

[IDEAS 2 GO]

The Smell of Success

When you run it correctly, a floral department can bring in additional revenue.

BY AMANDA BALTAZAR

They may look pretty, but if the flowers in your general merchandise category aren't bringing in the sweet scent of cash, you might not be making the most of this fragrant product. And now is the time to be thinking about it, with the biggest floral event of the year — Valentine's Day — around the corner, and Mother's Day just a few months behind.

According to NACS State of the Industry data for 2007, sales of flowers were up 40 percent, although they contributed just 1.8 percent of total sales. So consumers are buying them — it's just a case of how and when.

A FRESH APPROACH

One retailer who knows that is Greg Parker, president and CEO of The Parker Companies in Savannah, Georgia, whose Parker's Market Urban Gourmet store enjoys lots of success with flowers because customers can easily carry them home. Flowers are "a great thing to put at the front of the store," he said. "As people walk in, they make the connection with fresh." He believes the flowers also help boost sales of baked items, which are merchandised near the flowers, and sandwiches.

Not content with wowing customers once they enter Parker's Market Urban Gourmet, Parker also displays flowers outside "because it creates a sense of arrival into the store." He features the flowers in mini carts and displays them around planters, adding seasonal items such as poinsettias around the holidays.

Neil Stern, a senior partner at retail



consulting firm McMillan Doolittle in Chicago, Illinois, thinks the convenience market can support categories such as flowers. "The challenge has been the logistics: How do you keep the product fresh? And how do you get yourself known as a viable source for flowers?" he said.

Stern suggested following Parker's lead and making the flowers as visible as possible. "Convenience stores are about impulse sales, and flowers work very well for that," he said. Put them outside if possible, he continued, weather and store layout permitting, but if they're inside, by the front door works well. "By the cash registers is also prime real estate for impulse buys," he added.

Often, first-time shoppers will buy on impulse, but office workers will

frequently pick up flowers when they stop by for lunch, or are on their way to dinner, Parker said.

THE SWEET SPOT

Stores should also be careful about what types of flowers they carry. Most of the flowers that Parker sells are potted so he doesn't have to worry about shelf life, "although you do have to remember to water them," he added. Parker carries bunches of flowers, too, but there's usually more waste involved even though he tries to steer clear of the kinds of flowers that die quickly.

"You need a program that's self-sustaining," said Stern, since you're not likely to have the staff that knows how to look after flowers.

By the cashier, Parker sells flowers

by the stem — roses and rubrum lilies — the latter because they not only look good but they're also highly scented. Other flowers that smell good, he added, are lilies, freesias and gardenias, which he stocks when he can. This aroma, together with the color flowers bring, "can improve your atmosphere, if not your sales," said Stern.

THE REALITY

Despite the success at Parker's Market Urban Gourmet, Parker's floral business has not blossomed at his other stores. "I just don't think the consumer views convenience stores, by and large, as a place to buy flowers," he said. And to sell flowers, you have to do decent business with them since they're a low-profit item, he explained, even though he usually marks them up by 35 percent.

But his floral department doesn't cost him anything in marketing, because he doesn't advertise it at all. "They're just there, as another thing that connotes fresh," he said. They're also an additional item that can increase a customer's check.

The only time Parker stocks up on flowers are the two biggest days of the year for the category: Valentine's Day and Mother's Day. He makes sure that he has plenty of single stems for the former, although bouquets do sell; and for the latter, the best sellers are bouquets and potted plants.

These holidays are the big floral events of the year, said Stern, but convenience store retailers need to give flowers a big push before these dates arrive so they are at the forefront of customers' minds.

With a little planning, your customers will be thinking about your flowers before you do. **NACS**

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[NACS NEWS]

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