

# Developing market strategies for small florist



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The following report is based on develop and implement market strategies on the small business of Floral Touch Australia. The report will outline the fundamental elements of Floral Touch's market Strategies and its marketing mix, and also monitor and improve its marketing performance.

Recommendations will be made on how to improve on each marketing element of the organisation.

Floral Touch Australia was established in 2008 by Rola Seaib, it is a small retail florist that is located in Guilford, NSW. They specialise in Weddings, Engagements, Christenings, Birthdays and Special Events. They also send flowers internationally and deliver flowers locally. They offer same day delivery to selected areas, but usual delivers within 24 hours of an order.

The business is still relatively new and is steadily growing and developing. This is seen as a good opportunity to review Floral Touch's current market strategies and how to improve and develop new strategies.

## **Mission**

Their mission is to deliver high quality products and services guaranteed to please their customers at competitive prices, and being actively involved with the community.

## **Vision**

Floral Touch Australia vision is to become a recognised florist in the area, renowned for its high customer service and affordability.

## **Methodology**

Various methods were used to conduct the review of Floral Touch Australia's overall Market Strategy. One of the methods used was booking a meeting with the owner of the business, and discussed firsthand what methods were used to market the business and who they were targeting and the segments they had covered in their floral business. Also we discussed issues such as future expansion of the business and how that could be established.

The other methods that were used to gather research, was using online resources and searching for information on the floral industry in Australia to get a better understanding of the retail flower sector and how it operates in Australia. The websites were very insightful but were lacking relevant information that was needed.

Also the Australian Bureau of Statistics was used to gather information on sales and market trend of all the major retail sectors in comparison to the floral industry. This provided factual statistics and information that was very relevant in determining how Floral Touch Australia fits in to the flower industry and market.

## **Results and Findings**

### **Develop Strategies Phase**

#### **SWOT Analysis**

Strengths

Weaknesses

The customers are able to select and customize the products by choosing to add option like size, colour or type of flowers and the way that they want it presented in a basket, bouquet or vase.

Customers can view products online via a directory and call to make an order

Located on a busy street

High exposure with street frontage

Competitive Pricing

The only florist in the area

Floral Touch is still a new business.

Time to gain experience and build reputation.

Customers perceiving that flowers are only limited to special occasions

Pricing is still relatively higher than other florists

No official business website has been established, customers unable to order online.

Opportunities

## **Threats**

To establish a strong customer base in the area.

The customisation of customer orders leading to more sales

To expand advertising to other medias

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Sponsoring local community groups

To expand the brand into other sectors such as chocolates and sweets

To close the gap in the market

Competitors in the market such as Alia Florist & Gifts, and famous brands such as Rose Only.

Customers preferring the high end brands

Customers not spend their money on gifts due to economy

Another retail florist shop opening in the area

Home based florist business

## **Market Segmentation**

Floral Touch Australia has identified that its target market will be individuals or organizations that have the need or desire for fresh flowers. The market can be categorised into four main market segments for Floral Touch. These are

Funerals,

Weddings,

Birthdays,

Special Occasions.

The table below represents each of the segments and the reasons why a customer chooses the service from Floral Touch Australia.

Funerals

Birthdays

Weddings

Special Occasions

Timely Delivery

Customised

Customised

Ease of Ordering

Ease of Ordering

Planning Process

Researched

Quality of Product

Cost

Recurring

Long-Planning Process

Timeliness of Delivery

Product Quality

Cost

Non-Recurring

Cost

Respectable Service

Product Quality

Recurring

Customised

Cost

## **Demand for Flowers**

The retail value of cut flowers in Australia will generate around \$1. 7 billion dollars in 2009-10, and the floral retailers generating strong revenue of \$837. 1 million dollars.

There is always a constant demand for fresh flowers as they play a role in people's lives. They are used celebration and sadness to represent a person's affection or just a general " thank you". The demands for fresh flowers are now perceived as a fashion trend and are being used as centrepieces in homes. There is always a high demand during traditional celebrations such as Valentine's Day, Mother's Day, Christmas and Chinese New Year.

## **Customer Profiling**

The customers that regularly use florists are categorised into two main target market profiles which are;

### **Business Customers Profile**

Male

Works in CBD

25-60 years of age

Married, engaged or in a long-term relationship

High income earner

Quality Importance

Occupation: banker, real estate agent, lawyer or accountant

preference for luxury items (cars, clothes, watches, homes, vacations)

Homeowner/ multiple home owner

These can also include organisations such as Telstra and Australia Taxi Cabs, having a contract with floral touch on supplying them with fresh flowers daily.

### **Consumer Customer Profile**

Male/Female

25-60 years of age



Works locally

Married, engaged or in a relationship

Family/with children

Average Income Earner

Customer services important

Prefers a reasonable or expected pricing

Occupation: salesmen, retail store person, banker, and customer service rep.

## **Competition**

Floral Touch Australia does not have any direct competitors in their location, as they are the only retail florist shop in the Guilford area. With close analysis of the area there is one a florist that operates from home which is close to Floral Touch's location called Pink Ice. This can be seen as a threat as they may offer cheaper prices because they don't have to pay for rent and lease expenses such as a shop does. There is also a potential of another florist shop opening in the area as there is a shortage, which in the current time is an advantage for Floral Touch. There is also an increase of competition from other surrounding retailers such as supermarkets, online stores and Service Stations.

The competition that Floral Touch Australia faces is online competitors.

These online florists go beyond with their service where customers are able to purchase floral arrangements on the internet. These services are offered by Rose Only, FlowersForEveryone. com, InterFlora and many others. They

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also offer next day delivery, but lack when it comes to customers choosing and customising their orders. Often what is seen online might not match the photo or expectation that the customer wanted.

## **Competitive Advantages**

The competitive advantages that Floral Touch Australia has are as follows;

Wider product range than competitors

Competitive pricing – matching or providing lower price than competitors

Quick delivery of the products to the customer

Better quality customer service

In a better location, easy to access

Giving customers what they want, with product customisation

## **Marketing Objectives**

The Marketing objectives that Floral Touch wants to achieve to ensure that it is a market leader is to;

Increase its sales over 12 months by 20%

To build a stronger brand relationship with our customers

To expand the brand name into other areas such as chocolates, and sweets

To open more shops in surrounding areas by 2012

To have well established brand image

To achieve the objectives Floral Touch will need to adjust its marketing mix to ensure that it can increase its market share and its overall sales. Building relationships with regular customers such as business customers is important to ensure a continuous flow of sales and profits.

## **Marketing Strategies**

The business that Floral Touch Australia wants to establish is having a customer value approach giving the customers a good quality service and going beyond their expectation to satisfy the needs.

## **Products**

Fresh flower arrangements

Bouquets

Gift Baskets & Hampers

Sweets

Wreaths

Vases

Plants

Available in 3 different sizes Small, Medium, Large

customers able to design and customise to their specifications

## **Price**

Prices offered at competitive prices

Prices displayed on display products

Package Deals

Prices can vary dependant on what the customer requests when customising an order

Small Arrangements prices between \$14. 99 – \$40. 00

Medium Arrangements prices between \$39. 99 – \$60. 00

Large Arrangements prices between \$65. 00 – \$200

## **Place**

One retail store operating in a busy street

High exposure to potential customers

Easy to access, and front of shop parking

## **Promotion**

Shop front floral displays

Outdoor signage

Local radio station advertising

Flyers and business card distributed in the area through letter box drop offs

Sponsoring events

Local publicity

In store product displays

Social networks

The delivery van

## **Marketing Mix**

The marketing mix of Floral Touch Australia will focus on targeting the Wedding and Special Occasions segment, and also focusing on establishing ties with organisations to supply them with a ongoing service.

## **Sales Forecast**

### **Product Mix**

The product mix shows that the two main items that are in demand are bouquets and gift basket & hampers. This shows the trend that customers are buying items that are ready for gifting to someone, it's seen as more convenient for the customer.

### **Distribution Channels**

Currently Floral Touch has one main distribution channel which is its retail shop. It wants to establish other ways to reach its customers. They have considered establishing a online service where customers are able to view their products, select and order what they want and get it delivered.

The cost of setting up a website can cost around \$400 and will need ongoing support to maintain and update the service, or it can be made free by doing it yourself. This would bring another advantage to the business, as the competitors are trading online it puts Floral Touch on a level playing field to market its product outside of its current demographic.

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## **Customer Service Level**

Floral Touch aim to give customers a high level of service, and taking customer service to the next level by getting to know certain details of a customer to make them feel more valued, for example remembering a customer's birthday or anniversary, gives the impression that you have taken time to listen to the customer. Also offering regular custom store discounts or free delivery on their purchases, this is to ensure that they are rewarded for the loyalty to the brand.

## **Customer Service Standards**

As outlined above Floral Touch's main concern is to deliver the highest quality of customer service, staff are encouraged to make the customer feel welcomed and valued by meeting and greeting them as soon as they enter the shop. They are to liaise with the customer and direct them to the product that they desire. Staffs are advised to inform customers on special promotions and discounts that might be on offer.

## **Promotional Activities**

The promotional activities that Floral Touch has undertaken are having indoor floral displays for customers in store to give them visual choices. There is also the use of outdoor signage and window displays to be visual enticing to people walking past the shop front. Floral Touch has expanded its advertising to local radio station and newspapers to get a better coverage on its target customers. They have also distributed flyers and catalogues which are put in people's letter boxes. They have recently sponsored a singing from overseas who was touring Australia.

## **Implement Strategies**

### **Human Resource Requirements**

The overall marketing effort will not need to hire additional staff as marketing has been out sourced to media and publications. The internal marketing of Floral Touch will be handled by staff that are experienced and trained in the area of floristry. They will be required to constantly update the store displays on a 2-3 day basis as flowers are perishable and require a cool room.

They are to also display business cards, flyers and brochures at front of desk and are to encourage customers to take one. The staffs that are hired must be competent at flower arrangements and must have a strong customer background to ensure that customers are dealt with appropriately and given a good experience.

### **Action Plan**

**Name**

**Action**

**Responsible**

**Date**

**Deadline**

Serving Customer

Consulting with the customer on floral arrangements

Staff

15/11/10

Immediately

Taking

The

Order

Documenting the customer's needs and when they want it.

Staff

15/11/10

Within 15mins of serving

Arrange Flowers

Organising the order and making the floral arrangement

Staff

15/11/10

Have it completed within an hour

Getting Customer Orders Delivered

Ensuring that orders are processed and ready to be delivered

Staff



15/11/10

Delivered on the same day

## **Promotional Activities Yearly Costs**

Activity

Cost

Time Frame

Radio

\$1400

6 months

Flyers

\$900

12 months (quarterly)

Newspaper

\$600

8 months

Sponsor Events

\$2200

3 months

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Online Directories

\$700

12 months

**Monitor and Improve**

**Monitor Marketing Performance**