



IS FLORICULTURE RELEVANT?... YOU BET IT IS!

Bringing the industry together is the best way to help achieve consumer awareness.

BY STAN POHMER

Understanding the Consumer: Is Floriculture Relevant? was the topic of the week at the recent Seeley Conference conducted at Cornell University, Ithaca, N.Y. This conference is an industry think tank, drawing in leaders from all aspects of our industry — breeders, growers, wholesalers, retailers from all channels, hard lines suppliers, wire services, associations and consultants — for four days to discuss and dissect a different topic each year (this was the 19th year of

the Seeley Conference). The topics always center around issues and opportunities of importance in helping to move our industry forward. Depending on the topic, the conference brings in speakers from within our industry who have specific expertise in that area to share, as well as noted experts from academia and outside the industry to lead thought- and dialogue-provoking discussions among the attendees. And, despite the speakers' credentials and pedigrees, there are no sacred cows...the challenge process is alive and well, and nothing is taken for granted or at face value!

CONSUMER RELEVANCY

The consumer relevancy topic is very appropriate for our industry, especially now, as we face more challenges for the consumers' minds, hearts and wallets from other industries' products and marketing efforts, and face profit challenges and major channel shifts in our own businesses.

Who really is our consumer, what drives their purchasing decisions, what are they really buying, and are we as an industry providing what the consumer wants to purchase and in a way that makes sense to them? These questions were the result of the recognition that, to grow our businesses profitably and maintain/increase our relevancy, we need to better understand our ultimate customer and strike a better balance between being production driven and consumer driven.

Is floriculture relevant to today's consumer? The numbers will help tell the relevancy tale...According to the U.S. Bureau of Economic Analysis (BEA), the retail value of the floriculture industry in 2003 was about \$19 billion. And using the dollar category shares from the American Floral Endowment/Ipsos-Insight Consumer Tracking Study, this 19-billion breakdown is comprised of cut flowers (\$7.3 billion), bedding/annuals (\$6.8 billion), potted flowering (\$2.3 billion), foliage

(\$1.1 billion), and silk/dried/artificial (\$1.0 billion) — about a 4.7 percent increase over 2002 but roughly 2.4 percent when inflation is factored in. Still not bad considering the 2003 economy, lack of consumer confidence and the drought/monsoons we experienced. Based on this, I'd say the consumer believes we're relevant!

Yet we have tremendous unmet and untapped opportunity that we can and should be capturing, and for many reasons we haven't realized our potential. Consider these data sets, one focusing on the floriculture product categories and the other on the retail channels. For definition purposes, "Household penetration percent" is household penetration, the percentage of the roughly 108 million U.S. households that are purchasing our products; "Amount per purchase occasion" is the average amount spent by those buyers actually purchasing our products on each shopping visit; and "Occasion per buyer" is the number of occasions these buyers purchase each year.

There are three ways we can increase consumption:

- Increase the number of people or households that purchase our products.
- Increase the frequency of purchase occasions of our existing purchasers.
- Increase the amount spent per occasion of our existing purchasers.

Based on Figure 1 (left), we have plenty of opportunity to capitalize on all three methods to increase consumption!

If we, as an industry, begin to breed, produce, sell and market to meet the real needs and expectations of what today's consumer wants to buy, might not we increase our relevancy with our current purchasers?

Figure 1. Data sets focusing on the floriculture product categories (top) and retail channels (bottom).

Category	All Floral	Cut Flowers	Bedding	Potted Flowering	Foliage	
Household penetration percent	57.6	30.3	35.1	21.9	11.8	
Amount per purchase occasion	\$16.00	\$16.50	\$16.30	\$12.40	\$12.50	
Occasion per buyer	5.8	4.2	3.4	2.4	2.2	
Channel	Supermarket	Florist	Garden Center	Warehouse Club	Home Improvement	Discounter
Household penetration percent	27.6	13.7	16.3	38	16.3	8.3
Occasion per buyer	3.7	2.6	2.5	2.5	2.6	1.8

BENEFITTING THE INDUSTRY

At the Conference, there were some excellent presentations from consumer-focused experts, academics and psychologists on the innate benefits of flowers and plants; the emotional link people have with plants and flowers; the connection with nature they provide; the satisfaction they generate; the gratification from nurturing; the aesthetics; and the absolute pleasure of being around plants. Many quantifiable examples were presented, including the SAF Productivity and Emotions studies, as well as the University of Illinois, Urbana-Champaign Human-Environment Research Lab study on the measurable human benefits and improvements of green spaces on self-esteem, social interaction, behavior modification, crime reduction and concentration (see www.herl.uiuc.edu for details). The City of Chicago described its efforts, almost a mission, to expand and

improve public green spaces and the benefits it's enjoyed from the citizenry and tourists.

And the consumer experts agreed with the academic findings that the fundamental purchase drivers of today's hectic, stressed-out, time-starved, hi-tech-addicted consumer are those that our products provide, the intrinsic benefits and pleasures of plants and flowers. Absolutely, the beauty and the quality of the plants and flowers themselves are a critical part of the decision process, but these other almost intangible drivers are equally important in our consumer's decision process.

Yet, why do we too often market our products on the merit of the lowest price? Why too often do we merchandise our products in ways that are convenient for us but don't address the needs of the consumer? And why do our signage, labels and tags not provide the information that the consumer wants to see and

receive that validates the real reasons they are buying and that will help ensure their success and satisfaction?

If we, as an industry, begin to breed, produce, sell and market to meet the real needs and expectations of what today's consumer wants to buy, might not we increase our relevancy with our current purchasers? And might not we begin to become relevant to those consumers who aren't yet purchasing our products? And with increased relevancy comes increased consumption that will benefit all of us.

LEARNING THE MISSION

The mission of the Seeley Conference isn't to reach total consensus or create an industry action plan that embraces the realizations that were reached, but rather to stimulate discussion and thought and to raise the awareness of the participants of the importance of focusing on consumer needs and expectations. Each par-

ticipant can bring these ideas back to their own company or organization to incorporate in their own individual way. And, if enough of us become apostles for what we took away from the Conference, just perhaps we can start changing the messages we send and the way consumers look at our products.

As one of the industry participants so aptly answered the question at the end of the Conference...Is floriculture relevant to today's consumer? Definitely yes...but only if we do a better job of letting them know that it is.

For more information on the Seeley Conference and to be put on the mail list for next year's Conference, please contact Bill Miller, wbm8@cornell.edu, (607) 255-1799 or Tom Weiler tcw2@cornell.com, (607) 255-2166.

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