

MARKETER OF THE YEAR
Under \$1 Million in Sales

NEWCOMER STRIKES GOLD



BY MICHAEL BALDWIN

IF YOU THINK A TOP-NOTCH MARKETING PLAN TAKES TONS OF MONEY, FLORAL MANAGEMENT'S MARKETER OF THE YEAR MARY J. LORE HAS SOMETHING TO TELL YOU. HERE'S HOW SHE DAZZLES THE PRESS, CODDLES CUSTOMERS AND MAKES THE MOST OUT OF A MINIMAL MARKETING BUDGET.

Mary J. Lore is the pared-down, 90s version of the aggressive, type-A businesswoman who fought her way up the corporate ladder in the 80s. For Lore, president of McFarland Florist & Greenhouse, Inc., outside of Detroit, rigid lines of authority are out. Instead, she favors broad-based decision-making involving all of her staff. Expensive and extravagant advertising campaigns won't be found in Lore's shop, where carefully cultivated press contacts generate generous local publicity. And new customers aren't captured by overly ambitious expansions — new corporate customers are wooed by direct mail campaigns produced in-house and current patrons are surveyed to find out what they really want from their florist.

"To succeed in this business it's absolutely necessary that you listen carefully to your customers and anticipate what they want," says Lore, who bought McFarland two years ago, "and you have to really kill the market by becoming *the* florist in your community."

What has this strategy meant for McFarland? In two years Lore has strengthened sales by a whopping 62 percent to \$365,000, pushed the average sale from \$25 to \$40, doubled market share by boosting her customer base from 1,100 to 5,000 — and won *Floral Management's* Marketer of the Year Contest.

"I knew that we were accomplishing a lot here, but I wanted to test that by entering the Marketer of the Year Contest," says Lore. "Having peers validate my efforts and being recognized by the industry is a tremendous morale boost for the entire staff."

Accomplishments aren't anything new to Lore. After all, she did graduate first in her class from the University of Michigan-Dearborn. In fact, running McFarland is her night job. She spends 50 - 60 hours per week as a financial analyst specializing in turning around troubled businesses, then puts in another 40 hours at her shop.

"I have always wanted to own my own company, but had never put my love for flowers and gardening together with my drive to own a business," she says. "Then I saw this shop for sale and had a wild heartbeat and knew that this was it."

What she bought was a business in slow decline — sales had been flat for years and profits had recently begun to slip. "And I knew that new ownership typically causes sales to drop 10 percent in the first year, so I knew I had to turn the business around fast," she says.

When doing routine due-diligence research before finalizing the sale, Lore saw her opening. There wasn't a shop considered the "premier" florist in the area — even local designers couldn't name the "best" shop.

With this in mind, Lore set out to make a name for McFarland. "I set my sights on the goal of making this shop the best around," she says. "This was our shot and we went for it." Lore devised a four-pronged strategy:

- Maintain McFarland's established customer base through continuous communication.

- Expand the customer base by improving McFarland's overall image.

- Increase the amount of the average sale.

- Capture commercial accounts.

"None of these ideas are new or ground-breaking, they're just solid marketing," says Lore. "It doesn't take a college degree or a background in finance, it just takes listening to your customers and responding to what they tell you — just like any other business, from a dry cleaners to McDonald's."

She also notes that one of the great things about the floral industry is the wealth of information available. "There are great classes that are offered very inexpensively by local, state and national floral associations and wire services — and they match anything I've experienced in the corporate world," says Lore. "And you also have products from SAF's American Floral Marketing Council, like their *Local Marketing Manual*, that just have lots and lots of information right at hand."

THE PLAN OF ATTACK

Goal: Maintain the established customer base.

Strategy Used: Forge a link between McFarland and customers with an introductory letter, a flower buying survey, a follow-up thank you letter and direct mailings throughout the year.

Amount Invested: \$1,100

Results: Sales in the two months after the introductory campaign increased by 20 percent.

To introduce new management and regain contact with a customer base that hadn't been marketed to in years, Lore immediately executed a direct mail campaign. "We obtained every invoice and charge slip generated in 1991 and started a simple database on our computer," says Lore. "The initial letters went out to this group of 1,100 people."

Besides re-introducing the shop, the main purpose of the letter was to entice the current customers to explain what they wanted from McFarland via an attached survey. To sweeten the deal, Lore promised a 10 percent discount on the next floral purchase if the survey was returned promptly — and included a postage-paid return envelope. Both the letter and the survey were written and produced on a basic in-house computer and printed inexpensively at a local print shop.

"In order to become the florist and greenhouse in the area, I first had to know what people wanted, expected and bought from their florist," says Lore, "so the survey was very important for getting in their heads." The survey covered basic demographics (age, sex, address), annual flower and plant buying habits, locations where flowers are usually purchased, preferred payment and ordering methods, reasons customers

WHAT MAKES A MARKETER OF THE YEAR?

Floral Management launched the Marketer of the Year Award this year with the hopes of drawing attention to some of the industry's outstanding marketing efforts — and inspiring the rest of the industry with their ideas. We invited retailers, wholesalers and growers to take part, luring them with the prospect of a \$2,500 cash prize, sponsored this year by Design Master color tool, Inc. All entries are divided into one of two categories — above \$1 million in gross sales and below \$1 million in gross sales — and the winner in each receives a \$2,500 award.

THE CRITERIA

What constitutes an outstanding marketing effort? The judges were charged with reviewing the entries and rating each entrant in the following five categories: **Effectiveness of Campaign, Originality, Use of Available Resources, Professionalism, Overall Excellence.**

THE JUDGES

We knew that only experienced marketers with a track record of success could make such judgements. So we chose a panel of seasoned professionals from within and outside of the floral industry:

Paul Bachman, retailer, vice president of merchandising at Bachman's in Minneapolis;

JoLynn Gustin, retailer, owner of Jones the Florist in Cincinnati; **Walter A. Rojahn, Jr., AAF**, wholesaler, Rojahn & Malaney Company in Milwaukee; **Norman T. White**, grower, White's Nursery & Greenhouses, Inc., Chesapeake, Va.;

William T. Ross, Jr., previously a professor in the marketing department at the Wharton School of Business and currently an assistant professor with the marketing department at Temple University; **Steve Dahloff**, vice president of marketing with Ogilvy Adams & Rinehart, the agency that handles the American Floral Marketing Council's (AFMC) national consumer publications campaign.

GIVE IT A TRY NEXT YEAR

Think you may have the marketing savvy it takes to be Marketer of the Year? Keep an eye out for next year's contest — we'll be ready to send out entry forms in January, with a May 31 deadline.

pick a florist and why they buy flowers. In addition, three open-ended questions were also included, asking why the customer likes McFarland, reasons they would buy from McFarland more often and what types of new products and services should be added.

To encourage response, a follow-up postcard was sent to customers who didn't immediately return the survey. Those who did return the survey received a thank you letter promoting upcoming holidays, announcing the grand opening of the garden center and delivering on the promised discount coupon. Respondents whose suggestions were implemented received a personalized thank you letter. Overall, almost 20 percent of all customers responded to the survey — an impressive showing for a direct mail campaign.

"I think our customers responded so well because a lot of input was given

from the existing staff — they're the ones who talk to and see them every day," says Lore. "The survey wasn't a self-serving promotional tool. It was obvious that we really did want to know how to serve them better."

Goal: *Improve Overall Store Image*

Strategy Used: Upgrade interior and exterior of store, including new corporate colors, logos and uniforms; produce press releases and cultivate press contacts that generate extensive local press coverage; train the staff to provide absolutely reliable service and quality product and increase repeat business and referrals.

Amount Invested: Physical image, \$7,000; press contacts, \$1,600; staff training, \$6,000.

Results: Physical store overhaul increased in-store business from 20 to 48

percent; dozens local television, radio and press news stories focusing on holidays and product offerings positioning McFarland as the experts in field; sales from May through December 1993 increased 24 percent over previous year.

PHYSICAL OVERHAUL: Since McFarland is located on a well-travelled road used mainly by commuters, it was vital that it spruce-up its physical image — and get that new image into the local media, says Lore. "This was the first step to expanding the customer base — and ultimately landing the lucrative corporate accounts," says Lore. "We had to look like a winner."

The first step was to pick corporate colors and incorporating them into the stationery, literature, business cards, logo, product packaging, etc. The building was also repainted in the new colors and new coordinating signs were purchased — including a zip change sign

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announcing specials to all drive-by traffic. Employees were also given aprons, T-shirts and sweatshirts with the logo and colors.

The outside painting, signs, printing and clothing were all purchased from outside sources. The store interior was painted by employees and all written materials were produced internally on a computer and laser printer and reproduced inexpensively at a local print shop.

"I think the amount we spent to completely revitalize the physical look of the business was money well spent," says Lore. "It completely changed the look of McFarland, making us seem much more professional and modern." After the physical overhaul, walk-in business more than doubled, she says.

IMAGE OVERHAUL: Press releases were the backbone of McFarland's efforts to bolster its image in the media (once again, written and produced in-house). Not only were

releases sent to local newspapers, magazines and television and radio stations, but the press contacts were also added to the customer mailing list so they were aware of McFarland's unique offerings.

"The struggle is to set yourself apart from the rest of the releases that regularly flow across the reporter's desk," says Lore, "and we took that one step further still by attending local 'Meet the Press' functions and deliberately seeking out the press. Our effort was anything but passive."

Stories that the press picked up include:

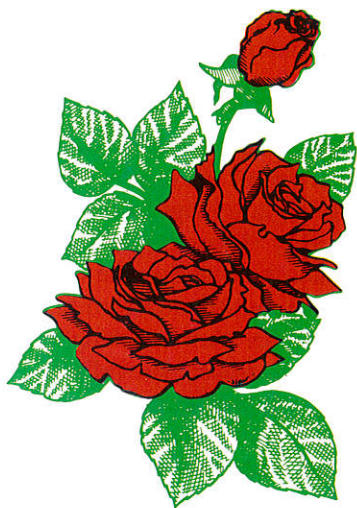
■ **Holiday tie-ins:** Editors of lifestyle sections and programs were enticed with press releases on floral holidays — such as Secretaries' Day — complete with statistics on the number of secretaries in the country (for the news hook) and product McFarland sells that is perfect for the occasion. The December holidays prompted a release

on arranging holiday greens, dispelling the myth of poinsettia toxicity and care and handling tips.

■ **Special Promotions:** Children's programs held by McFarland to draw youngsters into the store — such as bulb planting classes and pumpkin painting days — also drew a lot of press attention. Lesson: Never underestimate the media's attraction to a photo of a cute kid.

■ **Selling Mary:** One of McFarland's biggest press draws is Lore, who pushes the story of her involvement with McFarland with a vengeance. Her struggle to rebuild a slumping business caught the attention of many editors.

Besides dozens of press clippings, McFarland has made the news on local television stations more than ten times. Each segment ran three to five minutes and featured McFarland products. Local radio stations also bit into McFarland's



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bait three times, totaling almost 20 minutes of free air time.

The total cost for all this free coverage? Printing and mailing the press releases cost about \$150, but schmoozing with the press at local functions cost another \$1,400 (for registration fees, etc.). All in all, not a bad investment for volumes of press coverage.

STAFF OVERHAUL: To properly execute the above campaigns, Lore says it was necessary to equip the staff with the tools they needed to promote the new image. This means that regular staff meetings were implemented, employees were taught to be on the lookout for ways to improve the corporate image, customer service magazines and videos were purchased and reviewed and staff members attended seminars on customer service, image building and marketing.

Goal: Increase Amount of Average Sale.

Strategy Used: Direct mail campaign; increase product and service offerings.

Amount Invested: Each mailing cost 22 cents per customer, including printing and bulk postage. Annual mailing costs increased from \$1,500 to \$6,600 as the customer list grew.

Results: Average sale has increased 63 percent, from \$25 to \$40.

A sure way to increase profitability is to boost the amount of the average sale — and direct mail is one of the best ways to get your current customers to spend more, says Lore. McFarland initiated a direct mail campaign to inform customers six times per year of seasonal products and services available. But for this type of promotion to work you also have to offer something new, she says. Theme arrangements and dish gardens, gourmet gift baskets and balloon arrangements fit the bill.

"We try to be as creative as possible with our specials," says Lore. "For instance, we advertise that for every house plant — dead or alive — you bring in, you'll receive 20 percent off a replacement plant."

A product line is developed for each holiday. One-page self-mailing flyers are designed in-house using simple line art

"The point is to make giving our products the easiest and most convenient choice they can make."

and light-hearted product descriptions on colorful paper. In addition, seasonal tips are given about flowers and plants that are tied into special store promotions. The pieces are addressed with labels printed from the database and mailed bulk. Typical flyers include:

■ **Father's Day** — promotes the "Golf Bag Bouquet;" gives tip about marigolds warding off garden bugs, including a tie-in to sales of flats; suggests summer arrangements.

■ **Fall Garage Sale** — designed to pull in business during slow September, this flyer features many gifts priced under five dollars — including holiday-related specials.

■ **Thanksgiving Thanks** — plays off the theme of the holiday by sending a letter instead of a flyer. Lore thanks customers for their support throughout the year and then launches into descriptions of upcoming holiday specials.

To keep the staff up-to-date on seasonal specials, they are reviewed during weekly staff meetings. The staff is also provided with "cheat sheets" to help them sell specials over the phone.

Goal: Increase the Commercial Customer Base.

Strategy Used: Develop a corporate brochure, introduce "Special Occasion Reminder" program, network and participate in local business trade shows.

Amount Invested: Brochures cost just over two dollars each to print and mail. Trade shows cost between \$75 and \$500. However, the less expensive shows generally pay for themselves through on-site sales. Participation in the more expensive shows is usually arranged through product trade.

Results: Corporate holiday business increased 550 percent, 30 percent and 25 percent for Professional Secretaries' Week, the December holidays and

Bosses Week, respectively, between 1992 and 1993.

Corporate accounts were relatively virgin territory for McFarland — and ripe for increasing business. "We generally use the same direct mail approach for increasing corporate accounts as we used for increasing our per sale amount," says Lore. "We just customized the brochure a little differently for the corporate accounts." Specials focus on gift-giving for business reasons, instead of strictly for holidays.

Because Lore believes that it is important for businesses to meet and know the people they are going to do business with, McFarland staff joined a number of local organizations. "But it's not even enough for them to know our faces, they also have to see our product," says Lore, "so we also show them our quality and uniqueness by participating in business trade shows and displaying arrangements suitable for business gift-giving."

Special occasion reminder forms are also given to local businesses to make ordering gifts for clients easier. The forms are easily copied and provide space for itemizing dates, flower preferences and contact names. "The point is to make giving our products the easiest and most convenient choice they can make," says Lore.

WHAT'S NEXT FOR MCFARLAND?

"Now you don't want me to give away all my secrets, do you?" says Lore when pressed for her future plans for McFarland. After insisting that she can't divulge any more information, the inevitable leaks out. "We are looking for some satellite locations," she admits, "and are always working to integrate our marketing efforts even more tightly."

Will these stores be like the original McFarland? She won't say. She'll only admit that the trends this consummate 90s businesswoman is focusing on are "environment and convenience, that's what's going to sell and that's who's going to sell." Anyone taking notes? ■

Michael Baldwin is the senior editor of *Floral Management*.

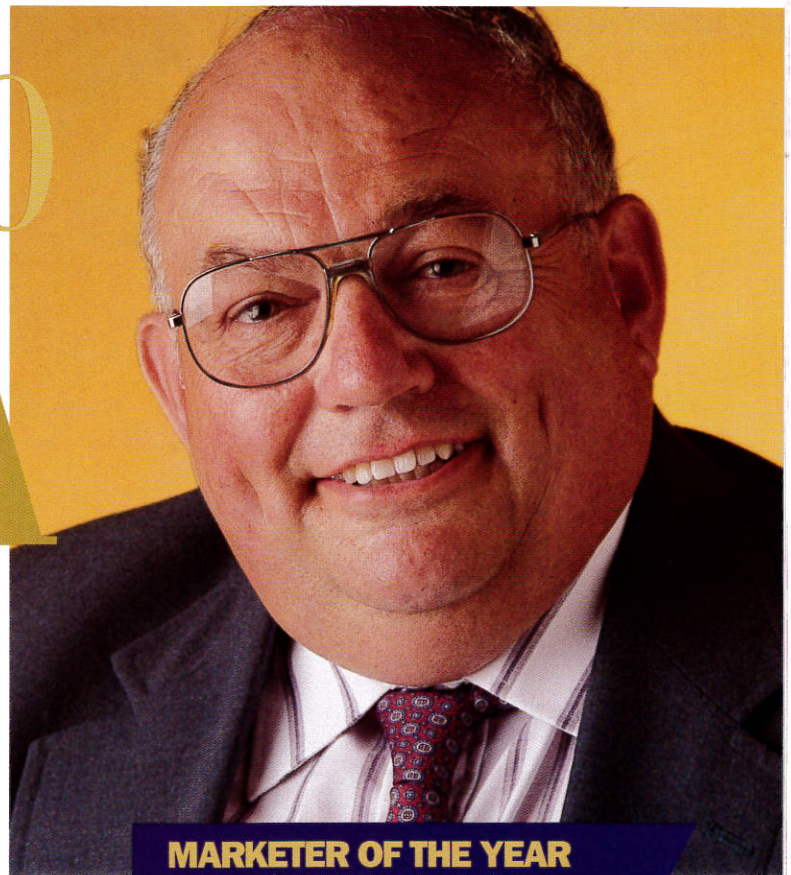
THE \$500,000 IDEA

BY MICHAEL BALDWIN

SOMETIMES IT ONLY TAKES ONE STELLAR MARKETING

IDEA TO TURN YOUR BUSINESS AROUND. **FLORAL MAN-**

AGEMENT'S MARKETER OF THE YEAR TOM AYKENS, AAF, LATCHED



MARKETER OF THE YEAR
Over \$1 Million in Sales

ONTO A SIMPLE BUT SMART JOINT VENTURE WITH HIS LOCAL PAPER AND RODE IT ALL THE WAY TO THE BANK.

Tom Aykens, AAF, knew a blockbuster idea when he heard it. It had all the elements of an ideal marketing campaign: it would get his name before 74,000 local residents right before the December holidays; be perfectly positioned so nobody would think it was a sales ploy and it would only cost him 40 cents for every person it drew into his four shops in Appleton, Wis. No money would be wasted on sending a blizzard of direct mail that only draws a few paying customers. Over 20,000 potential customers would get their hands on a sample of his top-quality product. Even the boys and girls who deliver the local paper would benefit from the promotion. In a nutshell, here's how it works:

The Campaign: The local paper, *The Post-Crescent*, prints a thank you card from its paper carriers to be inserted into the paper. The cards invite 74,000 readers to

come to any of Aykens' Memorial Florists locations to pick up a free rose — courtesy of their paper carrier.

The Cost: Memorial Florists simply has to supply the roses. At 30 cents per stem, plus 10 cents for wrapping, Aykens spends only 40 cents to get a potential customer in one of his stores.

The Result: Over 20,000 people stopped into the stores at the beginning of the lucrative December holiday season to pick up their free rose — and many of them bought additional product. In fact, December holiday business has increased 27 percent in the two years Aykens' has been participating in the promotion.

"What really makes this promotion work is that everybody wins — especially me, since it made me *Floral Management's* Marketer of the Year," chuckles Aykens. "I roughly figure that we'll get \$500,000 in extra business over the lifetime of this idea — and all we have to do is have extra roses on hand. The paper prints and distributes

the thank-you cards and gets tons of goodwill from their readers. The readers are pleased because they feel their business is appreciated — and they get a free rose. And the paper carriers get their fair share of thanks with whopping tips from their customers."

THE BIRTH

The idea's genesis came from a dynamic working relationship between Aykens and Mary Catterton, owner of The Ad Works, Inc., Memorial's ad agency. Over the last 15 years Catterton had developed an intuitive sense of what type of marketing worked best for Memorial. In addition, Aykens had come to trust Catterton's judgement. "I really see her as our in-house marketing expert," says Aykens.

Catterton's son was a paper carrier and when he injured himself, she helped out by inserting a note into his customers' papers explaining the situation. "Inserts are nothing new," she says, "but slowly the idea of a partner-

ship with the paper, paper carriers and a local business came together. The first client she approached with the idea "just didn't get it," she says. "Tom saw the value immediately, and the rest is history."

Like many free-standing florists, Memorial must compete with a regional mall that draws shoppers from 50 miles around, which is especially tough during the holidays. "This promotion was aimed at letting us tap into a larger market than we usually do," says Aykens. "We were going for regional customers as well as local."

In addition, the promotion helps develop loyal repeat business from customers — not just one-shot deals. "We're looking for customers who value our products and services and are willing to pay for quality," he says. The rose giveaway fit into this strategy by focusing on long-term benefits, not just quick sales. "We were never interested in a promotion that would just give our sales a temporary boost," says Aykens. "We want our marketing to develop a longer-term relationship with our customers."

THE PITCH

Catterton and Aykens went directly to the paper with their idea — presenting it as a win-win prospect for every party involved.

1. The Post-Crescent: As the only paper in town, *The Post-Crescent* struggled for years with the impression that it is big and indifferent. The key was stressing to the paper that this promotion will be perceived by its 74,000 readers as a great gift, says Aykens. "It was a way for the paper to give readers a warm and fuzzy feeling."

The paper would only be responsible for printing the thank-you cards designed by The Ad Works and delivering them to its carriers. What would be prohibitively expensive for a small business is virtually cost-free for a newspaper. "Who better to print and distribute something than a newspaper," asks Aykens. In return, the paper gives its readers a gift that has a perceived value of four or five dollars — and actually costs the paper nothing. In addition, some of the paper's carriers would distribute roses in Aykens' stores. The paper quickly came aboard.

2. Memorial Florists: The goal for Memorial was to get its name and a sample of its quality into as many hands as possible during a key time of the year. "We were having business taken away by many malls and mass merchandisers in the area," says Aykens. "But we knew if we could just get people to try us once that they would see our value is far and beyond the price we charge."

"There was no way that Memorial could afford to send a direct-mail piece or a newspaper insert all by itself," he says, "but we could afford to give out free roses." He figures the cost of the rose and wrapping would roughly equal what it would cost to send out each piece of direct mail. "But by approaching it this way we're only spending the 30 or 40 cents on people who actually come into the shop — it makes a big difference."

When the idea was pitched to the paper, Aykens made a deliberate choice to keep Memorial's involvement in the background. "We wanted to position this as a gift from the paper and the carriers — we didn't want to be seen as giving the product away." When readers came in to the store to claim their rose and asked if the paper was actually paying for them, Aykens instructed his employees to assure them that it was. "This was the softest of the soft-sells," says Aykens. "We weren't seen as selling anything at all — although we were selling like mad."

3. Paper Carriers: For the young kids with bikes, wagons and carts who brave the harsh Wisconsin weather and often cranky customers with little appreciation, their reward was cold, hard cash. Since they signed the card, the customers rewarded many of them with larger than average holiday tips — and maybe a little more forgiveness when they sleep in on Saturdays.

"And when they helped distribute the roses, they were really fascinated by what went on behind the scenes of a flower shop," says Aykens. "Not only did this benefit them, but I think it also helps us develop the interest of young customers, too."

4. The Customers: "What could be better than being given a free rose," asks Aykens. Many of *The Post-Crescent's* customers were truly touched by this ges-

ture when they came in to pick up their prize, he says.

THE SET-UP

Although the roses are only distributed for two weeks (to be extended this year to three) the preparation starts far before. Here's a rough breakdown:

July: The design of the thank-you card is finalized by The Ad Works. After approval by Memorial, it is given to the newspaper.

August: Memorial, The Ad Works and *The Post-Crescent* hold a joint meeting to hammer-out any last minute details. Memorial also makes arrangements for staffing the shops, which includes the paper carriers.

September: *The Post-Crescent* begins informing their carriers of the upcoming promotion.

October: In late October, the cards are delivered to the paper carriers. Delivering them this early gives the kids more time to sign them. Memorial estimates the number of roses needed and places order.

November: The newspaper reminds carriers that the next Sunday is the day for insertion and card delivery. Memorial has roses ready.

THE PLUNGE

"I think that this idea will work for many florists — which is one of the main reasons I entered the Marketer of the Year Contest in the first place," says Aykens. "But there is definitely a gamble that must be taken and a willing newspaper found."

The first step, according to Aykens, is finding out if you have the budget — and the stomach — for the promotion. "Although it's an inexpensive way to reach many, many people, you're going to have to buy a lot of roses." In addition, there's no telling how many roses you're going to have to buy or what price you could get them for, because there's no way to predict response. The worst thing you could do is run out of them, says Aykens.

Next, "just go to the paper and lay out the facts," says Aykens. "Have them give *The Post-Crescent* a call if they're doubtful — it's that good of an idea." ■

Michael Baldwin is senior editor of Floral Management.