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Sneak Preview:

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FTD's new *Fact Book*

Statistics make the world go around. Think of a subject, any subject, and chances are you'll find at least one study chock full of information on your chosen topic. When it comes to the floral industry, the most comprehensive study around is the *FTD Flower Business Fact Book*.

by Jean Adamczak

How does my shop stack up compared with other shops similar in size? Should I carry more fresh flowers in my shop? Does my shop operate effectively compared to other shops?

The answers to these and other questions you may have about your business and the floral industry can be found in the latest edition of the *FTD Flower Business Fact Book*.

Published every five years by Florists' Transworld Delivery Assn. (FTD), the book is a compilation of FTD census data and includes information about the retail floriculture industry gathered from such federal government sources as the U.S. Census, the Department of Commerce, the Bureau of Economic Analysis and the Department of Agriculture. The book is applicable and available not only to FTD members, but to anyone interested in the retail florist industry, according to Holly Hissong, research coordinator, FTD Headquarters, Southfield, Mich.

"It's the only comprehensive study of the floral industry that's put together," Hissong said. "We try to

construct it so that it's not just FTD-oriented.

"We devote one section of the book to retail floriculture industry trends. This is done so FTD members and other florists can get a picture of what the market is doing as a whole and not just a picture of FTD's business. We want florists to see how the entire market is doing, how FTD is doing and where they seem to be falling in relation to that."

Industry-related statistics, such as population growth, birth rates, marriage statistics and death rates for the U.S. are covered in the book through graphs, charts and easily understood text. FTD members can find such valuable information in the book as: delivery practices, shop locations and hours, sales by occasion and growth in the number of FTD shops.

Compiling the data

Work on the *Fact Book* began on the last day of FTD's 1985 convention and members' meeting in Detroit. That's when Hissong and others in the FTD Research Division met with FTD field service represen-

tatives and workshop instructors to develop the questionnaire used for the census. Also present at the meeting were representatives from Industry Insights, Inc., a professional research consulting firm located in Columbus, Ohio, which compiled the census data into book form.

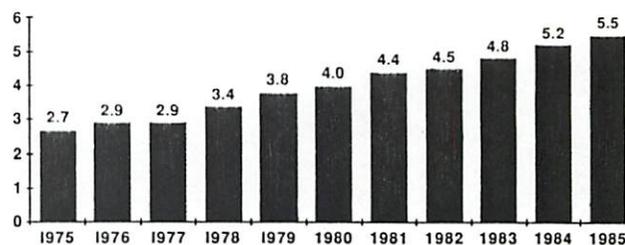
The *Fact Book*

The questionnaires were mailed to FTD members in early 1986 with a June 30 completion deadline. At the

The questionnaires used in gathering data for the *Fact Book* resembled those of previous years, Hissong said.

"We try to put a lot of the same questions in the census so we can make comparisons and track trends," she explained. "We also try to revise or update information like, for instance, 'What types of businesses do you own in addition to your flower shop?' And we try to cover subjects that are a little more relevant now, such as supermarkets getting

Floriculture Industry Size
Retail Sales of Floriculture Products
1975-1985 (Billions of Current Dollars)



Source: U.S. Department of Commerce
Bureau of Economic Analysis

This graph represents total consumer purchases of flowers, seeds and potted plants through all types of retail establishments for a 10 year period.

same time, members were asked to complete an additional questionnaire, the results of which formed the basis for the first FTD Retail Florists' Operating Survey. A compilation of financial operating statistics, the Operating Survey will help FTD members better understand where they stand in relation to other florists.

into the flower business. "We were trying to obtain pertinent information that will be useful to all florists. We tried to address advertising and promotional practices to make florists more aware of how others in the industry allocate their advertising dollars."

For instance, did you know that, according to the

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—Holly Hissong, research coordinator

FTD member census, over half of all the money most flower shops spend on advertising is earmarked for newspaper and *Yellow Pages* ads? About 13 percent is spent on radio and another seven percent is spent on direct mail, according to the census. Such information is hard to come by in the floral industry, Hissong said.

"It's nice to have all the information in one place," she related. "It's amazing how little is actually published concerning the floral industry."

Imports covered

"Cut flower imports have become a big issue and we felt it was important to include information in the book about that," Hissong

ues reported from each country. We also have a section on domestic flowers and plants."

Hissong and her co-workers tapped various outside sources for some of the industry data used in the book. Graphs, charts and text point out data such as: U.S. retail flower shop sales from 1980-1985, per capita retail flower shop sales, cut flower imports, and a chart explaining the channels of distribution for cut flowers, flowering plants and foliage plants.

The FTD census questionnaires were mailed to all U.S. and Canadian FTD ownerships. According to Hissong, of the 18,431 questionnaires sent within the U.S., 5,011, or 27 percent, were returned. In Canada, 1,403 questionnaires

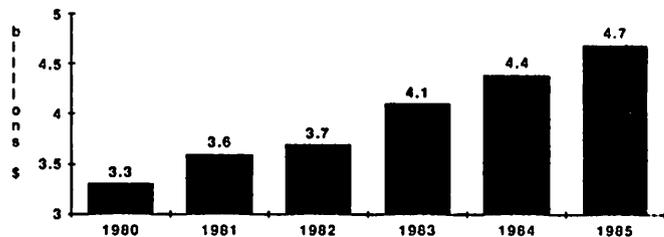
tically representative of the FTD membership, there must be at least 586 respondents.) Separate Canadian and U.S. versions of the *Fact Book* were published. The Canadian version may vary somewhat from the U.S. version due to

Fact Book's information for themselves, Hissong said.

What's in it for you?

"I think the book is more of an industry information book," she explained. "Florists can read it and say,

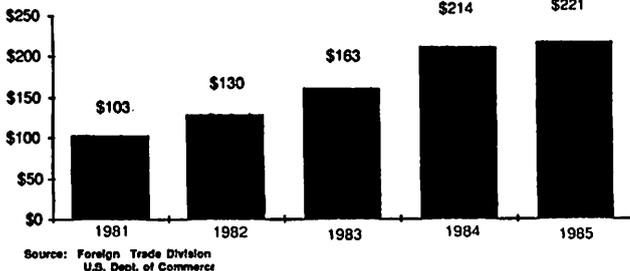
U.S. Retail Florist Shop Sales 1980-1985
(Billions-Current Dollars)



Source: U.S. Bureau of the Census and Bureau of Economic Analysis

Adjusted for inflation, sales from florist shops in the U.S. have grown at an average annual rate of 3.3 percent over the past five years, according to the *FTD Fact Book*.

Cut Flower Imports Customs Value
(\$ millions)



Source: Foreign Trade Division U.S. Dept. of Commerce

As this graph shows, the value of cut flower imports has more than doubled since 1981.

explained. "Although we were limited as to the data available, we do list the top sources for cut flower imports and the customs val-

were distributed and 423, or 30 percent, were returned, she said. (According to Hissong, for the results of the questionnaires to be statis-

differences in the availability of data on some subjects, Hissong said.

"We offer the *Fact Book* to anyone who's interested," she said. "A non-FTD member can buy it; nothing in it is considered confidential."

Non-members pay \$30 for a copy of the study while FTD members who participated in the study get a free copy. Members who did not participate in the study and want a copy will be charged \$15.

As with many studies where a large amount of information is assimilated, florists must interpret the

'OK, this is the average for the industry and this is what I do.' The *Fact Book* enables them to know more about their industry and livelihood as a whole. It's more for the knowledge of the industry."

Florists could, however, get ideas from the information in the book, such as: how competitive their delivery charges are compared to other florists in other parts of the country, how many other shops carry certain types of products, and so on, Hissong said.

"Florists could also look at the trends cited in the book over the past five

years and perhaps identify opportunities suggested by those trends," she added.

The results from the Operating Survey include averages for the floral industry along with ranges of typical performances in a wide variety of areas. FTD members can use these results as benchmark figures for typical performance and productivity, comparing such figures with their own shop's statistics.

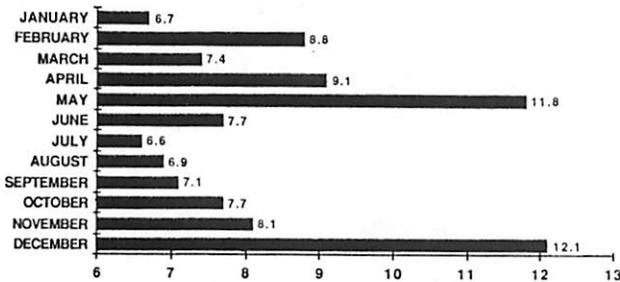
Members that participated in the survey also re-

Top 10 Sources For Cut Flower Imports 1985

1. Colombia
2. Netherlands
3. Israel
4. Peru
5. Mexico
6. Canada
7. Costa Rica
8. South Africa
9. Thailand
10. Singapore

Source: Foreign Trade Division, U.S. Department of Commerce

Retail Florist Shop Sales (By Month %)



Source: U.S. Bureau of the Census

This graph indicates that retail florist shop sales are heaviest in December and May and lightest in January, July and August.

ceived an individual company report prepared by Industry Insights, showing how their shops performed in comparison to others in the industry. This is an invaluable tool for florists and unique to the floral industry, Hissong said. Results of the operating survey cost \$50 for FTD members who did

not participate in the study and \$75 for all others, Hissong said. The *FTD Flower Business Fact Book* and the FTD Operating Survey report can be obtained through the FTD Research Division, FTD Headquarters, 29200 Northwestern Hwy., Southfield, MI, 48037, (313) 355-9300. □

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