INTERNATIONAL FRESH PRODUCE ASSOCIATION

2024 United States Floral Industry Brand

Who we are:

International Fresh Produce Association (IFPA) is the leading global trade association representing companies in the fresh produce and floral supply chain.

We are here to:

- advocates for members and industry;
- connects individuals and organizations with ideas, data and with each other;
- guides with education, insight, expertise, and solutions.

Floral Industry Branding

In today's fast-paced world, people have many options for gifts and small acts of self indulgence. But where will they spend their dollars tomorrow? The floral industry's brand is vital in capturing consumers' attention, preference, and loyalty.

Why it matters: Understanding our brand is crucial. By resonating with consumers, we can increase our market share and compete against other products.

The big picture: A brand is shaped by consumer perception and every aspect of the industry. And to win the fight, floral must be ready to compete with confections, beauty products, home décor, and much more.

The bottom line: Consumer feedback helps us understand brand perception and increases our ability to compete.

Understanding Brand Perception

Brand perception is crucial in developing relationships with customers and winning their loyalty.

Why it matters: Consumers always consider their emotional connection when choosing between items that fulfil a similar purpose whether it be hunger in the produce category or indulgence in the floral category.

The big picture: Understanding the personality and attributes of our industries helps us connect with consumers.

The bottom line: Leverage industry personality and attributes to help shape your brand perception with consumers.

A guide for marketers

What this research tell us:

- While the reputation of the floral industry is strong, it can be strengthened in marketing by pairing it with the produce industry.
- The floral industry is not seen as dynamic so we can benefit by demonstrating innovations in breeding and growing as well as showing flowers in modern settings.
- Floral marketing can build off the industry's personality of being trendy & fun – "flowers should be everywhere people gather."
- There are opportunities to build on unique products, care for the environment, and innovative products. These matter to consumers, yet the floral industry is not leveraging these attributes.
- To attract the best talent, is important to market the floral industry as an opportunity to be part of a sustainable, modern, and innovative community.
- While the wellness movement is an opportunity for the floral industry, consumers are not yet equating flowers with mental wellness. This means the floral industry must make the connection for consumers

Methodology and Sample Composition

The study was conducted using an online methodology, with all fieldwork conducted on the Russell Research survey website. A total of 4,533 interviews were conducted for the study from February 9 – 28, 2024. Participants were sourced from leading online research panels.

To qualify for study inclusion, respondents were screened to meet the following qualifications:

- Age 18 - 78
- Primary or shared responsibility for purchasing groceries for household
- Purchase groceries once a month or more often
- Typically purchase groceries at a supermarket/grocery store or online retailer
- Reside within the United States, Brazil, the United Kingdom, Germany, China or Australia
- Does not work in a competitive industry

All research was carried out in compliance with all relevant legal and ethical requirements within the United States and in compliance with ISO 20252:2019.

Floral US Summary

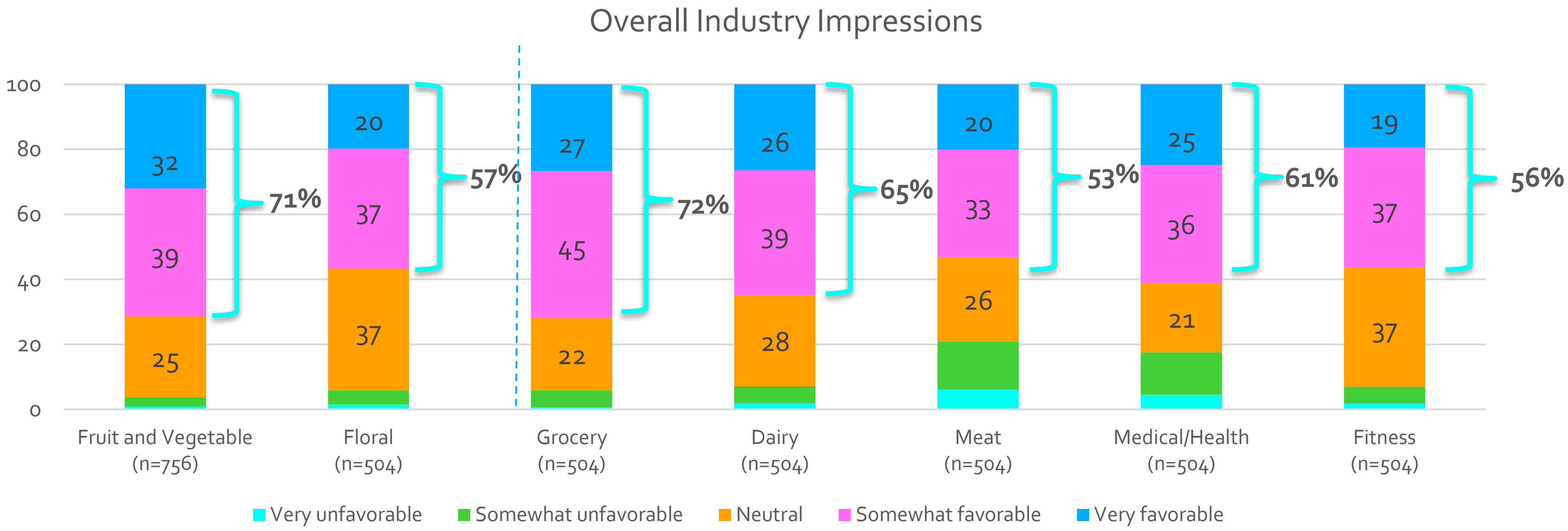
- Consumer impressions of the *US floral industry* are strong and comparable to benchmark industries.
  - 57% respondents have a <u>favorable</u> impression
  - Only 37% of respondents believe the *floral industry* is *'on its way up'* while most of the remaining respondents believe its *'holding its ground'*. These momentum ratings are at parity with the meat industry.
  - The floral industry has a strong reputation.

Critically important for the floral Industry	Floral Industry Personality Traits
• Adapts to meet the needs of customers • Is innovative • Creates products worth paying extra for	• Friendly • Fun • Classic • Approachable • Exotic

- Relative importance analysis indicates a need to communicate the industry is *Adapts quickly to meet the needs of consumers.*

US Consumers have a favorable impression of the floral industry although it lags behind produce, grocery, dairy and medical.

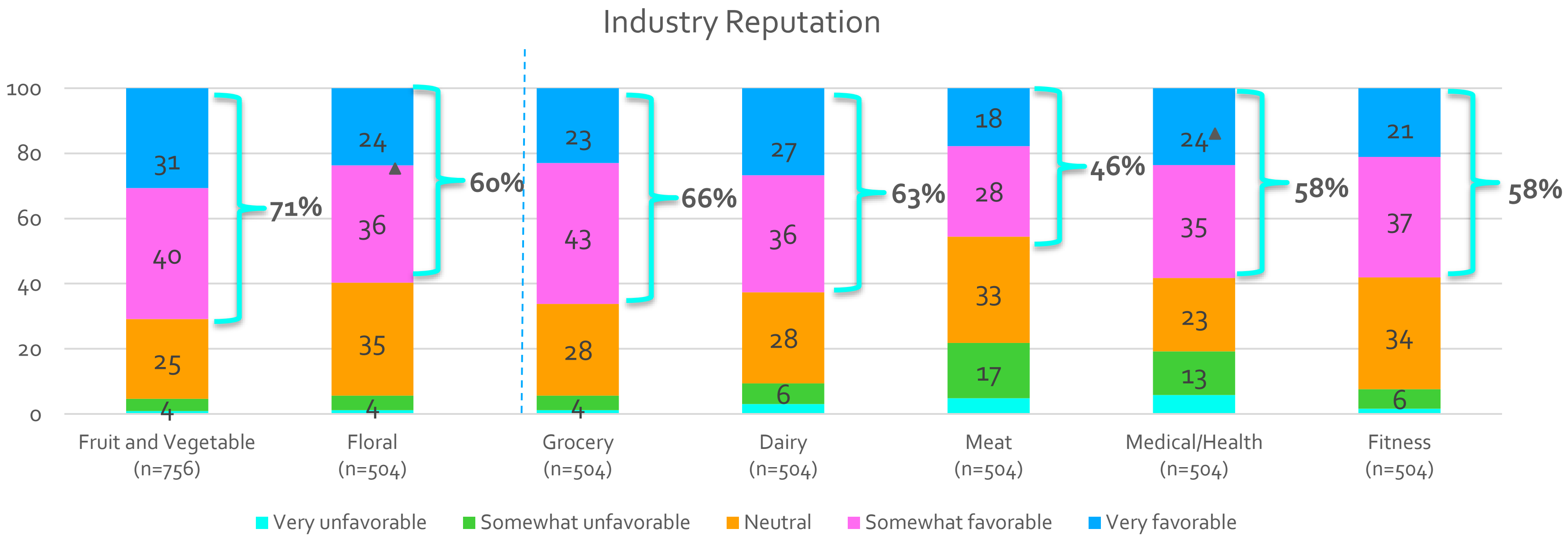
TIP: The floral industry can use produce and grocery in messaging to receive a lift from their halo.



Base: Total US Respondents Evaluating Industry
3. What is your overall impression of the [INSERT INDUSTRY]?

US Consumers believe the floral industry has a favorable reputation although it lags behind produce, grocery and dairy.

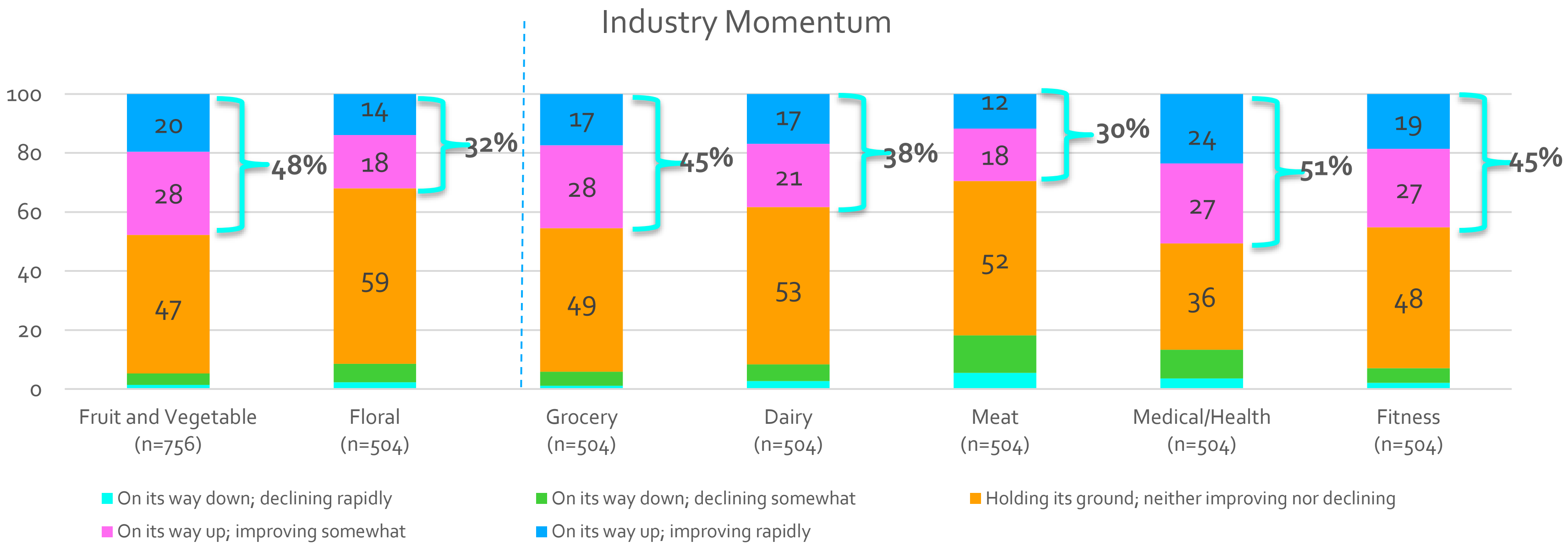
TIP: The floral industry can use produce and grocery in messaging to receive a lift from their halo.



Base: Total US Respondents Evaluating Industry
6. Which of the following best describes what you feel is the current reputation of the [INSERT INDUSTRY]?

Most US consumers view the floral industry as stagnant – neither improving or declining.

TIP: This is an opportunity for the floral industry to show its dynamic and innovative side.



Base: Total US Respondents Evaluating Industry

5. When you think about certain industries, some seem to be on their way up and have a lot going for them, while others don't. Which of these statements best describes how you feel about the [INSERT INDUSTRY]?

US Floral Industry Drivers

Relative Importance

What is it?

It is an extension of regression analysis that allows us to assess which attributes are most important and exactly how much more important one is than another.

The most important factors to U.S. Consumers when evaluating the Floral industry are:

- Adapts quickly to meet the needs of consumers
- Is innovative
- Creates products or services worth paying more for.

Relative Importance for Floral Industry

	Relative Importance	Rank Order
Total US Respondents Evaluating Floral Industry	(504)	
Adapts quickly to meet the needs of consumers	12.75	1
Is innovative	10.49	2
Creates products or services worth paying extra for	10.49	3
Is trustworthy	8.80	4
Is mindful of the environment	8.10	5
Offers unique products and experiences	7.27	6
Offers affordable options	5.91	7
Makes room for a wide variety of brands	5.33	8
Is transparent in its production/service methods	5.26	9
Attracts top talent	4.45	10
Uses technology wisely	4.17	11
Treats employees fairly	3.99	12
Values diversity, equity and inclusion	3.92	13
Helps solve some of society's most pressing problems	3.64	14
Promotes individual health	3.50	15
Promotes public health	1.92	16

Stated vs. Relative Importance – Floral Industry

The results of the Relative Importance Analysis are compared to what consumers state is important to them and plotted on a quadrant map (on the next slide). From this map, three important groupings of attributes are defined as follows:

Critically Important

(High Relative / High Stated Importance)

- **These are strong positioning attributes if an industry can deliver in these areas.**
  - ✓ Is trustworthy
  - ✓ Adapts quickly to meet the needs of consumers

Hidden Opportunities

(High Relative / Low Stated Importance)

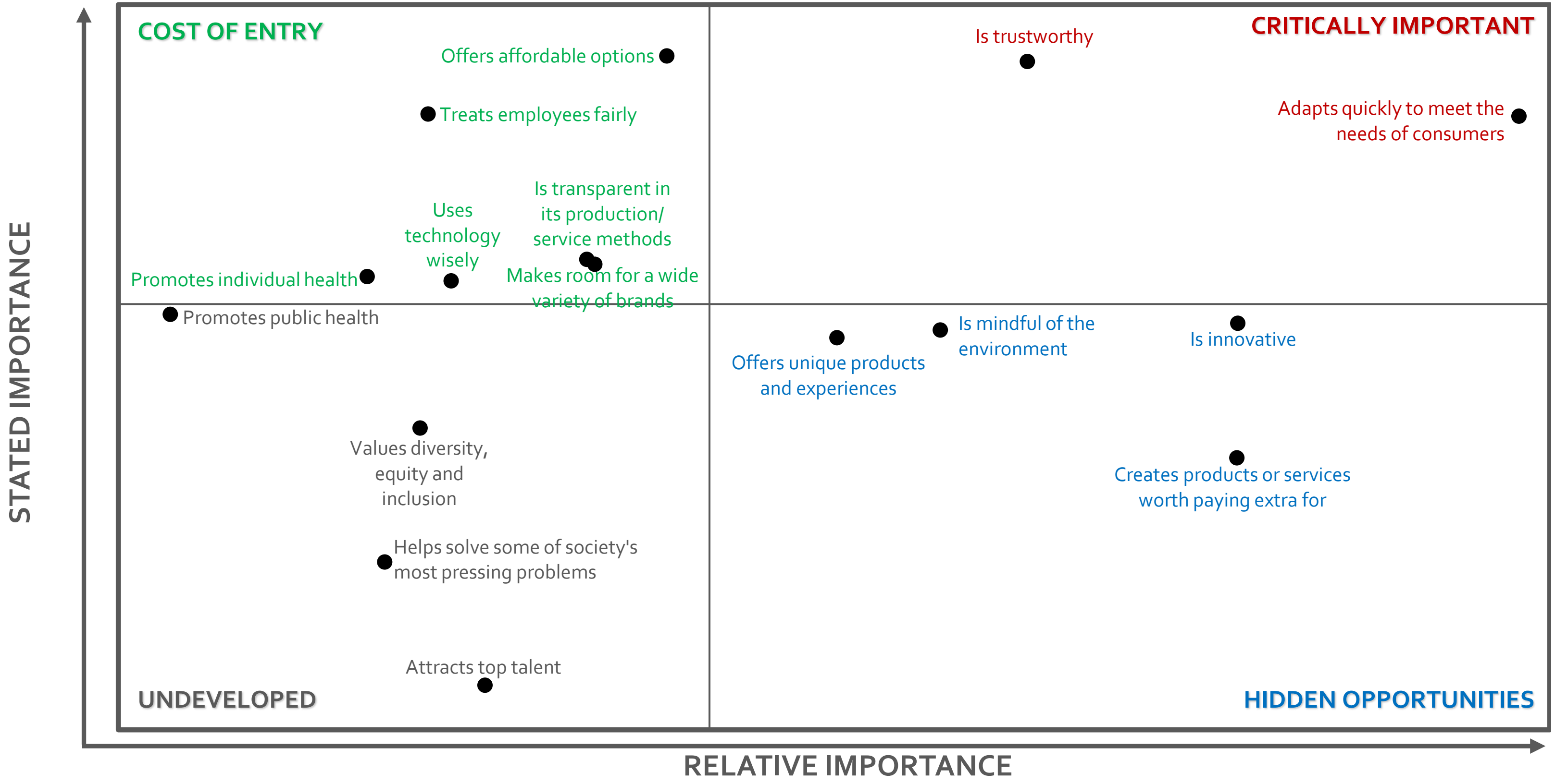
- **These drivers may not be expressed but are important positioning attributes.**
  - ✓ Offers unique products and experiences
  - ✓ Is mindful of the environment
  - ✓ Is innovative
  - ✓ Creates products or services worth paying extra for

Cost of Entry

(Low Relative / High Stated Importance)

- **These are important for all category industries to deliver. They are necessary but provide no leverage.**
  - ✓ Offers affordable options
  - ✓ Treats employees fairly
  - ✓ Is transparent in its production/service methods
  - ✓ Makes room for a wide variety of brands
  - ✓ Promotes individual health
  - ✓ Uses technology wisely

Stated vs. Relative Importance – US Floral Industry



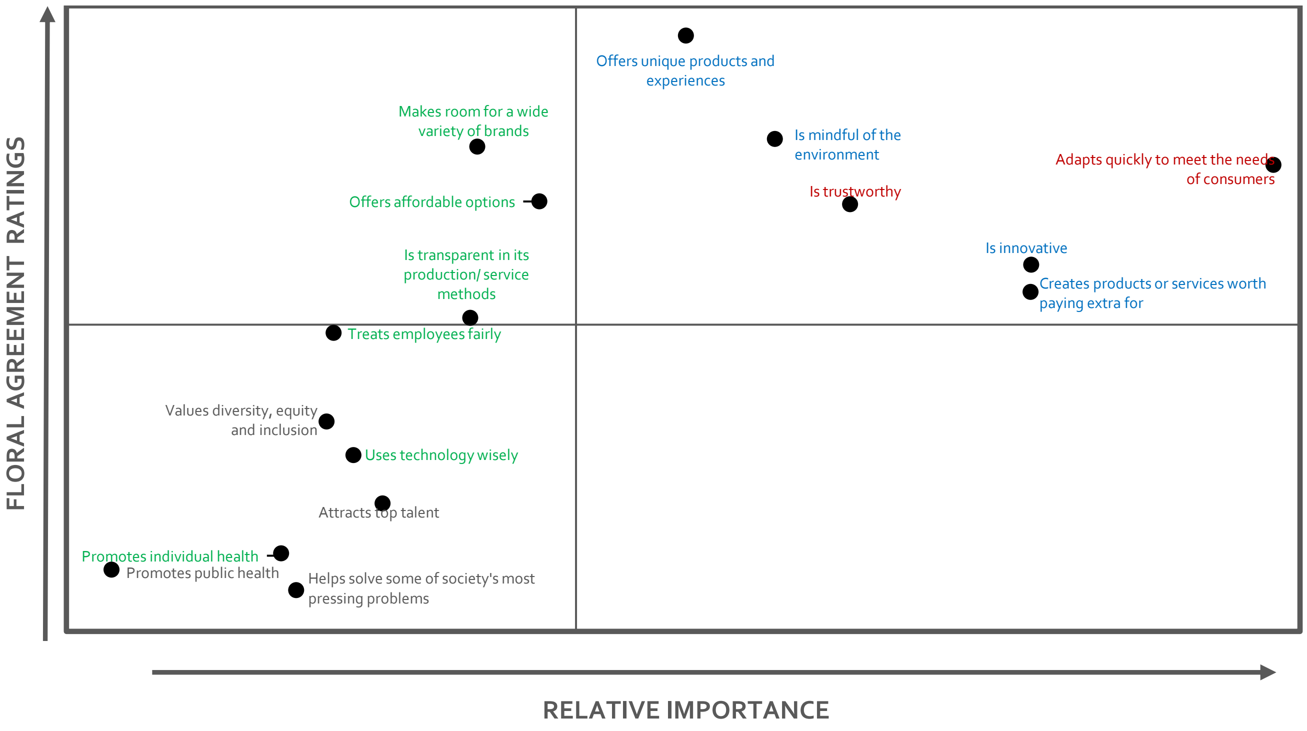
The relative importance of each statement and respondents' agreement that the industry portrays that statement was plotted on this map.

Attributes on the right side are most important to respondents.

Attributes appearing in the <u>lower right quadrant</u> need the greatest attention—they are high in relative importance but rated low for the industry.

The Floral industry is currently delivering on the most important drivers in the United States.

Relative Importance vs. Floral Agreement Ratings



AI Chosen Image to Depict Floral Industry

Floral Industry Personality

	Fruit and Vegetable	Floral	Grocery	Dairy	Meat	Medical/ Healthcare	Fitness
Total US Respondents Evaluating Industry	(756)	(504)	(504)	(504)	(504)	(504)	(504)
	%	%	%	%	%	%	%
Friendly	33	41	38	28	17	27	36
Fun	17	35	13	9	8	4	32
Classic	27	34	30	34	27	14	13
Approachable	30	29	39	25	17	27	28
Exotic	13	28	4	4	4	2	5
Formal	6	27	6	5	8	16	6
Simple	38	25	30	31	22	9	16
Trustworthy	35	24	37	34	22	34	22
Trendy	13	24	15	9	9	6	38
Consistent	36	23	42	37	30	26	28
Modern	18	23	26	25	20	36	31
Confident	22	19	26	20	22	35	38
Expert	19	19	16	23	22	48	26
Casual	15	19	27	17	13	7	18
Honest	27	18	26	26	19	24	19
Accepting	20	16	27	19	16	26	27
Adventurous	13	14	9	8	9	6	26
Budget-Conscious	19	10	28	17	16	11	10
Outdated	4	6	5	8	11	7	1
Boring	3	4	3	6	4	4	6
Uptight	2	3	4	4	3	12	6

4. Imagine for a moment the [INSERT INDUSTRY] was a person. What types of words and/or descriptions would you use to describe that person? Please select as many or as few adjectives and/or descriptors you'd like.

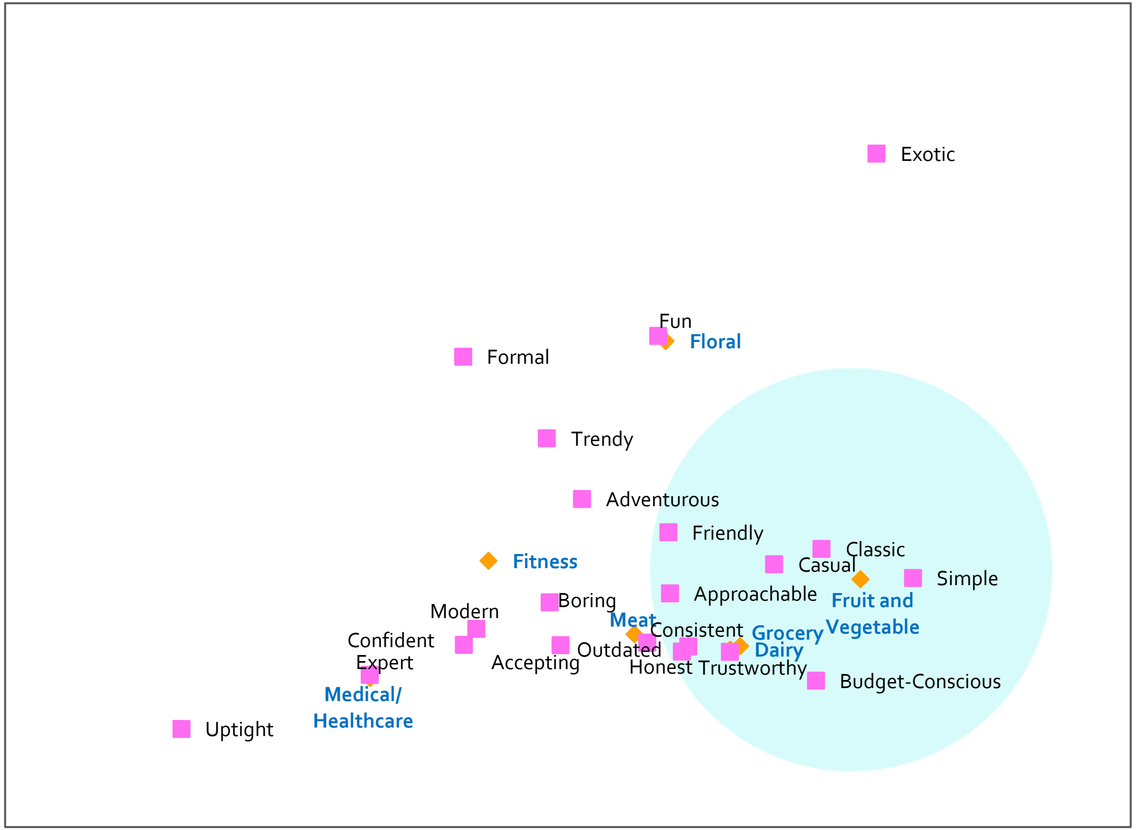
Industry Personality Correspondence Map

Correspondence analysis

What it is:

A mapping technique that allows us to determine which industry attributes are most differentiating for and which attributes would need to be changed to move industry perceptions closer or farther from another industry.

Industries and attributes that are rated similarly are placed close to each other on the map, while those that are rated differently will appear in a different area of the map.



Floral Industry Findings By Key Segments

Gen Z has less favorable impression of the floral industry than other generations. This is important when trying to attract the best talent.

It is important to market the floral industry as an opportunity to be part of a sustainable, modern, and innovative community.

		Gender		Generation			
	Total US	Male	Female	Gen Z	Millennials	Gen X	Boomers
Total US Respondents Evaluating Floral Industry	(504)	(246)	(257)	(47)	(115)	(160)	(182)
	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]
Overall Impression of Industry							
Very Favorable	20	18	21	15	22	22	18
Very/Somewhat Favorable	57	54	59	45	57	62	57
Industry Momentum							
On its way up /Improving rapidly	14	14	14	17	15	13	13
On its way up /Improving rapidly or somewhat	32	31	33	30	38	28	31
Industry Reputation							
Very Favorable	24	22	25	21	27	23	22
Very/Somewhat Favorable	60	56	64	49	62	61	62

Promoting the power of flowers to boomers is an opportunity.

While Boomers are important floral consumers, they do not have a good understanding of the industry nor do they understand the wellness benefits of flowers.

There is an opportunity to highlight the sustainable nature of the floral industry and the power of flowers for mental wellbeing to Gen Z.

Sustainability and mental wellness is important to Gen Z.

Floral Industry Findings By Key Segments

		Gender		Generation			
	Total US	Male	Female	Gen Z	Millennials	Gen X	Boomers
Total US Respondents Evaluating Floral Industry	(504)	(246)	(257)	(47)	(115)	(160)	(182)
	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]
Offers unique products and experiences	72	71	73	66	72	76	72
Is mindful of the environment	66	67	64	51	71	71	63
Makes room for a wide variety of brands	65	67	64	57	66	68	67
Adapts quickly to meet the needs of consumers	64	64	65	55	69	64	65
Offers affordable options	62	60	64	62	64	63	59
Is trustworthy	62	64	60	57	63	67	58
Is innovative	58	57	59	53	62	57	58
Creates products or services worth paying extra for	57	54	59	57	59	58	52
Is transparent in its production/service methods	55	58	52	49	62	62	43
Treats employees fairly	54	57	51	51	59	59	45
Values diversity, equity and inclusion	49	50	47	51	59	47	38
Uses technology wisely	47	50	43	43	54	48	40
Attracts top talent	44	45	42	45	53	46	31
Promotes individual health	41	42	39	38	51	44	27
Promotes public health	40	45	34	38	48	46	24
Helps solve some of society's most pressing problems	38	43	34	40	50	43	20

Floral Industry Findings By Key Segments

There is an opportunity to highlight to demonstrate the floral industry as a friendly, trustworthy, and honest community to Gen Z to appeal to this generation as customers and as talent.

		Gender		Generation			
	Total US	Male	Female	Gen Z	Millennials	Gen X	Boomers
Total US Respondents Evaluating Floral Industry	(504)	(246)	(257)	(47)	(115)	(160)	(182)
	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]
Friendly	41	37	44	30	36	47	46
Fun	35	28	42	30	34	34	39
Classic	34	28	41	30	34	37	34
Approachable	29	29	28	30	25	31	30
Exotic	28	27	29	21	29	31	29
Formal	27	24	30	36	25	29	20
Simple	25	26	25	23	27	26	24
Trendy	24	18	30	21	25	26	21
Trustworthy	24	28	20	19	29	28	16
Modern	23	24	23	23	30	19	21
Consistent	23	22	24	15	25	26	22
Expert	19	21	17	11	21	19	21
Casual	19	18	20	21	17	20	19
Confident	19	19	19	19	17	19	20
Honest	18	20	16	9	16	26	15
Accepting	16	18	14	15	15	19	15
Adventurous	14	15	13	13	13	17	12
Budget-Conscious	10	9	10	6	10	10	10
Outdated	6	9	4	11	9	5	3
Boring	4	7	1	6	4	4	3
Uptight	3	4	2	2	3	3	2

There is an opportunity to capitalize on grocery visits of boomers who have a high propensity to purchase produce to eat healthy to also purchase flowers as part of mental wellness.

Respondent Shopping Habits

		Gender		Generation				Income	
	Total US	Male	Female	Gen Z	Millennials	Gen X	Boomers	Under $75K	$75K or More
Total US Respondents	(756)	(361)	(390)	(74)	(172)	(228)	(282)	(561)	(173)
	%	%	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]		
Responsibility for Grocery Purchases									
Primarily responsible	72	72	73	46	79	75	79	75	68
Share responsibility	28	28	27	54	21	25	21	25	32
Frequency of Purchasing Groceries									
Several times per week	24	26	21	22	29	21	21	22	28
Once a week	52	52	53	46	45	59	57	52	56
2 to 3 times per month	20	19	22	30	22	15	19	22	17
Once a month	4	3	5	3	5	4	3	5	0
Mean times per month:	4.6	4.8	4.5	4.4	4.8	4.6	4.6	4.5	5.0
Groceries Purchase on a Regular Basis									
Fresh produce (fruits and vegetables)	91	89	92	91	90	89	94	89	96
Beef and/or poultry	88	91	85	89	90	89	85	88	88
Dairy milk	84	86	82	88	83	87	81	85	83
Fresh flowers	9	8	10	8	13	9	7	7	19

Respondent Shopping Habits

		Gender		Generation				Income	
	Total US	**Male**	**Female**	**Gen Z**	**Millennials**	**Gen X**	**Boomers**	**Under $75K**	**$75K or More**
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	%	%	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]		
Typical Grocery Purchase Locations *									
Supermarket/Grocery Store	97	97	96	95	97	96	97	96	97
Mass Merchandiser	38	40	36	32	42	38	37	39	41
Warehouse Club	26	27	24	27	26	25	25	21	41
Dollar Store	25	28	21	31	31	25	13	28	14
Online retailer	18	20	17	19	29	13	12	18	22
Convenience Store	13	17	8	22	23	7	2	12	15
Farmer's Market/Farm Store	8	10	6	11	10	6	7	7	13
Drug Store	6	7	5	8	11	4	3	6	10

* Respondents had to purchase from a supermarket/grocery store and/or from an online retailer to qualify for this study.

Respondent Demographic Summary

		Gender		Generation				Income	
	Total US	Male	Female	Gen Z	Millennials	Gen X	Boomers	Under $75K	$75K or More
Total US Respondents	(756)	(361)	(390)	(74)	(172)	(228)	(282)	(561)	(173)
	%	%	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]		
Gender									
Male	49	100	-	49	50	52	43	47	54
Female	51	-	100	50	48	48	57	53	44
Non-binary	1	-	-	1	2	0	0	0	1
Generation									
Gen Z (18 - 26)	16	16	16	100	-	-	-	15	12
Millennials (27 - 42)	29	30	28	-	100	-	-	29	31
Gen X (43 - 58)	28	30	26	-	-	100	-	28	29
Boomers (59 - 78)	27	24	30	-	-	-	100	27	28
Mean Age:	46.8	46.3	47.4	22.4	36.1	51.2	68.0	47.1	47.4
Marital Status									
Married	30	28	31	5	28	35	41	22	60
Not Married	69	71	67	91	71	64	59	77	40
Employment Status									
Employed	46	56	36	51	62	50	19	41	64
Not Employed	54	43	63	46	38	48	80	58	36

Respondent Demographic Summary

	Total US	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under $75K	$75K or More
Total US Respondents	(756)	(361)	(390)	(74)	(172)	(228)	(282)	(561)	(173)
	%	%	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]		
Education									
Less than high school	14	16	11	18	20	11	7	15	4
High school	46	42	50	70	41	43	40	51	31
College	40	42	39	12	38	46	53	34	65
Median Annual Household Income:	$41.7K	$43.4K	$40.0K	$36.5K	$42.5K	$40.7K	$44.5K	$31.7K	$107.5K
Region									
Northeast	19	18	21	19	17	17	24	18	24
South	45	46	43	50	48	45	38	47	37
Midwest	22	21	22	16	21	24	24	21	23
West	14	14	14	15	14	14	14	14	17