

How 23 Million Flowers Are Delivered From Farm To Doorstep-1-800-Flowers

- These are just a **fraction** of the 23 million Flowers 1-800-FLOWERS.COM needs to get **from farm to florist to customer** for Mother's Day. with 10% of the annual **revenue on the line**, there's little **room** for **error**. It's the company's biggest day for **floral sales**. (It is our Super Bowl.)
- This **distribution center** in New York City will **see** 10,000 of those Mother's Day **orders**. It's just one of the thousands of **facilities** and independent floors the company depends on to **get fresh Flowers to customers nationwide**. We visited the company's **busiest hub** to understand the **complicated logistics behind** Floral's biggest day of the year. This is the economics of 1-800-FLOWERS.COM.
- In the 1980s, Flowers were **typically purchased** at a neighborhood **grocery store** or a **local florist** like this one. (When you have something to say Floral Plenty can help you say with style.) But in 1986, that New York florist purchased a **toll-free number setting in motion a transformation of the industry**. (Just call on in or visit our stores.)(When we **acquired** the 1-800-FLOWERS **number** we became a national business **overnight**.)
- The company grew into a **large network of florists** across the country. Just call the number and it would **figure out the details** and then came the worldwide web. In the 1990s, the **floral industry** was one of the first to go online with 1-800-FLOWERS **leading the pack**. (We can take care of that right now with America Online. We can? Yeah, we can send your mom Flowers.)
- They're very **cutting edge in technology** and online technology. I would consider them a leader, as an **e-commerce company**. As a research analyst, Linda Bolton Weiser has covered 1-800-FLOWERS for over a decade. The **floral network** is key to the business and sort of **standardizing** the brand to be able to **advertise** is really part of what they did to **pioneer the industry**.
- Today the company **brings in \$2 billion in annual revenue** and with more than 5,000 florists in its network holiday logistics are pretty complicated. (Preparing for Mother's, Day is one of those things that really gets our blood going.)
- After a customer **places an order** online it can be sent to a few different places: a **farm**, a **distribution center owned by the company**, or one of the network's local florists. Where and how **orders are fulfilled** depends on the **type of product** and the **location of the customer**.
- Getting the flowers **to the right recipient** is more **complex** than people think. It all starts at a farm like this one where Flowers for the holiday are **harvested** in May. Every year the company **relies on its own data to forecast** what types of Flowers they'll need **planted**. Preparation for a **major holiday** like Mother's Day really began a year ago when we would work with all of our **suppliers** to say, "Here's what we're thinking of **designing**. How does that **match your growing cycles**?"
- [Narrator] The company **imports** flowers from all over the world including California, Ecuador, Holland, and Thailand. **Roses** are the most popular for Mother's Day. The company **expects to deliver** 10 million in 2023. At the farms, flowers are **cut, sorted by type and color, and packaged for shipping**. The hardest part, **keeping flowers alive and looking fresh**. Some customers have **complained** that their **orders arrived looking worse for wear**.

- The company says that **customer experience** is its **number one priority** and that when it might **miss the mark**, it works with **urgency** to **rectify the situation quickly** and to **ensure** the customer is **100% happy with the resolution**. But the most important thing to avoid those dead flowers in the first place, **keep them cold**, including on **refrigerated trucks** that **cart** the Flowers all over the country.
- The fast you can **get** that cut flower **down to** about 33, 34 degrees and then **maintain that temperature**, you **suspend life** and you can really **extend the vase life** that a customer therefore gets.
- The flowers are **kept cold through transportation** and arrival of distribution centers like this one in New York. Warehouse manager, Isaiah Brown and his staff are **preparing to receive** hundreds of thousands of Flowers, **more than double** what they usually get. When the product **comes in** for the week of Mother's Day we want to get it in **as late as possible** so it's at as **freshest** for our customers.
- This means all of the Mother's Day Prep has to happen fast. The staff here almost **triples to prepare for the rush**. The flowers are **unpacked and processed**. It's very important that we **strip the bottom leaves** so that those leaves when the flowers are cut and put in the **buckets** are not **submerged in the water**. Cutting these **stems** at an **angle** allows water to **flow to the heads of the flowers**. After flowers are **processed**, they're **returned to the cooler room**. Designers **pop in and out** to pick out Flowers for their **arrangements**. This team in New York will make a couple of thousand **bouquets** every day for the week of Mother's Day. It could take any matter from a few minutes to 15 minutes. It all depends on the **occasion** and the **type of bouquet** we're talking about. When the designers finish, most of the **arrangements** will be **loaded into trucks** like this one and delivered to the customer's door **on the same day**.
- Sometimes other gifts like **teddy bears** or **chocolate-covered strawberries** or **fruit bouquets** are delivered with the flowers. That's part of the company's bigger **strategy** to become a **one-stop gift shop** where customers can also order from Harry & David or Sherry's Berries. They would like to be known as the **premier** online **gifting marketplace**. In fact, 45% of the company's business is in **gourmet** foods and **gift baskets**. Business **boomed** during the **pandemic** as people stayed home and **sent gifts online**. But as the world came **out of lockdown** and an **economic downturn** loomed both **revenues** and **profits** decreased.
- Flowers are considered an **ephemeral gift** meaning you can't **actually use it** or **consume** it. It's just for **beauty and enjoyment**. And so **in a recession** that tends to be the **gift class** that **falls off first**. **Inflation** and **rising labor and supply costs** have also affected the company. Competition has **blossomed** too with companies like Bouqs, UrbanStems, and Farmgirl Flowers entering the \$12 billion Floral gifting market. **Food delivery services** like DoorDash and Uber Eats are also **getting in on the action**.
- We **work with** many of them, even though they also **compete against** us. **E-commerce** gives the ability for people to **get into your category** relatively easily. It doesn't **replace the 50 years of experience** that we **bring to the table**.

- To **keep an edge**, McCann is once again looking to **emerging technologies**. In April, the company **launched** an AI-generated poem composer that's **powered by** ChatGBT. I see **an opportunity to grow** exactly as we are now but I know that technology is going to change things and we'll **look a lot different than we do** five years from now.