

COMPETE AGAINST ORDER GATHERERS

Lovingly E-Book Series



WSBT 22 News — Local Florist VS Wire Service

It's just like that old Clint Eastwood movie — The Good, the Bad and the Ugly...

The Good: The local florist of course... Works hard, passionate about giving customers the best, creates beautiful arrangements, pays employees, delivers orders, works on thin margins, overhead...

The Bad: You guessed it — the wire services... Sure, they send you orders, but sometimes it feels like they are trying to put the squeeze on you with fees: membership fees, coded containers, expensive and outdated POS systems, florist-to-florist directory advertising (why does this even exist?), co-op advertising, paper statement fees, education and quality fees, chargebacks if you forget to send an order confirmation — the list goes on, and who can read those statements anyway? And what about the cash flow? Credit card services pay wire services within a couple of days, but wire services don't pay you for 30 days or more — and they take out all of their fees before you get a nickel.

And The Ugly: The order gathers. They spend a little on search engine optimization, a lot on online advertising, and they offer steep discounts to get orders. Even worse, they take the lion's share of the margin, and they take your customers. They sell what should be a \$75 arrangement for \$50. Take out their margin and wire service fees and you get just \$36! Somehow, you need to make (and deliver) what should be a \$75 arrangement for \$36. Of course you try your best, but whose name does the recipient associate with this marginal arrangement — unfortunately that's yours.

Combined, they they take nearly 30% of the margin and you do all of the work.

Is that fair?

Enough is enough — it's time to get your margin and your customers back. Here's how.

Maybe the biggest frustration among local florists is the competition and costs from the order gatherers. Do you ever feel like the shop owner at Creations from the Heart_of Mishawaka, Indiana, does in this news clip?

Apart from commissions and membership fees, numerous add-on fees make it difficult for florists to succeed.

Extras often include items like expensive POS systems and printers, simply to handle walk in orders and to print out order tickets.

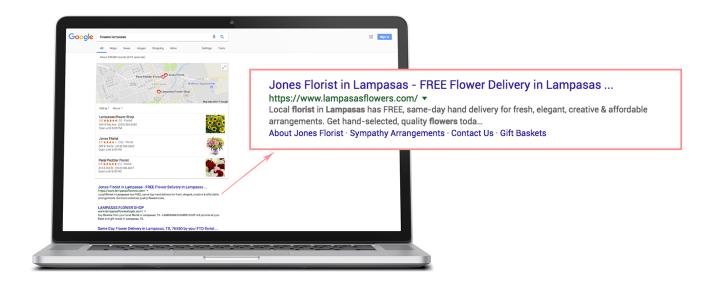
So why not just make a ticket design that works on existing printers?

Great question. Apart from refusing to make a penny until partner florists do, that's exactly what Lovingly did as a complement to their free partner POS system.

Lovingly also creates florist websites that compete and win.

Here Are Our Top 5 Tips

1. Offer Free Local Delivery



9 out of 10 shoppers consider free shipping their <u>number one purchase</u> incentive.

Here is a powerful way to compete. Order gatherers can't do this, but your shoppers love it.

The term "free delivery" is also a search engine favorite. It will help you to be found, because people search for it. And more than 60% of online retailers* have said that offering free delivery is the most successful marketing tactic they have used to increase orders.

That's not surprising.

When shoppers are scanning Google, looking for a florist, the words FREE DELIVERY or FREE SHIPPING are seen not only as a money-saver — always a big motivator — but as a sign that a friendly, trustworthy person is waiting in that store to help them.

^{*}Chapter 13: Ecommerce & Entrepreneurship - p422: Lessons from the (Street Smart) Entrepreneur.

Offer Free Local Delivery cont.

Why?

Because when anybody tells you, "Oh, don't worry about that. No charge!" you can't help but feel that the person is kind, and concerned more about your satisfaction than getting everything they can out of you.

Most people are wired to see FREE DELIVERY as a friendly, upbeat gesture.

And it works!

2. Stop Competing Against Yourself



Many florists follow this business logic: If I have two or three ecommerce websites, I'll win two or three times the business!

Sounds great — but our Power of One video shows how one website beats 2-3.

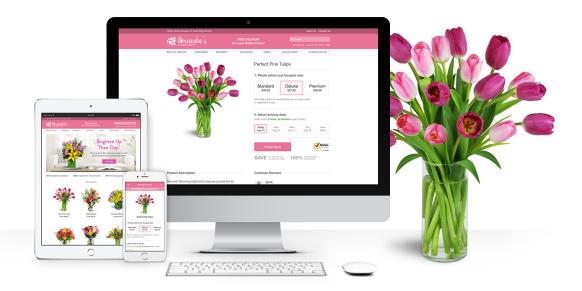
Two or three websites force you to:

- Compete against yourself in search rankings, with negative results
- Spread yourself thin managing inventory on multiple websites is tedious
- Potentially confuse shoppers about your business, including if it's genuine

With one dedicated website, you can:

- Optimize your online presence and focus on higher search rankings and site traffic
- Make your brand appear transparent, trustworthy and straightforward
- Save time managing your inventory and concentrate on what you do best — creating beautiful arrangements

3. Deliver a Great Buying Experience



Competing with wire services and order gatherers means you need the best.

You work hard to deliver a great buying experience in your physical store, so why not be like Amazon — deliver a great buying experience online: secure home page, mobile-friendly, easy checkout, and automated delivery confirmations and reorder reminders.

If you want to sell to millenials — some of us call them our children or grandchildren — these things are no longer nice-to-haves, they are must-haves.

Lovingly delivers all this and more:

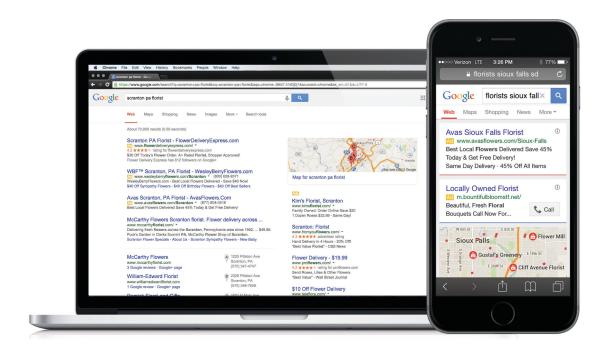
- Marketing and SEO expertise
- Free POS system
- White Glove support service
- Professional Photography
- The floral industry's highest converting selection guide

Which results in stats like these:

- 96% florist satisfaction rating
- \$77 average order value
- 46% of orders upgraded

The power of the right one promises a rosy future.

4. Use Targeted Online Advertising



Google is just a search engine, right?

Google is a search engine AND a powerhouse marketing tool. AdWords belongs to Google, so they focus great energy and expertise on continuous optimizations, enabling AdWords users to compete effectively and reach their audience with the right message.

But isn't advertising an expensive option?

Yes and no — If you're not careful, it's easy to overspend on online advertising and even pay a third party for advertising management fees. Lovingly doesn't charge for AdWords management; and on average, Lovingly Partners earn \$4 in orders for every \$1 spent on AdWords.

AdWords raises your flower shop's online profile, driving order volume in your preferred delivery areas.

Some florists spend hundreds each month on florist-to-florist directory advertising. All to get more discounted orders, but no new customers. If you

Use Targeted Online Advertising cont.

spend this same money on Google AdWords, you're getting full price orders and new customers.

Think about that.

You compete against order gatherers and wire services targeting your customers, with the muscle of Google supporting you.

Lovingly is a Google Partner, with a team of AdWords specialists.

Lovingly partners that are new to AdWords receive \$100 in free AdWords after an initial spend of only \$25 — while we manage their accounts — so shaving off fees from wire services to invest in AdWords is a smart move.

AdWords is a GREAT way to compete.

5. Go After Local Corporate Accounts



Companies order flowers for clients. And they order from the order gatherers.

Why? It's what they know.

Many Lovingly Partners report that corporate accounts are a great way to keep more of your margins — and even to feed orders to local florists elsewhere. Why let order gathers get this business, when you can?

Increasingly, businesses want to buy local when they can.

In a groundbreaking study in 2003, SAF partnered with an internationally recognized research team at Texas A&M University to conduct an eight month study into links between workplace flowers and plants and productivity.

The results showed a dramatic improvement in problem-solving and creativity among participants — and the news spread.

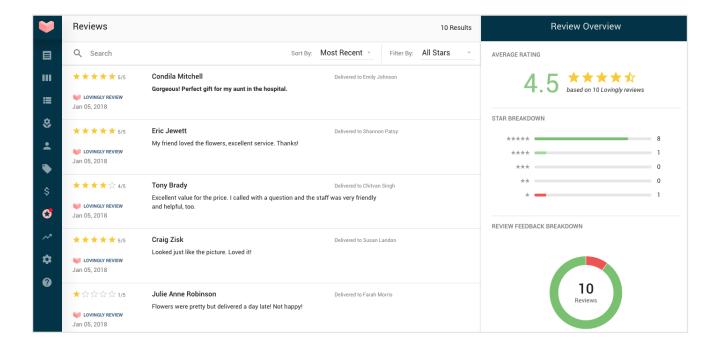
Corporate accounts can be a powerful and steady revenue source.

Lead generation in this area means building relationships with hotels, convention centers, and event planners in your area, as well as local businesses themselves.

So get to business!

Bonus Tip

BONUS: Use Reviews to Attract New Customers



When you're shopping online, do you buy from companies with negative reviews or a low number of reviews? Do you trust reviews more if they are for verified purchases?

85 percent of consumers say they trust online reviews as much as personal recommendations.

Using online reviews to market your business achieves three objectives:

- Get more free word of mouth advertising
- Help customers find you online with better SEO
- Build trust with website visitors so that they become customers

Still — creating, managing, analyzing, and responding to reviews can be daunting.

But it's worth it.

Lovingly Reputation Management is built into each Lovingly Store and POS system.

And it's designed to save florists time by offering:

- An automated pre-written request for customer reviews
- · Review response templates providing tailored subject lines/order details
- The original review on view for easy reference

The importance of online reviews for growth can't be overstated.

So let's compete, succeed, and grow - Lovingly!



For more helpful resources, visit our blog.