A path forward for Horticulture Retail

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Key Trends

Consumer Trends
➢ **Small plants** and **hardy plants** with zero maintenance and disease free characteristics are gaining popularity among consumers.
➢ **Houseplants and indoor old-fashioned plants** are back in trend through growing popularity through **Instagram, websites** etc.(50% or more growth in houseplants in garden centre retail in 2018 from past two years).
➢ There is an increased demand as the coronavirus lockdowns created **a new focus on gardening/DIY.**

Sales Trends
➢ Retailers are allocating **shop-in shop** space to suppliers to display and manage their brand at the retail stores and garden centres.
➢ The **digital plant marketplace is increasing** as more and more brick and mortar stores are diversifying into restaurants, gift shops etc.
➢ **Online direct-to-consumer sales** are increasing with about 65% of total online sales for gardening being for plants, seeds and bulbs in 2018 as per a Statista report.
➢ During the coronavirus lockdown, online sales rose 162% YOY in UK and average spending on outdoor plants being 36 GBP (Aug 2020 Statista report) and many **retailers starting online sales**.
➢ During the pandemic**, multichannel retailers recorded higher growth** than their online-only counterparts due to changing shopping habits of consumers, with sales up by 35% versus online-only retailers' more modest rise of 8.3%(May 2020).

Industry Future

➢ **Sustainability:** Sustainability will be an important agenda with use of less pesticides and environment friendly practices such as removal of plastics for packaging.
➢ **Biosecurity :** Import/Export of plants will be governed by biosecurity laws and traceability will be managed through technology.
➢ **Digital Marketplace :** Digital ordering and distribution of plants direct to homes. The growing marketplace will need more efficiency to minimize unit costs due to competition.
➢ **Automation:** Automation and monitoring will have a major role in all aspects of horticulture production, transport and sales.

Advanced Analytics and Machine Learning in Horti supply chains

Optimizing Production Plans   Quality Control

Inventory and Warehouse Management   Enhancing Customer Experience

Advanced Last mile tracking   Fraud Prevention

The future of the horticulture industry will have a focus on the environment friendly practices. Advanced Analytics and Machine Learning(ML) is used in modern Horti supply chains to enhance both their efficiency and responsiveness. Automation is important for modern Horti supply chains and handling disruptions.

The trend of a digital marketplace increased during the pandemic lockdowns. A digital marketplace with a digitally managed supply chain has traceability and visibility will be a way forward for Horti Retailers.

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