

SALES BOOSTING? SLUMP-SHAKING? LOYALTY-WINNING? THERE'S AN APP TORTHAT

To win devoted, loyal fans and fend off a slump in store energy, the team at Nielsen's put on their thinking caps, fed off customer feedback and created an app.

BY MARY WESTBROOK

PHOTOS BY DONNELLY MARKS

A few years ago, Sandy Nielsen Baumann was wrestling with challenges familiar to just about every longtime business owner: How to keep things fresh? How to keep customers engaged?

Baumann's business, Nielsen's Florist and Garden Shop in Darien, Connecticut, wasn't exactly struggling in 2014. In fact, sales were increasing year-over-year, and the business was busy, with lots of walk-in work, holiday work and devoted, year-round customers — many of whom had grown up visiting the 70-year-old store with their parents and grandparents.

Still, something was missing: a spark, a special sort of energy. As she walked around the retail store and garden center, Baumann could feel the difference. Customers seemed happy, but people weren't exactly bounding up to checkout. The buzz was gone.

That realization made Baumann and her office manager and marketing coordinator, Raya Ward, anxious. After all, competition surrounds them. Darien (pop. 20,732) has six local retail flower shops, a Whole Foods within a few miles of Nielsen's, along with mass merchandisers and retail chains, home improve-

ment stores, non-floral boutiques and, you know, the entire Internet.

Baumann and Ward wondered:
Beyond the givens that every small
business owner knows she must deliver — great products, excellent service
— what tantalizing carrot might turn a
fair-weather shopper into a devoted, potentially lifelong fan?

"I always think you do not hear the full story and only hear a fraction of the complaints from your customers," Baumann said. "We wanted to improve our customer service and ask if there were any other services we could expand on."

To answer that question, the pair put together two focus groups of their core demographic (35- to 55-year-old women) and asked a range of questions about customer experience online and in store. The conversations were freewheeling and laid back. In the end, the answer from their customers was clear: Customers wanted a loyalty program.



SOMETHING WAS MISSING: A SPARK, A SPECIAL SORT OF ENERGY... PEOPLE WEREN'T EXACTLY BOUNDING UP TO CHECKOUT. THE BUZZ WAS GONE.



REWARD REVIEW Owner Sandy Nielsen Baumann and Raya Ward, office manager and marketing coordinator, worked together to come up with the shop's new app and loyalty program. The process started with two focus groups, something Ward has come to think of as "fact-finding missions" into customers' experience at the store.

We know what you're thinking. A loyalty program? One of the oldest promos in the books?

At first, Baumann and Ward had a similar reaction, and during its long history, Nielsen's had certainly tried its share of loyalty and reward programs — wooden nickels, punch cards, bonus bucks. Each effort lasted for a while but never really took off. Customers lost track of their nickels. Staff forgot to hand out those cards. The shop's point-of-sale system never truly synced easily with them.

It soon became clear, however, that the women in the focus groups weren't asking for a punch card. They wanted something simple, sleek and delivered via the customer-friendly technology they'd come to expect from larger companies, including Amazon and that Whole Foods down the road. They wanted an app.

And if customers wanted an app, Baumann and Ward were determined to make it happen. The feedback from those focus groups led to the creation of a highly specialized store loyalty app that nearly 1,400 customers signed on to use in the first year alone. Many of the top users immediately started shopping more and spending more on each transaction.

At the same time, the app has energized staff and customers alike. In fact, today, customers at Nielsen's aren't just browsing and buying, they are bounding up to checkout, waving their smartphones and pulling up their apps to reap their rewards for their loyal, enthusiastic patronage.

In other words, the buzz is definitely back, and the comprehensive effort to create, promote and put that app into everyday practice is what scored Nielsen's Florist and Garden Shop Floral Management's coveted 2016 Marketer of the Year award.

TO DEVELOPMENT WE GO

The focus group women may have clearly asked for an app, but they weren't the first people to think up the idea for the store. (Curious about how those focus groups worked? Read more on p. 13.)

Indeed, over the past few years, Baumann and Ward had toyed several times with the idea of an app, even reaching out to a few developers for esti-



SPREAD THE WORD The team at Nielsen's used a variety of in-store and online promotions to encourage customers to sign up for the app. That effort is ongoing.



THE RESULTS

What They Did:

Nielsen's Florist and Garden Shop introduced its app on April 1, 2015. Development took about two months and was finished in the fall of 2014. The shop delayed its introduction to coincide with the busy spring season.

How It Went:

In the first year of use, 1,379 customers downloaded and registered to use app. That number represents 15 percent of the shop's active customer base. At press time, a total of 1.666 customers had registered for the app.

Top app users are shopping more at the store and spending more per transaction. One example: A customer went from shopping at the store 11 times in 2014 for a total of \$1,098 (average transaction: almost \$100) to shopping at the store 17 times in 2015 for a total spend of \$2,648.80 (average transaction: almost \$156).

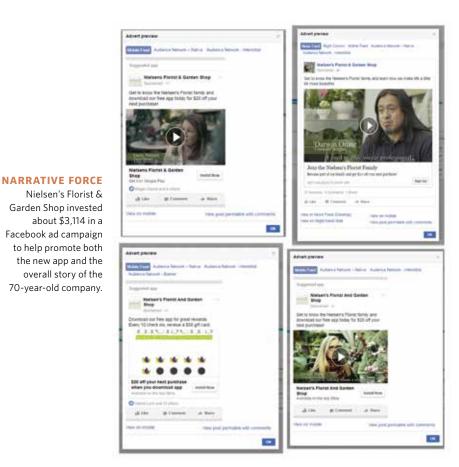
Overall sales are up 8.9 percent year-over-year since the introduction of the app.

What They Spent:

The total cost to create and promote the app was \$8,000, or about 13 percent of the shop's \$60,000 annual marketing budget. Here's a breakdown:

- App development: \$1,400
- Professional videos: \$2,500
- Printed marketing materials: \$500
- -M.W.

- Incentives to staff: \$420
- Facebook campaign: \$3,113.97



mates. But the investment — often thousands of dollars — was always beyond their budget.

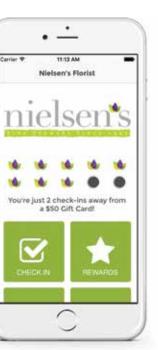
The prohibitive cost put Nielsen's in the same boat as a lot of small business owners inside and outside of the floral industry, but it also placed them at odds with trends in retailing.

As more apps are introduced each vear, more customers come to see the tech as a standard service. Businesses of all size are responding. A recent report by the marketing company Contract IQ showed that 62 percent of surveyed businesses already have apps or were in the process of building an app. What's more, according to the company, "current data about mobile purchasing across the different age groups gives a strong indication that in five to 10 years, everyone is going to be a mobile shopper. Sixty-nine percent of millennials buy products on their smartphones, compared to 53 percent of Gen Xers and 16 percent of Boomers."

That kind of trend information, coupled with the clear directive from their own customers, helped light a fire

TOUR THE APP

We asked Sandy Nielsen Baumann and Raya Ward to share some of their favorite features of the app (below), but you can also check out the app yourself. It's available free for both Android and Apple devices.



HOMESCREEN

Customers can quickly see how many check-ins they've accumulated, and how close they are to that \$50 gift card reward, on the home screen of the app. Customers can easily access a variety of features through home screen buttons, including contact and ordering information, but the "check in" and "rewards" buttons are prioritized on the top row.



SHOP

The app is designed for easy, searchable shopping. The feature, said Baumann, is a nice "bonus," although the loyalty program remains the driving goal.



NEWSFEED

The "News" section of the app keeps customers updated on current information and upcoming events.



ASK US

Through the app's "Ask Us" features, customers can get fast help on any number of garden- or flower-related questions. They can even include a picture. This feature has proven especially popular with the garden center customers.

-M.W.

under Baumann and Ward, and in 2014, the timing for the project proved more fortuitous. Rather than "starting from scratch" with an unknown developer, this time, Baumann received a recommendation from a friend pointing her in the direction of a developer willing to work with their budget (just under \$1,500) — a fraction of the cost compared to previous estimates.

Even better, he estimated the turnaround would be fast — a few weeks from brainstorming to completed project.

"The developer was a really innovative developer, and he had great ideas, so we were excited to work with him," Ward said.

HIGH (TECH) FIDELITY

As promised, the development process was fast. Within two months of meeting with the developer, Baumann and Ward had an app they were pleased with — but not quite ready to roll out. (More on that point soon.)

One reason the process may have gone so seamlessly is that both Baumann and Ward were clear from the start on their objective for the app: to increase customer loyalty. With every step, they prioritized that customer directive.

That focus is no small feat. Apps today can come with a dizzying number of features and, in fact, are built for different purposes, depending on how, when and why customers will use the app — or, perhaps more accurately, how companies want their customers to use those apps.

Contract IQ found that 20 percent of surveyed companies used their apps purely for branding purposes, 30 percent for sales or revenue generation and 50 percent for support and engagement.

The Nielsen's app, completed in November 2014, hits all of those notes (branding, sales, support/engagement) and more, but the design keeps the loyalty component front and center.

Indeed, the loyalty program
Baumann and Ward came up with is
straightforward. Customers use the app
to "check in" whenever they make a purchase at Nielsen's. After 10 check-ins,
the customer receives a \$50 gift card.





DÉJÀ VU?

If Nielsen's Florist and Garden Shop sounds familiar to you, it might be because the shop has won Floral Management's Marketer of the Year honors before. In 2013, the shop wowed judges with its efforts to reinvent the company as a lifestyle brand. Earlier that year, we also charted Raya Ward's journey from professional photographer to MVP on the Nielsen's team. You can read both stories at **safnow.org/moreonline.-M.W.**



WE'LL GET RIGHT BACK TO YOU The app lets customers send feedback and questions directly to staff, who reply within an hour to those sent during business hours, according to Raya Ward, shown with a fellow Nielsen's team member James Haggart.



FOUR MONTHS
AFTER LAUNCHING
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MORE ON EACH
TRANSACTION.



Meet the judging panel for the 2016 Marketer of the Year award and find out how they pick a winner. Plus: Get info on entering next year's competitition! **safnow.org/ moreonline**



LEARNING CURVE Customers and staff alike, including Rene DeLaurentis and Viviane Herde, above, have been excited about the new app. Six months after its launch, the store started offering incentives to team members who successfully encouraged a customer to download the app.

There's no minimum spend associated with the program, and customers are rewarded for "lifetime check ins." (If a customer has checked in 100 times, she receives a \$250 gift card.) In addition, customers receive a bouquet of cut flowers on their birthday (\$50 retail value). Customers who shop directly through the shop's website do not receive a check in. ("The goal with the app was to drive business into the store." Baumann explained.)

Baumann and Ward used their shop's average everyday transaction (about \$50) to come up with the reward values, but they also balanced the number crunching with some intuition.

"We wanted to make sure the reward was enticing to customers, something they'd really be excited about," Baumann

explained, and that their excitement would translate into more visits each year and higher transactions each purchase. (Mission accomplished on both fronts... keep reading.) Working with the developer, Baumann and Ward also ensured that it will be easy to change the reward system as necessary as the program grows and the shop learns what works best.

"I was worried at first that we might be locked into some of these decisions," Baumann admitted, "but, fortunately, that isn't the case."

Beyond the loyalty program, the app provides an easy platform for customers to find basic information on shop contact information, hours, upcoming events and social media networks, and, of course, another avenue to buy flowers. "The ability to order through the app was just

an added bonus, but not the main focus," Baumann said, reiterating the importance of the loyalty program.

Some of the app's features remain relatively undiscovered. For instance, the app allows customers to send questions (and photos) directly to the staff, a feature that is proving particularly popular with garden center clientele who have care questions once they get their purchase home.

"We're starting to see more questions come in," said Ward, who estimates staff is able to respond to such queries in about an hour if the question is submitted during store hours. "What we're finding is, it really takes about six to nine months for people to discover all that the app can do and how they can use it."



TRY IT OUT A month after launching the app, Nielsen's Florist & Gift Shop sweetened the deal for sign up on the weekend of May 30 to 31 with \$10 off a purchase of \$50 or \$20 of a purchase of \$100 right away for new users.





SHOW AND TELL Nielsen's has promoted the app on social media through a series of Facebook ads and short videos that speak to a larger marketing effort to position the company as a family business. The videos linked either directly to a customer's mobile app store or to a dedicated landing page when viewed on a desktop.



ONE YEAR AFTER INTRODUCING THE APP, BAUMANN AND WARD HAD EVEN MORE PROOF THAT THE APP WAS HELPING ACHIEVE THEIR GOALS. BY APRIL 2016, 1,379 CUSTOMERS HAD SIGNED UP FOR THE APP.

THE BIG REVEAL

While the app was ready for prime time in the fall of 2014, Baumann and Ward made a strategic decision not to unveil it until April 2015. The fall months, they decided, were too packed, and a Valentine's Day launch could muddy the waters: They wanted to push the app to that core demographic of 35- to 55-year-old women, not their sweethearts. Spring, with its general busyness in both the retail shop and garden center, seemed like the ideal time to make the introduction.

Even though Baumann and Ward felt strongly about the app and believed their customers would love it, here again, they offered a carrot. In an April 1 email to customers, they offered a \$10 coupon and one free check in to anyone who downloaded the app.

"We also had flyers printed to hand out to customers and put in arrangements for delivery," Baumann said. "We printed posters for the store in various sizes and put the information on a widescreen TV in the store."

A month after launching the app, they sweetened the deal even more for signing up on the weekend of May 30 to 31, with an offer for \$10 off a purchase of \$50, or \$20 off a purchase of \$100, for new users.

It didn't take long for Baumann and Ward to see some tangible signs of success. Four months after launching the app, 350 customers had downloaded the app and the top app users were already starting to shop more often and spend more on each transaction. (See "The Results" on p.23 for more information.)

What's more, a kind of buzz had returned — and that cheered on Baumann and Ward, too.

"Customers started coming with their phones out, saying, 'I've got my app! I'm ready,'" Baumann said. "That's been one of the best parts, the customers' excitement."

One year after introducing the app, Baumann and Ward had even more proof that the app was helping achieve their goals. By April 2016, 1,379 customers had signed up for the app, a number that represents 15 percent of Nielsen's active customer base. (A healthy target for most businesses, according to app developers, is 10 percent.)

Meanwhile, the top app user went from shopping at the store 11 times in 2014 for a total spend of \$1,098 to shopping at the store 17 times in 2015 for a total spend of \$2,648.80, increasing her average transaction amount by around \$55. Less dramatically, another app user went from shopping at Nielsen's just once in 2014 (and spending less than \$5) to shopping three times in 2015 (total spend: almost \$110).

Baumann said she's encouraged by each uptick in spending and number of visits, even those that seem relatively small. Collectively, those gains all go toward supporting her overall vision.

"Our goal is to create lifelong customers and build relationships," she said.
"We want the customer that comes in week after week to see us."

KEEPING THE MOMENTUM ALIVE

As with any new product launch, the app's unveiling came with a few sticking points. Some of those relate to staff training. While the Nielsen's team was on board with the new tool, the introduction of the app sometimes put them in unchartered territory: tech support.

For example, Nielsen's customers are often quite tech savvy, but some clients struggled with the sign-up process. ("A few times, we had to help people locate their Apple ID passwords, that kind of thing," Ward admitted.) As with any app, there is a learning curve. Initially, for instance, Baumann and Ward didn't realize customers needed to adjust their settings to receive the push notifications the shop was sending to promote events and sales. Now, they know to remind customers to do so.

About six months after launching the app, Baumann also noticed a "slowdown" in new sign-ups. To keep the excitement going, she started offering staff \$1 each time they successfully encouraged a customer to register for the app. (Staff members keep track of their own numbers.) So far, that effort has resulted in about 500 sign-ups, and the \$500 payout, which is ongoing, has helped keep the staff enthusiastic.

"The incentives created a culture among the staff to really talk about the app and encourage our customers to sign up," Baumann said. "We're just excited as customers are when they start using it and start getting their rewards."

The shop has also turned its attention in recent months to promoting the app on social media through a series of Facebook ads and short videos that speak to a larger marketing effort to position Nielsen's as a family business.

The videos, created by a professional videographer for about \$2,500, share stories not only about the history of the business but also put employees in the spotlight, as they talk about why they work at Nielsen's and how the company has changed their lives.

Baumann and Ward used the videos to run a Facebook campaign that linked either directly to the customer's mobile app store or to a dedicated landing page when viewed on a desktop. That effort helped score them another 113 app users.

"It's been really wonderful to see both staff and customers embracing this," Baumann said. "We're all excited. We're having fun. It's deepening our connection with people."

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