

New York State Flower Growers

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What's Wrong With Flowers?*

Sales in the floral industry are badly wilted. One trouble: Inability of florists to move in on mass market. U. S. is backing studies to find what can be done.

In a day when more and more so-called luxury products are making the transition to the mass market, some are finding the crossing very bumpy. Merchandisers of off-beat wares just can't find the groove sometimes, even if their product is something everybody likes. Yet chances are they will have to cross over if they are to keep going. Take the case of flowers.

In a Word

Most of the floral industry would agree with the summing up of one wholesale florist: "Business is lousy." The biggest wholesaler in the country reports that in the last two months five wholesale concerns have begged him to buy them out to keep them from going broke.

The situation is so rough that Uncle Sam has taken a hand. Right now two big research programs are in the works, on money voted by Congress this summer. One involves four universities in the Northeast--Massachusetts, Penn State, Cornell, and Rutgers. The four are working out surveys to measure consumer attitudes and buying behavior, setting up tests for new merchandising techniques, studying present methods. The other project involves government experimental stations in Alabama, Texas, Tennessee, Georgia, and Puerto Rico. The aim here, primarily, is to ferret out the potential market for southern flowers.

Leaders in the industry hope these long-term studies may come up with some answers. They believe the whole floral business is on the verge of a revival--if it will only heed the signs of the times.

Why So Hard

When you have a product that is universally acceptable, why is it so hard to sell? The trade has two main answers:

1. Florists are, in a sense, the victims of scientific advances.

2. In their enthusiasm for their product, they are often blind to the need for merchandising.

Science has hit the florist in two directions. The wholesaler who found business lousy gave as his hesitating explanation, "Nobody's dying." The slowed-up death rate makes a big difference to an industry that gets nearly 85% of its total \$1 1/4-billion yearly retail business from funerals and weddings. Worse still, funeral notices in newspapers increasingly carry the message, "please omit flowers."

Science has made the headache more acute by stepping up the productivity of flower growers. Scientific planting, better methods of cutting and storing mean more flowers to sell. Wholesalers complain that growers are swamping the market.

Worse Than That

But this is not the worst difficulty. M. Truman Fossum, agricultural economist, feels that the major handicap of the flower industry is not overproduction, but rather a failure to arouse latent demands. In other

words, it's not doing a selling job. The carriage trade--to which the flower business traditionally caters--is saturated. But the industry hasn't begun to tap the sales potential of the everyday customer.

The truth of the matter is that the florist is a better aesthete than he is a merchandiser. He is apt to sit back and wait for the weddings and the funerals that give him a chance to use his artistic talents--while he lets the occasional customer slip through his fingers.

Growers can be as reluctant as the retailers to go after the mass market. "Why should the price of roses be determined by the length of the stem?" Fossum asks. "The market for long-stemmed roses is negligible yet growers strive to produce long stems and seem to forget it's the bud at the top that the customer wants."

Competitors

If the florists won't tap the mass market, the experts warn, other outlets will. Increasingly, cut flowers are turning up in supermarkets. Variety stores and department stores are taking a crack at them. These relatively new outlets still account for only a small part of the total business, but their share is growing. It's estimated that supermarkets, variety stores, and department stores did 5% of the total floral business in 1952, against 2.5% in 1945.

This trend is particularly strong in the South and the West. And in the East, food chains such as Penn Fruit Co. in Philadelphia and some of the Grand Union stores are now going along with it. Statistics on how well the flowers pay off are skimpy; some food stores simply lump flower sales in with "produce," have no check on whether flowers are a profitable item. Some stores feel that offering flowers is something of a frill, one more step on the road to one-stop shopping. Others feel there's a definite profit in flowers, provided the stores stick to flowers that are in season.

The florists have fought this trend tooth and nail. In Chicago they tried to push through a regulation that to handle flowers a shop must have a refrigerator designed just for that purpose. In Louisiana they backed legislation--which didn't go through--barring the sale of flowers in food stores because flowers treated with insecticides might contaminate foods.

Other Side

Supermarkets argue that they aren't competing with florists; the people who buy there wouldn't buy at all if they had to go to a florist.

Some enterprising florists have countered with supermarkets of their own. One such is My Florist, Inc., which has set up flower supers in connection with department stores (Business Week--April 18, 1953, page 126). Others have made a bold bid for the mass market. Podesta-in-Baldocchi in San Francisco will sell anything from a nickel's worth of flowers to \$500 worth. Tommy Luke, in Portland, made a killing one Mother's Day when he handled 700 orchids at a

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special price of \$1.95.

Inside and Out

Besides the ailments that are peculiar to the industry, florists--both wholesale and retail--suffer from more common complaints. Competition from the supermarkets is still a small factor but competition within the industry is getting fiercer. Since the early 1940's, wholesalers have mushroomed, particularly in the South Truckers who buy from growers and make the daily rounds of the retail shops have cut into the wholesaler's trade. Growers who find that the regular wholesaler can't get rid of his stock sell direct to the retailer.

What's more, the do-it-yourself gardener has probably hurt flower sales some. As more and more people push out into the suburbs, a huge new market is building up for plants--and this does not help the cut-flower business. Jackson & Perkins, big rose grower, for

instance, sold all its plants through wholesalers pre-war; today it sells 60% direct to the consumer.

Hope

There are some signs that give the industry leaders hope that the tide will turn. Growers are learning the efficiencies that can come from specialization. In California and Florida this trend has led to a new breed of flower middleman. These are handlers who gather from the growers the flowers of the area, ship to the wholesalers across the country.

But the awakening comes slowly. For a year and a half the Society of American Florists has tried to get the trade to pledge \$600,000 toward a \$1-million nationwide flower promotion. So far the society hasn't got the money.

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