

# Customer Targeting

## Target Audience Identification

### Heavy Buyer Analysis

### Market Concentration

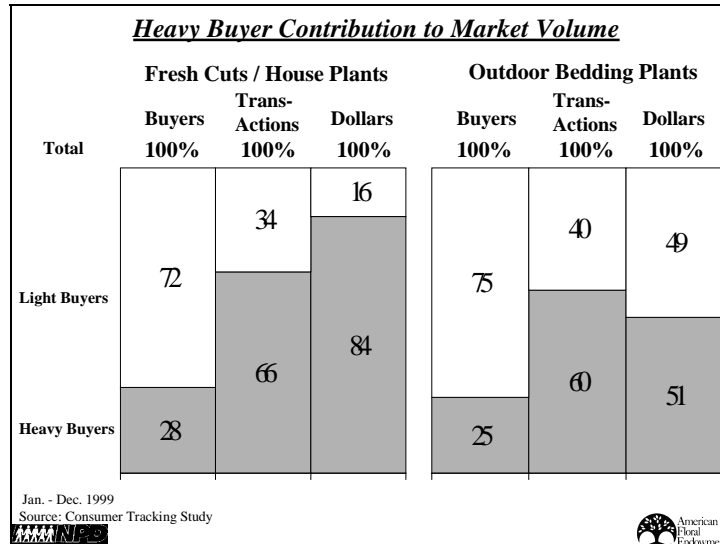
Whatever one chooses to call it we're talking about leverage. Leveraging the return that a retailer - and so also the grower/wholesaler - receives from reaching those customers who have the highest propensity to purchase floral products. As we know, not all customers have equal value to a retailer. Some customers buy only once, others make several purchases over the course of a year. Reaching and meeting the needs of the heavy buyer is the way to gain most in dollar return for your efforts.

For insight to just what distinguishes the heavy floral buyer from the light one, information from the 1999 AFE Consumer Tracking Study was accessed. (See Information Source at the end of this article)

### How important is the Heavy Buyer?

The following chart (figure 1) reveals just how valuable Heavy Buying households are to the floral industry. While they account for less than one third of all households who buy Bedding or Other Fresh Floral Products in a year, they *leverage* two to three times that much of the business!

Figure 1



## Who are they?

Certain types of households are more likely to become Heavy Buyers of floral products than are others. Attracting households with their characteristics increases the likelihood of gaining heavy buying households as your customers. Distribution of customers in each group shows that Heavy buyers are concentrated particularly in mid-to-older, more affluent households (figures 2,3). Note that there is more distinction between Heavy and Light buyers of Fresh Cuts/House Plants than there is between Heavy/Light buyers of Outdoor Bedding Plants.

Figure 2

<i>Customer Profile</i>		Index to all Households*			
		Fresh Cuts / House Plants		Outdoor Bedding Plants	
		Heavy Buyers	Light Buyers	Heavy Buyers	Light Buyers
Age of Household Head	All Households	100	100	100	100
Total	100%				
< 25 Yrs.	5	57	109	51	60
25-34 Yrs.	19	47	102	59	77
35-49 Yrs.	34	109	92	94	96
50-64 Yrs.	21	135	108	138	117
65 + Yrs.	21	107	100	119	119

Jan. - Dec. 1999  
Source: Consumer Tracking Study

\* Distribution Product Group Buyers / Distribution all Households

American Floral Expenditure

Figure 3

<i>Customer Profile</i>		Index to all Households*			
		Fresh Cuts / House Plants		Outdoor Bedding Plants	
		Heavy Buyers	Light Buyers	Heavy Buyers	Light Buyers
Distribution Households	All Households	100	100	100	100
Household Income	Total				
Total	100%				
< \$30,000 Yr.	41	65	85	67	77
\$30.0 - 49.9 Yr.	23	92	108	96	105
\$50.0 - 74.9 Yr.	18	109	109	129	113
\$75.0 - 99.9 Yr.	9	146	117	135	125
\$100,000 + Yr.	9	207	115	161	139

Jan. - Dec. 1999  
Source: Consumer Tracking Study

\* Distribution Product Group Buyers / Distribution all Households

American Floral Expenditure

**Where are they most likely to be found?**

Those who purchase most are found in the East (New England & Mid-Atlantic) and the West (Mountain & Pacific regions) (figure 4). The size of the market has little influence on Outdoor Bedding Plant buying but the heaviest buyers of Fresh Cuts/House Plants are located in the largest metro areas (figure 5).

Figure 4

<i>Where They Live</i>		Index to all Households*			
		Fresh Cuts / House Plants		Outdoor Bedding Plants	
Distribution Households		Heavy Buyers	Light Buyers	Heavy Buyers	Light Buyers
	All Households				
Census Divisions		100	100	100	100
Total	100%				
East	19	130	108	104	108
Central	24	87	105	94	111
South	36	87	95	91	100
West	21	109	96	119	80

Jan. - Dec. 1999  
Source: Consumer Tracking Study

\* Distribution Product Group Buyers / Distribution all Households





Figure 5

<i>Customer Profile</i>		Index to all Households*			
		Fresh Cuts / House Plants		Outdoor Bedding Plants	
Distribution Households		Heavy Buyers	Light Buyers	Heavy Buyers	Light Buyers
	All Households				
Market Size		100	100	100	100
Total	100%				
2.5 mm +	26	124	97	99	94
1 - 2.5 mm	23	97	102	93	102
Under 1 mm	31	95	109	101	104
Non MSA.	20	82	88	109	99

Jan. - Dec. 1999  
Source: Consumer Tracking Study

\* Distribution Product Group Buyers / Distribution all Households



**Where do they shop?**

All outlet types reach both Heavy and Light buyers. Heavy Fresh Cuts/House Plant buyers are more likely to buy from Supermarkets than are Light buyers. Heavy Bedding Plant buyers show some preference for shopping at Home Centers and Garden Centers (figure 6).

Figure 6

<u>Where They Shop</u>	Fresh Cuts/ House Plants		Outdoor Bedding Plants	
	Heavy	Light	Heavy	Light
	Buyers	Buyers	Buyers	Buyers
Distribution Households				
Total	100%	100%	100%	100%
Other Outlets	4	5	4	4
Other Specialty	7	6	8	8
Other Mass Mdse	7	7	7	7
Hm Imprv/Hdwr Str	8	8	22	18
Garden Center	8	9	35 ←	33
Discount Chain	8	11	18 ←	19
Supermarket	39 ←	30	6	9 →
Florist Shop	19 →	24	*	2

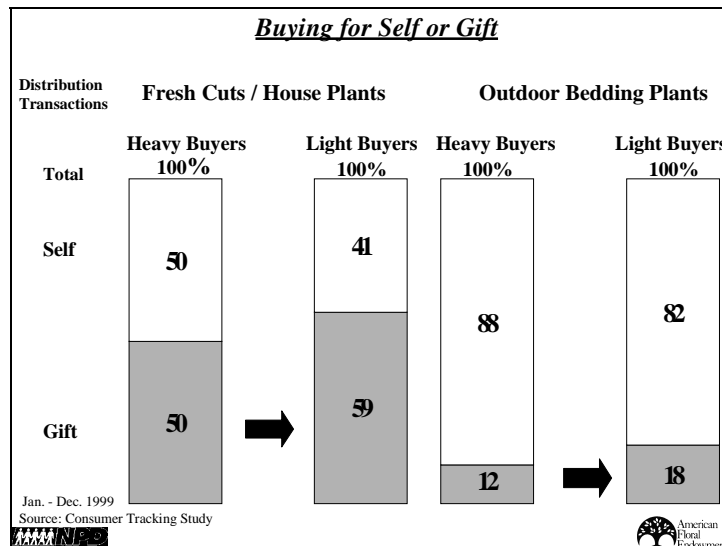
Jan. - Dec. 1999  
Source: Consumer Tracking Study

\* = < 1

**What needs do floral products meet for Heavy Buyers?**

Heavy Buyers are more likely to purchase floral items for themselves than are Light buyers. The need for Gifts stimulates more of the buying of Light buyers (figure 7).

Figure 7



The Heavy Fresh Cuts/House Plant buyers are more likely to buy Gifts for "No Special Occasion" than are Light buyers (24% of the time vs. 18%). When a special occasion prompts a purchase, occasions rank in importance this way:

<i><b>Top Seven Occasions:</b></i>	<u><i><b>Heavy Buyers</b></i></u>	<u><i><b>Light Buyers</b></i></u>
	<i>Birthday</i>	<i>Birthday</i>
	<i>Christmas/Chanukah</i>	<i>Valentine's Day</i>
	<i>Get Well</i>	<i>Get Well</i>
	<i>Cemetery/Memorial</i>	<i>Mother's Day</i>
	<i>Sympathy/Funeral</i>	<i>Sympathy/Funeral</i>
	<i>Valentine's Day</i>	<i>Christmas/Chanukah</i>
	<i>Mother's Day</i>	<i>Easter/Passover</i>

**In Summary**

It's certain that a retailer who reaches Heavy Buyers is going to have an easier time meeting their sales goals than is one who must be on the lookout for the Light buyer. But, how can they be attracted? A variety of ways come to mind:

- Build awareness of your presence.* For example: Distribute flyers in neighborhoods where the concentration of residents with characteristics of Heavy Buyers is high.
- Stimulate a trial purchase at your store.* Example: The flyers in selected neighborhoods might contain a limited time offer for free delivery or discount on the product or container purchased if they bring the flyer with them. Or, if advertising is feasible, choose media with readers/listeners/viewers matching the profile of the heavy buyers.
- Build loyalty to your store.* Example: Once reached, encourage repeat visits/purchases with prompt, correct, consultative friendly service. Or, a card may be given offering a discount/small bouquet on e.g. every fourth purchase. Obtain information on important birthday / anniversary dates. Using the customers' phone number, address or email address, send them reminders of those occasions -- offering to take care of the order (selection & delivery) for them.

It's worth it. It will pay off

*Information Source:*

AFE's Consumer Tracking Study provided the information base for this review. Using the purchase data for annual 1999 (January through December), floral product buyers were sorted into two groups: Outdoor Bedding Plant Buyers and All Other Fresh Product Buyers (house plants and cut flowers). Transaction frequency distributions were produced for both groups and the top one-fourth of the buyers - those who made the most transactions - were selected and identified as Heavy Buyers. All other customers were grouped and are termed Light Buyers. Purchase patterns (where they shop, gift buying, purchase motivations) were then tabulated and compared for all four buyer groups. In addition, the demographic profile of each group was identified.