Society of American Florists

State of the Industry

Knowledge Base

Small Business Legislative Council

asae
The Center for Association Leadership

The Spirit of Enterprise
U.S. Chamber of Commerce®

Economy

Macro View

Mergers, IPOs

Stock Market

GDP


2016 PRESIDENTIAL
ELECTION

Positive Economic Indicators

- 74 months of job growth
- 15 million new jobs
- 5% unemployment
- Deficit reduction

BUT…

Worker productivity

Key to growth

Snapshot of the Industry

Snapshot of Floriculture

$31 billion-plus in 2015

43,000

- florists
- supermarkets
- mass market outlets

- 13,700 traditional retail storefronts
- 23,000 supermarkets
- Grocery floral: $3.5 billion

- 550-570 wholesale doors
- 225 cut flower growers in California

Colombia

- 7,000 hectares
- 350 farms

Ecuador

- 4,000 hectares
- 600 farms

Mexico

- 4% US imports
- $35-$40 million farm gate value
- Baja region
- Central region

Miami

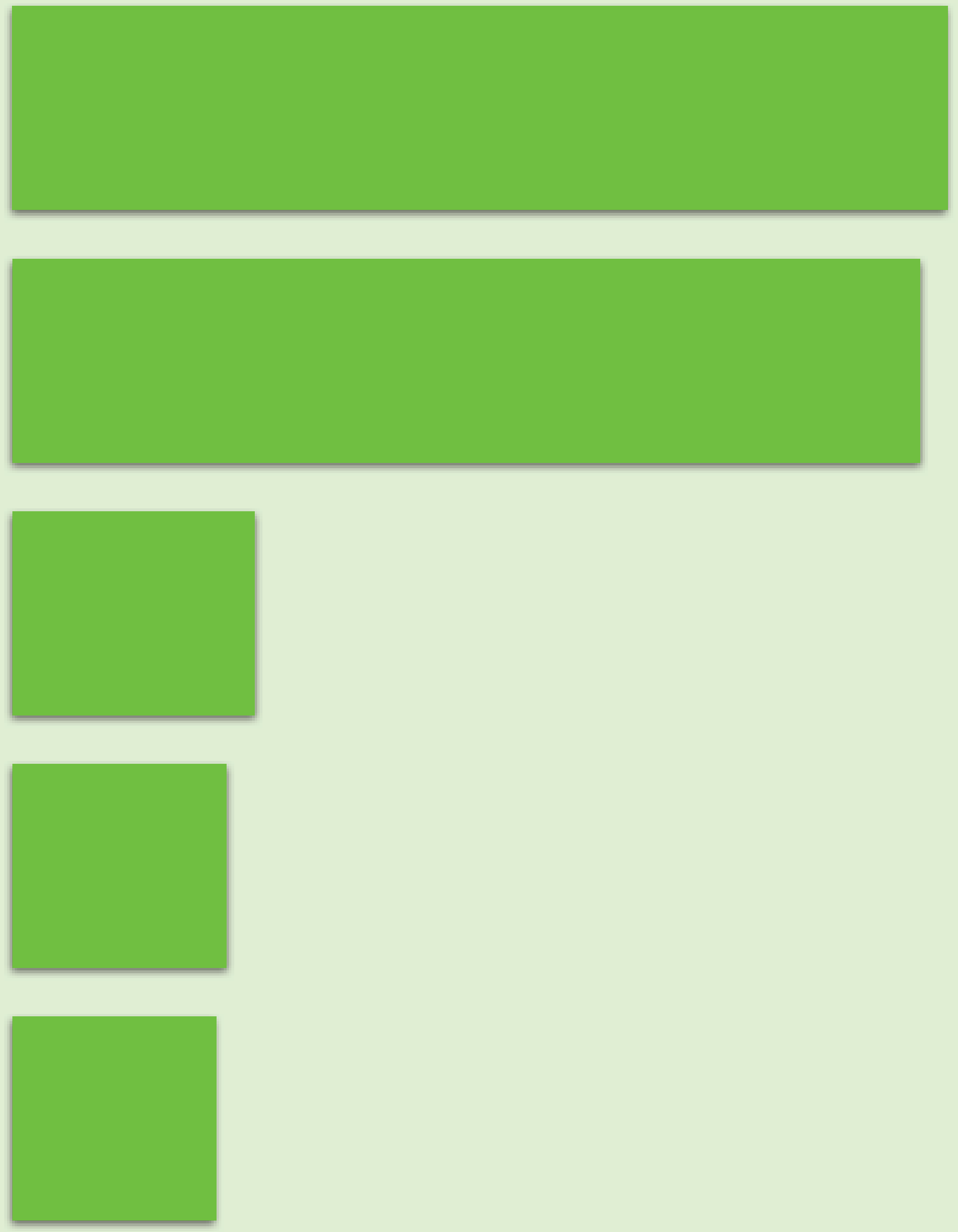
- 75 importers
- 25 farm representatives
- 6 billion stems imported

Canada

- Exports 70% of production to US
- 18% of total US imports
- Quality, proximity fueling growth

Cut Flower Market (Dollars)

Supermarkets	36.7%
Retail florists	35.6%
National E-Commerce	9.5%
Wholesaler Clubs	8.4%
Other	8.0%



Potted Plants Market (Dollars)

Supermarket	27.5%	Garden Centers	9.1%
Florists	22.0%	Super Discount	7.0%
Home/Hardware	17.0%	Wholesale	4.6%
Web/Internet	9.6%	Other	2.3%

2020 Projections

- 10,000 –12,000 Retail florists
- 300 Wholesale florist locations
- 36 Large US cut flower growers
- Specialty cut flower producers

2020 Market Share Projection (by channel)

Retail florists	25%
Supermarkets	35%
E-commerce	35%
Wholesaler Clubs	5%

General Trends

General Trends: Growers

Labor challenges

- Rising costs
- Immigration
- Minimum wage

General Trends: U.S. Growers

- Shift to cannibus?
- Fewer CA growers, steady sales
- "American grown"

General Trends: Wholesalers

- 900 wholesale locations in 2008
- 550 in 2016
- 300 in 5 years

General Trends: Wholesalers

Challenges

- Aging workforce
- Diversity of business
- More “farm direct” options for retailers

General Trends: Wholesalers

Opportunities

- Creating value, relationships
- Efficient sourcing

General Trends: Retail

- Units down, average sales up
- No. of shops down, overall sales up
- Acquisitions slowing

General Trends: Retail

- Web sales growth
- Large retailers as fulfillment centers
- Reduction in outlets, all segments

General Trends: Retail

- Omni channel
- Specialization

General Trends: Retail

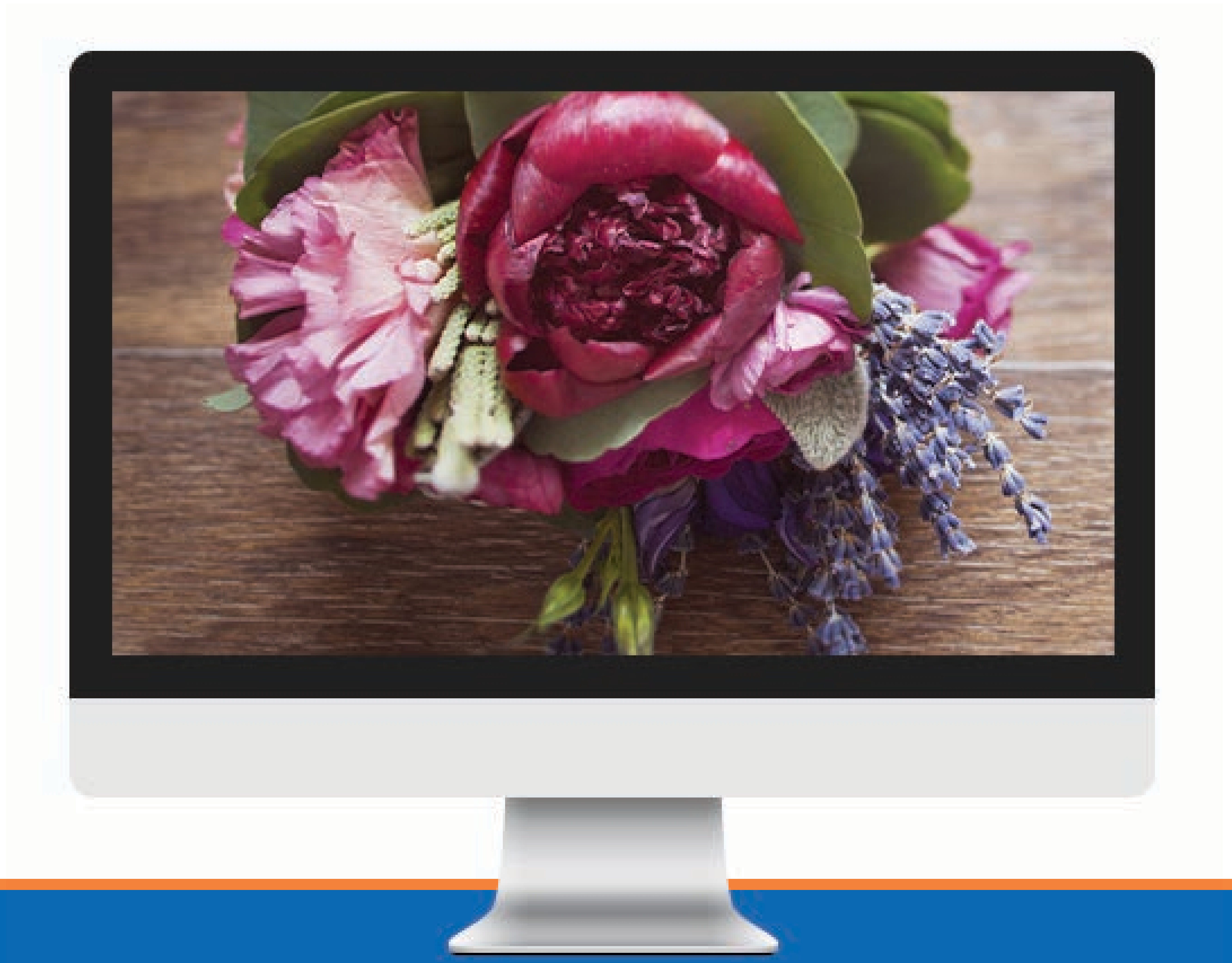
Supermarkets

- Impulse 86%
- $10 - $20 average sale
- Last-minute

General Trends: Retail

National E-Marketers

- $50 - $70
- Convenience-plus



General Trends: Retail

Florists

- $50 - $70
- Traditional events
- Occasions

General Trends: Retail

airbnb

SPACEX

23andMe

UBER

DOLLARSHAVECLUB.COM

SHAVE TIME. SHAVE MONEY.

floral management
Inside: Celebrate with Celosia, p. 42
2016 Year-End Outlook, p. 32
What's Your Online Ad Budget? p. 40
THE FLORAL BUSINESS AUTHORITY
SEPTEMBER 2016 | VOLUME 33 | NUMBER 7
The New Disruptors?
UrbanStems. Farmgirl Flowers. BloomThat. The Bouqs Company.
A bumper crop of well-funded floral start-ups attempts to transform the way people buy flowers

Consumer Trends

Consumer Trends

Generations of Flowers Study

- Gen Y (22-39)
- Gen X (40-51)
- Baby Boomers (52-70)

Consumer Trends

- 73% high appreciation of flowers (66% in 2009)
- Uptick in Gen Y, Gen X

Consumer Trends

- 70%: color adds impact
- 69% sight and smell improve mood
- 60%: gift of flowers, unlike any other gift

Consumer Trends

- Gifting: 50%
- 89% remember giving
- 77% of women remember receiving

Consumer Trends

- Gift purchasing at supermarkets down
- Purchasing online and at farmer's markets up

Consumer Trends

Cost less of a barrier:

- 35% vs. 46% in 2009
- Gen X and Y: Houseplants

Consumer Trends

Drivers:

- Local
- Expert recommendations

Consumer Trends

GenY

- Online
- Accessibility
- Multi-channel access
- On impulse

Consumer Trends

GenX

- Florist
- Convenience
- Style
- “Just because” gifting
- Anniversaries

Consumer Trends

Baby Boomers

- Emotional connection
- Quality, freshness
- Birthdays, funerals

Consumer Trends

- Attitudinal and behavioral improvement
- Shareable experiences
- Expert recommendations

Consumer Trends

- Deliver on value
- Sensory experience
- Emotion
- Local
- Convenience

Consumer Trends

Opportunities

- Farmer's Markets
- Omni Channel retailing
- 24/7 accessibility

American Floral Endowment®

Funding Generations of Progress
Through Research and Scholarships

Floral Marketing Research Fund

safnow.org/generationstudy

Future Thoughts

- Strategize
- Where is your customer?
- Evolve
- Look ahead

In-Store Shopping: Here to Stay

- Shopping is a social experience
- Shopping is a visceral experience

- No shipping delays by shopping in a store
- Try before you buy

Instant Gratification

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