

# A Univex Case Study Featuring **Black Spur Plant Nursery**

*Univex is far more than just a POS company. This case study explains how they helped a small retailer understand a challenging sales situation, then make the changes required to turn things around!*

## BACKGROUND

**Black Spur Plant Nursery** is a small retail garden centre in Healesville, a town 50km North-East of Melbourne. Healesville is in a country area with a population of approximately 7500 people. It is traditionally seen as a hub to tourist and leisure activities in Melbourne's Yarra Valley.

**Black Spur Plant Nursery** offers more than a traditional garden centre. They also offer a florist service providing cut flowers and specialty arrangements. There's even a small cafe on site within the garden centre.

For a small town the competitive forces are very strong. There is one competing garden centre in Healesville, also with a cafe, and the town has a number of other retailers selling cut flowers. There are a variety of cafes and eateries vying for local and tourist patronage.

## THE UNIVEX RELATIONSHIP

Univex has provided **Black Spur Plant Nursery** with Point of Sale and web site services since 2004. Prior to that they were relying wholly on cash registers and had no online presence. Univex is the garden centre's first and only point of sale system.

For a number of years now **Black Spur Plant Nursery** has administered a loyalty point scheme out of their Univex program. This scheme has captured data from thousands of customers. Loyalty points are accrued by customers and redeemed for discount off their purchases.

Ownership of **Black Spur Plant Nursery** changed in October 2016 following the retirement of the original owners. The new owners are experienced business operators, but this was their first entry into retail.





## THE CHALLENGE

Throughout 2017 and early 2018 sales revenue had been falling. Whilst all garden centres have revenue fluctuations according to season, **Black Spur Plant Nursery** was no longer reaching the comparable highs that the previous owners experienced. This is not to be unexpected in a small community that had built personal relationships and trust with the previous owners over many years.

The new owners' challenge was to identify the problem and implement strategies to restore sales to previous levels. Foundations were needed for a future where sales would thrive.

In April 2018 the management of **Black Spur Plant Nursery** approached Univex for advice.

Whilst Univex is primarily a Point of Sale and e-Commerce provider, they offer far more to customers than just a computer system made up of hardware and software. Univex staff have experience in working with retailers of different industries, different sizes, and different competitive environments. This experience has been gained over 40 years in working with small and medium businesses just like **Black Spur Plant Nursery**.

Over this time Univex has developed a sound knowledge of the retail landscape. Insights and solutions have been gained that help Univex customers get the most out of their investment, and maximise the opportunities presented within their market.

## PROBLEM DEFINITION

Paul Filmer, Univex's Managing Director, visited the Healesville shop in April 2018 to investigate the situation and talk directly to staff members. With 20 years at Univex, Paul also holds an MBA degree and keen desire to help other businesses succeed.

An efficient analysis of the situation was made using Qlikview Business Intelligence. Qlikview is a complementary reporting add-on to the Univex POS system that gives greater insight into sales data and buyer behaviour.

Falling sales were found to be caused by reduced customer walk-ins. Average sale values were maintained, but the number of customers visiting the store were dropping.

## THE SOLUTION

Over the next month a number of initiatives were quickly put in place to encourage customers to visit the store and return more frequently. These integrated solutions included: discount vouchers, an SMS marketing campaign, a web site e-commerce enhancement, and an email campaign.

### 1. Discount Vouchers

Discount vouchers are a way of providing gratification to loyal customers in the way of a voucher (a coupon) that can be redeemed for a discount off their next purchase. It is a very flexible system that is built in to the Univex POS that has seen success in many other retail environments.

**Black Spur Plant Nursery** management already had a specific offer they wanted to present to their customers: a \$10 voucher to be issued for every \$100 spent in store. Univex staff helped **Black Spur** to implement and operate such a scheme. Discount vouchers are printed with unique, trackable barcodes that makes it a breeze to operate, provides security, and facilitates performance analysis.

### 2. SMS Campaign

SMS (text messaging) was another idea from **Black Spur** management, but they were unsure of how to execute it.

Univex staff assisted the garden centre staff in setting up an account with an SMS provider, Burst SMS, who have a good reputation, are affordable, and are easy-to-use.

Univex support staff assisted in connecting the Univex database to Burst SMS and sending mobile numbers and customer names to that system. **Black Spur Plant Nursery** staff designed and tested an SMS campaign before sending it to customers.

Unsubscribes and failed deliveries are automatically handled by Burst SMS, eliminating the need for maintenance.

### 3. Web site

Paul from Univex identified gift vouchers as another opportunity to boost sales, with virtually no extra effort required by **Black Spur** staff.

Gift vouchers were added for sale to the **Black Spur Plant Nursery** website (<https://www.blackspur.com.au/>),

which is a secure and flexible e-commerce environment. This new gift voucher facility offers customers a choice in voucher dollar value, and they can elect to have the voucher delivered immediately via email, or printed and sent by post.

Gift vouchers complement the floral arrangements already for sale on the **Black Spur** website. Vouchers attract customers not only from the area, but also interstate and abroad who are looking for gift ideas for their loved ones who live in Healesville. The competing garden centre in Healesville does not have a web site and this early-mover advantage benefits **Black Spur Plant Nursery** both in the short- and long-term.

### 4. Email Campaigns

Email addresses were being collected through the loyalty system already, but not being utilised. Paul recommended an email marketing campaign to reconnect with customers. Email provides a more direct and trackable way to communicate with customers than print or many other media.

Univex assisted with the setup of a Mailchimp integration. Mailchimp is an email newsletter provider that is very popular due to its ease of use and cost-effectiveness.

The Univex integration made the transfer of email addresses automatic, both initially and ongoing. All that the garden centre staff needed to do was write an email and send it off.

Like SMS campaigns, the maintenance of email campaigns is also automatic. Unsubscribes and bouncing emails are handled by Mailchimp, which frees up staff time.



## RESULTS

Immediately from implementation results have been positive.

### Discount vouchers

- ✓ Almost 25% of the vouchers are redeemed in the first month, suggesting customers are engaging with the offer and coming back to shop sooner than the average garden centre customer.
- ✓ When vouchers are redeemed, six times the face value of the voucher is being spent. The average value of the voucher is \$11.63 and average sale just over \$70.
- ✓ Customers who redeem vouchers have an average sale 70% higher than regular customers.

### SMS Campaign

- ✓ The first SMS campaign was run on Friday 20 April 2018.
- ✓ Sales for Saturday and Sunday (21+22) were up 74% on previous weekend, and 20% on the weekend prior to that.

### Website

- ✓ \$420 of gift vouchers were sold on the web site before the new facility was given any promotion. These are sales that **Black Spur Plant Nursery** might otherwise not have received.
- ✓ Gift voucher sales also offset the cost of the website, almost to the point where the website pays for itself on the back of the profits from gift voucher and florist sales.

### Email Campaigns

- ✓ Only two campaigns have been sent, informational in nature, to nurture the list who have not received any email from **Black Spur Plant Nursery** in the past.
- ✓ The first campaign achieved 37% email open rate, and the second achieved 30%. These are well above Mailchimp's average open rate for retailers of 20%.
- ✓ Future campaigns will create special offers for subscribers that can be tracked through reporting at the POS.

## IN CONCLUSION

**Black Spur Plant Nursery** is a small business with limited time and resources. Univex assisted the garden centre in identifying their serious business issue of falling sales. The initiatives that Univex helped facilitate have had an immediate, positive impact to the garden centre's sales. The staff now have the tools and knowledge to proceed with more campaigns and actions to continue to boost patronage and associated revenue.

