

# How the Global Flower Industry Has Adapted to the Pandemic



*Lessons were learned and opportunities were gained from COVID-19 throughout the global floral industry in 2020.*

By **Sharon Mikulinski**

With its global footprint, **FloraLife** is in a unique position to understand the impact the coronavirus pandemic has had on the flower industry in various parts of the world. While there are many common threads across the globe, there are also contrasting perspectives regarding how different areas have coped with the impact. Here are observations and lessons learned from seven markets on different continents.

## CHINA: THE FIRST MARKET IMPACTED

The first market area impacted by the COVID-19 pandemic was China. In January 2020, the country was closed down by the government to prevent people from moving around. Corporations were shut down; supermarket hours were limited; and cinemas, restaurants and entertainment venues were closed. As a result, there was virtually no flower business, and many flowers were thrown away at farms. When the country began to reopen in mid-March, with restrictions, the flower business resumed, and the economy began to rebound—gradually.

Sales related to the flower business boomed because of weddings and other events that had been rescheduled, after long delays. Flower sales continued to increase, and near the end of 2020,

as reported by the Chinese government, the country had reached the same economic level as it had in October 2019.

Several business strategies played into China's flower business turnaround. Businesses adhered to government requirements, but they also obtained government relief programs such as reduced fees, insurance and taxes to help them get back on their feet.

During the pandemic, successful flower businesses stayed in communication with their customers by phone, text messages and social platforms like WeChat. They continued to promote their brands during the closure in order to ensure that when businesses reopened and consumers were ready to purchase flowers, their brands were top of mind. Finally, smart businesses used this downtime to improve their processes, from technology and equipment to inventory, so that they would be poised for success when business returned to normal.

## DEMAND INCREASES WHILE SUPPLY SLOWS IN AUSTRALIA

At the start of the pandemic, the future of the industry seemed very uncertain as weddings, social functions and funerals were limited to 10 people. But it soon became evident that the flower industry would survive, even though flower shops were shuttered. Florists soon started to receive large volumes of website and phone orders from people who could not attend these events but still wanted to send flowers.

The supermarket trade quickly went into overdrive, creating a 15 percent increase in sales, on average. Because more than 50 percent of flowers sold in Australia are imported, the flower industry was quickly faced with major supply issues. This resulted in local flower growers not being able to supply the new demand, even after many increased



their production. Today, imported flowers are slowly returning to the Australian market.

To survive, Australian flower companies have had to keep their businesses going at all costs, and that has meant leveraging generous payments and tax rebates from the government, as well as adjusting to meet new trends, such as a recent interest in dried-flower arrangements, and improving their website capabilities.

## U.K.: A POSITIVE FOCUS ON THE CRISIS

In the United Kingdom, florists experienced unprecedented demand from their customers despite the fact that flower shops were forced to close. Although closed for foot traffic, U.K. florists used phones, websites and signage to let their customers know that they could still deliver flowers. And those florists quickly discovered that consumers wanted flowers delivered.

The gift of flowers is one of the most emotional and sensitive statements of affection a person can receive. So, when people couldn't take holidays, go to restaurants, and visit friends and relatives, they turned to giving flowers in an unprecedented way.

Adapting to customers is imperative. As an example, some U.K. florists responded to customers wishing to create their own holiday wreaths by producing how-to videos accompanied by DIY kits.



## WORK AT HOME STIMULATES THE JAPANESE MARKET

As in other markets, events and weddings in Japan were canceled or postponed during the pandemic, and predictions indicate the wedding business will not enter a recovery phase until the fall of 2021. Funerals have shifted to smaller-scale, one-day, family-only events, which has resulted in a 30 percent decrease in revenues for businesses focused on funerals.

"Stay home" and "work from home" edicts, however, actually stimulated interest for flowers in Japan. Consumers were inspired to purchase at supermarkets, garden centers and neighborhood flower shops in outskirt areas rather than metropolitan business districts. Chain flower shops increased their focus on e-commerce and subscription programs designed to provide customers with casual enjoyment of flowers at home.



## SOUTH AFRICA SEES A BOOM IN ONLINE BUSINESS

South Africa went through a monthlong lockdown followed by strict restrictions of essential-only businesses. As a result, florists were permitted to conduct business online only.

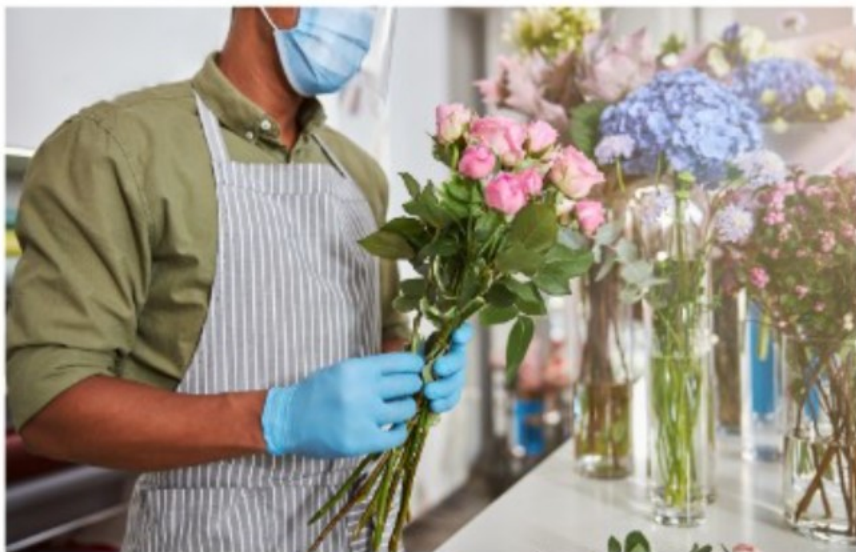
Many florists moved their businesses to their homes, where they had less overhead and more control. Flower shops that were not online when the pandemic hit quickly shifted their businesses online to survive.

In an effort to find new ways to supply not just florists but also consumers, many flower agents and bouquet-makers also launched online and direct-sales platforms. While this initially caused some disruption, florists have now accepted it, and the agents continue to flourish.

Supermarket chains maintained or steadily grew in sales because they were able to remain open from the early stages of lockdown. The popularity of one-stop shopping also helped to increase supermarkets' floral market share, along with the absence of flower shops that closed.

Businesses that stayed ahead in terms of technology heading into the pandemic were in a better position than ones that had to make that investment when they weren't generating income.

South African businesses that focused on increased customer service; that stayed up to date with training to help lower outsourcing; and that diversified, where possible, to find unique products for their channel found increased success. Florists who stayed on top of trends, such as boho flowers and botanicals, did better. Maintaining displays and merchandising, even with less traffic, helped maintain business levels. Finally, keeping up to date with government resources and collaborating with suppliers to uncover opportunities led to success.



### CHANGING THE MINDSET OF FLOWERS FROM SPECIAL OCCASIONS TO EVERYDAY ENJOYMENT IN INDIA

In India, the flower business is driven mainly by events and weddings. When the total lockdown was imposed in March 2020, right before the peak wedding months of April and May, it was a huge shock for the entire floral industry. Growers and flower importers were forced to throw away large quantities of flowers.

During the pandemic, the **Flower Council of India (FCI)** was formed. Industry stakeholders relentlessly worked together to create awareness about fresh flowers and encourage consumers to casually send flowers to friends and family with whom they couldn't meet.

Nearly all flower-industry businesses increased their online and social media presence during the pandemic. Many retail and online florists changed their marketing strategies and began taking digital marketing courses to leverage social media opportunities.

The pandemic caused the floral industry in India to realize its heavy dependence on weddings and triggered it to shift awareness about flowers for other occasions and everyday life.

### "LET HOPE BLOOM" CAMPAIGN SPARKS THE NETHERLANDS MARKET

In the Netherlands, the flower industry was severely affected at the beginning of the pandemic. Exports nearly stopped, and the ability and motivation of consumers to buy flowers reached an all-time low. During this time, sales dipped dramatically, and suppliers threw away

as much as 85 percent of their flowers—an image that was captured on social media and shared to millions of people.

In response, the **Flower Council of Holland (FCH)** created a



social media campaign, "Let Hope Bloom," that it launched on March 27, 2020 and which became a viral sensation and was viewed by millions of people around the world. The campaign resulted in 69 percent of consumers saying they would buy flowers.

To salvage flowers from being thrown away, businesses collaborated with FCH to create the "together against loneliness" movement, which became known as the "Hope Campaign."

The campaign provided 150,000 bouquets that were distributed to elderly people on Good Friday (April 10, 2020), helping the recipients and reviving the industry.

Florists who primarily served businesses saw a significant 25 percent decrease, on average, in their revenues although many were able to compensate with online and retail shop sales. With more people working from home, flowers at offices were not needed; however, many employers sent flowers to their employees working at home.

Out of crisis, opportunity is created. For example, one Dutch company bought surplus flowers at extremely reduced prices, treated them and sold them as dried bouquets, creating a trend that continues today.

The turnover of florists in the Netherlands increased by more than 10 percent in the first three quarters of 2020, and margins fell from 53.5 percent to 51.3 percent, mainly due to high purchase prices. Although there are companies in the flower industry that are struggling, expectation for the future is positive.

### COLLABORATION, HOPE AND STRENGTH

While overall the global floral market fared better than initially anticipated, the economy will continue to be impacted by the pandemic. Many industries have suffered from COVID-19, but the collaboration, hard work, adaptability and efforts of florists are ensuring that the floral industry will be stronger than it ever has been as the world comes out of this crisis. ■



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