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# Marketing Effects on Consumer Retention and Expenditures in Central Kentucky and North Central Tennessee Floral Industry

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MARKETING EFFECTS ON CONSUMER RETENTION AND EXPENDITURES  
IN CENTRAL KENTUCKY AND NORTH CENTRAL TENNESSEE FLORAL  
INDUSTRY

A Thesis  
Presented to  
The Faculty of the Department of Agriculture  
Western Kentucky University  
Bowling Green, Kentucky

In Partial Fulfillment  
Of the Requirements for the Degree  
Master of Science

By  
Danielle Louise Berkshire

August 2015

MARKETING EFFECTS ON CONSUMER RETENTION AND  
EXPENDITURES IN CENTRAL KENTUCKY AND NORTH CENTRAL  
TENNESSEE FLORAL INDUSTRY

Date Recommended 7/13/2015

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MARKETING EFFECTS ON CONSUMER RETENTION AND EXPENDITURES IN  
CENTRAL KENTUCKY AND NORTH CENTRAL TENNESSEE FLORAL  
INDUSTRY

Danielle Berkshire

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Florists in today's industry are competing against mass-markets that are able to buy and sell fresh-cut flowers at low prices in bulk. Mass-markets offer little or no design or other services. Consumers find it convenient to order flowers online through wire services, paying large fees to order flowers. Order gatherers pose as local floral shops taking consumers orders online or by phone then call the local florist to fill orders.

Packaged flowers became popular in the early 2000's ordering flowers directly from the farm to the consumer.

Rural and metropolitan areas of Central Kentucky and North Central Tennessee were surveyed. Florists were selected within a 160 – mile driving distance of Bowling Green, Kentucky. Florists were identified through an Internet search for florists in each county and also the Teleflora database. Survey data were analyzed using Statistical Analysis System 9.3. Ordinal data were analyzed using PROC NPAR1WAY, and Kruskal –Wallis Analysis. Wilcoxon analysis was used for individual treatment separation. This study results had 103 florists' surveys and 321 of their returning consumer surveys. This study examined correlations in the florist's survey studying the relationships between marketing effects verses repeat consumers. The consumer survey examined the relationships between when and what consumers purchased arrangements for and the average price per arrangement. Florists using websites as their main form of

marketing increased their number of return consumers. Florists targeting consumers 30 years old and younger had more repeat consumers. Consumers whose main method of purchasing was telephone increased their price per arrangement. Walk-in consumers spent less money per purchase.

Florists who contributed to this study will receive summary of the results, permitting them to benefit from their contribution

## INTRODUCTION

The floral industry is inherently different from other businesses, including high levels of service with a tangible product. In the last few decades consumers have been able to purchase flowers at the equivalent of fast-food outlets, for example, mass-markets (Becker, 1997). Almost all traditional retail florists carry essentially the same goods; florists must distinguish themselves by performing better than the competition (Becker, 1997).

According to the American Institute of Floral Designers “a florist is a person or business entity associated with the sale of flowers, plants, or other related products” (AIFD, p.300). A florist must be a designer, businessperson, and advisor. A designer must arrange flowers in a pleasing manner. A businessperson must sell perishable flowers and the products available in the display room. An advisor informs the consumer on the product desired for a range of special events.

Consumers are diverse, some are indecisive and want the florist to tell them what they should purchase. Others know what they want and have no questions or want any suggestions. Differences among marketing and targeted consumers are especially important for retail full service floral shop success. Retail full service floral shops offer floral services through weddings, funerals, gift shops, and other special events.

There has been a marked decrease in the number of floral shops over recent years. Several marketing developments have been identified as partial reasons for the decrease. These changes include: (1) mass-markets, (2) wire service, (3) order gatherers, and (4) packaged flowers.

Retail florists in today's industry are competing against mass-markets that are able to buy and sell mass-produced fresh cut flowers at lower prices. These mass-markets offer little design to no design or other services. Florists are also competing against order gatherers. Consumers order from order gatherers who in turn contact a local floral shop to fill the consumers order. Wire services pose a threat to local retail full service floral shops. Stores that receive more incoming wire orders than outgoing wire orders are negatively impacted by wire service commissions and membership fees. In the early 2000's packaged flower shipping became popular. Flowers are advertised and shipped directly from the grower to the consumer therefore totally bypassing the retail full service floral shop.

Overall, these developments in flower marketing have made it more challenging for florist to maintain a profitable business. The relative acceptance of the marketing developments by the florist industry and their preference by consumers will be the determining factor in the future success of retail full service floral shops. This survey study based upon collection and analysis of knowledge and experience of current florists and consumers will provide more understanding of the present status and future direction of retail full service floral shops in Central Kentucky and Tennessee.

## LITERATURE REVIEW

### **Current Trends in the Floral Market**

In the 1950's grocery stores began selling annual bedding plants to increase seasonal surpluses for local growers (Behe, 1993). Sales of floral products through mass-markets have steadily increased since that time. Today, many in the floral industry have perceived mass-markets to be the strongest competitors of retail florists (Behe, 1993). Therefore, the total number of other floral outlets has continued to increase. Flowers are available for purchasing online, at farmers markets, street vendors, mass-markets, traditional floral shops, and direct to consumer outlets (Behe, 1993). Also, consumers patronize more than one consumer outlet depending on their needs. They may buy flowers at mass-markets for convenience such as use for the kitchen table. However, when it comes to funerals, weddings, or flowers for delivery, consumers will go to the local retail full service floral shop.

### **Mass-Markets**

The three most important services a floral supplier can provide are product quality maintenance, order and delivery reliability, and product availability (Behe, 1993). In a later study of consumer perceptions of service quality in the Texas retail floral industry Becker, et al. (1997) found consumer expectations of florists and those of mass-market consumers were very similar. Yet, the florist consumers perceived that their retailer was providing better quality service than mass-markets consumers perceived their outlet was providing. Overall, florists were meeting their consumers' expectations while mass-markets were not, placing traditional retail florists at a competitive advantage.

### **Consumers' Levels of Purchase**

Behe (1993) classified consumers into four groups: (1) no floral products were purchased, (2) flowers were purchased as gifts on special occasions and events with few personal plant purchases, (3) consumers purchased more plants for personal use while maintaining or increasing floral gift purchases, and (4) a higher proportion of floral gift purchases were made along with regular plant and some flower purchases for personal use (Behe, and Wolnick, 1991). Consumer floral knowledge was found to increase the level of floral purchases. For example, more blooming plants were purchased as a consumer acquired knowledge about flowers and plants. Also, increase in the number of purchases resulted in increase number of fresh flowers purchased (Behe and Wolnick, 1991).

### **Consumer Floral Knowledge and Education**

Behe and Wolnick (1991) reported that florists should offer workshops on blooming and indoor plants to encourage consumer floral education. Building relationships and helping increase consumer's knowledge of plants will lead to more frequent buys at the floral shop. "Flowering plant consumers, who tend to be older, may have acquired more floral knowledge (experience) through other additional life-long experiences, such as observing others cultivating plants in their homes and gardens. Fresh flower consumers were younger and more likely employed outside the home than flowering plant consumers" (Behe and Wolnick, 1991).

### **Generation Y**

Studies have shown Generation Y individuals were dissatisfied with several floral product attributes, including short longevity, lack of trendiness, relative high cost, lack of

appropriateness, and lack of uniqueness (Rihn, et al., 2011). Florists are concerned with the dissatisfaction and lack of flower use of the younger generation. Designers have a difficult time going to conferences or furthering education classes on learning new trends due to a limited number of employees. In turn this results in more responsibility and less time away from the shop. Because of such time constraints, florists find it difficult to give more attention to new trends thus appearing as though they lack in creativity.

### **Social Media**

The Internet does not have to be for order-gathers only (Westbrook, 2014). Social media is a great way to build local relationships. Choosing the right social media, references, review websites, email marketing and other inbound marketing tools are just as intimidating (Sogueco, 2015). Ten years ago, florists used a mix of traditional print, radio, TV ads and email marketing. These were usually good enough, so investing in online ads was optional (Sogueco, 2015).

Today more than 80 percent of shoppers start their retail quest using a search engine. Not all are looking for a florist but what about the bride looking for a wedding florist, grieving family in search of a fitting tribute, or an executive in need of a thank you gift? (Sogueco, 2015) Rather than wait for the phone to ring florists must go out and sell and build their brand (Westbrook, 2014).

Sogueco (2014) suggested in “Floral Management” on “Defy Your Size Online” that marketing online include Twitter, Facebook, and Google+ websites. He also recommended florists keep in mind quality over quantity, and they will get more qualified traffic to their site. Given its role in the shops performance, florists must invest in their website- continuously fueling its growth and performance (Sogueco, 2014).

Online engagement is the goal. Social media is where the customers live today. As you may have discovered, quality posts featuring photos and videos, draw in the most comments and shares, therefore, florists need to keep people entertained. Posts should reflect the vibrant activity of the florists core business (Sogueco, 2014).

## **Facebook**

Facebook is the dominant social networking platform with over 1 billion users. (Sogueco, 2015) Selby Shy of Shirley's Flowers and Gifts shared tips on how to market online to Facebook users. "Facebook ads allow florists to very specifically target customers. One ad could target women in the area who are engaged and who have not already liked my page" (Westbrook, 2013).

The people who have liked the business page may only see a small percentage of the posts, because Facebook uses a new algorithm to measure reader engagement and interest and determine which posts reach which fans. A Facebook representative could not confirm the percentage of posts that reach business fans organically; in the past the number has been reported as less than 20 percent (Westbrook, 2013).

Facebook allows promotion of any post created after June 2012, by clicking the promote tab underneath the item, for as little as five dollars. Florists can set a budget and then have the option to apply filters. For example for Valentine's Day posts, florists can target men in their area. Promoted posts appear in news feeds as "sponsored post" and as people like, share and comment on the post, they're seen by an ever wider audience- friends of the people who already like your page (Westbrook, 2013).

Sogueco (2015), wrote an article in "Floral Management" on "Search and Rescue." He talks about how florists can have a meaningful presence online. Social



media, blogs, and online reviews may be hot topics in Internet marketing, but the main purpose of these online references is to drive inbound traffic to the shops site (Sogueco, 2015). Florists should write content for their consumers on their websites. Using complete sentences and correct grammar. Bold certain keywords, such as names of venues, flower varieties or flower care phrases, such as “flower care packet.” Link these words to other pages within the website that provide deeper explanations (Sogueco, 2015).

Naming local venues is a smart practice because people will Google those names. When florists attach their name to those venues, florists also have relevant, and most important, local references. Incorporating them as much as possible in all the content within your site (Sogueco, 2015).

Based on conventional wisdom that Google indexes check websites for changes every two weeks. The algorithm checks back more frequently with sites that change. If post did not change for five consecutive visits by the algorithm, the site will get bumped down in search results. Google will always weigh fresh content higher than stale content (Sogueco, 2015). In order for this to be a strong inbound link, florists shop blog must change often. Preferably every day providing users with ample opportunity to click and linger within your site and confirms you have lots of expertise already found within the website (Sogueco, 2015).

Facebook is truly its own special version of the Internet, without collaborating with anyone else, including Google, which can't consistently index Facebook posts, or Pages (Sogueco, 2015).

## **Wire Services**

Wire services and direct- shippers make millions in annual revenues, even with its history of negative advertising, low price points and drop-ship- reliant business plan, and has never endeared itself to florists (Westbrook, 2014). Florists should take time to build their local brand. A florist must promote their care competencies, custom designs and same-day, nationwide delivery. The direct- shippers still cannot enter that space. The Internet can be beneficial for florists too (Westbrook, 2014).

It is claimed that direct- shippers have experienced difficulty-getting orders from customers, because some were disappointed with the actual product compared to the stylized photos online. Certain wire services hope that details of drop-shipped, unarranged purchases are clearer to the consumers. To keep the bargain consumer happy, and upgrade other buyers to florist- grade products (Westbrook, 2014). The florist/ drop-ship balance used to be about 50/ 50; now 70 percent of orders go through the membership florist network (Westbrook, 2014).

Westbrook (2014) reported that the wire service system is fundamentally broken, because the picture of the design fails to match the recipe and account for delivery costs. Florists, who are a member of a wire service, fill an incoming wire order to 100% cost and wire service network gaining 7% of the cost. Stores sending outgoing wire orders earn 20% commission on all wire orders. The wire service gets 7% of the purchase value. The receiving floral shop fills the order at 100% cost. The store receiving incoming wire order is only rebated 73% of the cost of the product by the wire service (Collins, etal., 1999, p. 146).

Florists must be disciplined when developing products that will delight consumers and result in a profit. Many florists make a profit filling orders. Higher order values help to increase a florist's profitability. In addition to being profitable, another benefit of an incoming order for a florist is to gain a potential new customer. A new customer is invaluable for florists (Westbrook, 2014).

### **Floral Preservatives**

The issue for florists is to market to the younger generation. A study by Rihn, et al. (2011) studied Generation X and Y consumers; attitudes toward fresh flowers as gifts and found Generation Y participants prefer more practical, long-lasting gifts that reflected their sentiments. They do not like spending more on perishable luxury items. Florists marketing the use of preservatives in floral arrangements could increase longevity and appeal of fresh cut arrangements sold to the Generation Y. Jenkins et al. (2013) studied the influence of consumers' knowledge of floral preservatives and found that participants became more convinced of their value after reading about their function and effectiveness.

They expressed willingness to pay more for a floral arrangement treated with floral preservatives (Jenkins, et al., 2013). Adding preservatives to the arrangement increased consumer satisfaction and profit margins. The study results showed a significant negative correlation ( $p < 0.01$ ) between age and willingness to pay. The younger the respondent the more willing they were to pay more for the use of floral preservatives. Based upon the study results, educating Generation Y about floral preservatives could potentially increase the appreciation for and interest in purchasing flowers.

## **Four P's of Marketing**

In order to increase the use of fresh floral products as gifts (Rihn, et al, 2011) with Y Generation consumers, florists should consider being knowledgeable on the four P's of marketing. "Including product, price, promotion, and placement. The product is a good, service, or idea that satisfies the consumer's needs such as a bouquet or a florist's design and delivery services. The price is what is exchanged for the product and the promotion is used as a means of communication between the seller and buyer. Promotions include paid commercials, advertisements, Internet pop-up advertisements, and word of mouth. Placement is the means of getting the product to the consumer" (Rihn, et al., 2011).

## **Consumers Perception of Flowers**

Florists having the knowledge about marketing could educate the younger generation toward a more positive outlook on flowers. Huang (2005) found consumers have different preferences and attitudes regarding flowers, this study found that floral behavior variables are interrelated. Higher income is not the primary variable for flower purchasing, rather an increased number of floral purchases mainly depended on the intended use of the floral products. Therefore, to encourage consumers to become heavy flower users, marketing programs should aim at creating positive attitudes about flowers, and create more reasons and occasions that motivate flower purchasing.

## **Self-Use and Gift Use**

Huang (2007), reported results of a study on behavioral differences in pre-purchase processes between buying flowers for self-use as opposed to gift use. He found that gift users, were more likely to be "walk-in" consumers based upon their greater propensity to refer to information in shop windows. When evaluating the alternatives,

self-users focused on three product values- longevity, quality, and price- whereas gift users are more likely to be concerned about symbolic meaning and the situational value of floral products.

### **Window Displays**

Window displays are a convenient and affordable way of marketing. Placing the product in the windows for consumers to view helps draw the customer into the store. Designers must be creative in attracting attention of the consumers. Usually a product in window displays sells quicker than other products. Huang (2007) compared shop windows and newspapers/magazines, and found that personal preferences were more influential for gift users' flower purchase decisions. If self- users were more likely to be drawn in by window displays than gift users, florists could market to self users in their window displays. Therefore, showing symbolic meaning and situational value of floral products.

The overall objective of the present study is to examine management practices being currently utilized by retail full service floral shops in central Kentucky and Tennessee and what their consumers expect in local retail full service floral shops. A secondary objective is, exploring effects of market trends in relation to business success of the shops. Increasing knowledge of florists in Kentucky and Tennessee on the floral market trends that are popular among consumers.

## MATERIALS AND METHODS

Study surveys were approved by Western Kentucky University Institutional Review Board Committee.

### **Florists Surveys**

Florists were selected within a 160 – mile driving distance of Bowling Green, Kentucky. Florists were identified through an Internet search for florists in each county and also the Teleflora database. Florists who were not in the Teleflora book or online but found during the survey process were also included.

Surveys were conducted from January 12-30 and again February 23- March 31 of 2015. Florists were not visited the week before or after Valentine's Day because of the busyness of the holiday period. Each floral shop was visited individually to increase the chances of participation.

The owner/ manager of each floral shop was given an explanation of the process and reasons why the research was being conducted. An emphasis was placed on its importance to retail full service floral shops in Kentucky and Tennessee. Florists were given a cover letter further explaining the project (Appendix A). An informed consent document stapled to the survey included the basic description of the project's purpose, procedures, risks involved, benefits, confidentiality, and refusal/ withdrawal. All participants were asked to sign the form to confirm participation. The florists survey (Appendix B) consisted of 24 questions directed towards marketing trends, consumers, business ownership, population and demographics.

Owners or managers were asked to complete the survey voluntarily on marketing trends and consumer research during the interview. If florists agreed, they were then

asked to instruct 10 return consumers to fill out a consumer survey. The consumer was instructed to give the survey back to the florists. The florists were given a post – stamped envelope to return to Western Kentucky University Department of Agriculture. If florists were too busy, a post stamped envelope with cover letter, consent forms, and surveys for florists and consumers were left at the floral shop.

### **Consumer Surveys**

Consumers were given an envelope with cover letter (Appendix C) explaining the project, informed consent document that asked to sign to confirming participation, and a consumer survey Consumers were asked by their local florists to complete a 12- question survey (Appendix D). Consumer questions focused on purchasing patterns, factors encouraging them to return, and population and demographic questions. All completed florists and consumer surveys were to be returned by May 1<sup>st</sup> to the Western Kentucky University Agricultural Department office.

### **Statistical Analysis**

Data were analyzed by using Statistical Analysis System 9.3. The code used to analyze the data were PROC NPAR1WAY during an individual treatment Kruskal-Wallis Test and a PROC LOGISTIC during a logistic test (yes/no). Differences were considered significant at an alpha = 0.05 and trending with an alpha between 0.05 and 0.10. Medians were calculated using PROC Means. Ordinal data were analyzed PROC NPAR1WAY Kruskal – Wallis Analysis. Wilcoxon analysis was used for individual treatment separation. Nominal data were analyzed using PROC LOGISTIC.

## RESULTS

Results are based upon Kentucky and Tennessee florist and consumer surveys. Survey questions were based upon floral shop management and attracting return consumers. Questions were directed toward identifying marketing trends in populations of Kentucky and Tennessee florists. Results were statistically analyzed to determine significant differences.

The researcher visited 236 floral shops to obtain data for the study: 78 florists completed the florist survey during the visit and took consumer surveys, 77 floral shops were left with florist's survey, and consumer surveys, 39 florists said no, 39 florists were unavailable, and three immediately completed florist surveys without asking consumers. Twenty-two florists surveys were returned by mail. Three hundred and twenty-one consumer surveys were completed and returned. The florists and consumer's response rates were 44% and 21%, respectively.

### **Florists Population**

Sample size consisted of 103 florists surveys. Florist's participants were 78% female, and 22% male. Participant's state of location were 34% Tennessee, and 66% Kentucky. The median age for florist's participants were 54 years of age. The highest percentage of florist were in there 60's at 31%, the second highest percentage of florists were in there 50's. The lowest percent of florists were in there 20's at .09%. Median annual gross incomes of businesses were between 150,001- 200,000. The highest percentage of florists had an income of 250,001 or higher at 31%. The second highest income was 0- 100,000 at 25%. The lowest percentage of florist's income was 200,001- 250,000 at 10%. Median highest degree or levels of education completed were some



college credit, but no degree. The greatest frequency of highest degree or levels of education was some college credit, but no degree at 36%. The second highest percentage of level of education was a high school graduate/ GED at 28%. A close third highest level of education was a BA/ BS Program Graduate at 20%. The lowest percentage of the highest level of education was less than a high school diploma at 3%.

### **Florists Survey Results**

Repeat consumers are loyal consumers who experience something about the shop or florist that causes them to return. Florists were asked how many repeat consumers they had. Results indicated 6% 1-49; 11% 50-99; 16% 100-149; 10% 150-199; 13% 200-299; 10% 300- 399; 7% 400- 499; 27% 501 or more. Repeat consumers were affected by several factors. The longer the business was in its current location the higher the number of repeat consumers ( $P < 0.01$ ). The number of relocation did not affect the number of repeat consumers ( $P = 0.92$ ). A trending significance ( $P = 0.0958$ ) was found in the number of floral shops in town vs. the number of repeat consumers a florist had. Window displays had no significant impact on repeat consumers ( $P = 0.78$ ). Florists who were listed in the yellow pages had no direct effect on repeat consumers ( $P = 0.16$ ). Florists relying on website as their main form of marketing had more repeat consumers (Figure 1).

Florists whose main form of marketing were newspaper, Facebook/Twitter, phonebook, billboard, or word of mouth did not have more return consumers. Florists targeting consumers 20 years of age or younger increased the number of repeat consumers (Figure 2). Florists targeting consumer's 21- 30 years of age increased in number of repeat consumers. Florists targeting consumers 31-40, 41-50, 51-60, or 61

years of age or older showed no increase repeat number of consumers. Florists offering workshops or classes for consumers failed to increase the number of repeat consumers ( $P=0.41$ ). Location of florists downtown/ main street, edge of town, and strip mall/ retail cluster had no impact on repeat consumers ( $P=0.92$ ). When florists had more full time and part time employees they had more repeat consumers ( $P<0.01$ ).

Significance ( $P=0.048$ ) was found in whom the floral shop was owned by.

Florists belonging to a wire service have more repeat consumers ( $P< 0.01$ ) (Figure 3).

The number of delivery vehicles a florist had no increase the number of repeat consumers ( $P=0.34$ ).

Table 1. Population Statistics of Florists

Variable	Median	Mode
Gender	Female	Female
Age	56	51
Level of Education	Some college credit, but no degree	Some college credit, but no degree
Further Education	Once a year	Never
Annual Gross Income	150,001 - 200,000	250,001 or higher
State	Kentucky	Kentucky

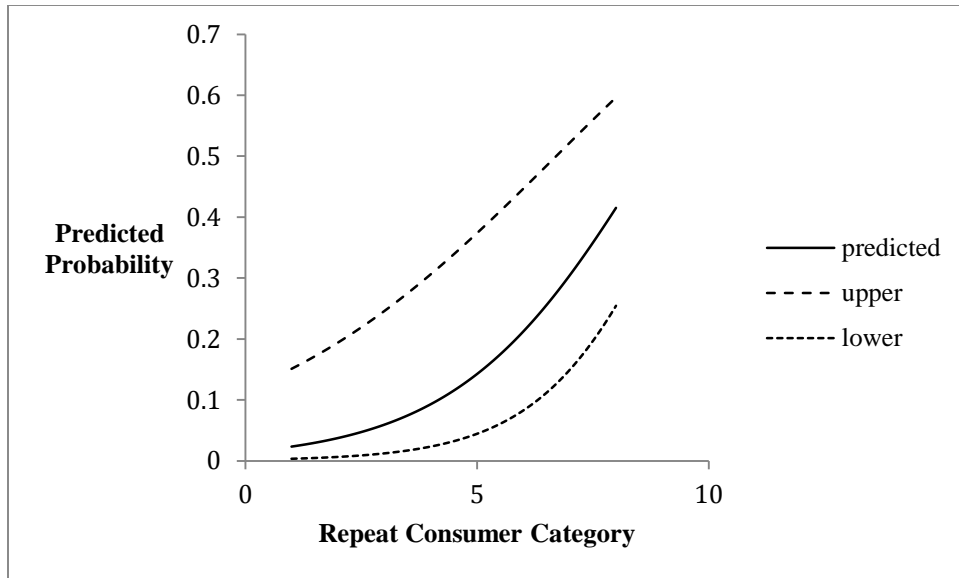


Figure 1. Main Form of Marketing: Website

The effect of website as the main form of marketing on number of repeat consumers.

Repeat consumer category were 1) 1 – 49, 2) 50 – 99, 3) 100 – 149, 4) 150 – 199, 5) 200 – 299, 6) 300 – 399, 7) 400 – 499, and 8) > 500. Solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. Data indicated that when website was the main form of marketing the probability of having more than 500 repeat consumers increased.

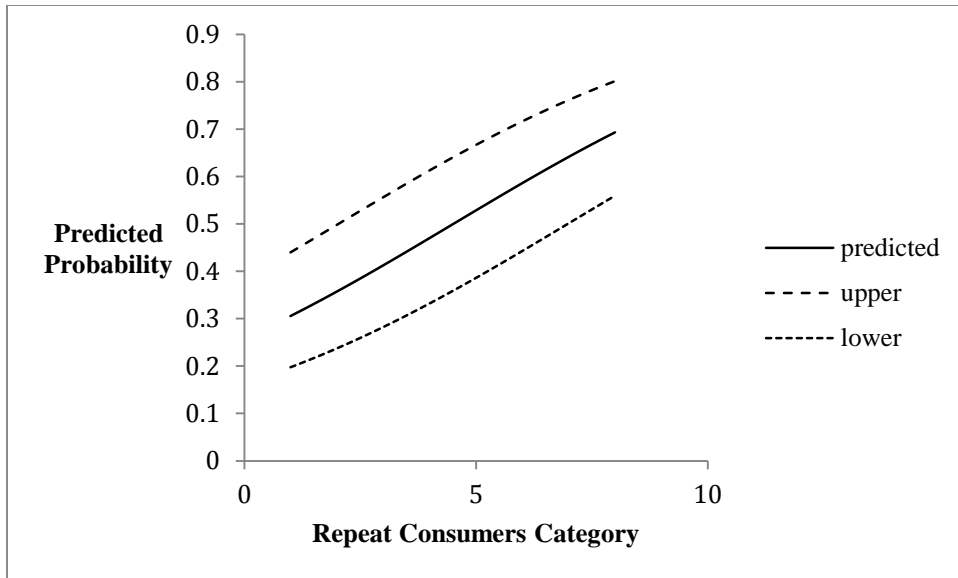


Figure 2. Target Market: 20 Years Old or Younger

The effect of 20 years old or younger as the targeted market on number of repeat consumers. Repeat consumer category were 1) 1 – 49, 2) 50 – 99, 3) 100 – 149, 4) 150 – 199, 5) 200 – 299, 6) 300 – 399, 7) 400 – 499, and 8) > 500. Solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. Data indicated that when 20 years old or younger consumers were the targeted market, the probability of having more than 500 repeat consumers increased.

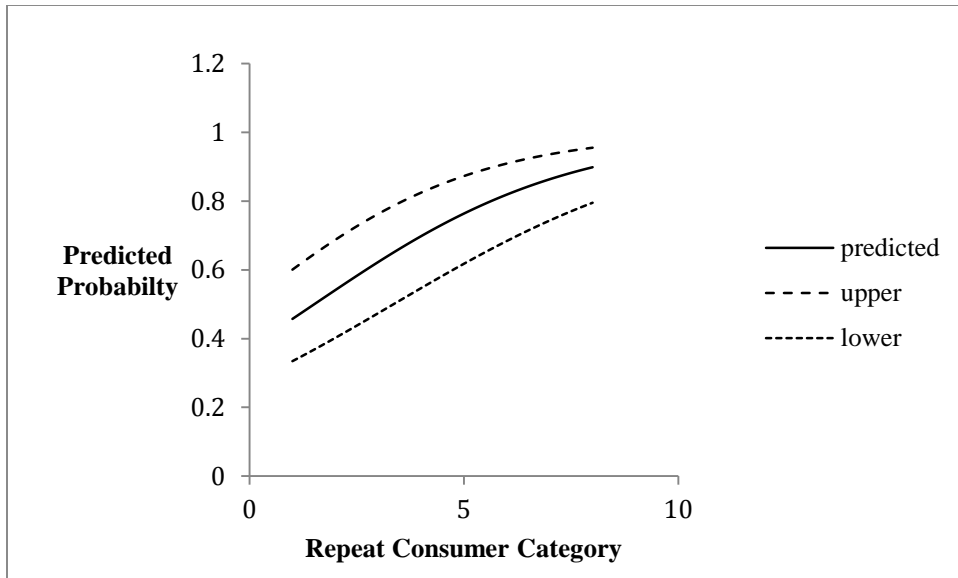


Figure 3. Member of a Wire Service

The effect of wire service as a form of marketing on the number of repeat consumers.

Repeat consumer category were 1) 1 – 49, 2) 50 – 99, 3) 100 – 149, 4) 150 – 199, 5) 200 – 299, 6) 300 – 399, 7) 400 – 499, and 8) > 500. Solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. Data indicated that when a florist was a member of a wire service the probability of them having more than 500 repeat consumers increased.

## **Consumers Population**

Sample size consisted of 321 consumer surveys. Consumer participant's genders were 75% female, 22% male, and 3% did not indicate their gender. Participant's state of location were 34% Tennessee, and 64% Kentucky. The median ages for consumer participants were in their 60's. The highest percentage age group for consumers was 60's 24%. The second highest percentage of age was 50's at 21%. The lowest percentage was in there 90's at 2%. Median household gross annual incomes were 60,000- 89,999. The highest income percentage was 60,000- 89,999 at 28%. The lowest income percentage was 90,000 or higher at 16%. Median highest degree or levels of education were some college credit, but no degree. The highest education percentage was some college credit, but no degree at 31%. The second highest percentage was high school graduate/ GED at 30%. The lowest percentage of level of education was less than high school diploma at 5%.

## **Consumer Survey Results**

Consumer's main form of purchase online had no effect on the average price spent on an arrangement. When the consumer's main method of purchasing was telephone they spent more on an arrangement (Figure 4). When the consumers' main method of purchasing was walk-in, the average price spent was less on an average arrangement (Figure 5).

Consumers increased their price on purchasing gifts or flowers for themselves and family (Figure 6 and 7). Consumers purchasing gifts or flowers for friends did not show an increase in the amount spent on an arrangement. Consumers purchasing flowers for holidays, weddings, or no reason did not increase in the price spent on arrangement.

Consumers purchasing flowers for special occasions and funerals increased the price of arrangement (Figure 8 and 9). Consumers price of arrangement decreased when buying fresh cut flowers. Consumers price of arrangement did not increase when purchasing silk flowers, gift items, balloons, and potted plants.



Table 2. Population Statistics of Consumers

Variable	Median	Mode
Gender	Female	Female
Age	53	65
Level of Education	Some college credit, but no degree	Some college credit, but no degree
Annual Gross Income	30,000 - 59,000	30,000 - 59,999
State	Kentucky	Kentucky

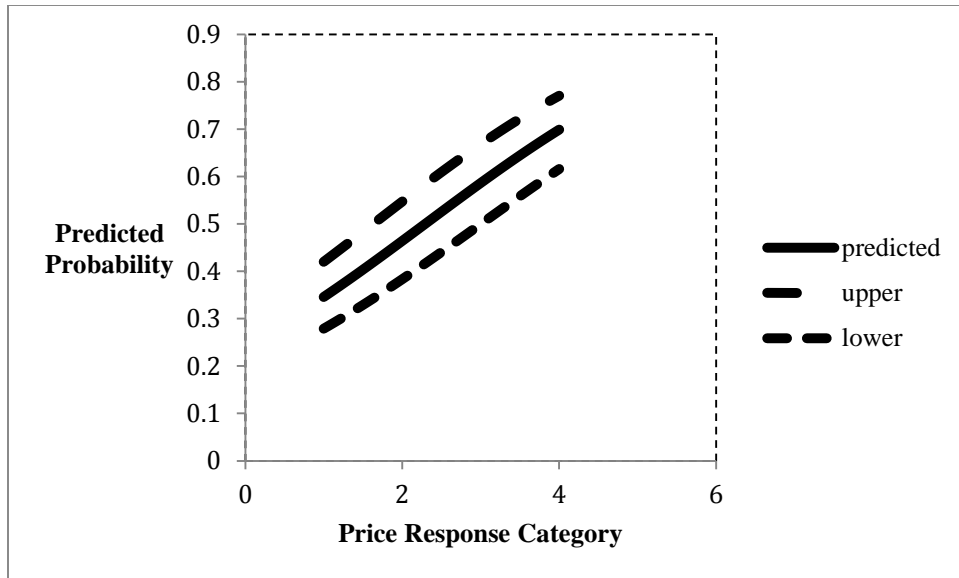


Figure 4. Consumers Main Methods of Purchasing Flowers: Telephone

The effects of telephone as the main method of purchasing flowers. Price response category were 1) 25 or less, 2) 26-45, 3) 46- 65, 4) 66-85, 5) 86 or higher. The solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. Data indicated that when telephone was consumers' main method of purchasing flowers the probability of a consumer spending more than \$86 on an arrangement increased.

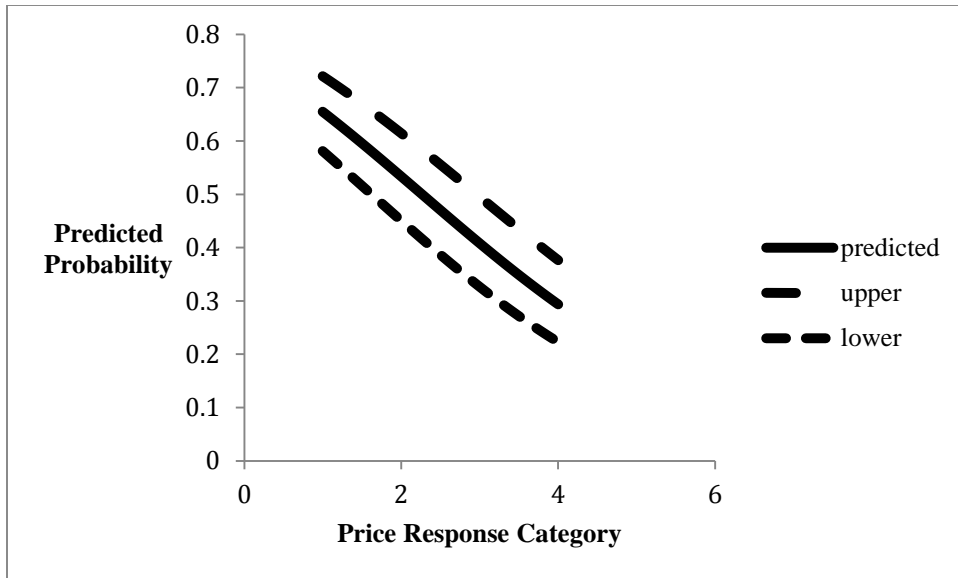


Figure 5. Consumers Main Method of Purchasing Flowers: Walk-in

The effects of walk-in as the main method of purchasing flowers. Price response category were 1) 25 or less, 2) 26-45, 3) 46- 65, 4) 66-85, 5) 86 or higher. The solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. When walk-in was the consumer's main method of purchasing flowers the probability of a consumer spending less than \$86 on an arrangement increased.

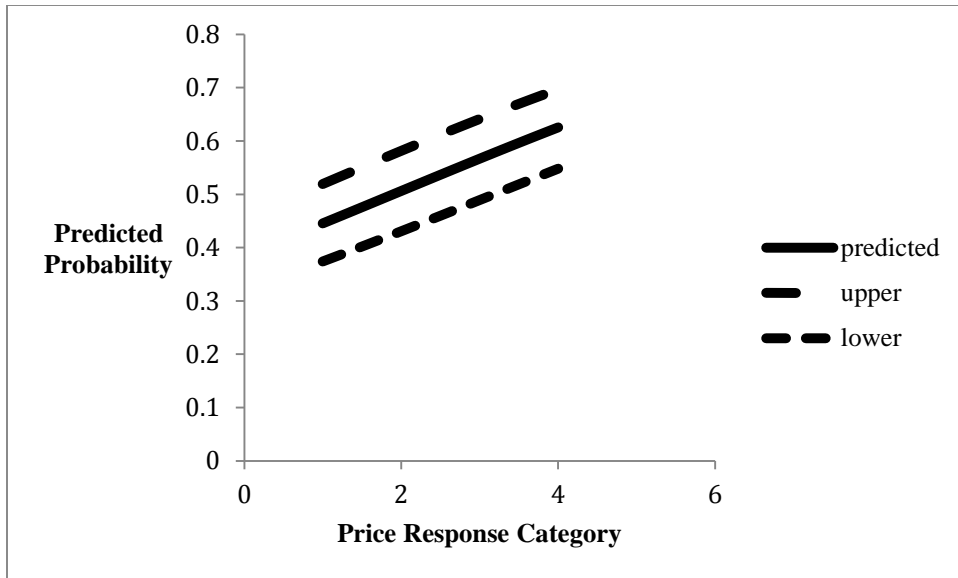


Figure 6. Consumers Purchasing Gifts or Flowers for: Themselves

The effects of purchasing flowers for ones self on consumer purchases. Price response category were 1) 25 or less, 2) 26-45, 3) 46- 65, 4) 66-85, 5) 86 or higher. The solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. Data indicated that when consumers were purchasing flowers for themselves the probability of a consumer spending more than \$86 on an arrangement increased.

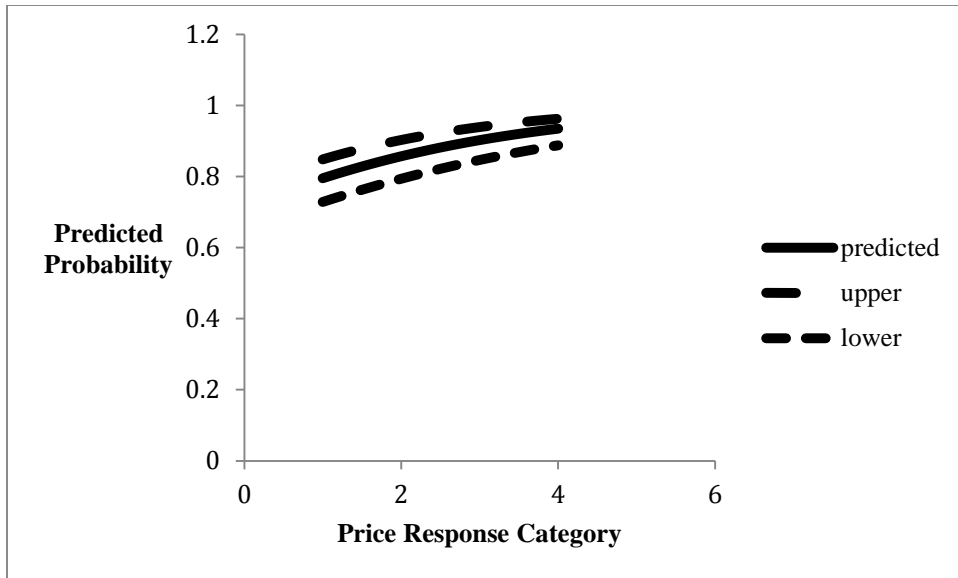


Figure 7. Consumers Purchasing Gifts or Flowers for: Family

The effects of family for whom consumer purchases flowers. Price response category were 1) 25 or less, 2) 26-45, 3) 46- 65, 4) 66-85, 5) 86 or higher. The solid line indicates the logistic regression fitted equation and dash lines indicate the 95% confidence interval. Data indicated family is whom consumers are purchasing flowers for the probability of a consumer spending more than \$86 on an arrangement increased.

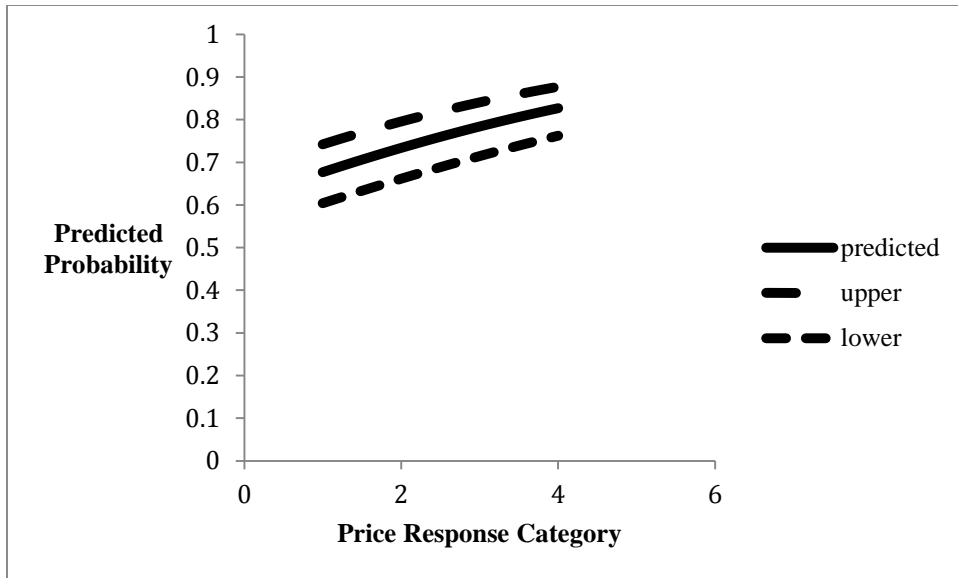


Figure 8. Consumers Purchase Flowers for: Special Occasions

The effect of special occasions as when flowers are purchased on the average price spent per arrangement. Price response category were 1) 25 or less, 2) 26-45, 3) 46- 65, 4) 66-85, 5) 86 or higher. The solid line indicates the logistic regression fitted equation and dash line indicate the 95% confidence interval. Data indicated that when consumers purchase flowers for special occasions the probability of a consumer spending more than \$86 on an arrangement increased.

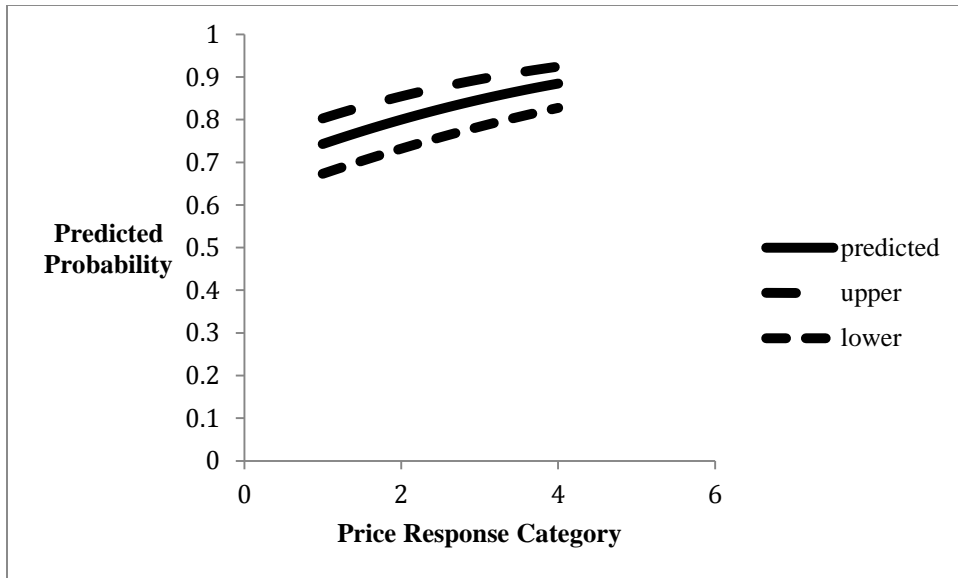


Figure 9. Consumers Purchase Flowers for: Funerals

The effect of funerals when flowers are purchased on the average price spent per arrangement. Price response category were 1) 25 or less, 2) 26-45, 3) 46- 65, 4) 66-85, 5) 86 or higher. The solid line indicates the logistic regression fitted equation and dash line indicate the 95% confidence interval. Data indicated that when consumers purchase flowers for special occasions the probability of a consumer spending more than \$86 on an arrangement increased.

## DISCUSSION

### **Florist Surveys**

The florists survey data were used to find marketing trends in the retail full service floral shops of Central Kentucky and North Central Tennessee. Floral shops that remained in their current location the longest time had a greater number of repeat consumers. Consumers can rely on florists being in their current location, and avoid a search; are more likely to return.

Window displays are used to draw potential consumers into the store. Other studies reported consumers who make personal purchases relied more heavily on shop windows and newspapers/ magazines as external information sources than consumers who purchased for other people (Huang, 2007). The data in this study did not support the previous research. Consumers typically come to the shop to buy gifts for others. Other studies reported when consumers were purchasing a product to be a gift personal preference was more influential for a flower purchase than shop windows.

Florists who were listed in the yellow pages did not have an effect on the number of return consumers. Florists who are listed in the yellow pages increase their chances for new consumers, but return consumers should already have contact information for the florist. Yellow pages are not used as frequently now that Tech industry experts estimate that Google processes roughly 2 million searches every second (Sogueco, 2015). More than 80 percent of shoppers started their retail request using a search engine (Sogueco, 2015).

Florists who used a website for their main form of marketing showed a higher number of repeat consumers. They can share their work and the products in their shop. Consumers can shop at the convenience using their home computers and call or walk-in



store to buy the products. Online presence is the goal. Social media is where your customers live today (Sogueco, 2014).

Florists want to be diversified and cater to a wide variety of consumers. The results of the present study found when florists targeted 20 years old or younger consumers they had a higher number of repeat consumers. Consumers who are in the age group of 20 years old or younger are not stable in a job or home. Consumers this age are going to school, and are living on a budget.

Consumers who are knowledgeable on postharvest care for cut flowers added value to a floral arrangement. Floral preservatives could potentially increase their appreciation for and interest in purchasing flowers (Jenkins, 2013). The results of the present study reported no difference in the number of repeat consumers and how often they offer workshops. Over 70 percent of the florists surveyed resulted in offering no classes or workshops for consumers. Increasing the number of workshops or classes would likely increase the number of repeat consumers.

Location is important for consumers to conveniently find the florist. Florists rely on walk-ins and consumers coming to them. It is important for florists to be located in an attractive area that's safe (Kimball, 2006). Results of the present study showed no effect of shop location on the number of repeat consumers; however, favorable, accessible location will likely increase prospective consumers. To keep repeat consumers a shop would need to stay in its current location for a period of time.

Service is key to a successful floral shop. Florists need employees to answer phones, and deal with walk-in consumers. The present study results found the more part time and full time employees a florist had the greater the number of repeat consumers

Florists who have to do everything themselves get burnt out quickly in the business. It is an investment for florists who have a greater number of repeat consumers to hire full time and part time employees to help keep consumers happy.

Florists who use a wire service had a greater number of return consumers. Wire services are great for gaining and keeping new consumers. Wire services bring in new consumers. A consumer who is pleased with the product is more likely to begin using the florist.

Florist's consumer base such as online, walk-in, or phone had no pronounced affect on the number of return consumers. Rather, they selected multiple responses. The number of delivery vehicles had no affect on the number of return consumers.

### **Consumers Surveys**

The response rate for consumer's surveys was lower than expected. Several possible reasons were responsible. Some consumers were reluctant to provide sensitive information such as annual gross income. In retrospect including a raffle award could have increased the response rate.

Consumers whose main method of purchasing flowers was online had no affect on the average price a consumer spent on an arrangement. A limitation to this study is that no online consumers were surveyed. Consumers whose main method of purchasing was telephone had an increase average price spent on an arrangement. When consumers call a florist they don't have time to walk-in the store. Usually they have decided an amount they want to spend and what product they want. Consumers whose main method of purchasing flowers was walk-in spent less on the average arrangement. Walk-in consumers will settle for a less expensive product after browsing the store.

Consumers who purchase gifts or flowers for themselves increased the amount they spent on an arrangement. Walk-in consumers buy products for themselves.

Consumers who are walk-in increase the chances of impulse buying and are willing to pay more for a product when they physically see it. Consumers also spent more on purchased gifts for family.

In previous studies younger adult consumers tend to spend less on floral gifts. They preferred more practical, long-lasting gifts that reflect their sentiments and resist spending money on perishable luxury items (Rihn, 2011). Results of the present study showed consumers tend to spend more when purchasing flowers for special occasions, and funerals. Consumers today want more keepsake products and less perishable items. The study results showed no effect on the amount spent on flowers when purchased on holidays, just because, and weddings.

Consumers in Kentucky and Tennessee spend less on the average fresh cut arrangement when it is fresh cut flowers. Consumers are willing to pay more for items that are not perishable. The present study was not specifically directed towards the impact of nonperishable items. This study showed no difference in the average price spent per arrangement on silk flowers, gift items, balloons, and potted plants.

## CONCLUSION

Consumers increased price of arrangement when purchasing by the telephone. Florists increased in the number of repeat consumers when their main form of marketing was website. Florists can increase income and repeat consumers by marketing call in orders online and florists being a member of a wire service.

Florists who had multiple full and part time employees increased in repeat consumers. Employees are an investment for improving service for the floral shop. Consumers spend more when placing an order on the phone. Florists cannot afford to miss a phone call for a potential order.

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Dear Florist,

My name is Danielle Berkshire; I am a graduate student in the Department of Agriculture at Western Kentucky University. My graduate research involves evaluating market trends and how market trends influence a consumer's decision to return to a full service floral shop.

The research consists of a questionnaire on advertisement and marketing, along with changing consumer trends at your floral shop. The survey will take approximately 10 minutes of your time. Personal and business identification will remain confidential.

The goals of this research are to develop ways to improve current marketing and advertisement techniques and aid in the understanding of how to increase customer retention. The data gathered from this study will assist florists in improving advertisement and marketing decisions, along with ways to improve customer retention.

Thank you for your time in assisting in my graduate research. It wouldn't be possible without your help.

Sincerely,

Danielle Berkshire  
[danielle.berkshire839@topper.wku.edu](mailto:danielle.berkshire839@topper.wku.edu)



Hello:

We are conducting a short, 10 minute survey regarding **floral shop management** by florists in retail floral shops in Kentucky and Tennessee. We would greatly appreciate your time and efforts completing our short survey. Completing this questionnaire is completely voluntary, and you may withdraw your participation at any time without penalty. To protect your anonymity, please do not write your name on the survey instrument. By completing this survey instrument, you are providing your informed consent to participate in this research and you also are affirming that you are at least 18 years of age. If you have any questions, please do not hesitate to let us know. Thank you again for your assistance.

**1. How long has your business been in its current location?**

- 5 years or less
- 6– 10 years
- 11– 15 years
- 16– 20 years
- 21 years or more

**2. How many times have you moved your shop?**

- 0
- 1
- 2
- 3
- 4 or more

**3. Including your business how many flower shops are in your town?**

- 1
- 2
- 3
- 4
- 5 or more

**4. Do you have a window display?**

- Yes
- No

**5. If yes, how often do you change it?**

- Twice per season
- Once per season
- Once a month
- Twice a month
- Once a week

**6. How many repeat consumers do you have?**

- 1– 49
- 50– 99
- 100– 149
- 150– 199
- 200– 299
- 300– 399
- 400– 499
- 501 or more

**7. Are you listed in the yellow pages?**

- Yes
- No
- Don't know

**8. What is your main form of marketing?**

- Website
- Newspaper
- Facebook/ Twitter
- Phonebook
- Billboard
- Word of mouth
- Other \_\_\_\_\_

**9. Who are your targeted consumers?**

**Check all that apply.**

- 20 yrs. old or younger
- 21– 30 yrs. old
- 31– 40 yrs. old
- 41– 50 yrs. old
- 51– 60 yrs. old
- 61 yrs. old or older

**10. How often do you offer workshops or classes for consumers?**

- Never
- Once a year
- Every 6 months
- Every quarter
- Once a month
- More than once a month

**11. Where is your shop located?**

- Downtown/ Main street
- Edge of town
- Strip mall/ retail cluster
- Other, please specify  
\_\_\_\_\_.

**12. How many full time employees do you have?**

- 0
- 1
- 2
- 3
- 4 or more

**13. How many part time employees do you have?**

- 0
- 1
- 2
- 3
- 4 or more

**14. By whom is the floral shop owned?**

- Family
- Corporation
- Sole proprietorship
- Partnership
- Other \_\_\_\_\_

**15. Do you belong to a wire service? If so which ones?**

\_\_\_\_\_

**16. Is your consumer base mostly...**

- Walk– in
- Phone
- Wire– service/ Internet
- Other \_\_\_\_\_



**17. How many delivery vehicles do you have?**

- 1
- 2
- 3
- 4
- 5 or more

**18. What is your gender?**

- Male
- Female

**19. In what year were you born?**

\_\_\_\_\_

**20. What is the highest degree or level of education that you have completed?**

- Less than High School Diploma
- High School Graduate/ GED
- Some College Credit, but no Degree
- AA/AS Program Graduate
- BA/ BS Program Graduate
- Post- Graduate Education

**21. How often do you attend workshops or conferences to further your education?**

- Never
- Once a year
- Twice a year
- Three times a year or more

**22. What is the annual gross income of your business?**

- 0– 100,000
- 100,001– 150,000
- 150,001– 200,000
- 200,001– 250,000
- 250,001 or higher

**23. In what county is your shop located?**

\_\_\_\_\_

**24. In what state is your shop located?**

- Tennessee
- Kentucky

Dear Customer,

My name is Danielle Berkshire; I am a graduate student in the Department of Agriculture at Western Kentucky University. My graduate research involves evaluating market trends and how market trends influence a consumer's decision to return to a full service floral shop.

My data collected involves a brief survey on your demographics, experiences with local florist, and history of floral purchases. The survey will take approximately 10 minutes to complete. Personal identification gathered in the survey will remain confidential.

The goals of this research are to develop ways to improve current marketing techniques and aid the industry understanding of how to increase customer retention. The data gathered from this study will assist florists in improving advertisement and marketing decisions, along with ways to improve customer retention. As a student who is passionate about the floral industry my goal is to help improve customer service for the floral industry. I believe the best way to improve services is to ask the experts, the customers, their opinions.

Steps to complete the survey

1. Read and sign the consent form. (The consent form guarantees confidentiality of identifying information).
2. Complete the survey by answering the 12 survey questions.
3. Place the completed survey and signed consent form in the envelope provided.
4. Seal the envelope and sign across the seal of the envelope.
5. Return the sealed envelope to a participating florist by February 29<sup>th</sup>, 2015.

The florist will return all sealed envelopes to me at the completion of the study.

Thank you for your time in assisting in my graduate research. My research would not be possible without your help. If you have any questions, feel free to contact me.

Sincerely,

Danielle Berkshire

danielle.berkshire839@topper.wku.edu



Hello:

We are conducting a short, 10 minute survey regarding **floral shop management** by consumers in retail floral shops in Kentucky and Tennessee. We would greatly appreciate your time and efforts completing our short survey. Completing this questionnaire is completely voluntary, and you may withdraw your participation at any time without penalty. To protect your anonymity, please do not write your name on the survey instrument. By completing this survey instrument, you are providing your informed consent to participate in this research and you also are affirming that you are at least 18 years of age. If you have any questions, please do not hesitate to let us know. Thank you again for your assistance.

**1. What is your main method of purchasing flowers?**

- Online
- Telephone
- Walk-in
- Other \_\_\_\_\_

**2. For whom do you purchase gifts or flowers?**

- Yourself
- Friends
- Family
- All of the above
- Other \_\_\_\_\_

**3. When do you purchase flowers?**

**Check all that apply.**

- Holiday's (Valentine's Day, Thanksgiving, etc.)
  - Special occasions (Birthday or Anniversary)
  - Just cause/ no reason
  - Wedding
  - Funeral/ Sympathy
  - Other
- 

**4. What merchandise do you most often purchase from a florist?**

- Fresh cut flowers
  - Silk flowers
  - Gift items (Candles & Chocolate)
  - Balloons
  - Potted Plants
  - Other
- 

**5. How would you rank the following in factors encourages you to be a return consumer? 1 being the most important- 5 being less important.**

- \_\_\_\_ Store's appeal
  - \_\_\_\_ Service/ delivery
  - \_\_\_\_ Relationship with florist
  - \_\_\_\_ Longevity of flowers
  - \_\_\_\_ Other
- 

**6. What is the average price you spend on an arrangement?**

- \$25 or less
- \$26- \$45
- \$46- \$65
- \$66- \$85
- \$86 or higher

**7. What is your gender?**

- Male
- Female

**8. In what year were you born?**

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**9. What is your highest degree or level of education that you have completed?**

- Less than High School Diploma
- High School Graduate/ GED
- Some College Credit, but no Degree
- AA/ AS Program Graduate
- BA/ BS Program Graduate
- Post- Graduate Education

**10. Household gross annual income?**

- 29,999 or below
- 30,000 – 59,999
- 60,000– 89,999
- 90,000 or higher

**11. In what county are you located?**

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**12. In what state are you located?**

- Tennessee
- Kentucky