





E-commerce: The Next Wave

BY VICTORIA ABBOTT RICCARDI

The pandemic shutdowns of 2020 were a pivotal turning point in consumer behavior. With some stores closed and people staying close to home, consumers turned to online shopping. Forbes reports that online sales in 2020 increased more than 50 percent from 2019.

The shift underscored the need for florists to offer customers a seamless online shopping experience, and by doing so, they were able to reach more customers and increase sales.

Now, more than two and a half years later, e-commerce remains an important and growing sales outlet for florists. Case in point, 32 percent of this year's Mother's Day orders came from shop websites, according to a Society of American Florists' survey. That's an increase of 33 percent over 2019, when just 24 percent of sales were placed online.

By now, most florists have become familiar with operating their online store, including learning about search engine optimization (SEO). But e-commerce is evolving quickly. The use of voice-assisted shopping, cryptocurrency, augmented reality, digital advertising powered by artificial intelligence, and omnichannel and multichannel retailing are all changing the world of e-commerce.

Here are five trending e-commerce technologies, services and commodities you need to understand — what they are, why they're important, and whether the floral industry might benefit from using them.

Voice-Assisted Search and Shopping

What is it?

Voice-activated devices recognize spoken questions and instructions and reply via text-to-speech. Using apps such as Amazon's Alexa, Apple's Siri, Google Assistant, Microsoft's Cortana and Samsung's Bixby, one can make commands or find information, such as "What are the best florists near me?"

Why is it important?

Oberlo, an e-commerce service, reports that about 40 percent of the U.S. population uses voice search features — and the numbers are growing. The global voice assistance commerce market is forecasted to increase at a compound annual rate of almost 80 percent through 2027, according to the online magazine Speech Technology. That's due to more people purchasing smart speakers, increasing penetration of online businesses and rising demand for contactless shopping experiences, the magazine reports.

Is there an application for the floral industry?

This increase in voice searches matters for every business owner with a website. "Voice search uses SEO," explains Sahid Nahim, co-founder and CEO of New Blooms Solutions, a Miami-based business solutions and website design agency. "It's another marketing tool to consider and when used effectively, it can make it easier for potential customers to find your product, website, or service."

The biggest difference in search engine optimization (SEO) for voice-assisted searches is that the way people search by voice differs from the queries they type. Improving your website's SEO requires understanding how people search by voice.

Business owners should find the best "long-tail" keywords to insert into their online content, Nahim says. In other words, they should craft detailed descriptions describing their products as accurately as possible. That's because people usually speak faster than they type, so voice searches often capture more details.



Cryptocurrency

What is it?

Cryptocurrency is decentralized digital money designed to be used over the internet and is usually not issued or controlled by any government or central authority. The system works on a distributed public ledger called blockchain, a technology that acts as a record of all transactions, updated and held by cryptocurrency holders. Coinbase, a secure online platform for buying, selling, transferring and storing cryptocurrency, notes the most popular cryptocurrencies by market capitalization are Bitcoin, Ethereum, Bitcoin Cash and Litecoin. Others include Tezos, EOS, and ZCash.

Why is it important?

Cryptocurrency is “becoming increasingly mainstream as consumers look for a hedge against inflation and other disadvantages baked into our current financial system,” according to the software company Retail Info Systems. The company adds that by accepting cryptocurrency, “retailers will be able to take advantage of reduced transaction fees, faster transaction settlements, and greater security than they experience with credit cards.”

Starbucks, for example, recently partnered with Bakkt, a digital asset marketplace, to let its customers pay for coffee with cryptocurrency. Cryptocurrency also is being used to buy digital assets called nonfungible tokens (NFT). Each NFT has an assigned digital signature making it unique. In March 2021, the British auction house Christie’s sold digital artist Mike Winkelmann’s digital collage as an NFT for \$69.3 million. President Joe Biden recently signed an executive order to lay out a national policy that addresses the risks and harnesses the potential benefits of digital assets and their underlying technology.

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“Digital currency is already an option and if the customer wants to pay that

way, why not give them the chance?” Nahim says. “It’s just another stream of income and allows you to cater to your customers in the way they want. It might give you a competitive advantage.”

Some flower farms have accepted cryptocurrency as payment due to the situation in Ukraine and the sanctions on Russia, says David Kaplan, president of the marketing, consulting and product sourcing company Above All Flowers. Kaplan talked with the owner of a large farm that had 40 percent of their business in Ukraine and Russia. When Kaplan asked the owner how he was accepting payments, he responded that a lot of payments were in the form of cryptocurrency.

To celebrate Mother’s Day this past May, 1-800-Flowers.com, Inc. stepped into the cryptocurrency market by minting their own NFTs — a collection of original floral-inspired digital art pieces that pay tribute to how “moms blossom their children through love and affection.”

The company is using the NFTs to explore the possibilities of Web3, says Jason John, chief marketing officer at 1-800-Flowers.com. Web3 is the idea of a new type of decentralized internet service built using blockchains.

“1-800-Flowers.com has a long history of innovation and always strives to be at the forefront of where consumers are going next,” John says. “These collections are a great way for us to test in this space as we delve into the possibilities within Web3 and gain a better understanding of our customers’ interest in digital products.”

Danny Sanchez, CEO of the Miami-based South Florals Group, a floral holdings company that manages and operates florist shops in South Florida, accepts cryptocurrency on one of his floral websites. “Down here in Miami, we’ve become a kind of crypto hub,” he says. “If people are looking for ways to spend their cryptocurrency — and there is nearly 2 trillion dollars’ worth

of cryptocurrency in circulation — then I’m okay with taking this form of payment. It’s not that difficult. It’s just like taking a credit card. Here’s the thing: Cryptocurrency is not going away, so you’re either on the boat, or it’s going to pass you by.”



Augmented Reality

What is it?

Augmented reality (AR) overlays a virtual environment onto a real one mainly through a mobile handheld device, offering the user an auditory and visual interactive experience. One of the more popular uses in retail, for example, takes the 3D image of a particular style, color and size of a product, such as a couch, and “drops it down” into a living space for the consumer to see what it would look like.

Why is it important?

Today’s most common and fruitful application for AR in retail is for the user to see what hypothetical products or structures look like in real environments, according to Splunk Inc., which develops web-based application software. Businesses also use AR to create enhanced reality experiences when shopping. For instance, a person viewing AR on a mobile device can focus on a street and see icons pointing to cafes, hotels, and, yes, perhaps florists, on that street.

Is there an application for the floral industry?

“It’s doable, but the issue is that you need the hardware associated with it, and more importantly, the software, both of which are very costly,” Sanchez says. “More than anything, it’s about staying relevant in today’s market. If you’re not doing it, then someone else will and that person is going to create a memorable experience, which will draw the customer back.” But in the end, he adds, the actual effort and cost will likely outweigh the benefits, at least for now.

Digital Advertising and Artificial Intelligence Advertising

What is it?

Digital advertising involves promoting goods and/or services on internet-connected devices, such as computers and mobile and smart devices.

Artificial intelligence (AI) advertising offers a more targeted and personal reach using digital advertising. IBM Watson Advertising, a leading AI-powered advertising solution company, uses this example: If someone reads an online article about wedding planning, the user might begin seeing ads for wedding dresses. The computer uses algorithms to analyze vast amounts of data, such as text, speech, imagery and geolocation in real time and then identifies patterns to make predictions and reach each customer.

Why is it important?

Digital advertising is overtaking traditional advertising and currently accounts for 63 percent of the overall expenditure on media ads, according to Oberlo. A 2021 article in Forbes points out that AI is transforming the future of digital marketing and advertising by better predicting who is most likely to buy products and where the best places to advertise might be. This is far more efficient than paying for newspaper, radio or television ads and hoping whoever read, heard or saw the ad might become a customer.

Is there an application for the floral industry?

Google's Chief Search Evangelist Nicolas Darveau-Garneau, who gave a keynote address at the Society of American Florists' 2021 annual convention, said in his presentation that if you don't excel in digital advertising consumers are unlikely to find you, short of walking by your store. AI will help you better target the right customers based on elements such as demographics and online behavior. If you're a small floral business, you can partner with an agency to handle the details of personalizing ads for the products you sell, he said.



Omnichannel and Multichannel Retailing

What is it?

Omnichannel marketing is a fully integrated online sales approach to give the customer a unified, personalized search and purchase experience through multiple interconnected touchpoints, including a brick-and-mortar store, email, social media and other marketing and sales channels.

For example, if a customer orders a mattress on a bedding store's app, the app connects with the store's inventory to pull the mattress, which the consumer can pick up at the store or have delivered. The transaction stays within the company's network, allowing the company to respond to the customer's search and purchase behavior and continue marketing to the customer. In the example of the mattress, the company might send

the customer a coupon for a blanket after they've purchased a mattress.

By contrast, multichannel retailing focuses on selling a product on multiple but unconnected sales channels. If that bedding store listed its mattress on an unconnected sales channel, such as Amazon, the customer can't go to the store to retrieve it since there is no data synchronization across channels to let the store know the mattress was purchased.

Why is it important?

Consumers are increasingly purchasing online, whether it's through a website, social media, apps or other sales channels. Having multiple ways to buy online is a convenience to the customer. For businesses, having multiple sales channels increases sales and informs marketing.

Is there an application for the floral industry?

The floral industry can absolutely benefit from using both omnichannel and multichannel retailing, says Renato Cruz Sogueco, AAF, PFCl, vice president of digital strategy and education at BloomNet. "First, these channels help increase exposure. I think a lot of companies assume that everyone visits their website, but that's not the case," he says. TikTok, Instagram and Facebook all attract different audiences, from boomers to Gen Xers — and multichannel retailing gives them the ability to buy on all those channels. 🌿

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