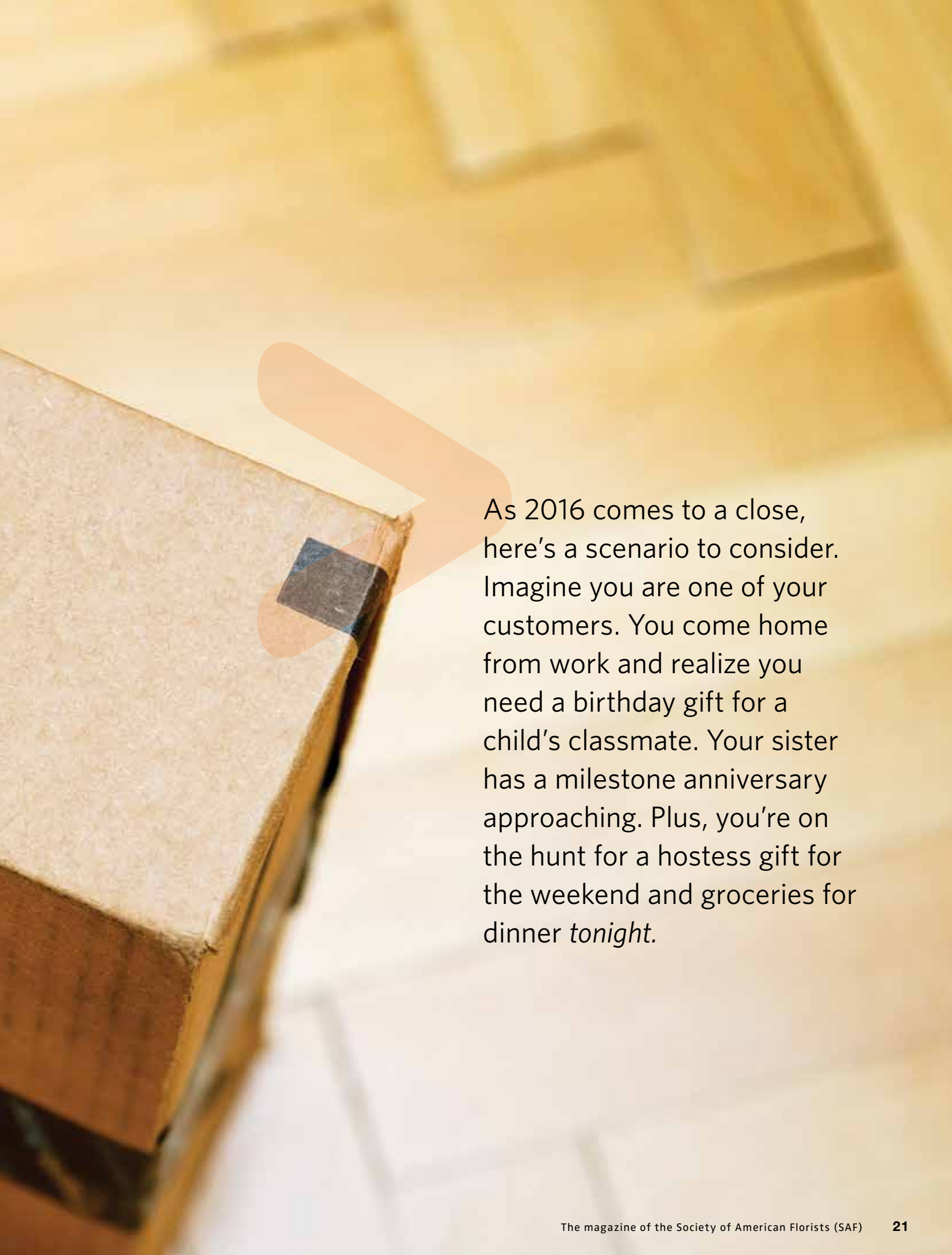


# prime time

Amazon is every retailer's  
wake-up call, and 2017 is  
the year you answer it.

BY MARY WESTBROOK



As 2016 comes to a close, here's a scenario to consider. Imagine you are one of your customers. You come home from work and realize you need a birthday gift for a child's classmate. Your sister has a milestone anniversary approaching. Plus, you're on the hunt for a hostess gift for the weekend and groceries for dinner *tonight*.

With a few clicks and swipes, you've taken care of those needs. No panicking required. You're even left with enough time to watch a movie, streamed from the platform you just used to run through your to-do list.

If you haven't guessed yet, the scenario above is made possible by Amazon, and specifically Amazon Prime, the online retailer's membership club that provides customers with free shipping and returns and easy access to goods and services from almost every sector.

In all likelihood, though, you knew exactly which company we were talking about. You're probably a Prime member. As of July 2016, Amazon had an estimated 63 million Prime members, according to Consumer Intelligence Research Partners, an increase of about 19 million over the previous 12 months. The introduction of new services has

been steady, including one- and two-hour delivery in some metro areas, a voice-activated "digital assistant" system and Dash buttons that make it even easier to order common products (e.g., laundry detergent) quickly. The innovations aren't stopping, either. Amazon is currently experimenting with drone delivery and has announced plans to open 100 "pop up" stores across the country in the next year.

If all that news isn't giving you pause, it should be, said Jim Dion, a retail expert and head of the consulting firm Dionco Inc. Last September during SAF Maui 2016, the Society of American Florists' annual convention, Dion called Amazon the "five-ton gorilla." Through its size and popularity, the company is elevating and transforming what consumers expect from all retailers, including small, local businesses. If you aren't meeting

those standards — i.e., making it easy for customers to order with their phones, making purchase suggestions based on their previous buys, giving people a reason to linger longer in your showroom — you're pushing customers straight to the competition ... and who can afford to do that?

"Customer service is the real reason sales drop," Dion said. "We all need to look in the mirror. We often think we are really good, but we're not."

Dion touched on far more than Amazon, too, pointing to trends in in-store shopping (some of them favorable for traditional florists), changes in consumer demographics and tech updates that are a gift to retailers who know how to put them to use.

Feeling overwhelmed? Don't. This month, we paired five of Dion's top insights with some of our favorite florist



## Shop While You Drop

37 percent of Americans say they shop from their beds; 26 percent shop while at work; 24 percent shop on the toilet; 15 percent have pulled out a smartphone to shop while dining at a restaurant.

Source: Jim Dion, Dionco Inc.



**STAY SOCIAL** "Social media is everything these days," Zöe Prosser Gallina told us in March, when Floral Management turned to the events pro for wedding trend advice. Through her family business, Botanica International Design and Décor Studio in Tampa, Florida, Gallina oversees 125 weddings a year, with an average floral and décor budget of \$15,000. Gallina regularly interacts with those brides through social media.

stories from the past year. Get ready to push your business forward in 2017.

## Out: Forcing customers to shop on your terms

### In: Seamless customer experiences across channels

Remember when Americans worked 9 a.m. to 5 p.m., shopped for groceries on Saturdays and diligently planned ahead for birthday, holiday and special event gifts?

We don't either. Today, many shoppers buy things on the fly, often using their smartphones to browse and purchase from really (really) intimate places. Consider the following stats that Dion shared during his presentation: 37 percent of Americans say they shop from their beds; 26 percent shop while at work; 24 percent shop on the toilet; 15 percent have pulled out a smartphone to shop while dining at a restaurant.



**APP APPEAL** Nielsen's Florist and Garden Shop in Darien, Connecticut, won Floral Management's 2016 Marketer of the Year honors after owner Sandy Nielsen Baumann and her marketing coordinator, Raya Ward, worked together on an app that includes a built-in loyalty program. The app came about after the pair held a focus group to better understand how customers shopped with the business — and what could be improved.

In other words, people shop on their terms, whenever it's convenient for them.

That shift (which will only grow more pronounced in years to come, according to Dion's predictions) means "all parts of your tech need to be working together," Dion said.

While you may think in terms of your web or mobile site and walk-in versus phone sales, your customers see each of those options as entry points to the same experience — buying flowers. Because any pain point (a mobile site that's clunky, a sales team member who has no idea what's posted on Facebook, an outdated website, etc.) can send the customer running, all of the sales platforms you have must operate together. This is the main idea behind omni-channel retailing: Customers get a seamless shopping experience whether they shop online from a desktop or mobile device, by telephone or in a brick-and-mortar.

Omni-channel is a big buzzword right now, Dion said, and for good reason. Remember, though, that the drive for a more customer-friendly experience isn't only rooted in flashy, new tech. Some national companies, including Amazon with its new storefronts, are acknowledging that customers also want to get off of their smartphones and into an actual store.

"Companies like Best Buy are adding services, like in-store pick-up for online orders — because they understand that they need to seamlessly integrate all of their channels," based on each customer's preference, Dion explained. "Sometimes people want to shop on mobile devices, sometimes they want to come in store. Online companies are recognizing that."

Dion also said he thinks the importance of omni-channel will only accelerate as mobile shopping sites and technology improve.

"Shopping on a smartphone is just four years old," he said. "We're in the infancy of this technology."

Remember, too, Dion said, that social media is here to stay and, increasingly, is one of your branding and selling platforms.

"It takes five seconds to take a nice picture with a smartphone and post to Instagram or Facebook," he said.



## All About Me

36 percent of Americans say they are interested in personalized products and services. Among people 30 and under, the demand is even higher: 43 percent of 16- to 24-year-olds and 46 percent of 25- to 30-year-olds are attracted to personalized goods and services.

Source: Deloitte



## Tech Nation

Most Floral Management readers planned to spend between \$2,500 and \$10,000 on technology in 2016, a figure that includes POS upgrades, hardware and mobile devices.

- 8 percent spent \$50,000
- 15 percent spent \$10,000 to \$49,999
- 17 percent did not purchase new tech
- 16 percent spent less than \$2,499
- 34 percent spent \$2,500 to \$9,999

Source: SAF's 2016 Readership Study, May 2016





**PARTY HERE** In-store events can help florists cash in on the idea of “slow shopping.” In Princeton, New Jersey, Georgianne Vinicombe of Monday Morning Flower and Balloon Co. has added alcohol and fun refreshments to her events to better compete against experience-based businesses that offer customers things such as “paint nite.”

**Out: Looking at your store as “only” a store**  
**In: “Slow Shopping”**

Another lesson that’s become clear in recent years, Dion said, is that “the web is great for needs,” such as diapers and ink cartridges, and “less great for wants,” including affordable luxuries such as flowers for both gift and self purchases.

“When we look at understanding and supplying customers’ wants, that is where brick-and-mortars can compete,” he said. “Explaining to a customer how your flowers and business are different from what they get [from online companies] is important.”

Many customers, particularly millennials, want to have an experience when they shop offline, which is why so many companies are experimenting with “category convergence,” Dion said (e.g., a clothing boutique with an on-site restaurant or café).



**LOOK AND LINGER** The team at Palmer Flowers in Fort Collins, Colorado, starts planning for their Christmas open house in January. The event draws about 2,000 people. Employees work for months on the year’s stylized vignettes, which they start putting up in July. “It has to be a spectacle,” said owner Tim Jordan. That idea plays into a larger theme Jim Dion has presented — the rise of “slow shopping,” for customers who want to take their time and browse.



"[As retailers], we spent years and years building silos," Dion explained "'This is a shoe store. This is a flower shop.' Even in department stores, each department was defined."

Those categories, however, are falling away, said Dion, who points to examples such as a new Restoration Hardware in downtown Chicago that includes a restaurant headed by a celebrity chef, a wine bar and an art gallery.

The additions aren't simple niceties or public relations moves intended to grab headlines. They help slow customers down and turn shopping back into that experience, a lesson that retailers of all sizes (not just those who can hire a famous chef) can learn from, Dion said.

"You want to slow people down and give them eye candy," he said. "Tempt them" with dynamic visuals and new merchandising.

A caveat from Dion: The wants/needs distinction between online and in-person shopping is a fluid one. Be sure your website has high-quality images and descriptive language, for online shoppers who are looking for an emotional connection ("wants"), not a commodity, and have a clear "grab and go" selection for time-pressed customers who come to your store for more practical purposes ("needs").

## Out: Outdated customer service policies

### In: Consistent, "pain-free" shopping experiences

When Amazon Prime customers aren't happy with a purchase, they send it back, often with free shipping, no questions asked. If a Prime member gets the urge to shop for shoes at 3 a.m., she can do so from her phone. And in some metro areas, Amazon now offers delivery in as little as an hour on select goods.

Feeling nervous? You should be, said Dion.

"When I mention Amazon, retailers should tremble," he said. "These guys are becoming stronger — 63 percent of millennials are Prime members, and the average Prime member is spending \$1,100 a year on Amazon purchases."



**FAMILY TIME** In Phoenix, Arizona, Tony Medlock, AAF, AIFD, PFCI, of Pj's Flowers & Events held a "Daddy Daughter Valentine's Day experience," a three-hour in-store event that drew a crowd of several hundred. Medlock planned the event last year to ward off the ominous predictions for a Sunday holiday situated on a long weekend. At the event, Medlock collected email addresses and made subtle pitches for future business, including the daughters' (still far-off) weddings.



**CONSISTENCY AT KING** At King Florist in Austin, the team has worked hard to deliver consistent, high levels of service. Detailed protocols routinely updated and shared with staff help make that possible, according to Lynsey Reece, the manager, and Benoit Ballon, the owner.

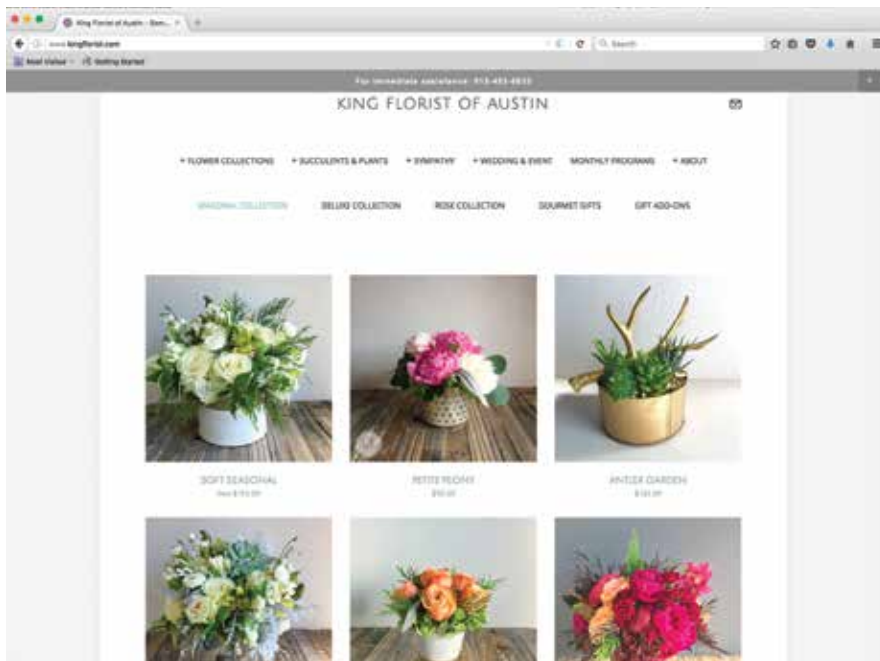
The takeaway for smaller retailers isn't that Amazon is unbeatable, but that the company has made customer service expectations "horizontal," Dion said. In terms of service, "your customers aren't comparing you to another flower shop," he said. "You are being compared to every experience a customer has in their normal day."

That's why it's more important than ever to focus on "pain points," anything that frustrates or deters customers in the buying process across channels.

"Find out what the customer doesn't like and fix it," Dion said. "Study your customers. Know who they are and what their expectations are. There is huge opportunity here."

Here again, consistency is often king. In Austin, King Florist, for example, has a detailed written protocol for phone orders. That document outlines common questions and how to answer them and handle complaints.

"When a customer calls us to place an order, the only thing they 'get' from us is that conversation," said Lynsey Reece, the shop's manager. Phone sales make up about 75 percent of sales. "That's where their experience starts and ends. So it's important to us that they hear a consistent voice and message."



**TOTALLY UNIQUE** At King Florist in Austin, the shop uses its website to highlight its stylized designs (not a stock photo in sight). A distinct look and feel (online and in-store) can help you stand out with customers who share the same aesthetic. And that group is significant: According to the consulting firm Deloitte, 36 percent of Americans say they are interested in personalized products and services.

And keep an eye on what national companies are doing, because the services they offer will soon affect you. (In addition to Amazon, Dion points to companies such as Zara, with its customer-friendly service policies; Bass Pro Shops, which turn ordinary shopping days into adventures; and Warby Parker and Tom Shoes, which allow customers to feel charitable every time they make a purchase. Read more about national companies Dion takes note of often at [safnow.org/moreonline](http://safnow.org/moreonline).)

"You are being compared to wherever your customer goes every day," he said.

### Out: Generic pitches In: Personalized sells

Smartphones and online shopping have ushered in a world of shopping that includes geo-tracking and targeted ads (the ads for a pair of boots you eyed Sunday night on Zappos that appear in your Facebook News Feed Monday morning). The technology has become so commonplace that many customers now take it for granted; they notice service that *isn't* perfectly tailored to them.

Likewise, almost every e-commerce site offers customers additional options based on their browsing or purchase history ("Customers who like xx also like

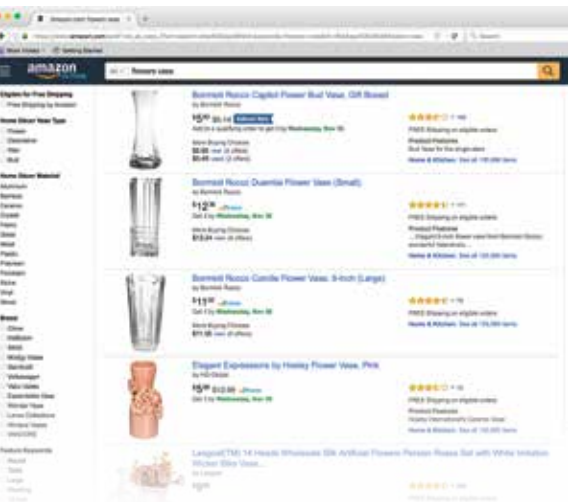
yy"; "Customers who looked at xx ended up buying yy").

Companies now "collect as much information on customers as they can: how much they spend, where they spend it, what time of day they shop," and much more, Dion said.

The challenge isn't collecting data — even small shops have access to tracking data through their POS systems — but using it to serve customers more effectively.

Doing so may require sales training, according to Tim Huckabee of FloralStrategies LLC, who has walked into stores and seen Post-It notes with routine information that's easily accessible in a POS *if* a team member has been trained to use that system properly. At SAF's 1-Day Profit Blast educational events in cities across the country this year, Huckabee also advocated for some decidedly low-tech (but highly effective) approaches to gathering information to improve sales: Always ask for the card message before making purchase recommendations. Once you know the occasion, and the significance of the event, you'll be in a better position to serve the customer.

The bottom line? Customers expect personalization now. In fact, according to the consulting firm Deloitte, 36 percent of



**YOU MIGHT LIKE** Amazon customers have grown accustomed to getting personalized product recommendations based on their shopping history, according to Jim Dion. ("Customers who bought this item also bought...") As a result, many customers see that kind of service as the default, whether they are patronizing a major retailer or small business, online or in-store.



The challenge isn't collecting data — even small shops have access to tracking data through their POS systems — but using it to serve customers more effectively.

Americans say they are interested in personalized products and services. Among people 30 and under, the demand is even higher: 43 percent of 16- to 24-year-olds and 46 percent of 25- to 30-year-olds are attracted to personalized good and services. Businesses that use technology — and “old-fashioned” sales training — to make a customer feel unique, and uniquely served, are in the best position to attract and keep loyal customers.

**Out: Overwhelmed customers  
In: Curated collections**

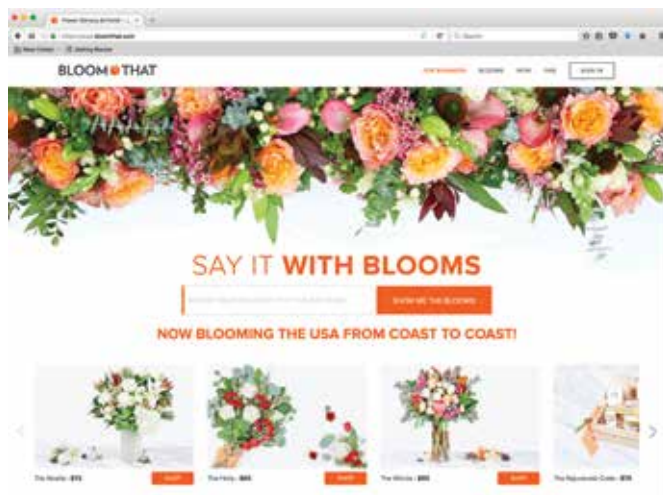
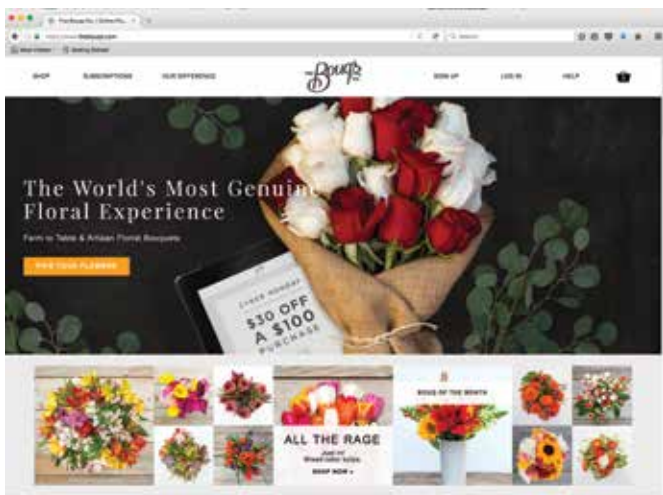
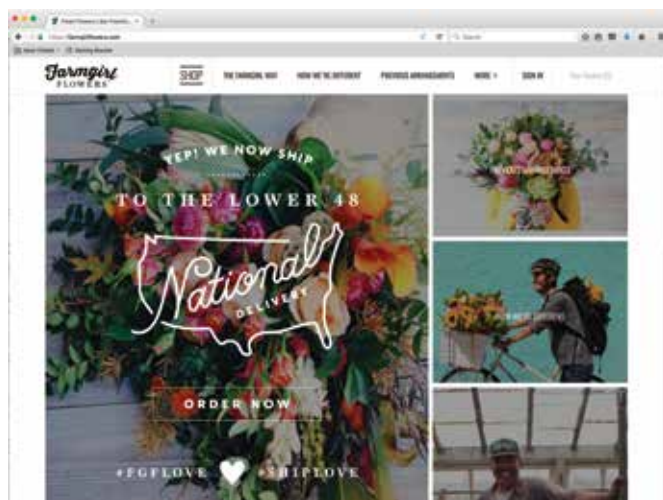
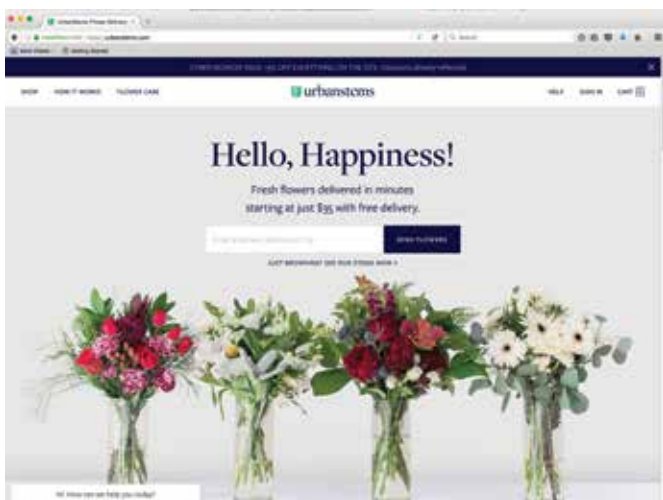
In the past, retailers, including florists, have loaded their websites with dozens, sometimes hundreds, of choices, thinking that approach was the best way to send the message that the business could handle any (and every) need. As a

result, customers are now “bombed with options” for every purchasing decision, from laundry detergent to vehicles, Dion said.

The problem? Giving people so many options actually works against the human brain.

“When consumers are given a website with 400 to 500 choices, they won't make a choice,” Dion said. “A human can keep five choices in their head at any given time.”

The solution, according to Dion, is to try to limit choices across channels, so that you're only presenting customers with a handful of options. Even better, tailor those options so that they speak to the customer's specific motivation (need vs. want) and past purchase behavior.



**SHOP EASY** The start-up companies Floral Management covered in September 2016, including The Bouqs, BloomThat, UrbanStems and Farmgirl Flowers, have varied business models but all of them featured a tightly edited collection of flowers and floral designs — the better to appeal to time-crunched young professionals who want to point, click and buy.





**POWER COUPLE** “The difference between someone who just ‘works there’ and someone who feels a part of the mission and goals is huge and makes a vital distinction in a company that sees itself as a brand, rather than just a flower shop that sells flowers,” said Raya Ward (right), the marketing coordinator of Nielsen’s Florist and Garden Shop in Darien, Connecticut, pictured with owner Sandy Nielsen Baumann.



**RISING TIDE** Benoit Ballon (second from right) and his team at King Florist in Austin: Ron Navarette, Cami Gray, Rose Kleefman, Lynsey Reece and Anna Nygaard. Since purchasing the business a decade ago, Ballon has seen sales and transactions rise, feats he credits to a team that’s fully engaged in the business. “I always try to say yes to new ideas,” Ballon told *Floral Management* last spring.

**Out: Clock-in, Clock-out employees**  
**In: Empowered team members**

If you’re reading this story in your back office without any intention of passing it along, you’re missing an opportunity, said Dion, who said empowered staff members are engaged staff members.

“Staff need skin in the game,” he explained.

At King Florist, Benoit Ballon said he likes to start from a position of “why not?” instead of “no.”

“I always try to say yes to new ideas,” Ballon said. “If they don’t work out, OK. We move on. If you don’t try something new, you don’t go anywhere.”

Ballon’s openness has translated into an environment where employees feel comfortable sharing ideas ... and those ideas have led to real promotions and

changes, including wrapped bouquets that appeal to DIY brides and an expedited delivery service that now accounts for about 25 to 30 percent of all shop deliveries.

“A big part of being such a great team is that we all get to bring these ideas,” Reece said. “We may throw out 20 ideas; maybe one good one gets picked up. But at least we are thinking in the direction of growth and profit. We are all here, Benoit included, as part of the team.”

That’s a position Raya Ward, of Nielsen’s Florist and Garden Shop in Darien, Connecticut, agrees with. Ward worked with her boss, Sandy Nielsen Baumann, to create an app with a built-in loyalty program — an initiative that won the business *Floral Management*’s 2016 Marketer of the Year honors.

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## Go Deeper

In the past 12 months, Floral Management has gone into detail on many of the topics broached this month (and much more). Some stories that you might want to revisit before the New Year include:

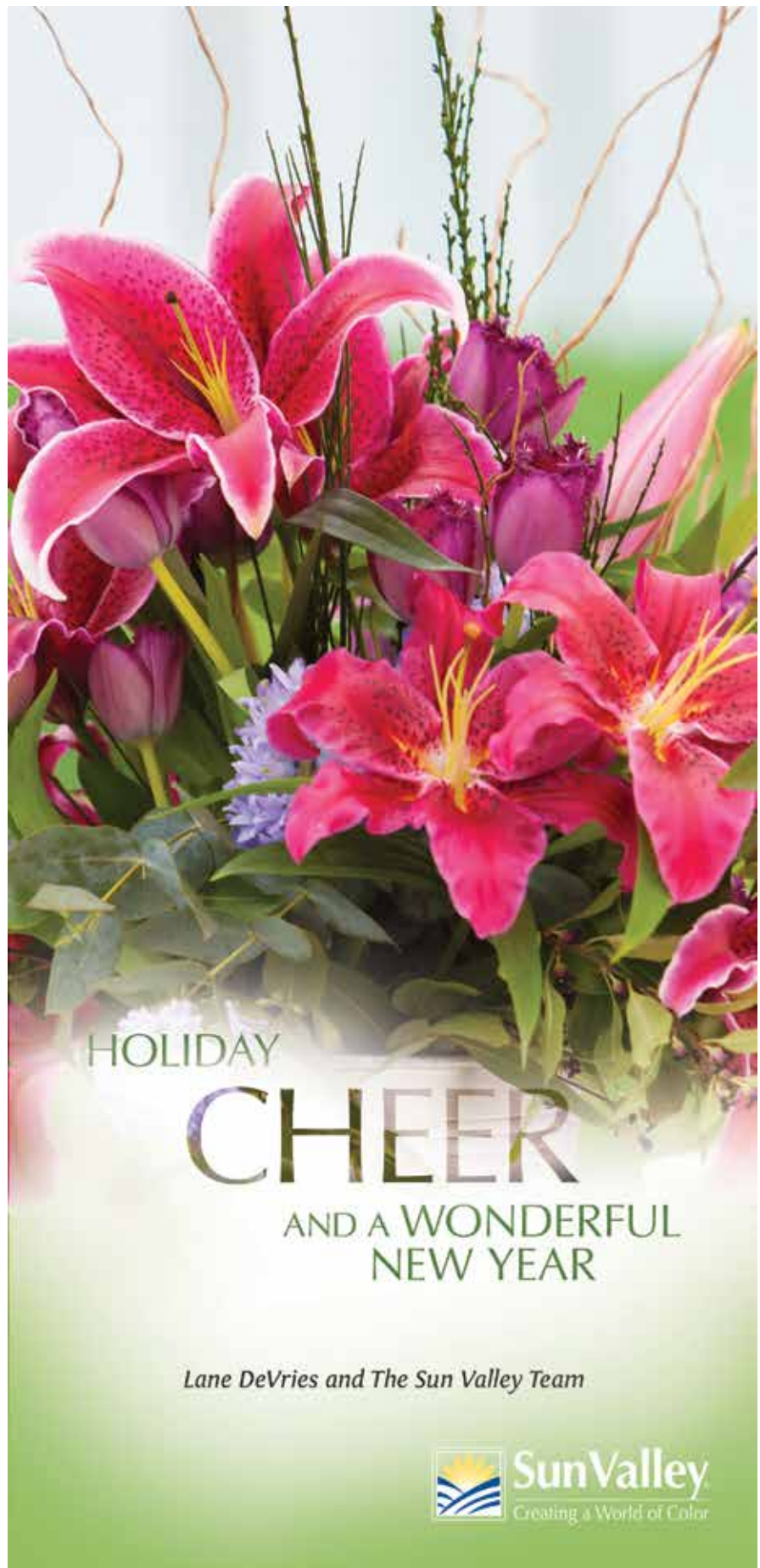
- A step-by-step guide from former SAF CIO Renato Sogueco on how to improve your online ad campaigns.
- The secret to creating an in-store app, directly from the winners of our 2016 Floral Management Marketer of the Year winners.
- Tips on how to create a positive, productive workplace — and how managers can transform their own attitudes.
- Detailed info on findings from SAF's Generations of Flowers Study.

Go to [safnow.org/moreonline](http://safnow.org/moreonline) to access these articles, or click on them directly in the digital edition, [safnow.org/floralmanagement](http://safnow.org/floralmanagement).

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"I think the difference between someone who just 'works there' and someone who feels a part of the mission and goals is huge and makes a vital distinction in a company that sees itself as a brand, rather than just a flower shop that sells flowers," said Ward, the shop's marketing coordinator. "When the company has a clear voice and a clear goal, it gives the employees something to work towards and encourages open lines of communication between staff and management." 🌸

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HOLIDAY  
**CHEER**  
AND A WONDERFUL  
NEW YEAR

*Lane DeVries and The Sun Valley Team*



**Sun Valley**  
Creating a World of Color