flowers require constant monitoring all the time. If you want to make success in this business:

Find the answer in the Green house and not in the office!

If I gave you, today, a new Garden Centre vision, faithfully you'll invest in a different way and extended the new green generation "enhance the green world's value"

and if you don't find it...give me a call!!!