



TEAM GANADORES

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CASE WRITTEN REPORT

Background

Montclair Florist from New Jersey is a family owned business for 43 years and counting. Montclair Florist is currently located in 314 Orange Road Montclair, New Jersey 07042, which is a suburban neighborhood. The shop serves the local neighborhoods and schools. Their services range from fresh flowers same-day delivery services and international services. Some specialty services offered are wedding arrangements, outdoor bedding and garden plants, and exotic flowers which can be ordered in advance.

Industry & Market Research Analysis:

According to IBISWorld, the growth of the florists industry has been declining 1.2% for the past five years. The recent recession reduced disposable income for people to spend on flowers. In the past few years, supermarkets have also introduced floral services at discounted prices. Floral services have also been digitalized and the growth of the industry for online florists have been increasing by 2.5% each year. Currently, there are two main players in the online florists industry. Florists' Transworld Delivery Inc. (FTD) holds 29.9% of the market owning brand names such as Interflora, ProFlowers, and Gifts.com. Another main industry player is 1-800-Flowers.com Inc. with 24.5% of the market share owning brand names such as 1800Baskets.com and Cheryl & Co.). Teleflora LLC owns less than 1% of the market share, but it is currently one of the largest privately held flower-delivery services linking more than 16,000 member florists in the USA and Canada, which our client, Montclair Florists, is a member.

The consumer market is gravitating towards the more simple uses for flowers. Traditionally, flowers symbolize affection and to celebrate calendar occasions. However, from the statistics of this case, consumers are generally women buying fresh flowers and outdoor bedding or garden plants for themselves on non-calendar occasions. Main industry players are appealing to this market through social media, promotions, and partnerships with gourmet snacks and chocolates companies.

Based on the industry research and market analysis, our team recommends Montclair Florists to focus on growing their online sales. Since 55% of the sales are already online, our team suggests the following marketing and branding plan as follows.

Marketing and Branding Plan:

We suggest our client Montclair Florists to increase their brand awareness by expanding on social media. The current Instagram has 4 posts, 1 follower, and minimal likes. If Montclair Florists can revamp their social media image, then they will be able to reach more than 1,000 people easily within a month. Montclair Florist can expand on their social media by using an online tool called Buffer. Buffer is a social media sharing tool that allows you to update multiple social media platforms simultaneously. This saves time and makes money in the long run as the business will gain more exposure and gain an online presence through computers, tablets and

phones. Given the small size of the Montclair Florist business, the individual plan costing \$0 would be the best option to choose from.

Since Montclair Florists is a family owned business and there is only one full time employee, our team suggests the owner to hire an employee who can manage their public relations and marketing. By hiring an additional employee, the owner can focus on the shop's inventory, customer relations, and the financial aspect of the business.

In order to capture more attention, our team also suggests testing out special promotions for calendar occasions as well as non-calendar occasions. An idea our team feels strongly about is partnering up with nearby schools and hotels so Montclair Florists can cater their graduation ceremonies and wedding receptions with their flowers. In the future, Montclair Florists can also provide subscription services for nearby households so each family can have fresh flowers delivered periodically.

Montclair Florist's online presence will play a large factor in increasing sales for the business. Though there are many options for different website builders, we recommend improving the business' website by rebuilding it on WordPress. The website would also be built so it is compatible with different mobile devices. This is essential as most users will be accessing the website and floral products through their cell-phones. Our goal with rebuilding this website is to make it accessible to users on different computing platforms while maintaining a seamless design and flow. We recommend outsourcing the making of the website to a skilled web developer who has experience in working with small businesses.



As part of the branding plan, our team created a new logo for Montclair Florists. The inspiration for the logo came from one of Montclair Florist's most popular flowers, the rose. The traditional rose symbolizes the sentiment of love and the many emotions that come with it. The color scheme used for the logo is simplistic, light, and airy. The pinks complemented by the green and light brown illustrate a fresh and beautiful business that is continuously growing. We put the flower as the main focus of the logo so customers would immediately be able to recognize the type of business Montclair Florist is.

Budget Analysis

Monthly Expenses	
Teleflora Network Membership	\$8,500
Website Maintenance	\$20
Marketing/Branding Budget	\$170

Rent	\$4,000
Utilities	\$300
Point of Sale System Fee (assuming \$10,000 sales)	\$275
Total Monthly Expenses	\$13,265

The monthly expenses table above assumes that Montclair Florists will make approximately \$10,000 in sales. The monthly rent is estimated from our team's research of commercial real estate in Montclair, New Jersey. From our initial findings, our team would recommend Montclair Florist to either stay in their current space because of its history there or move to another location that has a similar amount of space. Moving to another location where there are more potential customers in a more crowded area will possibly increase sales. If Montclair Florists decides to stay in their current location, then our team suggests the owner to renovate the shop to attract more customers and to modernize the brand image. In addition to either of these choices, our team agrees that Montclair Florist should focus its resources on expanding online floral services.

Membership Benefit Analysis

The Vice President of Montclair Florist, Chad, specified the pros and cons of being a part of Teleflora Network. It seems that the pros of being a part of the network deals mostly with website maintenance and design artwork which our team thinks can be easily outsourced for cheaper. The cons of being in the network mostly deals with budget issues which is why Montclair Florist pulled out for the FTD network before thinking about pulling out of Teleflora too. Only 35% of sales are generated through Teleflora compared to 65% from Montclair's internet, phone and walk-in orders. From a high-level understanding of the case, our team suggest pulling out of the network because the cons outweigh the pros.

Proposed Point of Sale System

The Montclair Florist needs a new point of sale system, moving away from the traditional cash register. An ideal option would be using Square, which is essentially a chip reader for credit and debit cards. After downloading the appropriate Square app and registering for the service, the company delivers a free card reader. Then, bank account information must be put into the app, and it is immediately ready for transactions. Square charges a fee of 2.75% of each transaction swiped or a flat \$275 per month. Therefore, small business with relatively few transaction should stick to the percentage rate, while big retail businesses should stick with \$275 flat monthly fee. Square charges more for manually entered credit card numbers with a 3.5% +

\$0.15. Therefore, for those manually put in credit card numbers and choose the flat monthly rate, the 3.5% rate will be the additional. Payments can be processed through a wide variety of payment acceptances including Visa, MasterCard, Discover, and American Express. Very user friendly in nature, there are no additional fees for phone and email support, sales analytics, and significant chargeback and liability protection. Finally, their ability to create entries for all sold items with pictures and price information allows for an easier overview of finances including appropriate taxes and tips.

Square has yet to go through an economic down cycle. It faces competition in the payments processing from others such as PayPal Holdings, Inc and Intuit Corp, as well as other startups such as PayAnywhere and ShopKeep. Its Square Cash business is up against competitors like PayPal, Amazon, and even Google. as well as other startups. Although major major credit card companies charge merchants upfront, Square only collects a processing fee and does not charge an upfront fee. This approach has enabled the company to tap into an underserved niche of smaller merchants, but the business model is also a source of risk.