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Special Research Report #706: Public Benefits Longevity Guarantees: Consumer preferences for guarantees for gifts and different occasions

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BACKGROUND

Cut flowers are considered special, perishable gifts that are often used to express positive sentiments for various occasions. However, floral gifts can carry some risk in the mind of gift givers due to their perishable nature and how they are given, if not directly. This study explored the use of longevity guarantees to alleviate some of that perceived risk. Longevity was defined as “how long the cut flowers would last.” This proportion of the study focuses on consumers’ receptiveness to longevity guarantees on cut flowers purchased for gifts. By knowing consumer opinions about longevity guarantees on cut flower gifts, floral industry leaders can anticipate consumer needs and better tailor their services to fulfill those needs. Many flowers are purchased on specific calendar or non-calendar occasions. Therefore, we also investigated the importance of cut flower longevity guarantees on these different occasions. By knowing the importance of longevity guarantees on different occasions, the floral industry will have a clear idea about when to implement the longevity guarantees.

METHODOLOGY

To determine differences in consumer reactions to cut flower longevity guarantees for gifts, participants were asked to fill out a questionnaire and participate in focus group discussions. Participants were asked about their opinions about floral gift guarantees. Participants were also asked to indicate the level of importance of guarantees and willingness to pay for guarantees at different occasions (romantic occasions, mother-related occasions, holidays, once-in-a-lifetime occasions, day brightener/just because occasion, get well occasions, and appreciation/thank you occasion).

The questionnaire was administered during May 2011 in Minnesota, June 2011 in Texas, and July 2011 online in the United States. To ensure participants’ representativeness of cut flower buyers, in the recruitment advertisement we specified that “you must be at least 18 years old and have purchased or received cut flowers in the past year.” There were 130 participants from Minnesota, 84 from Texas and 525 from the online questionnaire for a total of 739 participants. The average age of participants was 45 years old, the majority of participants were female (61%), had a college diploma, were in a

relationship or married, had 2 to 3 people within their households, and had an average 2010 household income between \$50,001 – 65,000.

After they finished the questionnaire, approximately 120 of the Minnesota and Texas participants participated in focus group discussions in order to gain a deeper understanding of their thoughts and attitudes toward cut flower guarantees on gift and occasion flowers.

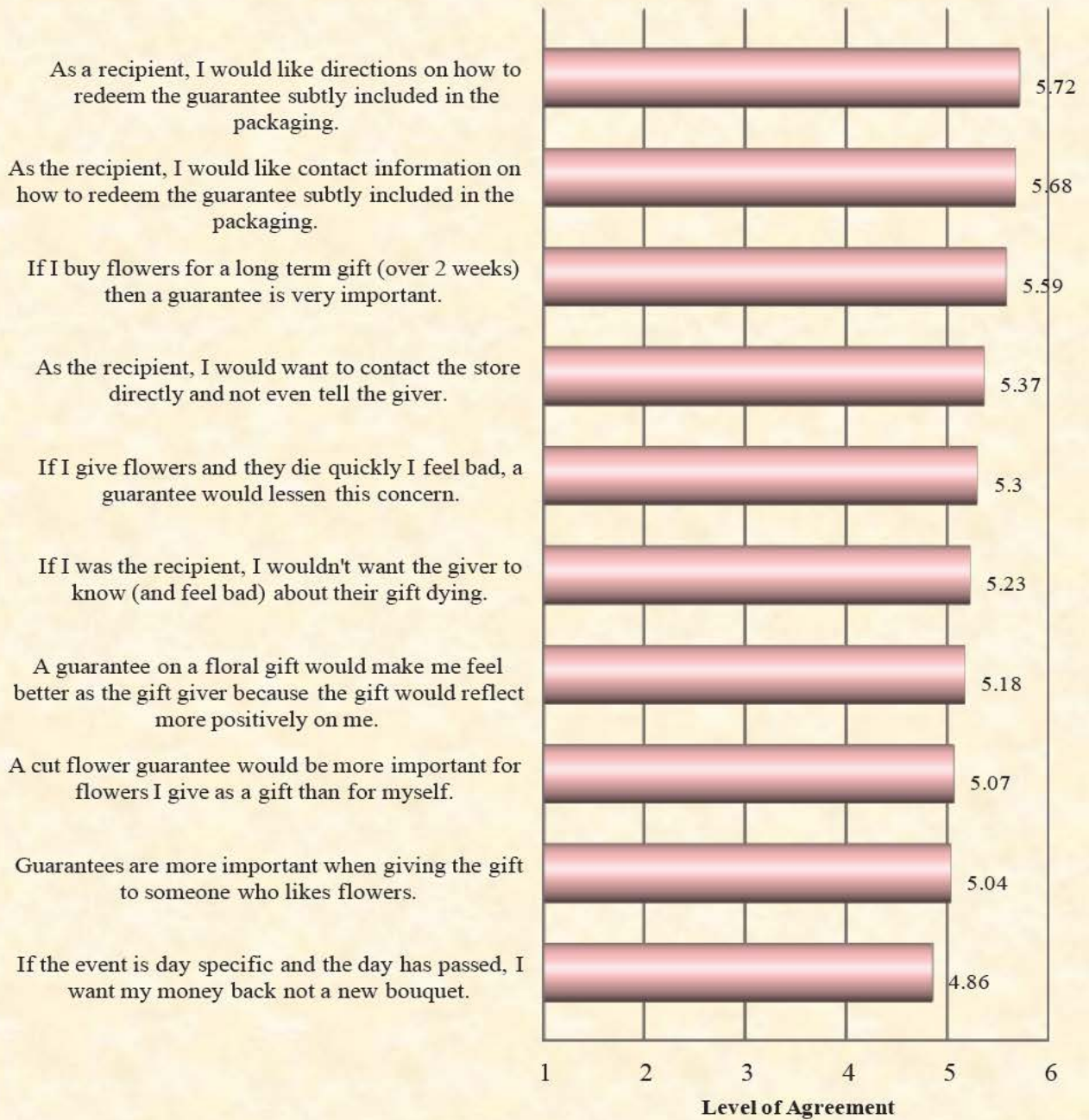
RESULTS AND CONCLUSIONS

Opinions: As gift recipients, participants were asked to indicate their level of agreement with various statements concerning cut flower longevity guarantees (1=strongly disagree, 7=strongly agree). As recipients, participants strongly agreed with “I would like directions on how to redeem the guarantee subtly included in the packaging” (mean=5.72), “I would like contact information on how to redeem the guarantee subtly included in the packaging” (mean=5.68), “I would want to contact the store directly and not even tell the giver” (mean=5.37), and “I wouldn’t want the giver to know (and feel bad) about their gift dying” (mean=5.23) (Figure 1). These results indicate that recipients do not want to inform the gift giver but prefer to contact the floral gift supplier directly. Focus group participants felt having a discreet card within the packaging was a good solution because it allowed the recipient to choose whether or not to use the guarantee. They also felt that the card should include a phone number or website address with an order code which would make it easier to confirm and replace the flowers. Participants did not think receivers should get money back because the flowers were a gift and many gift givers do not want the recipient to know the cost of the gift. They also felt it would be nice if the recipient could choose a different replacement arrangement or receive a coupon for future purchases. As the recipient, they did not want to inform the giver because they felt it was embarrassing for both givers and receivers.

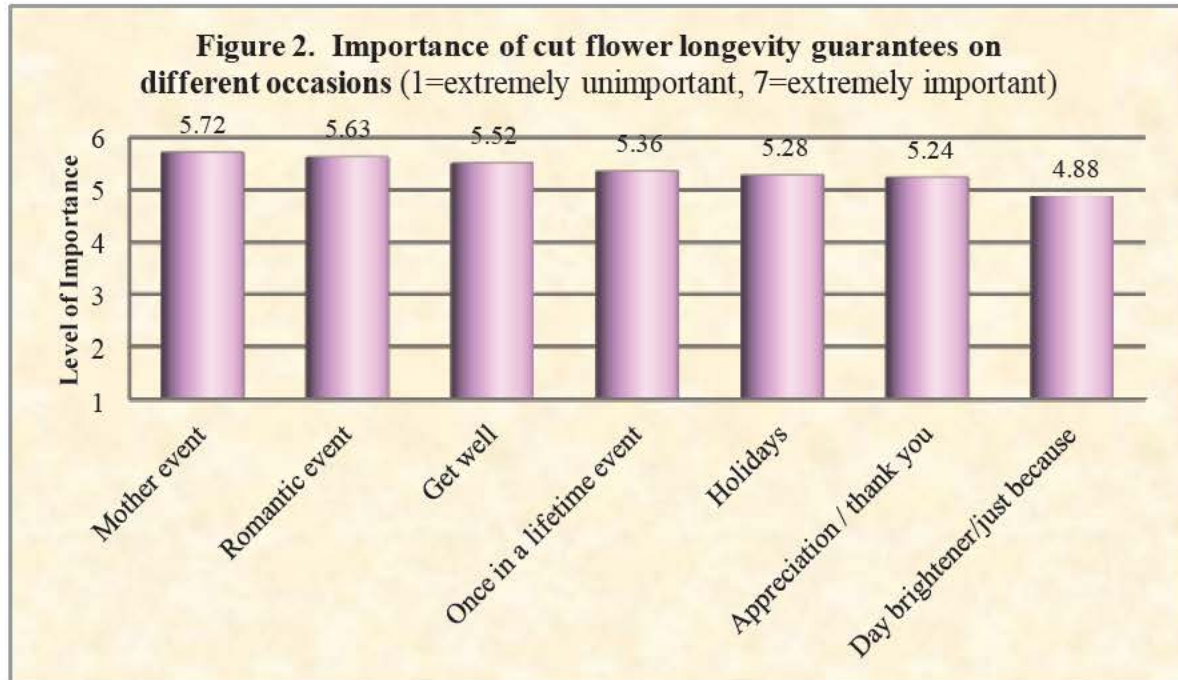
From the gift giver’s perspective, participants agreed that “if I buy flowers for a long term gift (over 2 weeks) then a guarantee is very important” (mean=5.59), “if I give flowers and they die quickly I feel bad, a guarantee would lessen this concern” (mean=5.30), “a guarantee on a floral gift would make me feel better as the gift giver because the gift would reflect more positively on me” (mean=5.18), “a cut flower guarantee would be more important for flowers I give as a gift than for myself” (mean=5.07), “guarantees are more important when giving the gift to someone who likes flowers” (mean=5.04), and “if the event is day specific and the day has passed, I want my money back not a new bouquet” (mean=4.86) (Figure 1.)

Focus group participants felt that having a guarantee on floral gifts would be reassuring and comforting to the giver and provide some recourse for the recipient. Many participants felt that, as the giver, they did not want to know if the gift died because they would feel bad. Overall, participants felt guarantees would positively influence their floral purchases for gifts and that guarantees were less important for flowers they purchase for themselves since they viewed the flowers and selected which ones they wanted, whereas gifts are often delivered and givers rely on the florists to make the decision and send the best flowers they have.

Figure 1. Participants' opinions about guarantees on cut flower gifts
(1=strongly disagree, 7=strongly agree)

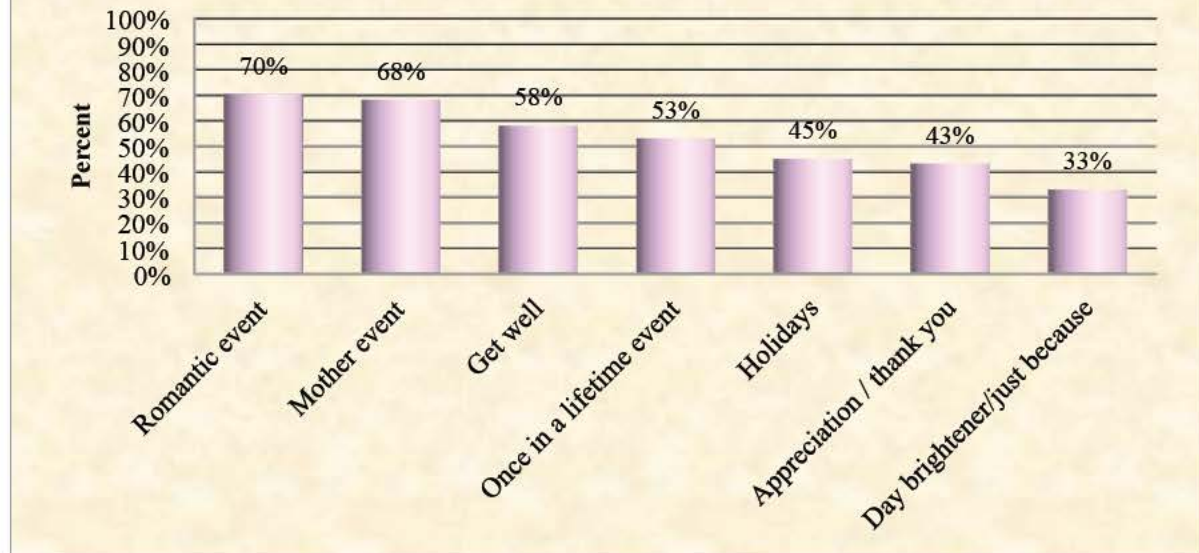


Occasions: Occasions influence consumers' thoughts about cut flower guarantees. Participants were asked to rate the importance of cut flower guarantees at different occasions (1=extremely unimportant, 7=extremely important). Participants indicated that cut flower guarantees were the most important (mean=5.72) for mother-related occasions (Mother's Day, Mom's birthday, etc.) and romantic occasions (mean=5.63), get well occasions (mean=5.52), once-in-a-lifetime occasions (mean=5.36), holidays (mean=5.28), appreciation/thank you occasions (mean=5.24), and day brightener/just because sentiments (mean=4.88) (Figure 2).



To gain a deeper understanding of the importance of cut flower guarantees for different occasions, participants were asked if they were willing to pay more for a guaranteed flower gift for the occasions. Results show that 70% of participants are willing to pay more for guarantees on romantic floral gifts, and 68% of were willing to pay more for guarantees on mother-related occasions (68%), followed by get well gifts (58%), and once-in-a lifetime occasions (53%) (Figure 3). Interestingly, fewer participants were willing to pay more for guarantees on flowers for holidays (45%), appreciation/thank you gifts (43%), and day brightener/just because gifts (33%). Focus group participants felt longevity guarantees were more important for occasions that are important events, long-term events, special events, and once-in-a-lifetime events but not one day, specific events. However, for day-specific occasions such as funerals and weddings, having a delivery and quality guarantee is important since timing is essential for these events.

Figure 3. Percentage of participants willing to pay more for guarantees on cut flowers for different occasions
(1=willing to pay more, 0=not willing to pay more)



RECOMMENDATIONS TO THE INDUSTRY

The floral industry knows their products very well. Industry firms should use this knowledge to establish cut flower longevity guarantees that impress and reassure consumers while further differentiating themselves from the competition.

Consumers indicate that they feel more comfortable using flowers as gifts if the gifts come with guarantees. However, the floral industry needs to provide clear, simple directions discreetly tucked in the packaging with a phone number/website address and re-order code to allow the recipient to redeem the guarantee without contacting the giver to reduce embarrassment. Additionally, recipients should be offered replacements and coupons if the flowers do not meet longevity expectations.

In addition to gift flowers, flowers for certain occasions would benefit by coming with guarantees. The floral industry should consider promoting longevity guarantees on cut flowers used for mother-related occasions, romantic occasions, get well occasions, and once-in-a-lifetime occasions. For day-specific occasions (such as weddings, funerals, etc.), florists can guarantee timely delivery in addition to quality products to reassure customers that their needs will be met.

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