

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.