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produce business

MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

Engaging Kids In Store boosts sales

ALSO INSIDE

Maximizing Quality In The Floral Department

Refrigerated cases enhance displays and increase sales.

BY SUZY LOONAM

Superior shelf life and quality of floral products occur when optimum refrigeration conditions are diligently maintained. Keeping temperatures down and profits up always requires assessment of care, handling, space, and merchandising.

Sales and profits per floral department square foot are key, says John Patalita, division manager of Floratech, based in North Syracuse, NY. "Several leading retailers report a well-done floral department can be one of the most profitable uses of floor space in a store. One important element of floral success is the way in which flowers are displayed and a decision on the type of floral refrigeration to be used plays an essential role in merchandising."

"Refrigeration salespeople need to be the experts on what flowers need," relates Tom Lavagetto, president, Floral Consultant Group (FCG), Spokane, WA. "They need to show [retail] floral people the facts on what the floral refrigeration product does for them — weigh the cost of the fixture, the savings in shrink and the additional sales. The manufacturer needs to run the numbers for floral buyers. This is very, very important."

According to Marcy Britigan, president, MEI, LaGrange Park, IL, and Newark, DE-based Produce Marketing Association's (PMA) 2007 Floral Marketer of the Year, retailers should consider "operating performance of floral equipment — optimum temperatures, humidity, temperature differential, air velocity, merchandising options, and lighting. Lighting is extremely important because customers won't buy if they can't see the product."

OPEN OR CLOSED CASES?

Some retailers use closed floral cases for greater environmental and quality control,

Closed-door floral cases offer greater environmental controls, but open cases are perceived as more consumer-friendly.

but Lavagetto says open-case coolers are more consumer-friendly, possibly selling two to one over closed cases. "You need them both," he explains. "Some flowers need to be enclosed, but bouquets sell better in open containers. People will touch flowers before they will open a cooler door."

According to Bill Carlson, vice president of sales and marketing, Börgen Systems, Des Moines, IA, "Some large retailers have reported no difference between open or closed door cases. In fact, most shoppers are not deterred by the doors on frozen food cases in stores and there is a feeling consumers are becoming more aware of saving energy. One large retailer told us customers are getting used to opening doors again."

The trade-off between open and closed cases is in sales, says Patalita. "Open-air cases encourage impulse purchasing, pure and simple! Customers can see, smell and touch flowers in an open cooler which increases their interest in purchasing flowers."

THE BIG PICTURE

Carlson urges retailers to think about the entire floral sales process to determine refrigeration needs. "They need to think about who their customers are and how or why they like to shop for flowers at their store. They need to understand how the floral department fits into the overall design and customer experience of the store. Next, they need to look at the type of flowers and arrangements they need to sell. The actual equipment must reflect the answers to these questions or the retailer is buying someone else's solutions and missing a great opportunity to make a department really profitable."

Lavagetto warns retailers not to be wowed by beauty or design, lamenting that some cases simply do not refrigerate proper-

Fight Shrink By Controlling Ethylene

Ethylene, the invisible, odorless gas emitted by cut flowers, potted plants and produce products, is used commercially for ripening post-harvest fruit. In the floral department, ethylene accelerates shrink.

To reduce its damage to floral products, Amy Adams, floral manager of Lee's Marketplace in Logan, UT, says, "We don't put our flowers in the produce department at all. We have a separate floral department and our own walk-in cooler. Floral should never share a cooler with produce — ever."

At Costco, based in Issaquah, WA, "Our buildings are generally 100,000 to 145,000 square feet," according to Kim Thomas, assistant general merchandise manager. "We keep our floral and produce as far apart as they can be. Our flowers are never stored with produce — our floral people know better."

Costco does not store much floral. "We have very little product stored in our building," reveals Thomas, who adds that with daily floral delivery, storing two to three days of floral product is not necessary. "That's why we set it up that way — out of concerns for ethylene."

Costco floral coolers have temperature but not humidity gauges. "That's one of the reasons we don't store product in the building — because the regulation of those two factors is so crucial to the product," she admits.

Terril Nell, chair and professor of floriculture, Environmental Horticulture Department, University of Florida, Gainesville, FL, and author an article entitled, The roses are screaming. Is anyone listening?, admonishes retailers that keeping floral products cold will avoid the effects of ethylene. In some stores, he notes, "There isn't even a thermometer in the cooler!"

Nell recommends addressing the ethylene issue by buying flowers that the grower has pre-treated with ethylene-blocking material such as silver thiosulfate. "We've shown that about 75 percent of the cut roses sold in the United States are not being treated, and they absolutely should be," asserts Nell.

Sanitation is also crucial for fighting shrink in floral. It "is as important as cold in the life of flowers. People are not cleaning buckets properly and so floral products are put into a solution that is not clean. Some try to reuse the solution or dump it out and immediately add new solution without doing any kind of sanitizing of the bucket.

"I believe in keeping it simple. If floral people would concentrate on those things [temperature, pre-treatment and sanitation], we would double the life of those flowers," he asserts

For stores that may not have the luxury of selling pre-treated flowers, there are other ways to reduce the effects of ethylene on floral products. Dave Biswell, president and general manager of Ethylene Control Inc., based in Selma, CA, says his patented Power Pellets remove ethylene, extend the life of floral and kill molds, rots, bacteria and odors. The company offers scrubbers for large floral cold storage rooms, filters for floral walk-in coolers and sachets for reach-ins and for boxed floral in shipping and storage.

For larger applications, Matt Shawcross, vice president of business development for Miatech, based in Clackamas, OR, recommends a new product, Bio Turbo, which the company introduced last year. "It removes ethylene and airborne bacteria for larger warehouse applications."

Later this year, Miatech plans to introduce two smaller units with one to target retail. "This will allow us to bring affordable technology to the smaller walk-in coolers and the retail floor where produce and floral are displayed. More importantly, however, is achieving humidity of 90 percent or more in the larger coolers where floral is displayed," Shawcross adds.

CJS Ethylene Filters, Sanger, CA, also offers products to remove ethylene and extend floral shelf life, including sachets, filters and a filter system, which, when filled with a hundred of the company's special ethylene-blocking pellets, is large enough to treat 75,000 to 150,000 cubic feet of storage.

According to Claude Jessen, CJS owner and CEO, "The ethylene that can accumulate in a flower box during shipping can prevent roses from opening and can cause yellowing and leaf drop. I have customers in greenhouse-growing situations, who are shipping in boxes, and they find that using our 5-gram sachet in transport reduces ethylene levels and keeps flowers as fresh as possible. Stores use our filters in walk-in coolers for the same reason. Filters are sort of mop-up operation — it's just good housekeeping to use them." **pb**

ly. "Retailers need to know that the case operates at 34° to 35° F with 85 to 90 percent humidity. Of course, that's impossible to accomplish in open-air coolers."

MAINTAINING CORRECT LEVELS

If proper temperature and humidity can be maintained with a refurbished cooler, that "may be the way to start for a single-store operator or a small chain just getting started in a floral program," notes Börgen's Carlson. "However, the support issues are considerable just as in buying a used car. Was the case maintained properly by the previous owner? Is there hidden damage due to the removal, transport or reinstallation?"

"It is unwise for equipment buyers to make floral equipment purchases without consulting their floral buyers," FCG's Lavagetto advises. "The floral buyer will know the proper temperatures and humidity and how the product is best displayed. It's all about selling more flowers to more people consistently, and freshness is absolutely paramount."

For general storage temperatures, MEI's Britigan recommends 36° F and for tropical plants 45° F. She recommends a 95 percent optimum level of humidity with 80 percent being the minimum acceptable.

GREEN THINKING

To reduce energy consumption, equipment buyers might consider cases without lights. "Our open design allows supermarkets to light flowers using the store's lighting," relates Patalita of Floratech.

Lighting makes a big difference, says Carlson. "There is a lot of new technology available that requires less energy, however, it is still expensive compared to the current industry-standard florescent tubes. Flowers require a lot of light to show off their color, if you cut the light too much, it can have an impact on sales."

Regarding disposal, Carlson adds, "Environmentally, the major issue with removing a case is making sure of the proper handling of the refrigerant, which is normally done by the installer." **pb**