

# Competing in the '90s

Last month, "Competing in the '90s" took a broad view of retail floristry's future by exploring market trends, customer demographics and drawing a portrait of the typical flower buyer. If forecasts cited in the August issue come true, florists, and all retailers for that matter, face a pivotal, make-it-or-break-it decade.

Fortunately, this issue of FLORIST can help assure your survival. This month, we address the gritty

specifics of running a strong, competitive flower shop. You'll find strategies for determining your market and generating new business, information on new Florists' Transworld Delivery Association (FTD) products to help you sell more flowers and a list of FTD educational publications, services, videotapes and seminars to further aid you in formulating business plans. It all starts below.

## Advertising to existing customers can build business

by Jean Adamczak

A new flower shop staffed with talented designers and the freshest flowers available won't make a profit without this key ingredient—customers. Paying customers (lots of them) are what florists need to successfully compete in the '90s.

However, customers don't just magically appear in your store. They must be lured to a business through creative, attention-getting advertisements and promotions. Florists usually advertise their shops' advantages by emphasizing how their products and services differ from competing businesses. To do this, florists typically spend 3 to 5 percent of their gross sales on advertising, according to Charles Greenridge, Greenridge and Associates, Evergreen, Colo. Unfortunately, all of that money is not well spent.

"All of us tend to spend, in fact waste, a lot of money every year on promotions, trying to reach out to get new customers," Greenridge said to a group of industry members last year. "New customers are

nice to have and we all need new customers to help increase sales and to replace some of the customers that we're going to lose. After all, if you're not getting new customers your business tends to slack off.

"However, most of us tend to waste at least 40 percent of what we spend on promotions because most of what we spend is used in a shotgun approach. Most of us ignore, in our promotions, customers already on our books who we've already sold to."

In fact, it's easier and cheaper to create additional business with existing customers than it is to pursue new customers. It costs a business almost five times as much to get new customers as it does to keep existing ones. Existing customers have been in your shop at least once (probably in response to an ad or promotion that you ran), so they know its location and what products and services it offers. You've already spent money to attract them to the shop and hopefully they've been satisfied with their shop-

ping experience. Now all you have to do is keep tapping that existing customer gold mine.

Sound easy? It's not, because as a business owner, you must decide what type of advertising best fits your business needs. Which is the most effective, economical way to give customers the information they need about your shop? There are a number of ways florists can attract customers and create new business with existing customers. Here are some advertising media available to florists:

### Yellow Pages

According to the 1990/91 FTD Flower Business Fact Book, U.S. Florists' Transworld Delivery Association (FTD) member shops invest a good portion of their promotional dollars (35 percent) in Yellow Pages advertising. Placing an ad in your community's Yellow Pages section or directory is a proven method of letting people know about your shop. Directories are readily avail-

ble anywhere, 24 hours a day, in homes and businesses in every city.

### Newspapers

Newspaper advertisements are usually quite affordable for most small business owners. Newspaper ads have immediate impact and provide a permanent message. Your ad may be viewed repeatedly, even clipped out, especially if it has a redeemable coupon.

### Radio

A wide variety of radio stations exist, so you must match their market audiences to your market needs. Radio spots can be repeated many times over a certain time period, be it one day, one week, one month, etc., for maximum frequency and impact.

### Television

In the past, television advertising was too expensive for many small businesses. The expansion of cable TV changed that. TV ads offer the

Adamczak 9/1

**U.S. FTD member shops  
percentage advertising expenditures by medium**

Medium	All shops 1990	All shops 1985
Yellow Pages	35	32
Newspapers	22	32
Radio	10	13
Product donations	8	N/A
Direct mail	8	7
Calendars	3	5
School newspapers	2	N/A
Church bulletins	2	N/A
Television	2	2
Flyers/handouts	2	N/A
Pens and giveaways	1	N/A
Outdoor billboards	1	1
Other	4	8
<b>Total advertising</b>	<b>100</b>	<b>100</b>

N/A = not available

Source: 1990/91 FTD Flower Business Fact Book

ultimate advertising experience, enabling the audience to see, hear about and view the advertised product. Television also enables advertisers to instantly reach a mass audience.

**Direct mail**

"Direct mail is where those in the floral industry get the most bang for their buck," Greenridge said. Direct mail is very flexible and affordable, especially for small business owners. With direct mail, you get your message directly to the customer and can pinpoint exactly who receives the message. Direct mail takes many forms, such as flyers, brochures, customer survey cards, coupons, letters, catalogs and self-mailers.

**Outdoor advertising**

A billboard can be a very effective way for a florist to get his message out to a limited area. Illuminated signs provide 24-hour exposure with high visibility and frequency.

**Specialty advertising**

Giving away pens, calendars, key chains and other keep-

sake items is a popular advertising method. People love to get something for nothing, even if it's an inexpensive ballpoint pen with a shop's name on it. This type of advertising works well in smaller towns where name recognition is typically high.

**Magazines**

Ads in magazines can be cost prohibitive for small businesses, depending upon the magazine. Ads in trade magazines such as *FLORIST* are more affordable than ads in national consumer periodicals like *Time* or *McCall's*. Reproduction of magazine ads, whether color or black and white, is usually very good.

**Telemarketing**

Using the phone to sell or market products or services is relatively inexpensive. Florists can use telemarketing to solicit customer comments, introduce direct-mail pieces, follow up direct mail and conduct after-market surveys to find out whether their products and services met customer expectations.

**Data bases**

Data-based computer soft-

ware systems can be used by florists to gather vast amounts of demographic data and record customers' buying habits. The hitch is that florists must ensure the data base software package they buy is compatible with their computer system. Data on existing customers as well as prospects can be filed and accessed at any time. Data bases can serve as customer reminders, too. Programs are designed so the dates of important occasions (such as birthdays and anniversaries) can be logged into each customer's file. Then, as the date approaches, the information is noted and a retrieved note or letter is created and sent to the appropriate person as a reminder of the upcoming occasion.

**Organization/community bulletins and newsletters**

Ads carried on the back of or inside programs, bulletins or newsletters of different community organizations and clubs can also generate customers. Such advertising is usually very affordable and accounts for some extremely targeted marketing.

**FTD-assisted advertising programs**

FTD provides members with many advertising programs designed to complement its national and local advertising. They include a cooperative newspaper program, an outdoor billboard program, radio and television co-op ads and a 50/50 newspaper program. Additionally, camera-ready art for seasonal promotions as well as in-shop posters and banners is included in almost every FTD Flower Shop Display Kit mailed to FTD members. For more information about FTD-assisted advertising programs, call the following Consumer Marketing employees at FTD headquarters:

◆ **Terry Colonna**

*Sales promotion manager*  
(313) 355-6162, for information on consumer promotions, gift certificates, coupons, direct mail and ad planners.

◆ **Elizabeth Lopper**

*Associate collateral manager*  
(313) 355-6276, for information on the cooperative newspaper program, the 50/50 newspaper program, member TV and radio broadcasts and outdoor advertising.

◆ **Nancy Marcetti**

*Associate merchandising manager*  
(313) 355-6181, for information on flower shop display kits and product merchandising kits.

◆ **Sari Stefancin**

*Market development manager*  
(313) 355-6343, for information on new business opportunities and direct-access technologies.

The 10 most frequently used marketing events	The 10 most effective marketing events
<ol style="list-style-type: none"> <li><b>1. Gift certificate sales</b></li> <li><b>2. Annual sales</b></li> <li><b>3. Fashion shows</b></li> <li><b>4. Seasonal sales</b></li> <li><b>5. Holiday sales</b></li> <li><b>6. Sidewalk sales</b></li> <li><b>7. Shopping sprees</b></li> <li><b>8. Health fairs</b></li> <li><b>9. Cart programs</b></li> <li><b>10. Community fairs</b></li> </ol>	<ol style="list-style-type: none"> <li><b>1. Holiday sales</b></li> <li><b>2. Cart programs</b></li> <li><b>3. Sidewalk sales</b></li> <li><b>4. Gift certificate sales</b></li> <li><b>5. Fashion shows</b></li> <li><b>6. Annual sales</b></li> <li><b>7. Seasonal sales</b></li> <li><b>8. Petting zoos</b></li> <li><b>9. Shopping sprees</b></li> <li><b>10. Teen advisory boards</b></li> </ol>

Additional assistance can be obtained from the **American Floral Marketing Council (AFMC)**. The AFMC offers a local marketing manual full of marketing tips, creative ideas and materials easily applicable to flower shops. It also supplements the AFMC's national and local advertising programs. The manual is periodically updated to keep florists on the cutting edge of advertising, promotional ideas and trends. To purchase or obtain more information about the AFMC Local Marketing Manual, contact the AFMC at 1601 Duke St., Alexandria, Va. 22314, or call (800) 336-4743.

The media and resources listed are just some of the advertising tools available to florists. Any one or combination of these or other advertising methods can be used to promote your business, products and services. The trick is to find the methods that best serve your shop and help you turn a profit. For more information about advertising and a free directory of Business Development Publications, contact the U.S. Small Business Administration, Room 317, 1441 L St. N.W., Washington, D.C. 20416, or call (800) 368-5855. □

Source: Adapted from a 1989 survey of marketing directors conducted by Monitor magazine

offer to the end of this month. Members who mention FTD exclusively in ads placed through Sept. 10 will be reimbursed up to 100 percent (up to the full value of the Value

Plus account). Cash reimbursements may be given to members displaying the FTD logo and not mentioning any other wire service in print, radio, television, direct mail, bill-

board and or Yellow Pages ads. For more information about the Value Plus Program, contact FTD Value Plus Program award headquarters at (800) 468-4383.

## Ready, aim, FIRE at your target market

by Cindy Hoogasian

Being successful through the 1990s isn't going to be easy. Businesspeople will have to be more astute and cleverer than ever if they want to prosper during this difficult decade. Society is changing, and retailers must do more than keep pace. They have to anticipate and react to those changes before they even happen. It's not easy, but it's being done constantly, all around you. Florists need to

practice a variation of the Golden Rule to keep their businesses healthy: Do unto others as they are doing unto you.

No matter where you shop, retailers analyze your buying habits. They're finding out why and what you buy, when you buy it, and how you buy it. They do it by making you fill out forms when returning items, when applying for their credit cards, when redeeming

coupons, when purchasing goods with cash. They do it electronically, manually and visually. Florists have to learn how to do this, too, using whatever means are available. By developing a composite profile of your best customer, you'll be able to direct your marketing efforts toward that consumer segment and generate more sales.

Here's information to help you determine just what your

market is. The ideas were presented at the Young Owner/Manager seminar of Florists' Transworld Delivery Association (FTD) by a pair of experts in retail trends. Dick Outcalt and Pat Johnson, Outcalt & Johnston Retail Strategists, Seattle, contend retailing is a mirror of society. Developing proactive retail strategies requires an understanding of what's happening to consumers and the marketplace.