

2016 Generations of Flowers Study

Key Findings



Prepared for:



Prepared by:

Russell Research, Inc.

**1 Meadowlands Plaza, Suite 1001
East Rutherford, NJ 07073**

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Research Methodology

The study was conducted using an online methodology. A total of 3,114 interviews have been conducted using a random sample of consumers drawn from leading market research survey panels:

- Wave 1 = 1,557 interviews (January 15-21, 2009)
 - Generation Y (Ages 18-30): 519 interviews
 - Generation X (Ages 31-44): 512 interviews
 - Baby Boomers (Ages 45-60): 526 interviews
- Wave 2 = 1,557 interviews (January 7-15, 2016)
 - Generation Y (Ages 22-39): 522 interviews
 - Generation X (Ages 40-51): 510 interviews
 - Baby Boomers (Ages 52-70): 525 interviews

In order to qualify for study inclusion, respondents were screened to meet the following criteria:

- 50% Female, 50% Male
- Ages 18 – 60 (2009) ; Ages 22 – 70 (2016)
- Do not work in competitive industry
- National representation

The data has been weighted to be balanced by gender, education and generation.

The overall margin of error for each wave was +/- 2.4%, and 4.3% for each generational segment.

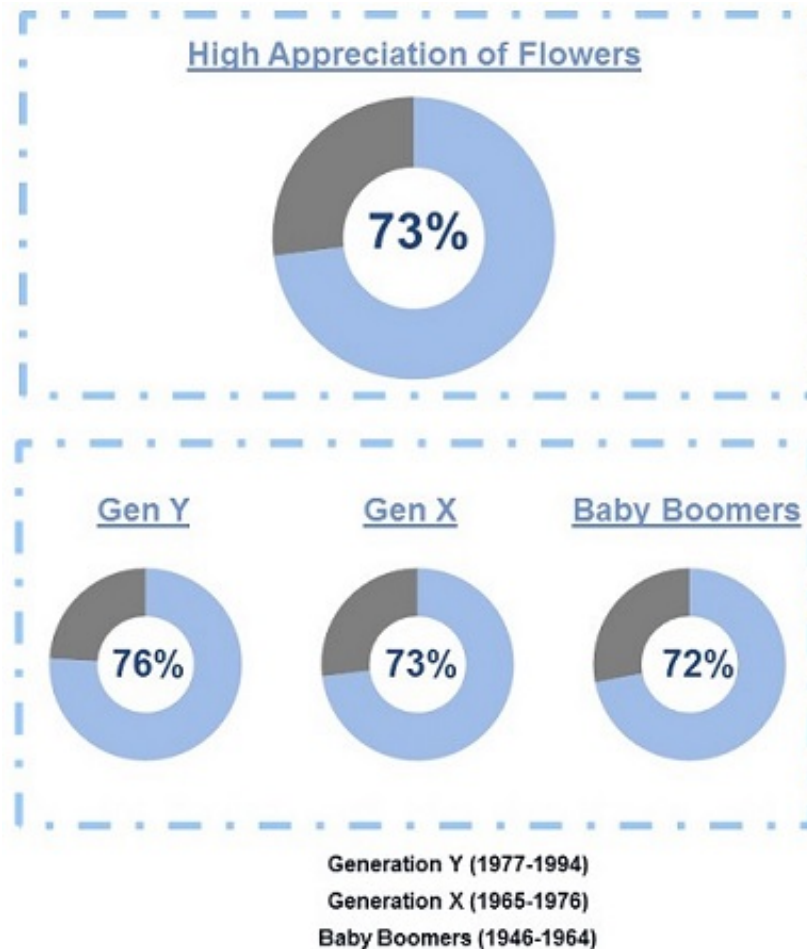
Executive Summary

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 my mood (69%), and the fragrance is important to them (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.



Executive Summary (Cont'd.)

Gift-giving 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.

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%).

Executive Summary (Cont'd.)

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.

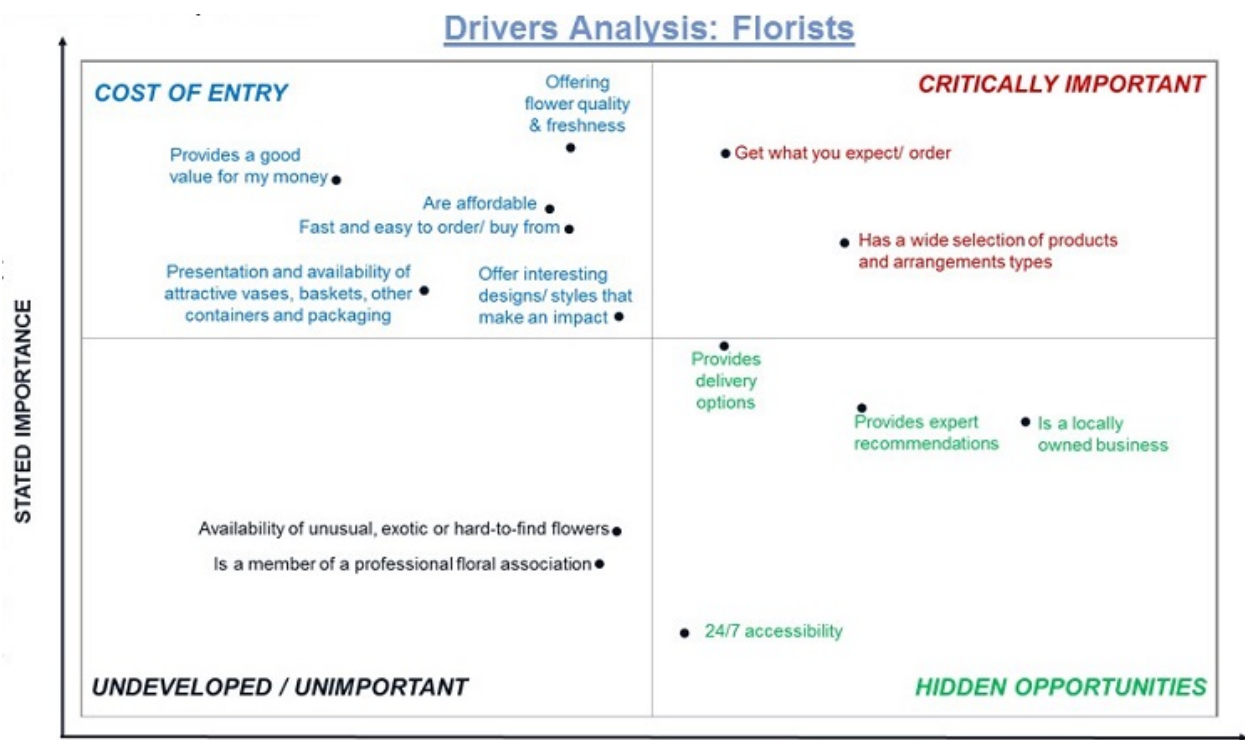
<u>Key Barriers to Purchase</u>		
	<u>2009</u>	<u>2016</u>
Don't Last Very Long	47%	47%
Too Expensive	46%	34% ↓
Don't Always Think About It	34%	28% ↓
Difficult to Maintain	12%	15% ↑

<u>Houseplant Purchase Intent</u>		
	<u>2009</u>	<u>2016</u>
Overall	37%	46% ↑
Generation Y	33%	51% ↑
Generation X	33%	46% ↑
Baby Boomers	45%	39%

Executive Summary (Cont'd.)

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.
- Although closely associated with the channel, being a member of a florist association was not particularly a driver when selecting a local florist (51% important), in comparison to other selection attributes. This may be due to a belief that all florists meet this criteria – and therefore it is not a channel differentiator.



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.

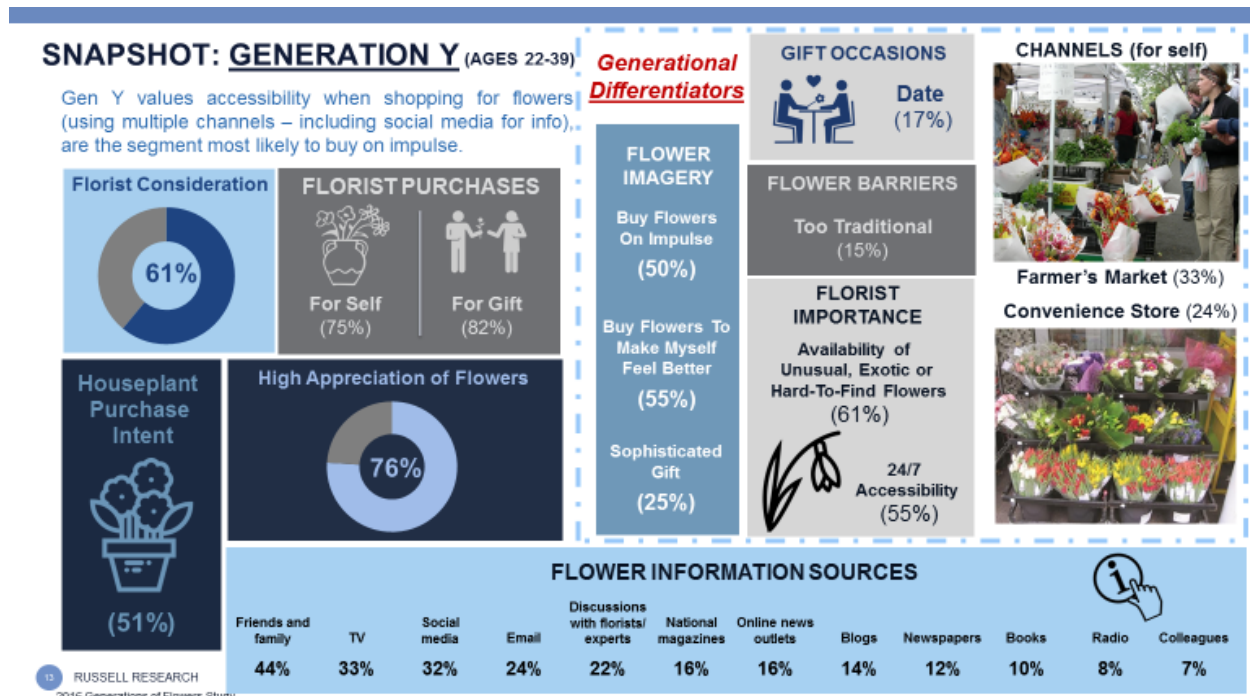
- Generation X is significantly more likely than other generations to consider purchasing flowers at a florist (67% vs. 61% Generation Y, 56% Baby Boomers).
- While in-person is the most widely preferred method across all generations, Generation Y is significantly more likely than other generations to 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).

GENERATIONAL SNAPSHOTS

Below are key findings and differentiators for Generation Y (born 1977 – 1994).

This generation values accessibility when shopping for flowers (using multiple channels – including social media for information), and are the segment most likely to buy on impulse.

- 61% indicate florists are their favorite or one of their favorite ways to purchase flowers
- 75% typically purchase flowers for themselves at a florist
- 82% typically purchase flowers as gifts at a florist
- 76% have a strong appreciation of flowers
- 51% plan on purchasing houseplants in the next 6 months
- Friends & family (44%) are their most preferred method of receiving information and trends about flowers, followed by TV (33%), social media (32%), email (24%), discussions with florists (22%), national magazines (16%), and online news outlets (16%)
- Key findings which differ from other generations (this generation is more likely to exhibit the attitude or behavior):
 - 55% buy flowers to make themselves feel better
 - 50% buy flowers on impulse
 - 25% view flowers as a sophisticated gift
 - 17% purchase flowers for a date
 - 15% cite flowers being too traditional as a barrier to purchase
 - 61% find it very important for a local florist to have availability of unusual, exotic, or hard-to-find flowers
 - 55% find it very important for a local florist to have 24/7 availability
 - 33% purchase flowers for themselves at farmers markets
 - 24% purchase flowers for themselves at convenience stores

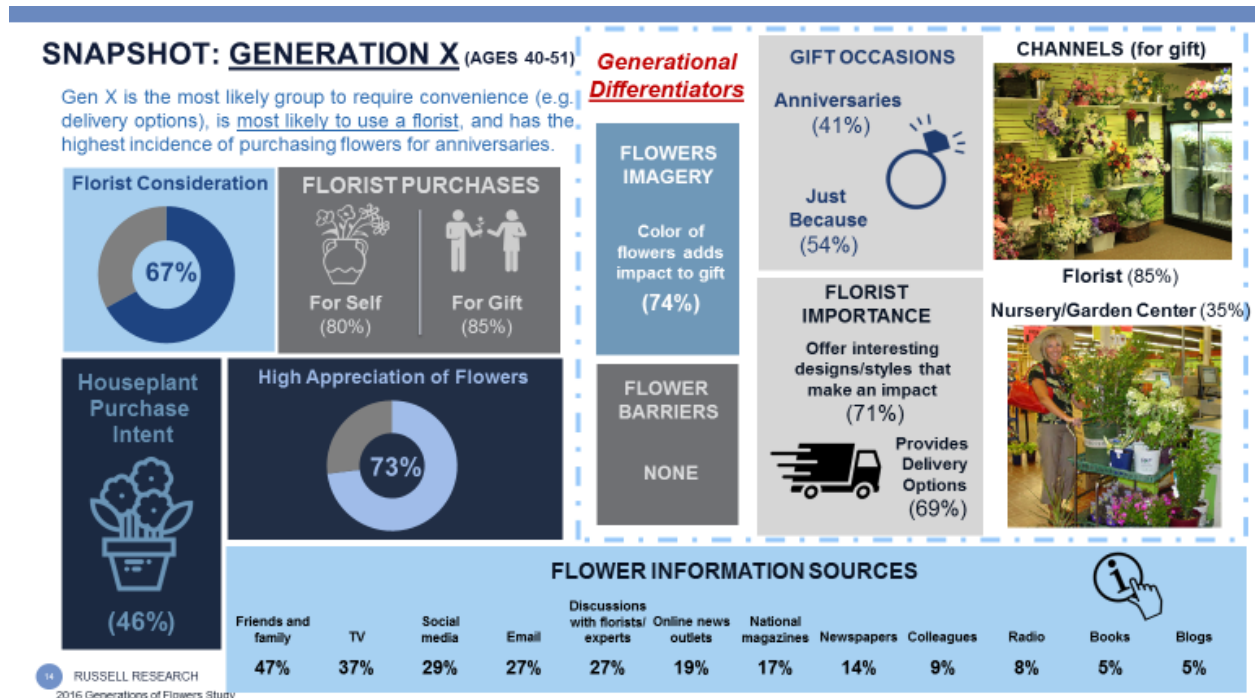


GENERATIONAL SNAPSHOTS

Below are key findings and differentiators for [Generation X](#) (born 1965 – 1976).

This generation is the most likely to require convenience such as delivery options, is most likely to use a local florist, and has the highest incidence of purchasing flowers for anniversaries.

- 67% indicate florists are their favorite or one of their favorite ways to purchase flowers
- 80% typically purchase flowers for themselves at a florist
- 85% typically purchase flowers as gifts at a florist
- 73% have a strong appreciation of flowers
- 46% plan on purchasing houseplants in the next 6 months
- Friends & family (47%) are their most preferred method of receiving information and trends about flowers, followed by TV (37%), social media (29%), email (27%), discussions with florists (27%), online news outlets (19%), and national magazines (17%).
- Key findings which differ from other generations (this generation is more likely to exhibit the attitude or behavior):
 - 74% believe the color of flowers adds impact to a gift
 - 54% purchase flowers as a “just because” occasion
 - 41% purchase flowers for anniversaries
 - 71% find it very important for a local florist to offer interesting designs/styles that make an impact
 - 69% find it very important for a local florist to provide delivery options
 - 85% purchase flowers as gifts at local florists
 - 35% purchase flowers as gifts at nurseries or garden centers

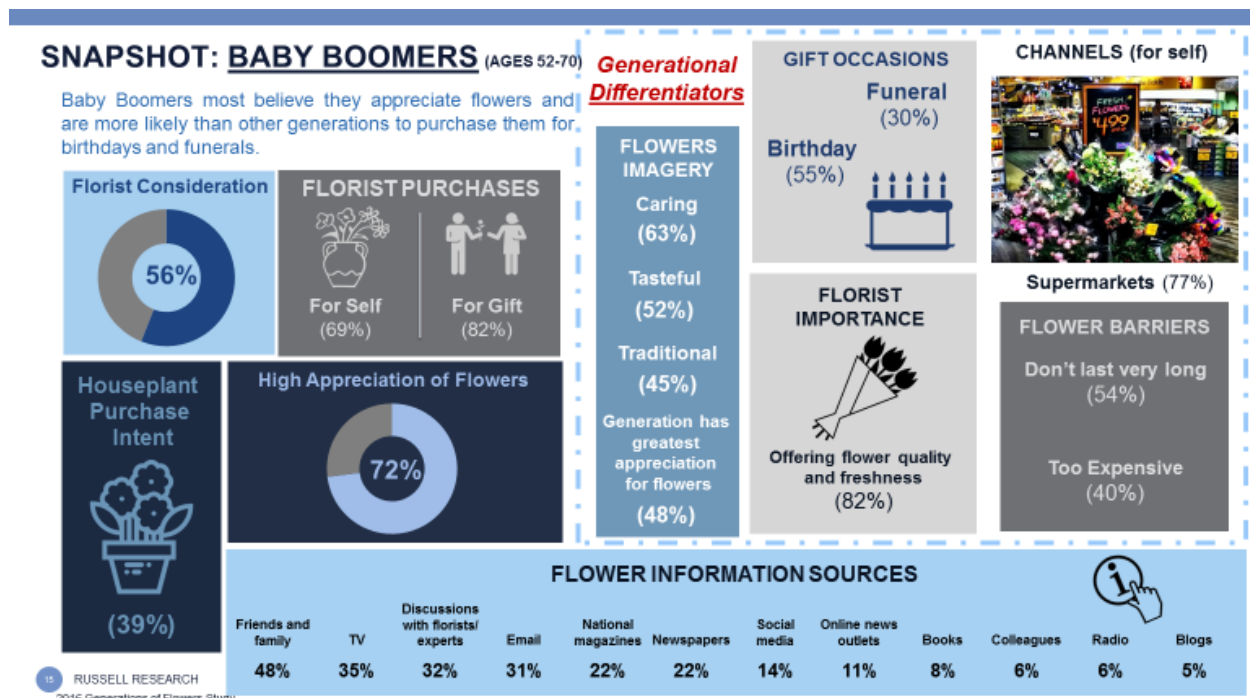


GENERATIONAL SNAPSHOTS

Below are key findings and differentiators for Baby Boomers (born 1946 – 1964).

This generation most believes they appreciate flowers and are more likely than other generations to purchase flowers for birthdays and funerals.

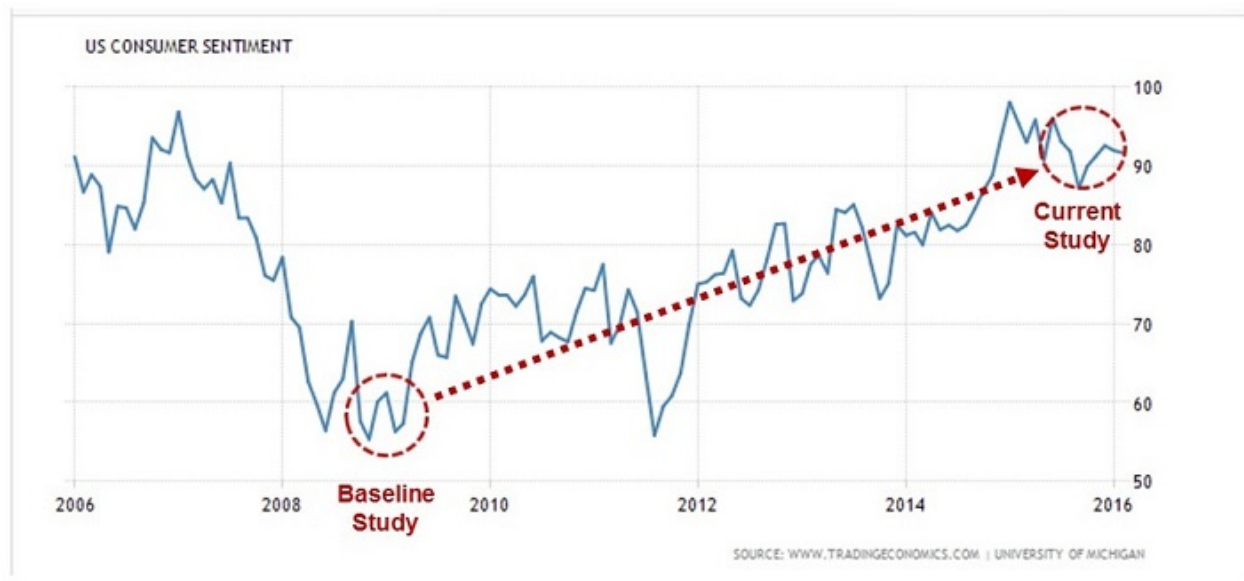
- 56% indicate florists are their favorite or one of their favorite ways to purchase flowers
- 69% typically purchase flowers for themselves at a florist
- 82% typically purchase flowers as gifts at a florist
- 72% have a strong appreciation of flowers
- 39% plan on purchasing houseplants in the next 6 months
- Friends & family (48%) are their most preferred method of receiving information and trends about flowers, followed by TV (35%), discussions with florists (32%), email (31%), national magazines (22%), and newspapers (22%).
- Key findings which differ from other generations (this generation is more likely to exhibit the attitude or behavior):
 - 63% believe purchasing flowers as a gift is caring
 - 52% believe purchasing flowers as a gift is tasteful
 - 45% believe purchasing flowers as a gift is traditional
 - 48% believe their generation has the greatest appreciation for flowers
 - 55% purchase flowers for birthdays
 - 30% purchase flowers for funerals
 - 54% cite flowers not lasting very long as a barrier to purchase
 - 40% cite flowers being too expensive as a barrier to purchase
 - 82% find it very important for a local florist to offer flower quality and freshness
 - 77% purchase flowers for themselves at supermarkets



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.



Research Implications (Cont'd.)

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

- This suggests the creation of “shareable” experiences is important for florists, which can generate both positive word-of-mouth and shares/posts on social media pages which are viewed by friends and family.
- Further, there is an education opportunity for local florists – 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 can be a content opportunity for social media in the form of blog posts, Pinterest pages, or YouTube videos, as well as creating florist recommendations within the in-store and online retail spaces (e.g. often seen in wine or specialty stores).
 - Purchase occasions also provide content opportunities – for example, flowers have surpassed jewelry as a popular anniversary gift, particularly among Generation X, while Generation Y is using flowers for holiday gifts.
- However, it’s important to note Baby Boomers still prefer traditional marketing channels for information.

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 web/print materials can be very effective.
- 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.

Research Implications (Cont'd.)

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 is likely only going to increase in importance is convenience. 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 can provide an increased 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 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 and steal share from nursery/garden centers and supermarket/grocery stores.

Russell RESEARCH

One Meadowlands Plaza, Suite 1001
East Rutherford, NJ 07073

Phone: 201.528.0400

Fax: 201.528.0210

Email: info@russellresearch.com



ESOMAR
member