

# Good News for Floral with Dollar and Unit Growth in Key January Performance

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“Inflation is putting enormous pressure on income as seen in unit and volume declines in categories around the store, including primary goods. However, people still make room in their wallets for the occasional everyday escape, whether that is some value-added produce to save time, or fresh flowers to brighten up the house or delight a friend.” – Debbie Zoellick, Director of Floral, IFPA

The dollar performance during the four weeks ending January 29, 2023 (“January”) experienced a robust increase of 10.7% over the same quad-week period in 2022. “Floral had started to reverse the dollar declines in recent months and the dollar performance turned around in January,” Zoellick added. “It will be imperative to keep floral front and center with a strong displays and secondary locations that help prompt impulse purchases.” Additional good news came in the turnaround in unit sales, underscoring that it was not just inflation driving the dollar gains as seen throughout much of 2022. With 35.8 million transactions, floral unit sales increased 5.8% over January 2022.

Floral department	Dollar sales	Dollar % change vs. YA	Unit sales	Unit % change vs. YA
4 w.e. 1/29/2023	\$345M	+10.7%	5.8M	+5.8%

Source: IRI, Integrated Fresh, 4 weeks ending 1/29/2023

The strong January performance also pulled up the 13-week performance into a slight gain of 0.9%. “Units did not keep pace with prior year levels in the 13- and 52-week periods,” noted Zoellick. “However, it is important to keep in mind that floral had an incredible two years and sales are still far outpacing the pre-pandemic normal and starting to gear up once more.”

The difference between dollars and units, which is a good proxy for the impact of inflation, has existed for a while. The gap continued to narrow in January. Whereas the average price per unit stood at \$10.28



in the 13-week view, the average price dropped to \$9.64 in January, which was up a relatively low 4.6%. Total food and beverage inflation during this same time period was upwards of 13%.

Floral department	Dollar sales	Dollar % change vs. YA	Unit sales	Unit % change vs. YA
13 w.e. 1/29/2022	\$1.3B	+0.9%	130M	-3.1%
52 w.e. 1/29/2023	\$7.6B	+3.7%	821M	-6.8%

Source: IRI, Integrated Fresh, 52 and 13 weeks ending 1/29/2023

“The turnaround in dollars and units was supported by all the big sellers,” said Zoellick. “Bouquets and roses accomplished the largest unit gains.” While outdoor plants, bulbs and holiday each had double-digit unit declines, these are small sellers in January and did not pull down the total significantly.

4 w.e 1/29/2023	Dollar	Dollar % change vs. YA	Unit sales	Unit % change vs. YA
<b>Floral department</b>	<b>\$344.8M</b>	<b>+10.7%</b>	<b>35.8M</b>	<b>+5.8%</b>
Roses	\$76.7M	+13.2%	6.4M	+8.7%
Bouquets	\$65.6M	+14.2%	5.5M	+9.4%
Potted plants	\$62.2M	+8.9%	6.5M	+3.7%
Fresh cut/consumer bunch	\$54.4M	+9.4%	8.8M	+1.7%
Arrangements	\$50.4M	+13.7%	1.7M	+7.0%
Outdoor plants	\$5.5M	-7.1%	0.8M	-13.2%
Bulbs	\$3.2M	-35.3%	0.6M	-22.0%
Holiday	\$1.1M	-18.2%	0.2M	-25.2%

Source: IRI, Integrated Fresh, 4 weeks ending 1/29/2023

### Regional Performance

IRI divides the nation into nine areas, that are quite different in size. To provide a benchmark for the size of each region, the first column shows the share of total produce dollars. In comparison to the share of total produce dollars, areas that over index for their contribution to floral sales are California, South Central and the West.

However, while California and the Western region are big sellers, their growth in January was far below average. Growth was highest for the Mid-South.



	Share of produce \$	Share of floral \$	\$ sales growth vs. YA
<b>Total US</b>	<b>100.0%</b>	<b>100.0%</b>	<b>+10.7%</b>
California	11.4%	15.1%	-8.6%
Great Lakes	13.3%	10.9%	+14.4%
Mid-South	13.2%	10.9%	+19.9%
Northeast	18.1%	11.8%	+13.8%
Plains	6.7%	5.4%	+14.3%
South Central	9.1%	15.0%	-2.9%
Southeast	15.4%	15.8%	+13.0%
West	12.9%	15.2%	+7.0%

Source: IRI, Integrated Fresh, 4 weeks ending 1/29/2023

■ = Above-average share      ■ = Above-average performance



### Pricing

Floral price increases were relatively mild with an average increase of 4.6% over year ago levels. The average price per unit during this timeframe reached \$9.94. Only bulbs cost less at retail than they did last year.

4 w.e. 1/29/2023	Price per unit	% Change vs. YA
<b>Floral department</b>	<b>\$9.94</b>	<b>+4.6%</b>
Rose	\$11.90	+4.1%
Bouquet	\$11.92	+4.3%
Potted plant	\$9.57	+5.0%
Consumer bunch	\$6.20	+7.6%
Arrangement	\$29.91	+6.2%
Outdoor plant	\$6.29	+7.0%
Bulb	\$5.12	-17.1%

Source: IRI, Integrated Fresh, 4 weeks ending 1/29/2023

### Distribution

The four weeks showed strong floral distribution, at nearly 97%. Retailers increased the presence of roses and bouquets in particular during January 2023 compared with January 2022.

4 w.e. 1/29/2023	ACV weighted distribution	Change vs. YA (points)
<b>Floral department</b>	<b>96.87</b>	<b>0.13</b>
Rose	85.55	0.79
Bouquet	84.60	0.86
Potted plant	89.58	0.50
Consumer bunch	80.99	0.99
Arrangement	52.62	-3.50
Outdoor plant	45.13	-1.91
Bulb	44.29	-2.47
Holiday	21.12	4.76

Source: IRI, Integrated Fresh, 4 weeks ending 1/29/2023

