



*Data.
New Normal.
Value Items.
Relationships.*

Contributors



Erin Esensee
H-E-B



Alice Graziani
Gelson's Markets



Jennifer Lien
The Kroger Company



Steve O'Malley
Wegman's Food Markets



Debora Steier
Albertsons Companies



Debbie Zoellick
Walmart



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Retailers on Floral: What's Changed? What's Selling? Collaboration!

It's been a very bumpy ride for floral since COVID-19 turned the world upside down, but retailers believe and data shows sales moved to the positive starting in May 2020. Though sales took a significant hit early in the pandemic, Mother's Day seemed to be the turning point, and sales trends now were positive for some key items through summer 2020.

During a recent PMA Floral Roundtable and subsequent online interviews, we asked floral retailers their thoughts on the current situation and the future of floral retail marketing. Optimistic voices noted the desire for healthier homes, celebration opportunities, and general well-being and happiness as reasons for the turn.

Here's what they had to say:

Data Speaks

PMA survey data from IRI confirms: It's been a very bumpy ride for floral, but we are on the positive side now. Though sales took a significant hit early in the pandemic, Mother's Day seems to be the turning point as sales have risen above last year's and that trend is projected to continue.

Year-over-year data shows the plunge in March and April, culminating with a low point of 45% below 2019 numbers the week of April 19. Floral sales topped 2019 sales by 4% and 3% the weeks of May 3 and May 10. Except for a couple of small dips, sales remained above 2019 through the end of June.

Changes at Retail

Consensus: We are not going back to any type of 'old' normal, and the 'new' normal will incorporate many of the changes we've seen during the initial months of the pandemic. Retailers are shifting strategies to meet new consumer demands and behaviors. COVID-19's significant impact has forced retailers to change or adjust their product lines, price points, online purchasing direction, and more.

Not just for weekends anymore. Weekend sales are picking up after a drop, but weekday sales are holding strong as well, which will affect how we look at merchandising and promotion tactics going forward. Early week delivery has become important as sales have strengthened on those days. Now it's important to have merchandise in the stores every day.

Labor needs shift. Changing shopping patterns affect labor as well. Pandemic customer shopping patterns have changed, and retailers have had to adjust in-store associate coverage for floral.

Using social media to spur purchases. Often an impulse buy, floral marketing is showing an increasing online presence. Retailers noted huge opportunities to grow demand and connect with consumers through social media.

- Top-quality images are important – suppliers may be able to help
- Highly visual media like Instagram are especially suited to floral. Merchandising stories are everything to sales when shoppers are in the store. Retailers agree they must tell their story on social media – starting with Instagram.
- Suggesting ideas through social channels can help drive both shoppers' imaginations and sales. Helping shoppers with ideas builds their confidence in using these products as at-home DIY continues to grow.
- Stay relevant, constant and consistent. Keep it fresh.

Ecommerce is here to stay. Retailers must consider how to create the impulse sale online, which will be especially important through the late-year holidays and into 2021. Some retailers' websites offer an array of custom floral designs as well as some of the most popular blooming bunches.

Delivery vehicles were not designed for floral. The shift to online purchases (especially for delivery) has caused retailers to put even more items in online systems. But delivery can be a challenge as delivery vehicles were designed with groceries in mind and don't easily allow for large-ticket items like arrangements.

Circulars are almost a thing of the past. Although retailers are still sending them out, some are seeing more sales on text deals as well as digital media deals.

What's Selling?

Consensus: Most categories are seeing growth. Value items are particularly popular. And retailers report significant growth in home decor, potted plants, foliage, and balloons.

Celebrations continue, but they are different, often smaller. People are looking for reasons to celebrate, and floral is a great fit for milestone events or everyday celebrations.

Self-care is rising. More people working from home is driving plant sales as consumers strive for a healthy and happy work environment at home. This also spurs home décor sales and bouquets. Floral does bring happiness, and shoppers want that in their home and work environment, especially when those are the same place.

Home beautification is important for stay-at-home and work-at-home shoppers.

- Sales of lawn and foliage products have exploded, and potted foliage and succulent sales have been strong.
- As we move into fall, some retailers believe lawn-type products will give way to more indoor items.
- Home décor is vital to overall floral sales, though this category is not one that every retailer offers. Textiles, baskets, candles and frames can easily be incorporated into any floral department. With other type of retailers shutting down there's been a great opportunity to capture sales in this area.

Get-in, get-out is important for many shoppers trying to minimize contact with others at the store. Grab-and-go for bouquets is important in this context.

Shopper economic considerations should figure into the product mix. Having items in lower price points is key, as are hardy items that last. Millions of consumers have lost jobs, and for some, the outlook is not rosy. But they still want beauty in their lives, and affordable floral items can fill the bill.

Fall opportunities: The next few months will present a need for fall items – all those porches will need new punches of color.

Collaboration

Consensus: Close relationships with suppliers are key.

Trends shift and industry must pay attention. Retailers agree they must pay close attention to consumer trends, which may vary by area, and share this with suppliers to develop supply-chain-wide solutions. This will be especially important moving into end-of-year holidays.

Sometimes there is very little time to react, so it's great when suppliers are ready for quick-turn requests. One retailer had the opportunity to offer a special bouquet online and the offer came on the last day. They

needed a high-resolution photo that could immediately be added to the website. The supplier got them the photo within an hour.

Working with suppliers to find ways to offer arrangements has been key to staying in front of customers for an add-on to their shopping list. Retailers are looking at packaging, shipping and many other areas to find solutions.

Retailers expect bigger-than-normal fall and Christmas indoor decorating – fall gourds and other decorative items will be big. End-of-year celebrations, from Thanksgiving to New Year's, will be smaller as group sizes will likely still be limited. So we may see a shift from some traditional, larger items to less-traditional arrangements for the home. The need for more fresh-cut or consumer bunches may rise (in fall colors, of course) so we'll need to collaborate to fill the need.