



**BLOOMNATION**  
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# 3 Things That Will Kill Your Florist Business in 2023

(and how to avoid them)



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## Introduction

Even with the pandemic days mostly behind us, they brought about challenges small businesses will have to adapt to for years to come. And predictions about 2023 include obstacles for flower shops like supply shortages, staffing issues, and inflation. But the good news is there are still ways for your business to bloom!

The daily challenges of a floral business owner are many and often difficult to predict. However, you can prepare for the most significant challenges expected next year. Knowing how to overcome these challenges will save you time and money and ensure 2023 is a year your business will flourish!

That's why in this guide, you'll find out how to deal with these pressing issues:

- Supply Shortage
- Staffing Issues
- Inflation

Additionally, we'll let you in on our little secrets to setting up essential elements for any floral business in 2023:

- A budget-friendly marketing strategy
- A solid online presence

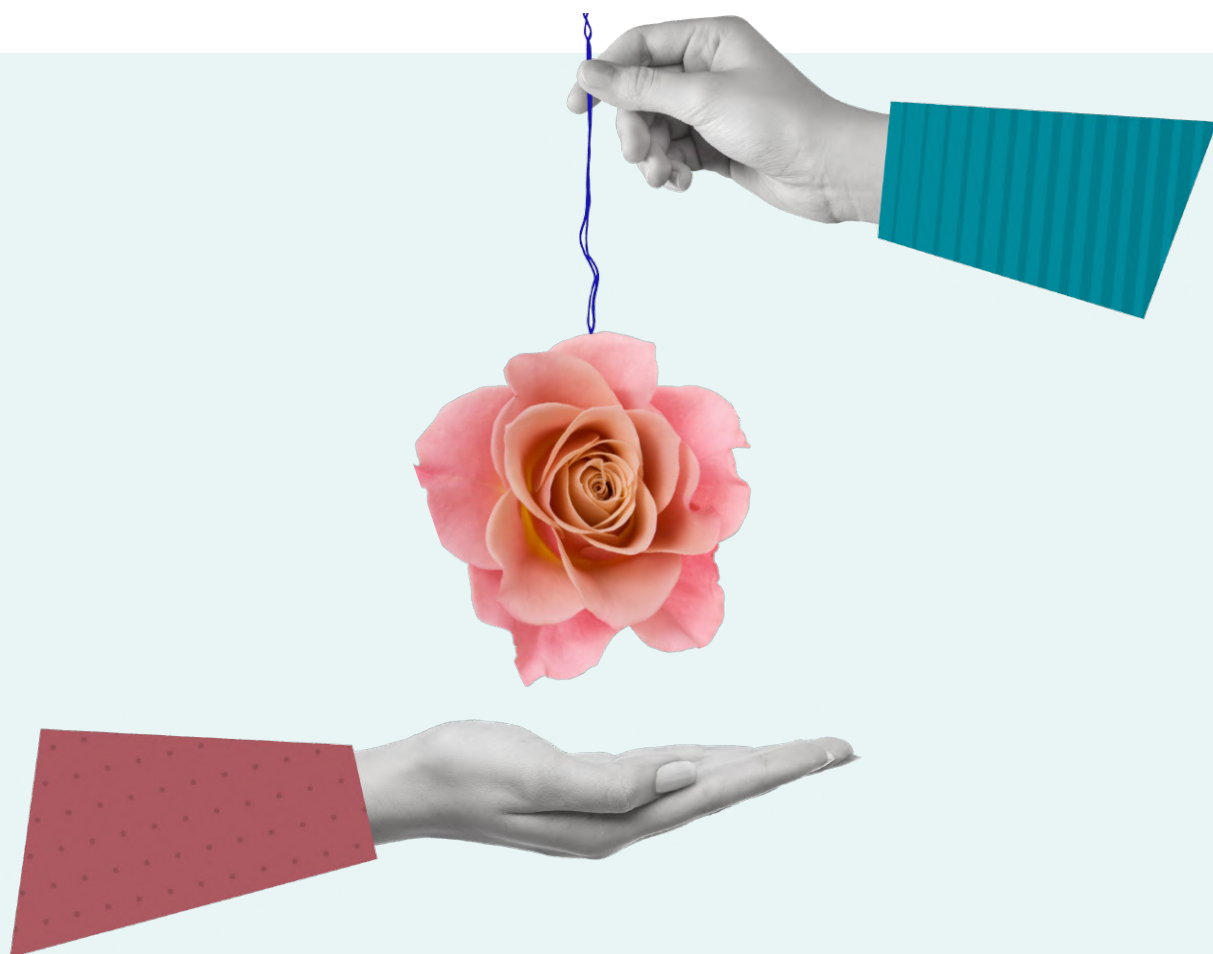
Use this guide to plan for 2023, and let's make your business thrive together!

# What Awaits Local Florists in 2023 (And Beyond)?

This guide is all about problems (and ways to overcome them), but let's start with some good news for florists. First, consumer spending on flowers is expected to grow in 2023. Additionally, we'll see a higher demand for both wedding and funeral arrangements.

This is all great news that should increase your revenue. But there are things to consider in order to take advantage of industry growth. For example, wire services are expected to get most of the profits from greater consumer spending **unless a flower shop has its own website to capture a share of increasing online orders**. So, even though several factors spur growth in 2023, florists may need to prepare to ensure they are the ones growing their revenue.

If you want your business to blossom next year, no matter the challenges ahead, you're in the right place. Without further ado, let's get into the nitty gritty of 2023!





# Beating Supply Shortage

We all wish the flower and supply shortage that rocked florists in 2022 was over, but it's expected to linger into 2023. Before we share ways to navigate this challenge, let's arm you with the knowledge of its origin and the current conditions causing it to continue.<sup>1</sup>

## What Caused the Flower and Supply Shortage?

- **Flower Farms Took a Big Hit During the Pandemic** – While we quarantined at home bingeing Netflix, flower farmers had to stay home too. Closed farms resulted in fewer flower plantings in 2020 to supply future seasons<sup>2</sup>.
- **Increased Demand** – Consumer spending on flowers spiked after the pandemic. The spike in demand, unfortunately, happened at the same time supplies were so limited!
- **Shipping Issues** – Flowers were not immune to the trucking issues caused by an all-time high driver shortage. Flowers from other countries also decreased with fewer passenger flights to carry flowers in their cargo space<sup>3</sup>.
- **Strange Weather Impacted Growing Conditions** – Most U.S. flowers come from South America, where growing conditions suffered from colder nights and too much rain. California, responsible for three-quarters of U.S. cut flowers, endured historic droughts, unpredictable rainfall, and wildfires<sup>4</sup>.

## Current Conditions in the Supply Chain

"Random shortages in materials and deliveries are still plaguing our members," says Tom Palisin, The Manufacturers' Association executive director. And while it seems far away, the war in Ukraine created an energy crunch that's intensified supply chain issues.

While we can't change the economic winds ahead, here are the three effective short- and long-term strategies to help you manage supply challenges with optimal results.<sup>4</sup>

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<sup>1</sup> <https://lagunabeachflorist.com/pages/flowers-and-supplies-shortage>

<sup>2</sup> <https://floristsreview.com/the-supply-chain-challenge>

<sup>3</sup> <https://www.trucking.org/news-insights/ata-chief-economist-pegs-driver-shortage-historic-high>

<sup>4</sup> <https://floristsreview.com/retail-forecast-2023>

## #1 Diversify Shipment & Supply Options

Nipping the problems of shipping and supply shortage in the bud won't be easy since these are huge structural issues affecting many types of retail businesses in 2023. To get around them, try diversifying your suppliers if you can. Try finding alternate local growers, local wholesalers, and flower auctions, so you have more options for particular materials. You may also save money by comparing their prices.

## #2 Use Strategic Merchandising & Advertising

The issue with inventory shortages is the mismatch between customer demand and the supply capacity of your business. To overcome this discrepancy, try to increase consumer demand for available products by purposefully marketing them.

Start with an analysis of your products: log the products in high demand and those unavailable or have limited supply. When the lists are complete, come up with a plan to use more of the most available flowers and supplies for arrangements.

Consider all the ways you can promote the arrangements and products that are most accessible. Highlight them on your website and in your store. Increase their promotion on social media or through emails. Social media platforms can become your best friend in this endeavor. By creating contests and giveaways and creating buzz around available products, you'll ensure enough visibility for these products.

Create specials or arrangements for holidays that use the materials you'd like customers to buy most. Planning ahead and being intentional with your arrangements and advertising will help you more confidently overcome any supply shortages in 2023.

## #3 Stop-Gap Solution: Focus on Customer Care

The previous suggestions are long-term strategies, but you'll still need stop-gap solutions like heightened customer care to manage an unfortunate situation as it unfolds. Transparency, kindness, and responsive communication will get you a long way. Bad customer experiences handled brilliantly will help you retain customers and even increase their loyalty. Again, social media will be a great aid in keeping customers in the loop about product availability dates and quantities. Devise a plan for handling customer complaints and shortages of desired flowers or supplies. Make sure all staff know the plan and everyone tries to stick to it.

# Overcoming Staffing Issues

Data from August 2022 shows that with over 10 million job openings across industries, there are still around 6 million unemployed workers<sup>5</sup>. According to the U.S. Chamber of Commerce, here are the most important reasons people are not returning to the workforce:

You may have heard about The Great Resignation, the term many use to describe the labor shortage brought about by the pandemic. And even if you didn't, we're sure you are all too familiar with the problem. Let's take a closer look at the roots of the staffing challenges and how you, as an independent florist, can best address this issue.

- **An increase in savings** – The enhanced unemployment benefits, which lasted until September 2021, stimulus checks, and the Lockdown imposed frugality added about \$4 trillion to the collective American savings accounts<sup>6</sup>.
- **Early retirement** – In October 2021, over 50% of adults that are 55 and older have gone into early retirement due to the COVID-19 recession and gradual labor market<sup>7</sup>.
- **Poor access to childcare** – Due to the pandemic, many childcare providers had to close or scale down, forcing around 370,600 people into unemployment<sup>8</sup>. The massive shutdowns created an endless loop – to return to work, people require childcare, and at the same time, childcare providers were, and still are, facing challenges in their own industry.
- **Increase in entrepreneurship** – Many who left the workforce used their savings to start new businesses. Since 2020, almost 10 million business applications have been put in place, and over 4 million new businesses opened<sup>9</sup>.

As a business owner in this climate, you're probably wondering what you can do to attract talent. Or you're when you find a great floral designer, what are the best practices to keep that employee and others like them? First, take a look at the key findings from the U.S. Chamber of Commerce survey<sup>10</sup> conducted among unemployed Americans.

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<sup>5</sup> <https://www.uschamber.com/workforce/understanding-americas-labor-shortage>

<sup>6</sup> <https://www.cnn.com/2021/08/03/most-of-americas-extra-pandemic-savings-are-going-to-the-wealthy-.html>

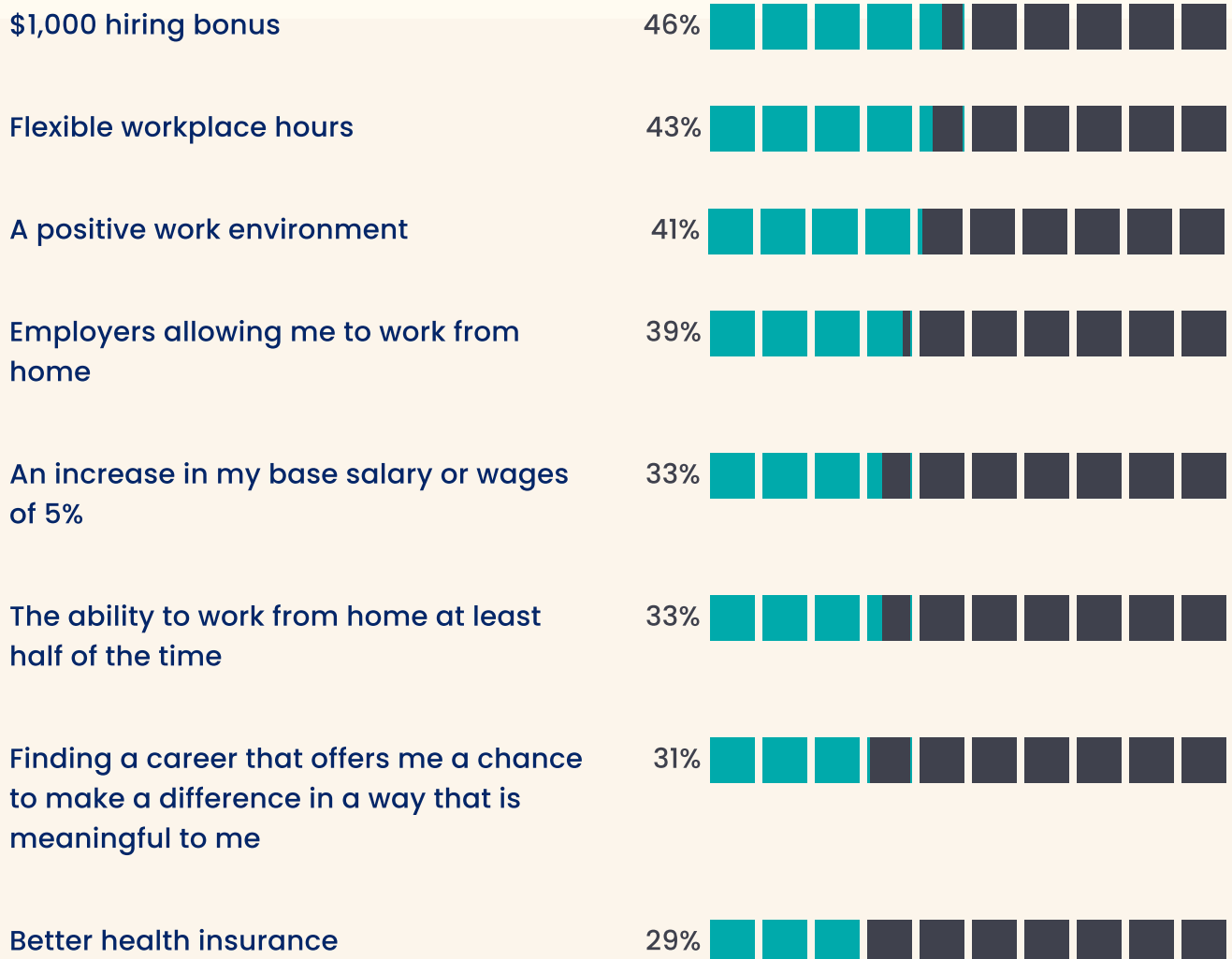
<sup>7</sup> <https://www.pewresearch.org/fact-tank/2021/11/04/amid-the-pandemic-a-rising-share-of-older-u-s-adults-are-now-retired/>

<sup>8</sup> <https://www.pewresearch.org/fact-tank/2021/11/04/amid-the-pandemic-a-rising-share-of-older-u-s-adults-are-now-retired/>

<sup>9</sup> <https://www.salesforce.com/blog/small-business-pandemic-entrepreneurs/>

<sup>10</sup> <https://www.uschamber.com/workforce/new-updated-poll-the-covid-19-unemployed>

# Q: Which of the following would increase your urgency to return to full-time employment?



Source: U.S. Chamber of Commerce

Most independent flower shop owners don't have the option to increase wages or offer large bonuses to employees, so it's essential to provide benefits that surpass financial gains. Make a plan for hiring and retaining staff that helps your workers feel valued and respected. Here are a few steps to ensure the best talent blossoms at your business.

## #1 Close the Communication Gap

Dedicated staff that will stay with you for the long run wants to see the potential opportunities of being employed at your business. For employees to feel like they can grow and learn daily, ensure their voice is heard.

Close the communication gap by putting in place regular meetings in which employees are the ones doing the talking. Take their insight seriously, and you will not just make them feel appreciated and valued but will gain valuable knowledge on how to ensure your business operates more efficiently. Use these meetings to provide clear explanations of pathways to promotions and give your employees a clear and exciting idea of their future.

Ask your best employees what, apart from money, would make their working conditions and experience better. Additionally, take a chance to learn from employees leaving the business. Perform an exit interview with former employees and ask for their honest review of the working conditions, as well as for an in-depth explanation of work-related reasons for their leaving.

## #2 Offer Schedule Control and Flexibility

We know it's practically impossible to provide childcare assistance at a floral store, but your employees will appreciate the option of working with you in creating the schedule. A little flexibility goes a long way: collectively agreed-upon shifts are proven to attract top talent, improve employee retention and engagement, as well as increase overall performance.

Put schedule control into place by investing in a shared scheduling platform. Scheduling platforms allow employees to update and switch their shifts and schedules in real-time, surpassing the usual problems of miscommunication and resentment in the collective.



## #3 Foster and Reward Employee Development

When it comes to everyday operational decisions, it's essential your employees feel competent and confident in their abilities. After all, since they engage with customers daily, they need enough freedom to do their job efficiently, fulfill customer demands, and create a positive customer experience overall.

Make sure your employees know they're trusted to handle a variety of decisions their position throws their way. Of course, that requires that all employees are both aware of and comply with the same business standards. Once the rules of the game are set, give employees the freedom to can make necessary decisions and help the business run smoothly. This trust will help them feel engaged and invested in their work.

Great employees are those that are motivated, and most people love working in a place where they can recognize and envision their ability to grow. Encourage ambitious employees by giving them the option to take on additional responsibilities, and shifts and even take a swing at completely new roles (under mentorship, of course). By expanding their expertise and experience, you'll show care for their goals and professional development. And once they feel invested, they'll share your mission.

**PROTIP** Is your floral business a minority-/LGBTQI+/women-/veteran-owned? Did you know that by putting your values out there, you can recruit more long-term talent? Research shows that most ethnic, gender, sexual, and other minorities feel left out and unwanted at their workplace, especially when working for large companies".

By making your mission and company values public, you may attract more potential workers who want to spend time and energy working for a business just like yours. The statistics show that people prefer working with employees who share their values<sup>12</sup> and shared values and a positive work environment tend to increase performance overall.

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<sup>11</sup> <https://globescan.com/2022/02/25/insight-of-the-week-most-minority-employees-have-felt-left-out-in-the-workplace/>

<sup>12</sup> <https://www.spiceworks.com/hr/diversity-inclusion/news/51-job-seekers-inclined-to-work-for-minority-owned-company/>

# Adapting to Inflation

Inflation is an unfortunate problem that is here to stay in 2023. The floral industry will be hit by the increasing prices for fuel oil, gasoline, natural gas, and electricity, which are raising the operating costs of floral stores. Even with higher expenses, with proper practices, the effect of inflation can be softened.

Here are the most successful practices, per the Small Business Recovery Report, that businesses like yours are using to not only adjust but thrive amidst inflation.

## #1 Switch Up Prices

A lot of florists have decided to battle inflation by increasing the prices of their products, especially amidst popular holidays. For example, Mother's Day flower prices were up 14% when compared to that of 2020<sup>13</sup>. And while increasing prices can level your revenue and costs, it can be difficult to decide how higher the prices should be so as not to fend off customers and still increase profits.

Contact the vendors that provide you with the necessary flowers to find out what the anticipated shortages and cost increases will be in the near future. With an idea of what the percentage in increase might be, you'll be able to increase prices with more accuracy. Additionally, keeping close contact with wholesalers might help you lower production costs and thus keep the margin padded down.

Try to maintain the prices of your most sought-after products, and raise the prices on more luxury or products of lesser importance. As shoppers are used to seeing higher prices in inflationary times, it is best to act quickly and switch up prices as soon as changes occur. While no one likes to be the one to absorb increases, shoppers tend to show understanding for businesses when corporate decisions make sense in their eyes.

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<sup>13</sup> <https://fortune.com/2022/05/07/inflation-hits-mothers-day-with-flower-prices-up-14-since-2020/>

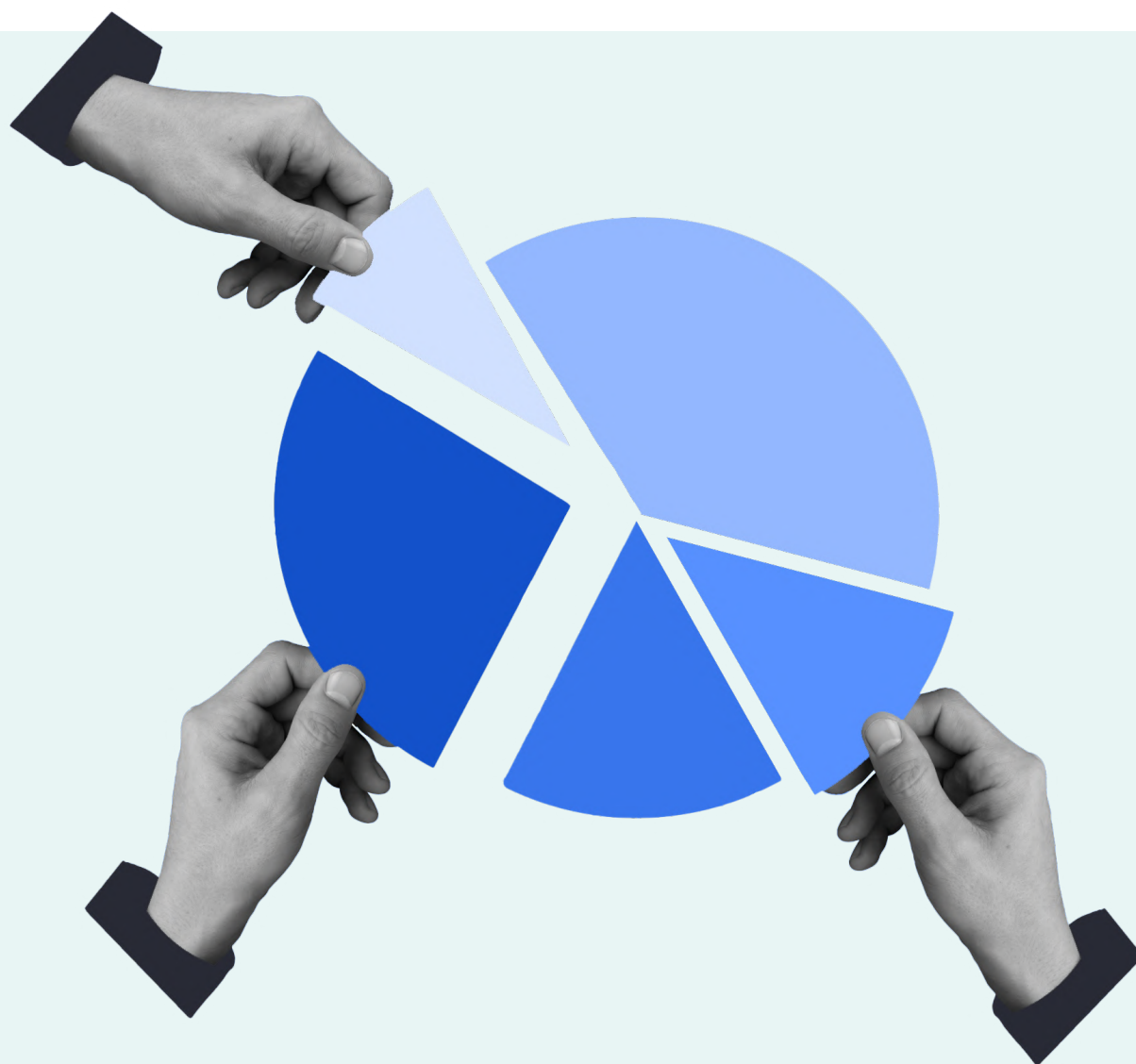
## #2 Invest in Branding and Marketing

About 57% of larger and medium small businesses and 29% of the smallest ones cite branding to be the primary way they are putting their business on the map. Most of them are using social media and other digital advertising channels to differentiate themselves from the stiff competition.

Statistics show that in 2023, it's the people aged 40 to 64 that will be buying the most flowers – accounting for almost 50% of the revenue. Amongst your biggest fans, you'll find 73% of them on Facebook, 38% on Pinterest, and 29% on Instagram<sup>14</sup>. Use the benefit of knowing where your fans already are to address them on the platforms they are already using. Let them know about your brand and show them what they can find at your local store.

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<sup>14</sup> <https://getpromenade.com/library/2023-florists-trends-report/>



## #3 Acquire Additional Funding

The inflation got many small businesses to rethink the ways they manage their cash flow. To avoid their profits wilting away in during inflation, about 46% of local store owners will be covering inflation costs with additional capital acquired by applying for credit<sup>15</sup>. Here's a step-by-step guide to preparing a strong business case that will position your butcher business as worthy of investment.

### 1. Figure Out Your Funding Source

First things first – you have to choose the right source of your funding. No financial solution is a one-size-fits-all, but most businesses go for one of these three common funding sources:

- **Investors** – Most investors work either as individuals, also known as “angel investors,” or as venture capital firms. Whichever type of investment you decide on, make sure to do thorough background research on the firm to ensure you're turning to a reputable investor.
- **Crowdfunding** – Need capital but don't want to give away a share of your business nor provide a financial return? Crowdfunding is the way to go – all you'll have to provide is a one-time gift or store credits (oh, and closely read the financial and legal obligations of obtaining crowdfunding).
- **Loans** – A bank or credit union loan will get you capital, and you won't be giving away any control of your business. Pro tip: don't settle on a loan before getting a few offers and comparing them to choose the best one.

### 2. Make the Business Case

Every funding source you land on requires different types of documents and statements to make your case. However, most of the time you'll need a solid business case.

In this statement, discuss the reasons for requesting funding and include the total amount you need. Showcase why this amount is required to provide assurance that the money won't be mishandled. For a more detailed look at how to write a business plan, visit this [U.S. Small Business Administration guide](https://newsroom.kabbage.com/news/new-kabbage-survey-shows-80-of-u-s-small-businesses-are-confident-they-could-withstand-a-u-s-economic-recession/).

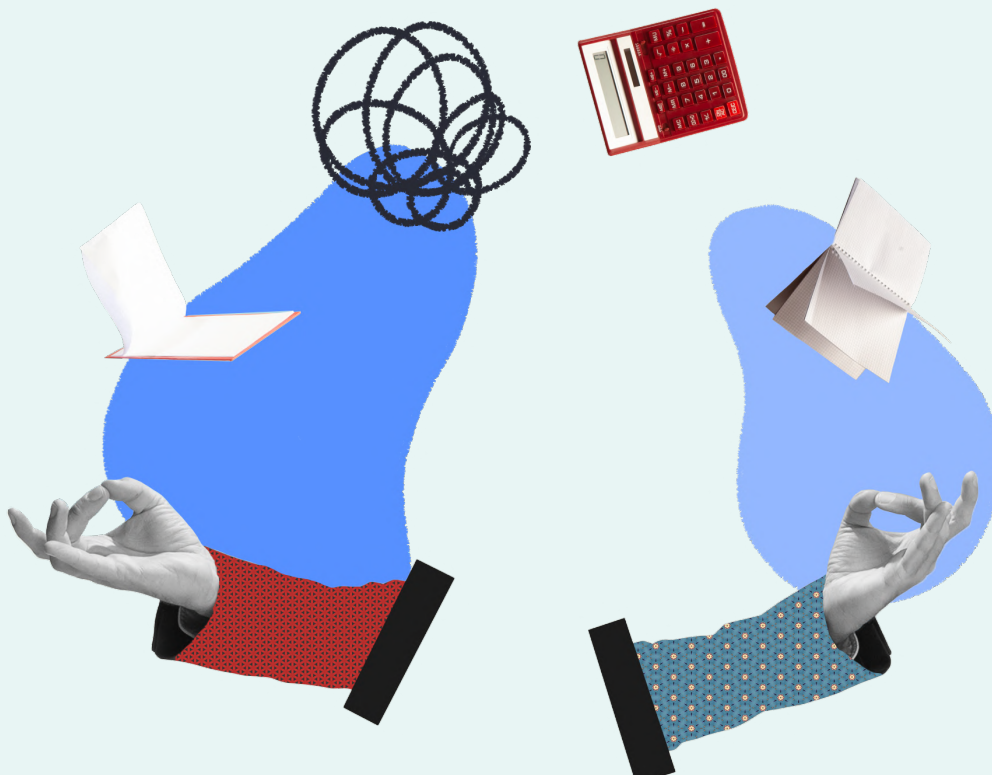
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<sup>15</sup> <https://newsroom.kabbage.com/news/new-kabbage-survey-shows-80-of-u-s-small-businesses-are-confident-they-could-withstand-a-u-s-economic-recession/>

### 3. Collect Your Financial Statements

You should provide funding sources with all the relevant financial statements, including:

- **Financial history statement** – Reports of revenue, expenses, and profit over time show that your business is going in a solid. If you don't have proof of positive growth, collect your financial history and explain how additional funding will help you move on to bigger things.
- **Business credit report** – An accurate business credit showcases you are financially responsible. Get your report form and score improvement indicators from [Dun & Bradstreet](#).
- **Business valuation** – There are many ways to determine how much your business is worth. The most popular methods are doing a self-valuation or contacting and [selecting a qualified business appraiser](#).
- **Business forecast** – Whatever the past of your business may be, it's the future that matters – and a detailed forecast is the best way to predict it. Complete a quantitative of your business's revenue and expenses, and include the methodology of the estimation for a strong forecast.







## The Two Critical Needs of Any Local Flower Shop 2023

There's something to be said for addressing the critical needs of your business, no matter what challenges 2023 brings. We suggest you invest time and resources into two things essential for any small business: creating a marketing strategy and establishing an e-commerce website.

**A marketing strategy** helps you organize your efforts and plan ahead. Most importantly, a plan enables you to attain the consistency that will make your marketing endeavors yield **big results**! The busier you are as a floral business owner, the more critical a plan is. Ask yourself, are you super busy? Can other staff assist, or is marketing your flower shop one of your responsibilities? Do you need a plan?

**An eCommerce website** is also indispensable for any contemporary business, but it's especially vital for a flower shop (we'll get to the reasons later). Numbers show that in 2022 alone, eCommerce floral sales will grow by 22.4% (Source: Kentley Insights, 2022). And the number of people purchasing online is increasing each year. Even customers who don't order arrangements online tend to research the flower shop's website before deciding to visit. Without a professional e-commerce website, you risk missing out on new customers and thousands of dollars each month.

# Create Budget-Friendly Marketing Strategy

Creating a marketing strategy equates to making a strategic plan for your business's growth. As people nowadays spend a large portion of their time online, digital marketing is both effective and inexpensive! In terms of cost and business growth, the best digital marketing channels for florists are social media and emails.

## Social Media

Don't think that flower shops aren't cut out for a strong social media presence. Social media is an excellent way to promote your flower shop and increase brand awareness. And it's also cost-effective!

Are you worried about the set-up and management cost of your social media profiles? Don't be. The set-up is free, and there are plenty of options and low-cost solutions to manage your social media presence. From hiring personal consultants or college interns to using a platform like [BloomNation](#) that includes social media management.

## Email Marketing

A great way to market to your current customers is through email marketing. Email marketing allows you to engage with customers more personally and encourage repeat business. And it's a marketing channel that is practically free yet brings the highest return on investment of them all!

All you have to do is 1) build your email list and 2) plan the content and the frequency of your emails. Building your email list doesn't require any technical skills. It only takes adding a pop-up form to your website, which gives your customers a quick way to subscribe to your newsletter. Another way to collect emails is to require an email when someone purchases an arrangement and add it to your POS or database.

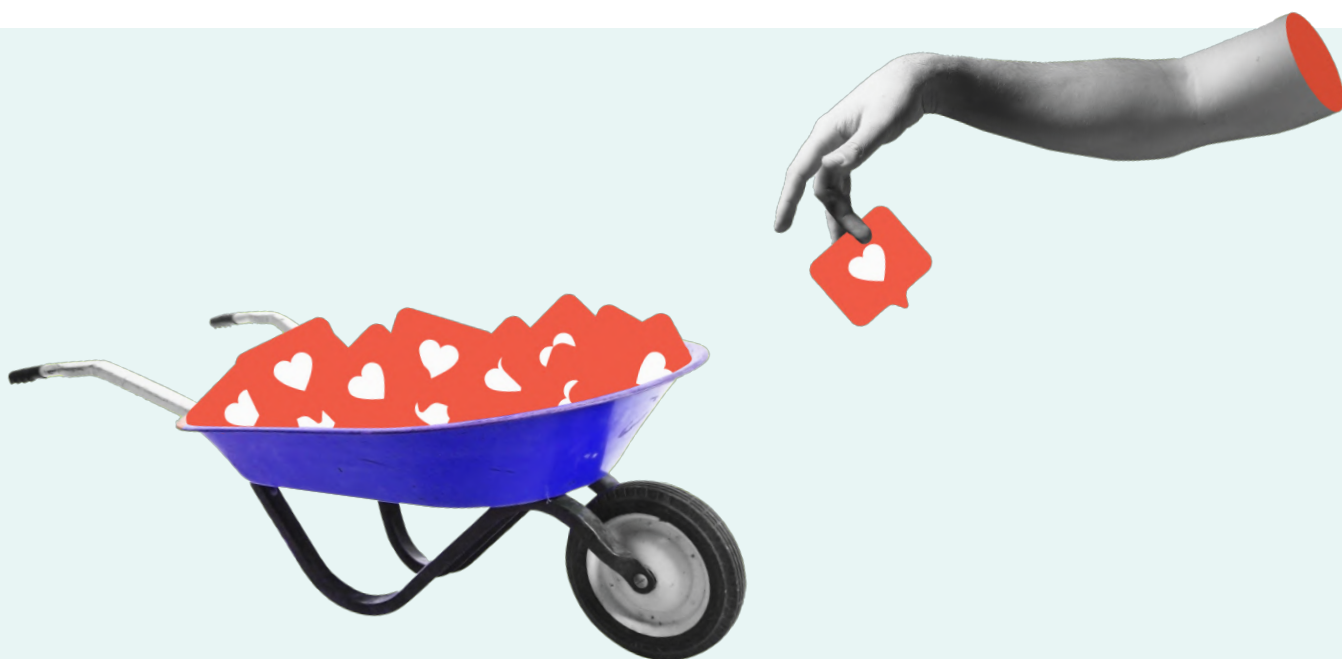
Given that 84% of people want discounts in their email (especially holiday discounts), this is an opportunity you don't want to miss. Send promotional offers, discounts, and holiday wishes to remind your customers that a holiday is coming and they should purchase from you! When BloomNation sends a holiday email on behalf of our florists, they often get thousands of dollars worth of orders from that single email.

Email marketing is also a powerful tool for building customer loyalty. However, it's important not to send emails too often. Otherwise, your customers will feel like you're spamming them. Set expectations with your customer base about the frequency and the type of content they will receive. If your customers know what to expect, it's more likely they will open your emails. Sending one email weekly is a good approach.

With email marketing, you can expect several significant benefits:

- You will create brand advocates
- You will increase organic recommendations
- You will build repeat business

A solid marketing strategy will put your flower shop on the map and ensure a continuous stream of customers - both new and existing. Once you get their attention, all you need to do is direct them to your brick-and-mortar shop or your website. However, that requires you have a well-created website that provides a smooth online shopping experience. Let's get into it.



# Establish Your Own Ecommerce Website

A professional ecommerce website is important because it enables your independent floral store to:

- **Attract new customers.** An ecommerce website that is Search Engine Optimized (SEO) will bring more customers and increase your revenue.
- **Increase the credibility of your business.** Customers can visit your website for information about your flower shop, which makes your business seem trustworthy.
- **Highlight the unique values of your brand and offer.** Your website is perfect for telling your story, sharing information about your offer, and highlighting the unique quality.
- **Be in charge of your online orders and delivery.** A website allows you to offer online ordering and delivery while being in charge of it, without using third-party services.
- **Keep your customer information and grow a loyal customer base.** Since the website is yours, you will keep all your customer information. You can create a database to boost your further sales with this information.

## But How Can You Establish a Great eCommerce Website?

The best two options for establishing your ecommerce website are: hiring a website designer or choosing a business platform to bring your independent floral business online.

### Option #1: Hire a website designer

The cost of hiring a website designer can be expensive. The prices range from a few thousand dollars to 10K or more – depending on the number of web pages, the complexity of the website, and the fee your chosen designer charges. Before approaching a website designer, prepare the approximate number of web pages so that they can give you an exact offer. Building the website this way can last up to three months or more, depending on the designer's schedule.

## **Option #2: Select a business platform to bring your business online**

Solutions that offer the building of customized websites are a quick-and-easy way to go. These complete eCommerce platforms will also provide you with a package of tools for running and managing your back-office operations.

Unlike a simple website, an eCommerce platform enables you to process orders and delivery, track customer information, and update and manage inventory. Be sure to look for an eCommerce platform that is simple to use while offering all the tools you need.

When deciding between these two options, think about what fits your business best and how to stay loyal to your brand and your brand's story. The design you choose should represent your business, so make sure it incorporates both your logo and your brand colors. Additionally, your web page will require you to upload high-quality, presentable, and professional-looking photos of both your general products and the brick-and-mortar shop.

If you're unsure how to get stellar-looking photos of your arrangements, we advise hiring a photographer. After all, a picture is worth a thousand words. Your e-commerce website should be simple to use – for you and your customers. When your website is up and running, it's time to follow the steps are required for setting up your online store and driving traffic to your website.

## **Setting Up Your Online Store**

Setting up your online store is all about providing customers with a great shopping experience. Since people do everything on their mobile phones these days, you should first make sure your website is mobile-optimized.

Just imagine how frustrating it would be if your website is not working correctly when people visit it from their phones. Your floral store would lose credibility, and many would decide not to order. To create a great ordering experience, consider including features such as:

- A quick ordering system
- Simple payment processing
- Easy navigation
- Delivery tracking
- Product search (like holiday arrangements or by price range)



Another great feature to include on your website is automatic upselling and cross-selling of your products. With this feature, your customers will be encouraged to add more related items to their shopping cart during checkout, increasing your average order value (AOV).

## Driving Traffic to Your Website

Once you have a website, you'll need to drive traffic to it. Don't worry; you don't have to implement a complete digital growth strategy for this (although it would be helpful). Here are a few simple ways to drive traffic to your website that we highly recommend: SEO optimization, social media, and email marketing.

### #1 SEO Optimization

Search Engine Optimization (SEO) will make your website a magnet for new visitors. SEO is a process to improve how high your website ranks on search results. For example, when someone searches for "flower delivery near me," if your website is optimized, your shop will appear at the top of the results.

Seeing your floral store as the top result will make your business seem trustworthy and increases the chances of customers choosing your brand over competitors. SEO optimization is a step you shouldn't skip when setting up your online store.

### The Three Essential Aspects of Website SEO:

- **On-page optimization.** To achieve on-page optimization, you should add keywords to your website and include all relevant information, accurate descriptions, and valid images. To discover which keywords are suitable for your business, try using free online tools such as Semrush Keyword Magic Tools, AnswerThePublic, and similar.
- **Content optimization.** Your content should answer consumers' needs and wants, such as "flowers that represent romantic love." When adding content to your website, avoid writing general phrases, and focus on producing short, relevant, authentic descriptions. Always add keywords.
- **Technical optimization.** Make your website user-friendly. Ensure that the security of your website is high while the load time is low. Mobile optimization (for phones) is a must these days.

SEO optimization can be challenging if you are new to it. But, with the right information, you can do it smoothly. If you don't have time or will to deal with it by yourself, you can hire a company that provides the service of website optimization

## **#2 Social Media & Email Marketing**

Social media and email marketing are great ways to promote your brand and drive traffic to your website. At the same time, they allow you to connect with your customers, build relationships, and drive them to your website to order floral arrangements.

When creating social media content, you should post actively and post genuine content. Write captions from the heart, share your story, and be sincere and authentic. Some of your content should directly lead the audience to your website. Add links to your website – on your posts and stories.

Another great way to drive traffic and connect with customers is email marketing. Send monthly or weekly offers and holiday reminders. If you have the capacity, consider sending your customers happy birthday emails with special offers included. It will make them love you even more. Be sure to insert the link to your website in all your emails.

# Do you feel too busy to set up online ordering from your own website?

## We've got you covered.

BloomNation makes the process quick and seamless. BloomNation sets up your BloomNation POS, custom website, online ordering and delivery network for you.

BloomNation is a complete business solution built from the ground up for brick-and-mortar, local flower shops. We even provide automated social media and email marketing services to attract new customers and keep them coming back! We are committed to helping local flower shops thrive against large online players.

### **With BloomNation, you can easily get:**

- a beautiful custom-branded website to stand out from the crowd
- rank at the top in Google searches with a search engine optimized (SEO) website
- sell your own arrangements online and deliver
- market to your customers

[Book a demo](#) to see how we can help your business grow.

