



MGA Messenger

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Don Libey Delivers Strong Wake Up Call to MGAers

Direct Marketers . . . Prepare for Change!



Don Libey, marketing strategist, gave a dynamic presentation at the MGA Winter Convention in Chicago. Libey discussed what he terms as "chaotic changes" direct marketers will face in the next five years.

Direct marketers are in for the most turbulent period in direct marketing history, predicts Don Libey, co-founder of

Libey-Concordia, a management advisor and investment banker for the direct marketing industry.

According to Libey, "we have arrived at a point . . . where all the rules, formulas and bench-marks are changing and nothing is stable any longer." Libey says his 'rational belief' is "born from observation and first-hand experience of over a hundred board-level forensic reviews of business and consumer direct marketing companies over the past decade."

Libey's track record for accurately predicting tetonic changes in the catalog industry is solid. And even though he foresees the American economy heading into a period of increased financial stress, he still believes direct marketers can succeed if they are willing to heed consumer trends coming down the pike. His trend predictions are noted at right.

LIBEY PREDICTS 2004 TRENDS FOR CONSUMER DM

- 1. Price Chasming**--National obsession with price is further dividing the marketplace.
- 2. Proprietary Products**--Consumers are demanding product differentiation.
- 3. Web Driver Mailings**--Prospect mailings need to be designed to move consumers immediately to the web.
- 4. Local Marketing**--Local market segmentation is a must to continue stealing sales from retailers.
- 5. Economic Profiling**--Marketers will need to search for best economic performing individual consumers, as well as communities.
- 6. Web Velocity**--Web orders are approaching 50% for many catalogers. Now they must find ways to continue the same velocity in advanced web marketing.

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Green Thumb Award Winners Announced



Recipients of the Mailorder Gardening Association 2004 Green Thumb Awards were announced at the recent winter convention in Chicago. This exclusive program recognizes outstanding gardening products available via the mail or e-commerce.

The Green Thumb Awards program offers the Mailorder Gardening Association and its members an excellent opportunity to gain media exposure -- and, hence, generate additional mail order sales. An independent panel of garden writers and editors selected winners of the 2004 MGA Green Thumb Awards. The winning products were chosen based on their uniqueness, technological

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It is "thumbs up" indeed for the 2004 Green Thumb Award recipients Maree Gaetani, Gardener's Supply Company (center) and Tim Johnstone, Anywear Shoe Co. (right), shown with Randy Schultz, Schultz Communications, coordinator of the Green Thumb program for MGA.

LIBEY PREDICTS 2004 TRENDS FOR CONSUMER DM

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7. Channel Integration--Consumers want one unified, coordinated message from marketers regardless of the medium from which they shop.

8. Co-op Exhaustion--The effectiveness of mass, co-op databases continues to decline. It is time to get back to quality response lists and be willing to pay for them.

9. Advertising Dollars Shift--Large direct marketers are experimenting with where to spend advertising dollars. They're looking into "deep reach" media such as Direct Response TV, cable and television advertising.

10. Small Consolidations--99% of all U.S. catalogers' sales are below \$120 million. Companies with small customer universes will look for marriage with other adjunct universes.



"Thanks, Quad, for Your Ongoing Support of MGA!"

Quad/Graphics, Inc., a long-time MGA member, has also been a long-time sponsor of MGA convention events. During this past winter convention, Quad sponsored the continental breakfast on Friday morning and also one of the guest speakers that day. Shown above with MGA Executive Director Camille Cimino (left) is Jim Rudek, Regional Sales Manager and 20-year Quad veteran.

LET YOUR CUSTOMERS KNOW YOU'RE AN MGA MEMBER ~

Displaying the MGA logo states your company offers quality products and service!



And the Green Thumb Award Winners Are...



Fred VanBourgondien, K. VanBourgondien & Sons, Inc., accepts a Green Thumb award for its Double Oriental Lily 'Miss Lucy', from MGA President, Bruce Frasier, Dixondale Farms.

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innovation, ability to solve a gardening problem or provide a gardening opportunity and potential appeal to gardeners.

Entry deadline for the 2005 for Green Thumb Awards program will be in August, 2004. The entry form will be accessible through the MGA website www.mailordergardening.com. Listed below are the recipients of the 2004 Green Thumb Awards. For more information and pictures of the winning products, visit the MGA website (www.mailordergardening.com) and click on "MGA Green Thumb Awards".

Plant and Seeds Division

- K. VanBourgondien & Sons, Inc. - Double Oriental Lily 'Miss Lucy'
- Gurney's Seed & Nursery Co. - Li'l-

Big™ Sundance Apple

- High Country Gardens - Cold Hardy Mediterranean Garden
- Spring Hill Nurseries - Low Ho Silver Iris
- Select Seeds-Antique Flowers - Variegated Kiss Me Over the Garden Gate
- Tools, Supplies & Accessories Division**
- Gardens Alive - Encapsulated Earthworm Cocoons™
- Gardens Alive - Gardener's Gold™ Compost Tea Kit
- Anywear Shoe Co. - Read2Wears™ Elite
- Gardener's Supply Co. - Bulb Bed Garden
- LandscapeUSA - GreenJeans™ Farm and Garden Chaps.



High Country Gardens received one of the 2004 Green Thumb Awards in the Plants, Bulbs and Seeds Division for its Cold Hardy Mediterranean Garden (pre-planned garden). Accepting the award from MGA President Bruce Frasier (right), Dixondale Farms is Ava Salman (left).

MGA Welcomes New Members to Association

The following list identifies new members to the Mailorder Gardening Association since the July, 2003 convention. The sponsoring member's name is in italics.

REGULAR:

Big Dipper Farm
Bulbmeister.com
Doornbosch Bros., LLC - *Leo Vandervlugt*,
Dutch Gardens
Gardening Supply Warehouse
Hydrangeas Plus - Wayside Gardens
New England Pottery - *Anita Dafonte*,
People, Places & Plants
Northwest Bulb & Perennial
Santa Rosa Gardens
Solexx Greenhouses

WHOLESALE:

Hramor Nursery - *J. E. Miller Nurseries*
Lake County Nursery - former member,
 rejoined
W. R. Vanderschoot of VA, Inc

ALLIED:

I-Behavior, Inc. - *Jim Zuckerman*, ZED
 Marketing Group
National Country Market
Visions Photostudio B.V. - *Leo Vandervlugt*,
Dutch Gardens

MGA Conventions, A Time to Network (or Catch-up with Family)



Tim Schipper, Colorblends, took time during an MGA convention social event to visit with his brother, Chris Schipper, who was handling sales for them at the Mid-Am Trade Show.

Catalogers Learn from 'Before and After' Layout Ideas

When someone offers you a new idea designed to help your business, it helps if you can 'visualize' it. And visualization was exactly the approach Gina Valentino, Vice President and General Manager for J. Schmid & Assoc. Inc., took for the educational session she led at the winter convention. Entitled "The Good, the Bad & the Ugly", Valentino focused her presentation on helping MGA members see how they can improve response to their catalogs by incorporating some proven creative techniques.

Valentino had selected several MGA member catalogs ahead of time to critique during her presentation. Her 'before and after' approach allowed the audience to understand how simple creative techniques can greatly impact eye flow over a catalog spread, readability and reader retention of the products and services offered.

Valentino stressed that the "purpose



Karen Park Jennings (left), Park Seed, quizzes Gina Valentino (right), J. Schmid & Assoc., Inc., after Valentino critiqued Park's catalog during her educational session.

of catalogs is to sell product". "Product should be the hero of the catalog," says Valentino, not the aesthetic beauty. She emphasized that the catalog layout should make it easy for the customer to order. "You want your catalog to sell more and you want to sell more product to the same customers," she added.

SPECIAL THANKS! **SPECIAL THANKS!** **SPECIAL THANKS!** **SPECIAL THANKS!** **SPECIAL THANKS!**

How does the MGA keep the cost of its convention registration so reasonable? Through careful planning by the MGA staff and board of directors, plus the generous financial support by many member firms. Convention "sponsors" contribute towards the convention social events, speaker costs and food and beverage expenses. The list of the sponsors of the recent winter meeting are listed below.

Diamond Level

- Gardening How-To Magazine
- Horticulture Magazine
- OG Magazine

Platinum Level

- LENSER
- Quad/Graphics

Gold Level

- Berkshire Direct*
- DMC International BV*
- Fine Gardening Magazine*
- List Locators & Managers

Persons or firms interested in sponsoring a special event, being an educational sponsor or providing complimentary giveaways at the 2004 Summer Convention in Baltimore, MD should contact the MGA office.

To all of our members who support the MGA conventions as a sponsor -- *Thank you for your help, it's greatly appreciated!*

Gold Level

- Mantis*
- Marketshare Publications
- Millard Group
- Soil Soup Inc.
- Zed Marketing Group
- Educational Sponsors

Complimentary Convention Attendee Giveaway -- LENSER

Raffle Gift Contributors

- Anywhere Shoe Co. •Soil Soup Inc.
- Dutch Gardens •Gardener's Supply Co.
- Presidio™ Garden Products

~ MARK YOUR CALENDAR ~
MGA Summer Convention - Baltimore, MD - July 20-23

Organic Gardening Welcomes MGA to Chicago



The MGA Winter Convention attendees were welcomed to Chicago warmly (if you were inside, that is) with a reception sponsored by Organic Gardening. "Thanks to all the folks from OG for sponsoring this event. Your ongoing support is appreciated!" Representing the OG staff in Chicago were (from l-r) Scott Meyer, Pat Willstatter, Miles Ott and Katy Kinsella.

Using the Internet to Turbocharge DM Programs

What an impact the internet has had on the direct marketing industry! It allows marketers to send messages with experiential impact, get a response within minutes and prove the success of web campaign within hours. But rather than replace more traditional forms of direct marketing, Rob Engelman, Engelman Management Group, encourages catalogers to make internet marketing a part of a dynamic mix that in-



Rob Engelman

cludes a variety of direct marketing approaches. Leveraging the web's powerful capacity to present direct marketing campaigns for maximum impact can be a challenge, said Engelman, who spoke twice to MGA convention audiences in Chicago.

His second session focused on the importance of building customer relationships. Engelman discussed the importance of knowing your customer segments and how to treat each segment differently in order to maximize the potential revenue and profitability that

a particular segment can generate. He mentioned that similar to product life-cycles, customers have relationship life-cycles with companies they buy from.

Breakfast of Champions . . .

Roundtables Start the Day Off Right

"There's no such thing as a dumb question," is a commonly-heard phrase. And questions are certainly encouraged during the MGA Roundtable Discussions, a popular and regular session at MGA conventions.



(l-r) Ralph Bartlett, Hoophouse Structures, Barbara Emerson, Horticulture Magazine, and Jim Kriston, Musser Forests, Inc., compared business experiences during one roundtable session.



Michele Salmon and John Lenser, LENSER, led the discussion table on list management.

Bob Brower Honored for Years of Service as MGA Treasurer



Bob Brower (right), Schoolhouse Marketing Group, was recognized at the MGA Winter Meeting for many years of service as Treasurer of the organization. Brower served as Treasurer from 1996-2003. MGA President, Bruce Frasier (left), Dixondale Farms, presented Brower with a plaque in honor of his dedication to the MGA.

There were nine topic sessions at the winter meeting. Attendees selected three topics they wanted to discuss. An industry expert introduced each session and then the content was shaped based on the attendees' needs.

Zed Marketing Group Compiles Annual Sales Totals

The Mailorder Gardening Association (MGA) experienced an 8% increase in annual sales over the previous year. Sales totals for the MGA membership, for the sales period running from December, 2002 - November, 2003 was over \$660,000,000, up about \$50,000,000 more than the same period last year.

Although average order size was down, the substantial increase in overall sales numbers indicated positive movement in consumer buying. The information collected from MGA membership files is broken down into two major categories: Direct Mail & Internet sales and promotion of garden products and Publications.

Direct Mail & Internet --

The number of sales in this category increased from 4,176,843 in 2001-2002 up to 5,208,104 this past year. The increased sales volume is due primarily to the renewed activity of the "old" Foster & Gallagher titles under new ownership.

The average order size, however, was down from \$89.38 in 2001-2002 to \$66.40. Two factors attributed to the decline. 1) The overall sluggishness of our economy (consumers having the attitude of buying "needed products" rather than "wanted products"). 2) Outdoor power equipment company, Troy-Bilt (which has an average order size of \$1,300), dropped its MGA membership.

Publications --

The number of sales generated through magazine subscribers and book buyers increased by more than 7 million. This 61.1% variance in sales is due primarily to the addition of one of the new members -- National Country Market, which publishes rural co-op publications. National Country Market is responsible for about 7MM circulation. The gross sales of publications and book buyers increased more than 32%, from \$238,744,986 in 2001-2002 up to \$316,021,423 this past year. The average order size dropped from \$21.71 down to \$16.56.

Information compiled by Zed Marketing Group.

Horticulture Magazine, Marketshare Publications and List Locators Co-Sponsor Reception and Dinner



Good friends make a dinner special, and a dinner at the MGA convention is no exception. What an enjoyable evening Thursday of the winter convention was, thanks to the generosity of Horticulture Magazine, Marketshare Publications and List Locators and Managers. Our hosts for the reception and dinner are shown above: (l-r) Joel Toner and Barbara Emerson, Horticulture Magazine; Ellen Payne, Marketshare Publications, and Jessica Graven, List Locators & Managers.

There is a First Time for Everything!

Remember what it was like to be a "first timer" at an MGA convention? From the looks on the faces of the first-timers shown below, the experience must not be too bad. Hope to see you all of you in Baltimore!



Mechele Conley (left), Garden Design Magazine and Lisa Riebe, Fine Gardening Magazine.



Jim Bryant, MGA First Vice-President/Program Chair. Bryant is Publisher of Gardening How-To Magazine.



Rhichard Smit (left) and Monique Vermin van Reisen, Visions Photostudio B.V.

“Next on our Program for Today is . . .”

A successful convention does not just happen. It takes the cooperative effort of the MGA staff and board of directors, especially the person serving as vice president. The vice president serves as program chair, working closely with the MGA Executive Director to secure industry leaders as speakers, to organize member panels and roundtable moderators, to serve as emcee for much of the convention program and to help ensure the convention runs smoothly.

MGA Conventions Bring out the Smiles!



Longtime friends meet again. (L-R) Howard Kaplan, Mantis, Jill Fielder, Black Dog Direct, Kim Sullivan, Meredith Corp.



Business acquaintances (l-r) Lita Eatock, Stark Bro's Nurseries and Judie Evrard Brower, Schoolhouse Marketing Group, share a lighthearted story.

Next MGA Convention --

Baltimore, Maryland - July 20-23

Wyndham Baltimore - Inner Harbor Hotel

MGA members may now make their room reservations at The Wyndham Baltimore - Inner Harbor Hotel for the 2004 Summer Convention. The elegance, history and fun of Baltimore's beautiful harbor are only three blocks away.

To make your reservations, please call the hotel directly at 410-752-1100. Please state that you are with the MGA. The group rate is \$145 per night (single or double occupancy). You may also make your reservations online at: www.wyndhamevents.com/baltimore/mailorder26.htm. You will need to include the group code number when requested, which is 0719463SUM.

The preferred airline for the MGA



MGA Conventions . . .

Top 5 Reasons to Attend:

1. Learn from industry pros. Top-notch speakers will send you back to the office with proven techniques for running your business more efficiently and more profitably.
2. You will be able to network with other professionals in an enjoyable atmosphere of sincere camaraderie.
3. No other trade organization offers a better value for your money when it comes to cost of attending an MGA convention.
4. You'll meet some of the nicest folks around, who are also in the gardening industry.
5. Your photo might appear in the next newsletter.



Husband and wife, Sarah and Bill Boonstra, Bluestone Perennials, enjoy some time out of the office.

Summer Meeting has not been determined. This information will be provided with forthcoming convention material and will be available soon on the MGA website.

