Russell RESEARCH

GENERATIONS OF FLOWERS RESEARCH

DEVELOPING A MULTI-GENERATIONAL MARKETING APPROACH

INTRODUCTION

The Society of American Florists (SAF) commissioned a research study in 2009 which evaluated perceptions and purchasing/gift-giving behavior regarding flowers and plants among three key generations: Generation Y, Generation X, and Baby Boomers.

SAF and the American Floral Endowment (AFE) worked in partnership to update the research in January 2016. Funding for the project was provided by the Floral Marketing Research Fund.

safnow.org endowment.org fmrf.org

CONTENT

- Appreciation and knowledge of flowers
- Flower purchase behavior for self and gift-giving
- Purchase behavior & drivers by channel
- Gift-giving occasions and the emotional component of giving/receiving flowers
- The relative importance of buying local in the overall purchase decision
- Similarities and differences between generational segments
- Trends versus 2009 research
- Generational marketing implications

METHODOLOGY

- Online Methodology
- ~1500 interviews per study
  - Generation Y (1977-1994)
  - Generation X (1965-1976)
  - Baby Boomers (1946-1964)
- Qualifications
  - 50% Female, 50% Male
  - Ages 18 – 60 (2009)
  - Ages 22 – 70 (2016)
  - P12M Flower Purchasers / N6M Flower Considerers
  - Competitive Screen
  - Nationally representation

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KEY INSIGHTS

1

Flowers are widely valued across all generations.
This is driven by a strong sensory and emotional connection with flowers.

2

Gifting continues to be the most common reason for purchasing flowers.
Local florists are the most widely shopped channel for gift purchases while supermarkets are now less popular.

3

Despite gifting being most popular, there is still a high percentage who purchase flowers for themselves.
Local florists and supermarkets have near equal share for these purchases. Farmer's markets are rising in popularity.

4

There is a positive purchase trend in flower purchases.
This is likely in part due to a decrease in cost being a purchase barrier. Houseplants are benefitting from this trend.

5

Being local and providing expert recommendations are hidden opportunities.
These attributes are not explicitly stated by consumers though drive consideration.

6

Many generational differences seen in 2009 have narrowed in 2016.
This is due to increased appreciation and connection among Generation Y. The current key differences between generations revolves around channel usage and emotional connection.

INSIGHT: VALUE & CONNECTION

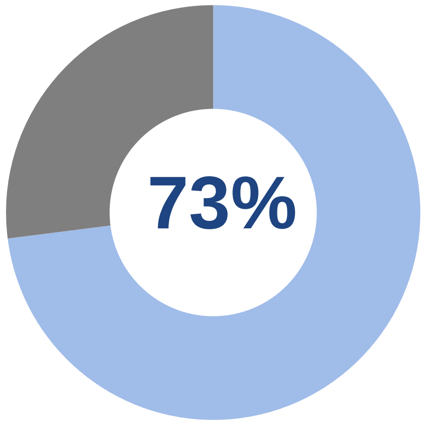
Flowers are widely valued across all generations.

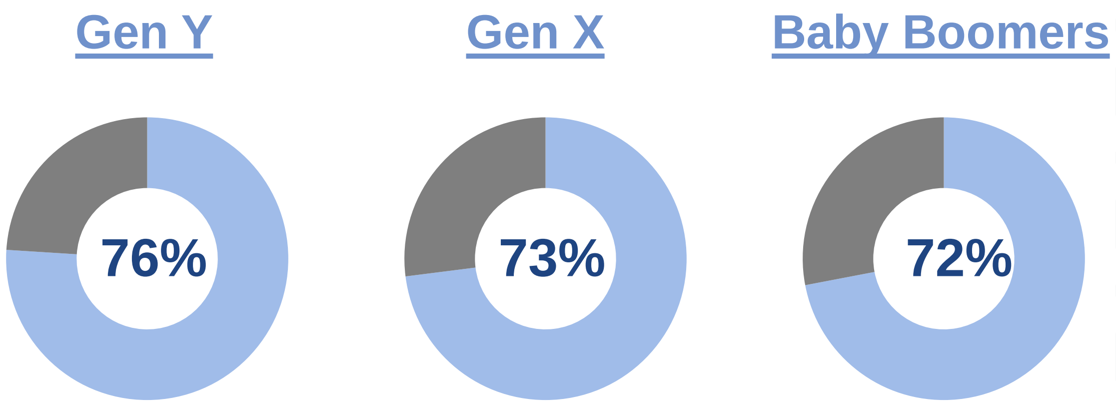
- Nearly three in four consumers (73%) have a high appreciation of flowers, a significant increase in appreciation compared to 2009 findings (66%). This increase was driven by much stronger appreciation among Generations Y (60% 2009 → 76% 2016) and X (64% → 73%) compared to the previous research. Appreciation has remained consistent among Baby Boomers.

There is a strong sensory & emotional connection with flowers.

- From a sensory perspective, consumers strongly agree the color of flowers adds to the impact of a gift (70%), the sight and smell can improve mood (69%), and the fragrance is important (64%).
- Further, nearly two-thirds feel special when receiving flowers as a gift (65%), find flowers to be an emotional gift (64%), and three in five believe gifts of flowers have a special meaning unlike any other gift (60%).
- These all represent increases over 2009 findings.

High Appreciation of Flowers





Generation Y (1977-1994)
Generation X (1965-1976)
Baby Boomers (1946-1964)

INSIGHT: GIFTING

Gifting continues to be the most common reason for purchasing flowers.

- One-half of consumers (50%) have purchased flowers for a traditional holiday/ occasion gift for someone else in the past year, with this finding very consistent by age (48% - 51% across generations) and over time (53% in 2009).
- Further, and despite a significant decrease since 2009, gifting as a “just because” is the second most popular purchase situation (48% 2009 → 42%).
- There is power in gift giving – nine in ten (89%) remember the last time they gave someone flowers for a gift compared to a slight majority (56%) who remember the last time they were received. Females (77%) are more than twice as likely as men (34%) to remember the last time they received flowers.
- Flower gift givers are viewed as being caring (55%), personal (54%), and sentimental (49%).

Local florists remain the most widely shopped channel for gift purchasing while supermarkets have declined in popularity.

- Four-fifths of consumers (82%) typically make gift purchases at local florists, including nearly two-thirds who shop in-person.
- During this time, there has been a significant decrease for supermarkets (68% 2009 → 58% 2016).
- Online (national floral services, florist website) and farmer’s markets have risen in popularity since 2009 as gift-giving channels.

INSIGHT: SELF PURCHASING

Despite gifting being most popular, there remains a high percentage of consumers who purchase flowers for themselves.

- Two in five consumers (40% vs. 41% in 2009) have purchased flowers in the past year for home decoration and more than one-fifth (22% vs. 21% in 2009) purchased them as a present for themselves. These have both increased as reasons among Generation Y.
- Those who purchase flowers for home decoration are equally likely to buy them for everyday décor (42%), a personal pick-me-up (41%), or holiday décor (39%).

Local florists and supermarkets continue to have near equal share for everyday flower purchases and there has been a notable rise in farmer's markets.

- Three in four consumers (75%) typically purchase flowers for themselves at local florists, near equal to 2009 findings (76%).
- Seven in ten consumers (70%) typically purchase flowers for themselves at supermarkets and two in five purchase at nursery or garden centers (42% both studies).
- Farmer's markets are now the fourth most popular channel for self purchases (25% in 2009 → 30% in 2016), driven by a sharp increase among Generation Y (24% → 33%).

INSIGHT: PURCHASE TRENDS

There is a positive purchase trend in flower purchases.

- Nearly one in five consumers (18%) are now purchasing flowers more frequently for themselves in comparison to previous years. This is double the percentage reported in 2009 (9%). Additionally, three in ten (29%) indicate they're now purchasing less, compared to 54% in 2009.
- The percentage purchasing flowers as gifts more frequently has remained static since 2009 (32% both years), however the percentage purchasing less frequently has dramatically decreased (43% 2009 → 18% 2016).

The positive trend is likely in part due to cost being less of a purchase barrier.

- One-third of consumers (34%) indicate they don't purchase flowers more often due to them being viewed as too expensive/a luxury. This is significantly lower than the nearly one-half (46%) who identified it as a barrier in 2009. Cost is now significantly less of a barrier across all three generations included in the study – likely a direct effect of the vast difference in the economic climate in 2016.

Houseplants benefit from this trend.

- Nearly one-half of consumers (46%) plan to purchase houseplants in the next six months, significantly higher than intent found in 2009 (37%). This increase was driven by Generations Y & X, while Baby Boomers are slightly less likely to purchase houseplants compared to 2009.

Key Barriers to Purchase

	2009	2016
Don't Last Very Long	47%	47%
Too Expensive	46%	34%↓
Don't Always Think About It	34%	28%↓
Difficult to Maintain	12%	15%↑

Houseplant Purchase Intent

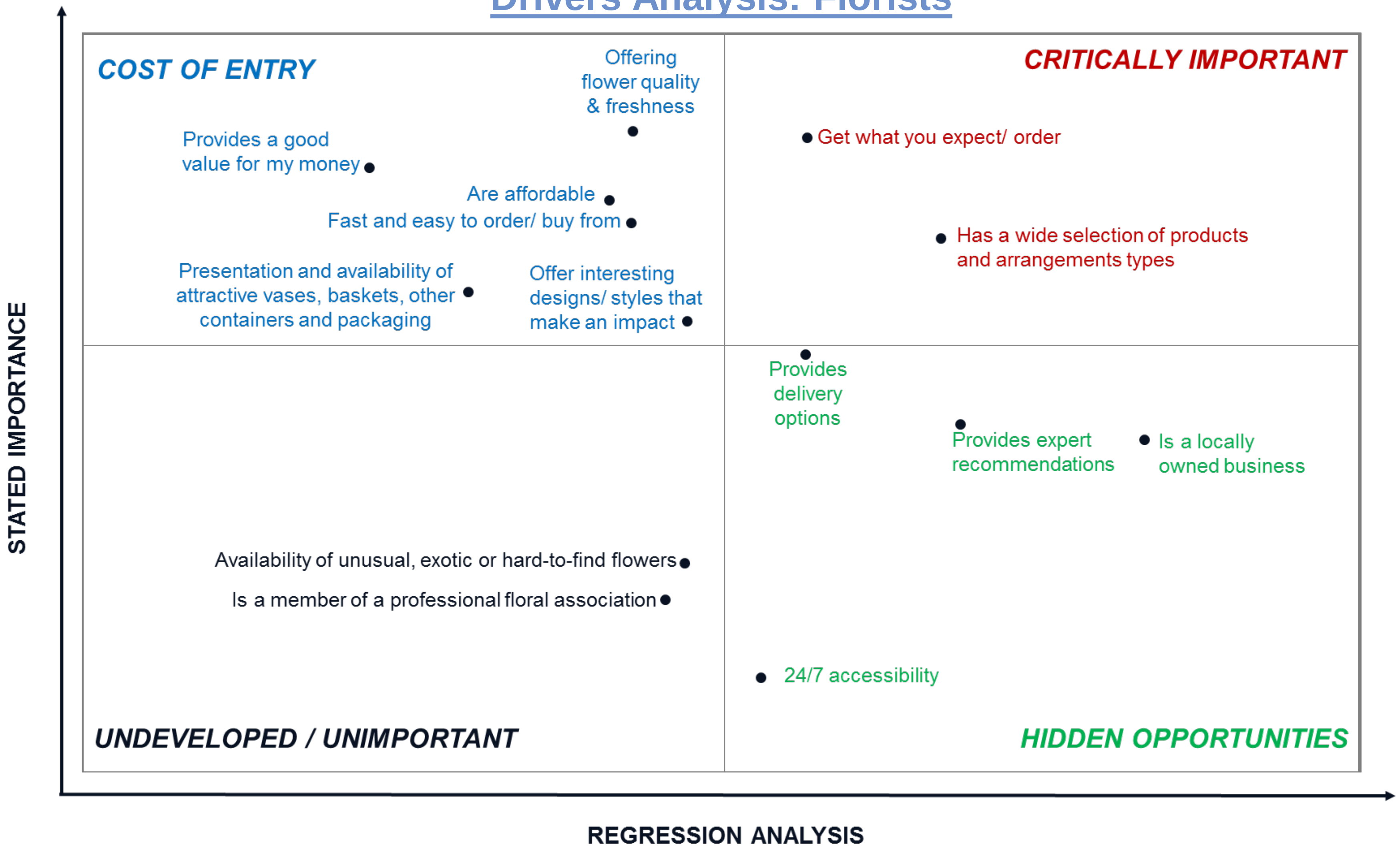
	2009	2016
Overall	37%	46%↑
Generation Y	33%	51%↑
Generation X	33%	46%↑
Baby Boomers	45%	39%

INSIGHT: FLORIST PURCHASE DRIVERS

Although not explicitly stated as important to consumers, being local and providing expert recommendations are key drivers of selecting a florist, and are therefore hidden opportunities in this channel.

- Three in five consumers (60%) identify being a locally owned business as very important when considering a flower purchase at a florist. This was among the least widely important attributes.
- However, when using regression analysis to identify key drivers of florist consideration, locally owned was the most important driver and providing expert recommendations was second most important.
  - This suggests the role of the florist as expert is understated in consumer minds, though is a differentiator, and is particularly important because only 47% of consumers indicate they know which flowers are appropriate for different situations.
- Having a wide selection of products and arrangement types and getting what you expect/order were the only attributes widely important on both the stated and derived levels, and delivering on these attributes should drive consideration.

Drivers Analysis: Florists



INSIGHT: GENERATIONAL DIFFERENCES

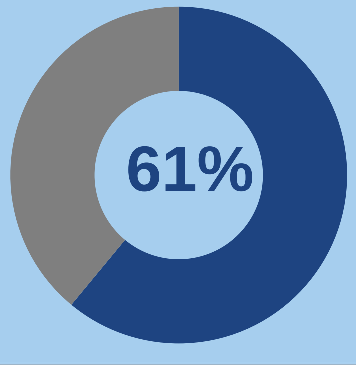
Many of the generational differences seen in 2009 have narrowed in 2016, primarily due to increases in appreciation and connection among Generation Y. The primary areas of difference which remain between generations revolves around channel usage and emotional connection.

- **Generation X** is significantly more likely than other generations to consider purchasing flowers at a florist (67% vs. 61% Generation Y, 56% Baby Boomers).
- While in-person is the most widely preferred method across all generations, **Generation Y** is significantly more likely than other generations to prefer purchasing flowers online (34% vs. 25% Gen X, 24% Baby Boomers) and to consider the Internet in the future (44% vs. 38% Gen X, 32% Boomers).
  - This extends to being most likely to purchase flowers for themselves using local florist websites (28% vs. 25% Generation X, 15% Baby Boomers).
- **Baby Boomers** remain far more likely to have an emotional connection with flowers in regards to gift giving.
  - They are far more likely than other generations to view gift giving as caring (63% vs. 46% Y, 54% X), personal (61% vs. 44% Y, 56% X), sentimental (53% vs. 42% Y, 51% X), and tasteful (52% vs. 31% Y, 45% X).
  - Further, they are by far most likely to view those who give flowers as thoughtful (78% vs. 59% Y, 70% X), sincere (58% vs. 47% Y, 49% X), and taking the time to give something special (55% vs. 36% Y, 47% X).

SNAPSHOT: GENERATION Y (AGES 22-39)

Gen Y values accessibility when shopping for flowers (using multiple channels – including social media for info), are the segment most likely to buy on impulse.

Florist Consideration



FLORIST PURCHASES

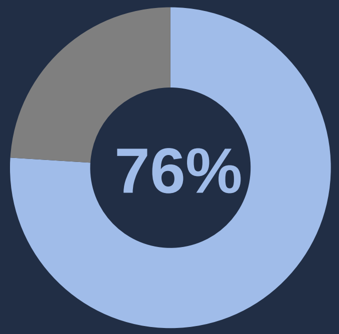
For Self (75%)

For Gift (82%)

Houseplant Purchase Intent

(51%)

High Appreciation of Flowers



Generational Differentiators

FLOWER IMAGERY

Buy Flowers On Impulse (50%)

Buy Flowers To Make Myself Feel Better (55%)

Sophisticated Gift (25%)

GIFT OCCASIONS

Date (17%)

FLOWER BARRIERS

Too Traditional (15%)

FLORIST IMPORTANCE

Availability of Unusual, Exotic or Hard-To-Find Flowers (61%)

24/7 Accessibility (55%)

CHANNELS (for self)

Farmer's Market (33%)

Convenience Store (24%)

FLOWER INFORMATION SOURCES

Friends and family	TV	Social media	Email	Discussions with florists/ experts	National magazines	Online news outlets	Blogs	Newspapers	Books	Radio	Colleagues
44%	33%	32%	24%	22%	16%	16%	14%	12%	10%	8%	7%

SNAPSHOT: GENERATION X (AGES 40-51)

Gen X is the most likely group to require convenience (e.g. delivery options), is most likely to use a florist, and has the highest incidence of purchasing flowers for anniversaries.

Florist Consideration

67%

FLORIST PURCHASES

For Self (80%) | For Gift (85%)

Houseplant Purchase Intent

(46%)

High Appreciation of Flowers

73%

Generational Differentiators

FLOWERS IMAGERY

Color of flowers adds impact to gift

(74%)

FLOWER BARRIERS

NONE

GIFT OCCASIONS

Anniversaries (41%)

Just Because (54%)

FLORIST IMPORTANCE

Offer interesting designs/styles that make an impact (71%)

Provides Delivery Options (69%)

CHANNELS (for gift)

Florist (85%)

Nursery/Garden Center (35%)

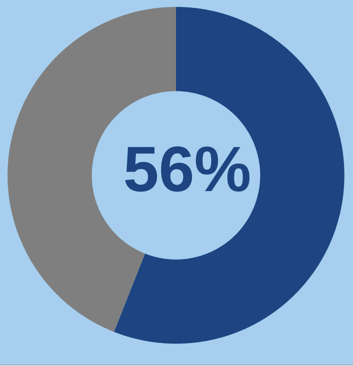
FLOWER INFORMATION SOURCES

Friends and family	TV	Social media	Email	Discussions with florists/ experts	Online news outlets	National magazines	Newspapers	Colleagues	Radio	Books	Blogs
47%	37%	29%	27%	27%	19%	17%	14%	9%	8%	5%	5%

SNAPSHOT: BABY BOOMERS (AGES 52-70)

Baby Boomers most believe they appreciate flowers and are more likely than other generations to purchase them for birthdays and funerals.

Florist Consideration



FLORIST PURCHASES

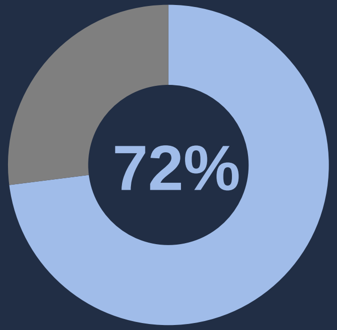
For Self (69%)

For Gift (82%)

Houseplant Purchase Intent

(39%)

High Appreciation of Flowers



Generational Differentiators

FLOWERS IMAGERY

Caring (63%)

Tasteful (52%)

Traditional (45%)

Generation has greatest appreciation for flowers (48%)

GIFT OCCASIONS

Funeral (30%)

Birthday (55%)

FLORIST IMPORTANCE

Offering flower quality and freshness (82%)

CHANNELS (for self)

Supermarkets (77%)

FLOWER BARRIERS

Don't last very long (54%)

Too Expensive (40%)

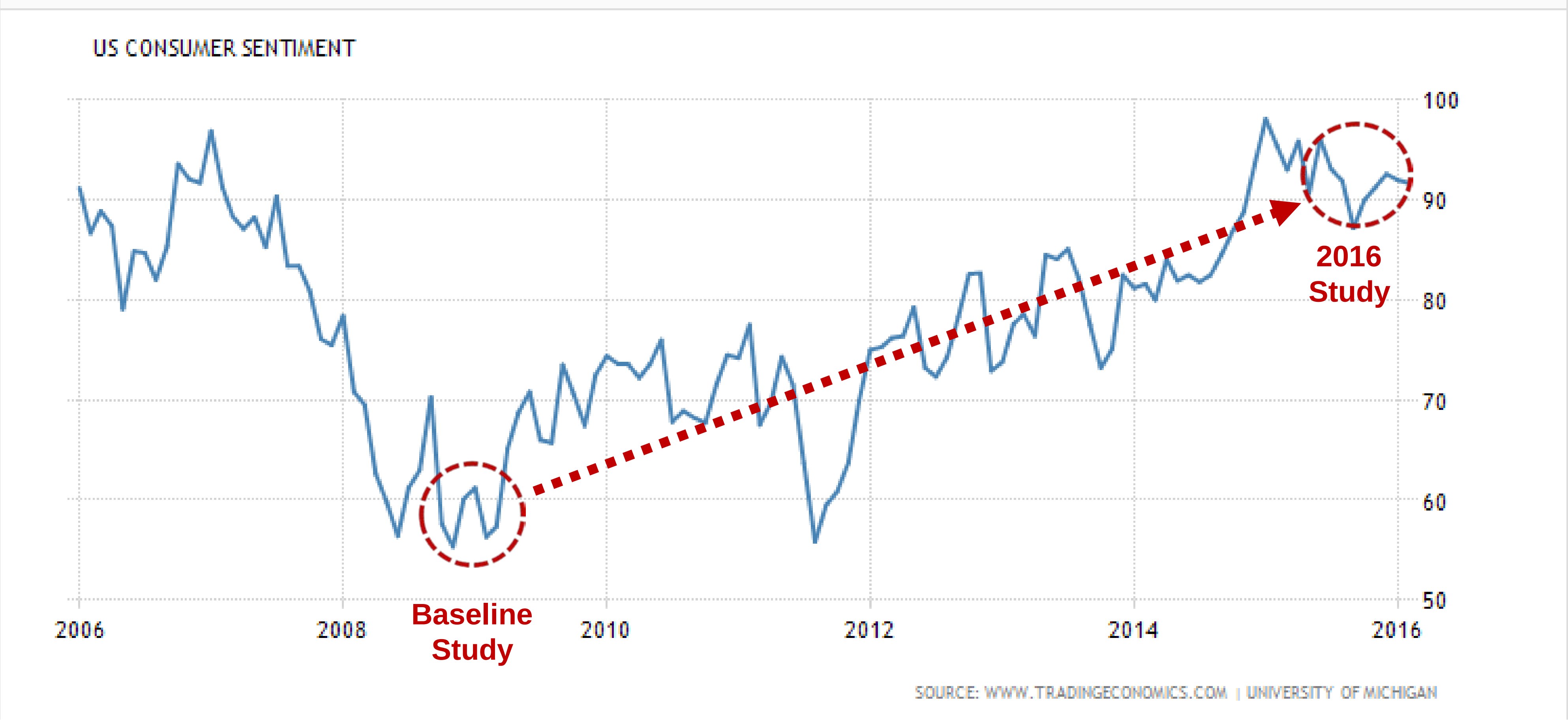
FLOWER INFORMATION SOURCES

Friends and family	TV	Discussions with florists/ experts	Email	National magazines	Newspapers	Social media	Online news outlets	Books	Colleagues	Radio	Blogs
48%	35%	32%	31%	22%	22%	14%	11%	8%	6%	6%	5%

RESEARCH IMPLICATIONS

The overall results show considerable attitudinal and behavioral improvement from the 2009 research.

- We believe the results represent and mirror the overall sentiment of the U.S. population during these two points in time.
- This includes significant increases in:
  - Flower Appreciation
  - Flower Attitudes & Imagery
  - Flower Perceived Knowledge
  - Recency of Flower Purchase
  - Flower Purchase Frequency
  - Houseplant Purchase Interest
- Many of these increases were more apparent among the two younger generations.



MARKETING IMPLICATIONS

Friends/family and social media are two of the primary ways in which consumers like to receive information and trends about flowers.

- Create shareable experiences which can generate word-of-mouth on social media pages which are viewed by friends and family via shares, re-tweets, likes, mentions, etc. This provides a content opportunity for florists.

Gen Y & X

- YouTube videos
- Blog Posts
- Facebook/Twitter Posts
- Instagram/Snapchat Stories
- Pinterest Pages

All Generations

- Email
- Traditional Advertising
- LinkedIn (professional)

Tips

- Don't always "try to sell" in social media – particularly to Gen Y, who are less trusting of advertising
- Think "Mobile First" when targeting Gen Y
- Customize content by social media channel (Facebook = conversational, Twitter = concise, Instagram = visual, etc.)
- Encourage sharing – likes, re-tweets, re-posts, tagging friends/family, etc.

MARKETING IMPLICATIONS

Understand the occasions which can be more common to specific generations.

Specific

- Gen Y: Dates, House Warming
- Gen X: Just Because
- Baby Boomers: Sympathy

All Generations

- Valentine’s / Mother’s Day
- Birthdays
- Appreciation

There is an education opportunity in generational marketing, content creation, and the in-store experience.

- Less than one-half of consumers indicate they know which flowers are appropriate for specific situations and regression analysis identified the providing of expert recommendations as a hidden opportunity. This is particularly true of Baby Boomers, who also more rely on personal discussions with florists/experts.
- Education can be a valuable form of marketing content as well as creating florist recommendations within the in-store and online retail spaces (e.g. often seen in wine or specialty stores).

MARKETING IMPLICATIONS

Although flowers are now less likely to be viewed as a luxury item, florists still need to deliver on value.

- There has been a significant decrease in the percentage of consumers who identified flowers as too expensive / a luxury as a barrier to purchasing more often.
- However providing a good value for the money and being affordable were both identified as cost of entry attributes in the regression analysis. These two attributes were important to all three generations.

It's all about the emotional and sensory experiences.

- Sensory elements such as color, sight, and smell, along with the emotional attributes of feeling special and having special meaning, are strongly connected with buying, giving, and receiving flowers.
- The sensory experience can be particularly reinforced in-store and the usage of color on your website, social media images, and print materials can be very effective and increases the chance of customer conversion.
- Further, the usage of emotion in communications and marketing materials is more likely to create engagement, compared to focusing on the rational drivers of purchase.
- A majority of Generations Y and X agree "when I buy flowers as a gift it makes me look good". Subtly reinforcing this positive emotion in marketing efforts can increase purchase motivation.

MARKETING IMPLICATIONS

Local and convenience are both opportunities to be leveraged.

- Being a locally owned business is a hidden opportunity for florists and being involved in the community reinforces this association. One potential opportunity is participation in local farmer's markets – which is growing in popularity as a channel for purchasing flowers and is a way to particularly connect with Generation Y.
- Another hidden opportunity which will continue to rise in importance is convenience, particularly in urban areas, where delivery speed is rapidly increasing. Providing an omni-channel experience which includes 24/7 accessibility (website), delivery, and pick-up options are widely important to the target audience, with the busy Generation X more likely than others to value delivery.

Houseplants represent another revenue stream for florists.

- Consideration of houseplants is on the rise among Generations Y and X, complementing consumer usage of flowers for everyday décor in the home.
- However florists are not currently the most widely shopped channel for houseplants. Communication and promotion of houseplants would likely be necessary for florists to become the top-of-mind option – providing yet another content topic for social media and other communications.

THANK YOU

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