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NewsBud

GROWING YOUR BUSINESS TOGETHER

MAXIMIZE VALENTINE'S DAY PRODUCTIVITY

Vow to make 2011 the year you don't turn down any Valentine's Day orders, by revving up your team to increase their productivity by six- to 9-fold their typical hourly output.

It's doable, insists floral industry CPA Paul Goodman: If, on a typical day, your designers generate between \$105 and \$120 an hour — as they should, said the founder of Floral Finance Business Services — then on Feb. 14, that amount could jump to \$1,035.

That's because you're looking at mostly dozen red rose orders: simple containers, no foam and minimal insertions, which will retail between \$49 and \$69 (for 40- to 50-centimeter stems), based on your market. Given the homogenous nature of these orders, designers can easily produce between 10 and 12 basic rose orders per hour, compared to the four arrangements you could reasonably expect per hour on a normal day.

If you're doing the math, you see that those numbers are still only in the triple digits: (12 X \$69 = \$828). So how to reach that four-digit goal? "Streamlining flower preparation," Goodman said. If you assign someone to clean foliage, remove thorns below the water line and pre-count roses into batches of 12, a designer's productivity can rise by another three arrangements per hour, he said. That translates to a range from \$637 (13 X \$49) to \$1,035 (15 X \$69) per hour.

Source: Paul Goodman

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VALENTINE'S PROJECTIONS LOOKING VERY POSITIVE

After splurging on the holidays, it seems shoppers are still in a gift-giving mood. Two recent surveys are projecting higher spending on the upcoming Valentine's Day holiday. That bodes well for consumer spending in general. The National Retail Federation projects the average person will spend \$116.21 on Valentine's Day merchandise this year, up 11 percent over last year's \$103.00. Total holiday spending is expected to reach \$15.7 billion.

And research firm IBISWorld has an even rosier forecast when you look at the total spent. While IBISWorld expects spending to rise only 5.8 percent from last year, it's predicting consumers to spend about \$125 each for a nationwide total of \$18.6 billion.

"Jewelry, candy and apparel sales should provide a nice boost for retailers during the typically slower months of January and February," said NRF President and CEO Matthew Shay. The survey found greeting cards will be the most popular gift option, with 52.1 percent of those surveyed planning to buy a card. Jewelry is next on the list, with 17.3 percent planning to bring on the bling. Last year, only 15.5 percent of those surveyed said they would give jewelry.

"Luxury spending is already on the rise, so it will come as no surprise that bracelets, earrings, necklaces and rings will be the go-to gift choice for many Americans," said Nikoleta Panteva, a retail industry analyst at IBISWorld. Panteva expects jewelry to make up 7.8 percent of all Valentine's Day sales, which will help the category make its way back to pre-recessionary levels.

IBISWorld also expects travel getaways to make a hefty jump this year, up 5.7 percent from last year, while spending on dining out will rise 3.8 percent. I'm sure after the winter wallop that the Northeast is getting, there are plenty of people who would appreciate a trip to a warmer climate. With Valentine's Day on a Monday, it may be hard for some people to dine out, but that time could benefit other traditional Valentine's Day categories such as flowers, candy and lingerie.

IBISWorld expects all of those categories to ring up higher sales than a year ago.

But another survey, this one taken by e-commerce payments company eBillme, said 60 percent of those who responded to its survey are looking for something to give that's different than chocolate or flowers. Last year, 57 percent of the respondents told eBillme that they were looking for other types of gifts. Based on the findings of the NRF survey, the love will be spread around with couples this year spending an average of \$68.98, up from \$63.34. Even Fido will feel the love, as spending on pets will continue to rise, this year to an estimated average of \$5.04 from \$3.27 last year.

The increase in spending on significant others is notable. It's the first time since 2008 that consumers said they would spend more on their other half.

VALENTINE'S DAY PRESS PASS

When Valentine's Day approaches, smart florists will take advantage of every opportunity to talk to the press and gain valuable coverage of their shop. Even if the reporter's angle starts out on the negative side, with a little media know-how you can overcome common misconceptions (especially about the "contrived high cost" of Valentine's Day roses) and get your message out loud and clear. By cooperating with the media and providing them with the information they need now, you can develop valuable relationships and establish yourself as a reliable, expert resource for future stories as well.

Preparation is the key to good media relations. Spend a few minutes developing a "media strategy" before the mad rush of the holiday begins, and you'll feel confident to respond should a reporter dial your number.

Decide on three key points you most want to get across in an interview and develop a few messages for each. When drafting your messages, pretend you are talking with a new customer. How would you convey the unique benefits of Valentine's Day flowers and what your shop has to offer? Examples include:

Point: Flowers are the perfect Valentine's Day gift.

Message: Women want to receive flowers for Valentine's Day - nothing says "I love you" like a gift of roses.

Point: Roses come in a wide array of popular colors.

Message: Our customers love the rainbow of rose colors to choose from - from the classic red to pink, peach, yellow, lavender, coral, orange - we've got them all.

Point: Valentine's Day is not just for romance.

Message: We're receiving more and more requests for flowers for mothers, daughters, sisters and friends. Valentine's Day has become a time to express a variety of sweet sentiments in addition to romantic ones.

Anticipate potential negative questions, such as about the "high cost" of roses, and develop answers on how you would best respond.

Practice your messages. The best way to practice is to role play: Have a colleague pretend they are the reporter asking you questions - you'll get a feel for how the interview may go and build your confidence as you practice your response.

This Valentine's Day, seize the opportunity to talk to the media and make it work to your advantage. You may be surprised at what a little added exposure can do for your year-round business.

Q: Why are rose prices so high for Valentine's Day?

A: Just like other commodities, supply and demand affects the price of roses. Valentine's Day inspires the heaviest demand, more than any other day of the year. Several rosebuds must be sacrificed to create one long stemmed rose, and we need to hire additional help and drivers to fulfill the huge demand for roses on this one day in the middle of winter.

Q: I saw roses advertised for much less elsewhere. Why are your roses more expensive?

A: When comparing prices, it is important to know what you're buying. The price of a dozen roses will vary based on the rose variety, design style and the level of service. For example, long stem roses arranged in a vase and delivered to your sweetheart's doorstep will cost more than an unarranged bunch of medium-length stems. Most of our customers find the added services and superior quality to be well worth it.

Q: Aren't Valentine's Day flowers passe?

A: Absolutely not. Flowers and romance go hand in hand, which is why they are one of the most desired gifts for Valentine's Day. Almost everyone can remember the last time they got flowers, which demonstrates the powerful impact they have.

Q: What do you offer for people who can't afford a dozen roses?

A: The beauty of flowers is that we have countless ways to help you express your love. Whether a single rose or a mixed flower arrangement in any size, we can help you give a gift that is special, unique and works within your budget.

Q: Why should consumers buy flowers on Valentine's Day?

A: Flowers are unmatched as a great Valentine's Day gift. After all; where else can you find a beautiful, personal gift that makes such a powerful impact on the recipient with just one phone call?

Q: Do you guarantee satisfaction?

A: Absolutely. We do everything in our power to make sure that each recipient of our flowers is thrilled. But if for some reason you are not satisfied, we want to hear about it and will do our best to make you happy.

Q: How do you handle working around the clock to fulfill the huge demand for Valentine's Day flowers?

A: With a lot of organization. We also hire extra staff to help fulfill the orders. There's a magic about flowers - we're in the business of making people happy, and that's what makes it all worthwhile.

Q. I heard bad weather is affecting the rose supply. How are your Valentine's Day roses?

Flowers come from all over the world and we are in the business to wow our customers' loved ones with the best selection of top-quality flowers.

MARKETING TO SHOPPERS AT EVERY TOUCHPOINT

Brands and retailers must target consumers pre-shop, in-store and post-shop

Traditionally, retailers and consumer products brands have relied mostly on offline media and promotion to deploy shopper marketing programs that help drive sales, secure customer loyalty and encourage trial of new products. However, as digital media and technology have grown more pervasive in consumers' lives, they play an increasingly significant role in decision-making at each phase of the shopping process.

"Consumers' daily interactions with digital media, technology and content have dramatically altered the shopping experience," said Tobi Elkin, eMarketer writer/analyst and author of the new report "Shopper Marketing Insight: Embracing Digital Touchpoints."
"Retailers and consumer products brands must rethink and refine shopper marketing initiatives and incorporate digital elements throughout the shopping process."

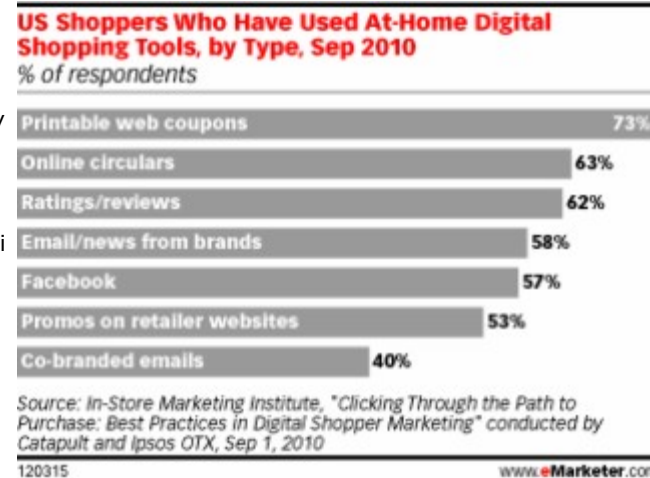
In the pre-shop phase, that means providing cash-strapped and time-starved consumers with tools and resources to get the best deals and make the shopping experience as easy and convenient as possible. US shoppers are already using a variety of digital shopping tools, according to research from the In-Store Marketing Institute, which brands and retailers should leverage by tailoring communications according to specific consumer need states and shopper demographics.

In-store, there are several uses of digital technology, such as self-checkouts and kiosks, that shoppers use or would be interested in using, according to the same study. Consumers are receptive to tools that give them a tangible benefit, like saving time, and will respond to value-added services provided by retailers.

While in-store digital technologies and media will play a significant role, mobile is the linchpin for next-generation shopper marketing. Location-based check-ins and in-store mobile are starting to become significant for both retailers and brand marketers. And in the post-shop phase brands and retailers should find creative ways to encourage shoppers to share their stories on social media.

"Since there are more points along the path to purchase than ever, retailers and brand marketers must continuously iterate and experiment with persuasion tactics and engagement strategies online, offline, in-store and via mobile," said Elkin.

Source: eMarketer



FLORIST DESIGN SCHOOL AT UNIVERSITY OF GUELPH

The next session of the Florist Design School will start in June 2011.

Registration and Course Schedule will be released next week.

Stay tuned!

**Flowers Canada Retail represents all segments of the Canadian Retail Floral Industry.
Our goal is helping you reach yours.**

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