

A REPORT ON

SELECTED MAINLAND MARKETS FOR

***Hawaiian* FLORAL PRODUCTS**

A MARKET APPRAISAL — PART III

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UNIVERSITY OF HAWAII, COLLEGE OF AGRICULTURE
in cooperation with the
AGRICULTURAL EXPERIMENT STATIONS OF THE WESTERN STATES

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PREFACE

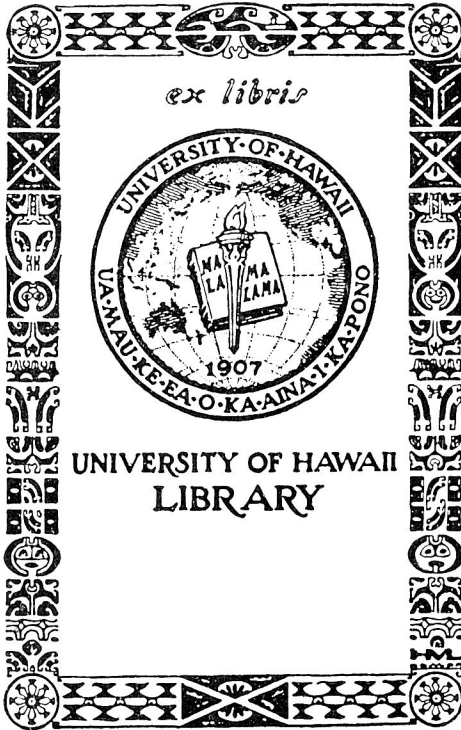
This publication is the third of a series based on Hawaii's phase of Western Regional Marketing Project WM-24 on "Market Development for Selected Horticultural Specialty Crops." The Agricultural Experiment Stations of California, Colorado, Hawaii, Oregon, and Washington and the Agricultural Marketing Service of the U. S. Department of Agriculture are cooperating in conducting various phases of this regional research.

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The author wishes to express his appreciation of the excellent manner in which the members of the flower trade on the Mainland responded to his requests for information. In conducting the field survey there were very few industry people who did not respond generously despite the fact that interviews were conducted during regular business hours. Responsibility for interpretation of responses and expression of a consensus for each market is assumed in full by the author.

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A REPORT ON SELECTED MAINLAND MARKETS FOR HAWAIIAN FLORAL PRODUCTS Part III of a Market Appraisal

C. W. PETERS

INTRODUCTION

This report on mainland markets for Hawaiian floral products is the third publication in the current series of market investigations conducted by the Hawaii Agricultural Experiment Station in this particular commodity field. The research project on which the following report is based was designed primarily to examine the manner in which Hawaiian floral products are handled, the acceptance accorded these items on the Mainland, and the prospects of increasing the volume of such shipments from the Territory. Two previous publications have been concerned with handling and pricing procedures among Hawaii flower shippers, market acceptance of Hawaiian flowers and foliage among Pacific Coast flower dealers, and evaluation of the direct mail shipments of Hawaiian floral products.¹ Earlier research on the subject also resulted in several publications relating to the marketing situation in this industry from 1950 to 1952.²

A major reason for resumption of research in the marketing of Hawaiian floral products is the fact that this trade with the Mainland has not developed as rapidly as was earlier anticipated. In terms of value at point of shipment it is estimated that shipments of floral products from Hawaii to the Mainland have represented some 1½ million dollars annually in recent years. The volume of Hawaiian cut flowers shipped through commercial channels³ has declined since 1951 but there has been a marked increase in the quantity of foliage and ti cuttings shipped from the Territory. Direct mail shipments in the meantime have been gaining and now represent about half of the value of all mainland shipments of floral products from Hawaii. For more complete information on the trend of flower shipments and the methods employed in selling these products it is suggested that reference be made to HAES Agricultural Economics Bulletins 10 and 15 (see footnote 1).

¹C. W. Peters, *Selling Hawaiian Floral Products — A Market Appraisal — Part I*, Hawaii Agr. Expt. Sta., Agr. Econ. Bul. 10, December 1956.

C. W. Peters, *Direct Mail Shipments of Hawaiian Cut Flowers and Foliage — Part II of a Market Appraisal*, Hawaii Agr. Expt. Sta., Agr. Econ. Bul. 15, September 1958.

²Edward L. Rada, *Some Problems of Marketing Hawaiian Floricultural Products on the Mainland*, Hawaii Agr. Expt. Sta., Agr. Econ. Rpt. 4, March 1951.

Edward L. Rada, *Mainland Market for Hawaiian Flowers and Foliage*, Hawaii Agr. Expt. Sta., Agr. Econ. Rpt. 9, February 1952.

Alice Kono, *Hawaiian Flowers and Foliage, Production, Markets and Shipments, 1949-52*, Hawaii Agr. Expt. Sta., Agr. Econ. Rpt. 15, April 1953.

³Shipments through commercial channels, as used throughout this report, are those shipments moving through wholesale and retail dealers as contrasted to deliveries directly to individual consumers.

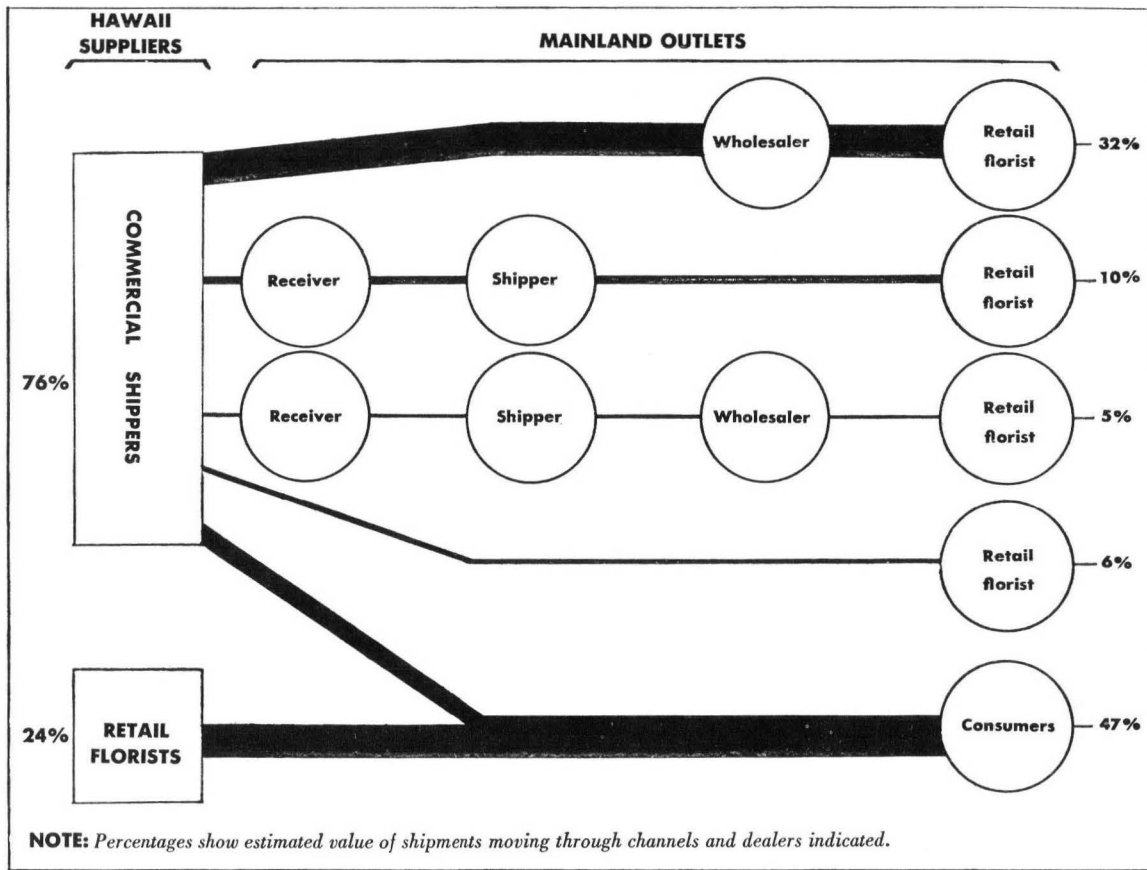


FIGURE 1. Marketing channels for Hawaiian floral products shipped to the U. S. Mainland, 1957.

Part III of the flower marketing project has consisted of a survey of selected flower markets on the Mainland. In this report there is presented a brief description of the situation in each of 14 important market areas as it relates to the movement of Hawaiian flowers and foliage through the conventional wholesale and retail channels. The primary purpose is to provide information that may be used by local growers and shippers as a partial guide in developing an improved program for selling their floral products in all mainland markets. The findings that are reported are also of concern to mainland growers and dealers, particularly those located in the West, who have many of the same marketing problems as are found in the flower industry of Hawaii.

PROCEDURE

In order to observe at first hand the market situation in various present and potential markets for Hawaiian floral products, a personal survey of wholesale and retail florists was conducted in 14 large and medium markets located on the United States Mainland. The calls on dealers were made during the period extending from March 1957 through July 1957. Areas covered at this particular time included all major sections of the United States with the exception of the Pacific Coast which had been surveyed at an earlier date under the first phase of this project. In November 1957 and January 1958 a limited recheck was made of the Portland, San Francisco, and Los Angeles wholesale markets. The principal purpose of these later calls was to observe any significant changes since 1956 in the manner in which Hawaiian floral products are being distributed on the Pacific Coast.

The sample of flower dealers selected for inclusion in the field survey included the conventional wholesalers and retailers and combination firms that were engaged in growing as well as selling. In each interview the dealer was asked to express his opinion of Hawaiian floral products and to indicate the reasons why a greater volume of these items is not being sold in his market area. In each market, observations were made on the price competition among floral products and the general characteristics of the trade in that particular area. Field notes were recorded following each call.

To supplement the data relating to the situation in a market at the time of the survey, information was also gathered on both production and marketing developments that may have a bearing on the outlook for Hawaiian floral products. Of particular interest were such things as the developing competition of tropical flowers and foliage from the Caribbean area and from Mexico and the rapid development of the flower growing industry in Florida and California.

MARKETING CHANNELS

In general, Hawaiian floral products are channeled to ultimate outlets on the Mainland in five ways (see figure 1). These channels account for all of the mainland shipments except for a presently insignificant quantity sold through agents or brokers who do not handle the products physically.

1. *Hawaii shipper to mainland wholesaler to retail florist.* This is the conventional marketing process in the commercial flower trade, and the routing indicated prevails particularly for Hawaiian floral products sold to retailers by

wholesalers on the Pacific Coast. It is estimated that perhaps 60 percent of the commercial flower shipments from Hawaii are marketed through this channel. Shipments handled by mainland wholesalers are in large part purchased outright on an f.o.b. Hawaii basis. Consignment selling of Hawaiian floral products has declined greatly in relative importance since 1950 and 1951.

2. *Hawaii shipper to mainland receiver to mainland shipper to retail florist.* Although this routing is more circuitous than No. 1, it is used frequently for small shipments of Hawaiian flowers in combination with other types of floral products. Channel No. 2 is used most frequently where shipments are made from large markets such as Los Angeles and San Francisco to both wholesalers and retailers in other sections of the United States. The sale of Hawaiian products to the initial receiver may be either f.o.b. Hawaii or on consignment but at all other points in this channel the transaction is normally on a stated price basis. About 20 percent of the commercial shipments of flowers and foliage from the Territory move in this manner.

3. *Hawaii shipper to mainland receiver to mainland shipper to mainland wholesaler to mainland retailer.* This particular channeling of commercial shipments of Hawaiian floral products is the least direct of the routings that are usually employed. It is estimated that less than 10 percent of the shipments to dealers on the Mainland are moved in this manner. For the most part this method of marketing is found in the movement of small lots of Hawaiian flowers and foliage to the smaller inland markets. Coincident with the greater number of intermediate handlers involved in this channel, there is generally a greater price spread between the price paid by the mainland retailer and the return to the Hawaii shipper. Successive handlings of the flowers also tend to have an adverse effect on the quality of the products. Terms of sale in these cases are similar to those described under channel 2 above.

4. *Hawaii shipper to mainland retailer.* Direct shipments of Hawaiian floral products to retail florists on the Mainland account for somewhat over 10 percent of all commercial sales. In many cases these sales are made at the same f.o.b. prices as are sales to wholesalers, but a few shippers in Hawaii try to give wholesalers a differential so that their selling price, including markup, will be more in line with the delivered cost of direct shipments to retailers. All shipments made directly to retail florists on the Mainland are on a quoted price basis, either f.o.b. Hawaii or delivered to destination on the Mainland.

5. *Hawaii shipper to mainland consumer.* Since 1955 the value of Hawaiian floral products shipped directly to mainland consumers has been about equal to that of all flowers and foliage moving through wholesale and retail florists in mainland areas. In volume, however, the quantity shipped through dealers greatly exceeds the direct movement to consumers. This is in large part due to the relatively greater importance of low value-high volume items such as ti leaves and vanda Joaquim orchids among the sales to dealers. All shipments to mainland consumers are on a stated price basis with the usual quotation including transportation and delivery charges. The great bulk of these sales are made to tourists and military personnel for gift purposes. Most shipments to consumers move by airmail special delivery under the postal service.

There are some 30 shippers in Hawaii who utilize the indicated channels 1, 2, 3, and 4 in selling floral products on the Mainland. These are the commercial shippers in contrast to the retailers who more often cater to the gift package type of trade. About half of the commercial shippers are also engaging in the consumer package business (channel No. 5), but in most cases this activity is secondary to shipments to wholesale and retail florists. Over 90 Hawaii flower dealers are presently shipping varying quantities of flowers and foliage directly to mainland consumers. This particular trade was the subject of a separate publication⁴ and little or no further mention is to be made of consumer shipments herein.

RÉSUMÉ OF MARKETS

Markets for floral products differ considerably in physical make-up and operating characteristics from area to area and it is difficult to derive generalizations that have any real meaning. For this reason it has been deemed advisable to present market summaries by cities or market areas within the several regions of the United States Mainland. These summaries represent a composite of opinions and observations noted in the course of personal visits to each of the areas. Trade opinion was obtained mostly through interviews with wholesale flower dealers and retail florists. In some cases growers in the local areas were also visited. Estimates of prices prevailing on selected floral products in the various markets are summarized in table 1.

Western Markets

Over half of the commercial shipments of Hawaiian flowers and foliage are received by dealers in the Pacific Coast and Mountain States. San Francisco and Los Angeles are the major outlets for Hawaiian items but Portland and Seattle are also of some importance. A part of the shipments billed to California firms is later moved on to other states by the numerous shippers who assemble Western grown floral products for both wholesalers and retailers in other sections of the Mainland. In 1955 the Mountain States area was the destination of some 4 percent of the commercial flower shipments from Hawaii. In this latter area the principal markets are Denver, Salt Lake City, and Phoenix.

California-Oregon-Washington: For purposes of this report the comments on the Pacific Coast markets are being held to a minimum in order to avoid duplication of the earlier publication that included a section on Pacific Coast trade reaction to Hawaiian floral products.⁵ Aside from the continuing dominant position that it maintains as an outlet for Hawaiian floral products, the most significant aspect of the trade with the Pacific Coast area is the increasing competition among dealers who handle Hawaii's products and the tendency toward an improved market development program for such products. Since early 1956 there have been several wholesale dealers on the Pacific Coast who have begun for the first time to handle all or a part of the line of Hawaiian flowers and foliage. This development is particularly apparent in the San Francisco Bay Area.

⁴C. W. Peters, *Direct Mail Shipments of Hawaiian Cut Flowers and Foliage — Part II of a Market Appraisal*, Hawaii Agr. Expt. Sta., Agr. Econ. Bul. 15, September 1958.

⁵C. W. Peters, *Selling Hawaiian Floral Products — A Market Appraisal — Part I*, Hawaii Agr. Expt. Sta., Agr. Econ. Bul. 10, December 1956.

TABLE I. Estimated average wholesale prices of certain floral products in selected mainland U. S. cities, 1956-57

MONTH AND YEAR	MARKETS	ROSES	CARNATIONS	GLADIOLI	CHRYSANTHEMUMS
		<i>Dollars per dozen</i>	<i>Dollars per dozen</i>	<i>Dollars per dozen</i>	<i>Dollars per dozen</i>
	<i>West</i>				
3-57	Denver	1.00-2.50	1.25-1.75	2.00-2.50	3.00-5.00
3-57	Phoenix	1.00-2.00	1.00-1.25	0.90-1.75	3.50
6-57	Salt Lake City	1.00-2.50	1.25-1.50	1.50-2.00	3.00-4.00
3-56	Pacific Coast cities	0.75-1.50	0.75-1.25	1.00-2.50	3.25-3.50
	<i>South</i>				
3-57	Dallas-Ft. Worth	1.50-2.50	1.75	1.50-2.00	3.50-4.00
3-57	Houston	1.75-2.50	1.75	1.75	4.50
3-57	Miami	2.00	1.50	0.50-0.75	3.00
3-57	New Orleans	2.00-2.25	1.80	1.00	3.50-4.00
	<i>East</i>				
7-57	Boston	0.75-1.50	0.50-0.75	0.50-1.25	4.00
7-57	New York City	0.75-1.50	0.50-0.75	0.50-0.75	3.50
7-57	Washington, D. C.	1.00-2.50	1.00-1.50	0.50-1.00	4.00
	<i>Midwest</i>				
7-57	Chicago	0.75-2.00	0.50-1.00	0.50-1.00	2.50-4.00
7-57	Cleveland	1.00-2.50	0.75-1.25	0.75-1.00	3.50
7-57	Minneapolis-St. Paul	1.00-2.00	1.50	1.00	4.00

TABLE 1. (Continued)

MONTH AND YEAR	MARKETS	BIRDS OF PARADISE	ANTHURIUMS	VANDA JAOQUIM	WOODROSES	TI LEAVES	MEXICAN EMERALD OR JADE FERN
		<i>Dollars per dozen</i>	<i>Dollars per dozen</i>	<i>Dollars per hundred*</i>	<i>Dollars per dozen</i>	<i>Dollars per dozen</i>	<i>Dollars per bunch†</i>
	<i>West</i>						
3-57	Denver	4.50-5.00	6.00- 9.00	9.00	1.50	0.50	0.75
3-57	Phoenix	3.00-4.00	6.00- 9.00	9.00	1.50-2.00	.60	.85
6-57	Salt Lake City	5.00	5.00- up	9.00	—	0.60-0.75	.75
3-56	Pacific Coast cities	4.00	2.85- 6.80	9.00 f	1.25	.40	—
	<i>South</i>						
3-57	Dallas-Ft. Worth	4.50	6.00-12.00	10.00	1.85-2.25	0.75-1.00	—
3-57	Houston	4.50	6.00- 9.00	9.00	1.50-2.00	.75	—
3-57	Miami	5.00-7.50	6.00- 7.50	10.00	1.00-2.00	.75	.75
3-57	New Orleans	4.00-5.00	6.00- 9.00	10.00	1.50-2.00	1.00-1.25	.75
	<i>East</i>						
7-57	Boston	—	4.00- 9.00	9.00	1.50-2.50	.75	.75
7-57	New York City	6.00-7.50	6.00- 9.00	9.00	1.50-1.75	0.35-0.75	.75
7-57	Washington, D. C.	—	9.00-14.00	—	1.75	.50	—
	<i>Midwest</i>						
7-57	Chicago	4.00-6.00	4.00- 9.00	8.00	1.50-2.00	0.50-0.75	.75
7-57	Cleveland	5.00-7.50	4.00- 9.00	8.00	1.50-2.00	0.35-0.75	—
7-57	Minneapolis-St. Paul	5.00	3.00- 7.00	8.00 f	1.25-1.50	.50	—

*Prices are for cotton-wrapped stems except where "f" indicates foil wrap.

†Generally packed 50 sprays per bunch.

Particularly in the California markets a more aggressive effort is being made to publicize and promote Hawaiian products. Use of effective displays of these items at large flower shows is one of the promotional methods employed by a number of dealers. Examples of such displays sponsored by California dealers are contained in figure 2. Another aspect of the changing situation on the Pacific Coast is the reported reduction in the going price of the principal Hawaiian products, particularly anthuriums, woodroses, and ti cuttings. With this change in price these items have become more competitive with other floral products produced on the Mainland. It is probable that this downward shift in prices has been accomplished through a combination of reduced margins taken by certain Pacific Coast dealers and lower prices realized by Hawaii's growers and shippers.

An upward trend is reported in shipments of Hawaiian floral products directly to retailers on the Pacific Coast. Most persons reporting this development believe the increase in direct shipments may be largely the result of visits to the Islands by Coast florists combined with more aggressive selling by Hawaii shippers.

Denver: This market is unique in two respects — (1) the large wholesalers located here are engaged primarily in shipping carnations produced locally, and (2) there are relatively more retail florists than wholesale dealers who are receiving floral products directly from Hawaii. The two or three wholesalers who handle a limited quantity of anthuriums, vandas, ti and croton leaves, and woodroses have been purchasing these items mostly from Pacific Coast shippers. Little emphasis is placed on Hawaiian flowers and foliage by the wholesalers but a number of retail florists are actively interested in the line. Anthuriums, ti leaves, croton, and woodroses are most readily accepted although a few florists are using vanda Joaquims extensively in corsages and funeral pieces. Croton from Florida was found here and the price was about 35 cents per dozen leaves delivered in Denver. Foliage from Mexico (emerald and jade) is used extensively. The hybrid vanda is accepted by most retailers but this flower requires selling because most consumers know little about it.

Price is a major obstacle to further expansion of sales of Hawaiian floral products in Denver. For example, anthuriums at wholesale were priced at \$6 to \$9 per dozen while California birds of paradise were about \$4.50 per dozen. To move anthuriums in any volume the price would need to be more nearly competitive with that prevailing on birds of paradise. Wholesalers in Denver should be in position to quote somewhat lower prices on Hawaiian items if a more direct channel were used in obtaining supplies of island flowers and foliage.

Denver wholesalers who ship carnations to both wholesale and retail florists located in all sections of the United States have adopted a pricing policy that is worthy of consideration by Hawaii shippers. To avoid friction in trade relations the practice is to give wholesalers and jobbers a discount from the price quoted to retail florists. In this way there is created a stability in price relationships that tends to reduce the usual antagonism of wholesale dealers to direct shipments to retail outlets.

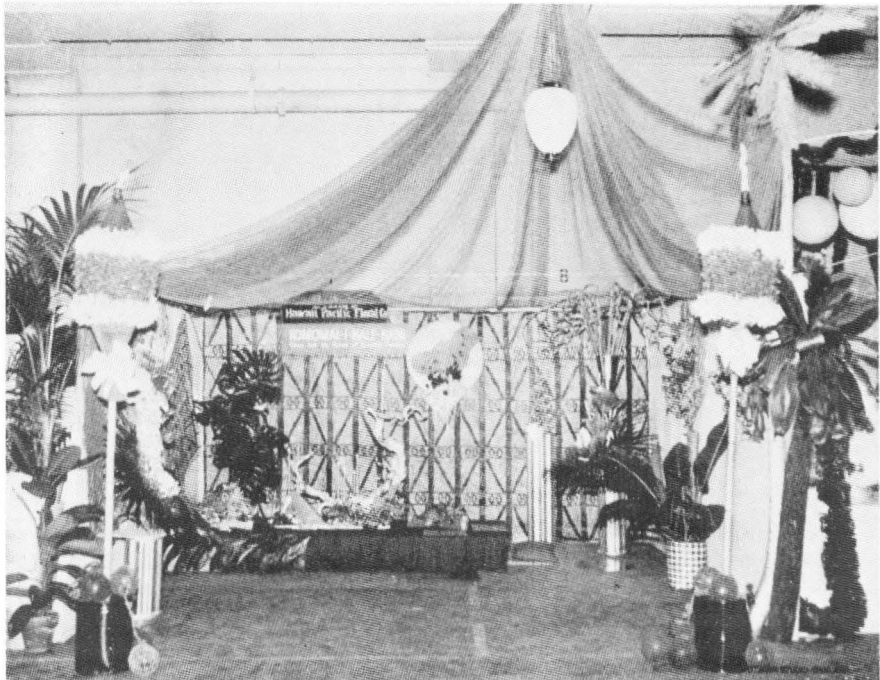


FIGURE 2. Flower show exhibits of Hawaiian floral products displayed by California flower dealers. (Photographs by Utsumi Studio, Oakland, California.)

Salt Lake City: Hawaiian floral products receive very little attention in this market. The marketing of these products in Salt Lake City is somewhat confused with the local wholesalers showing very limited interest in the line and with most retailers only mildly concerned. It was reported that students from Hawaii who attend Utah colleges often ship island flowers into the market and sell them at very low prices. A few retail florists are enthusiastic users of the vanda Joaquim, and these firms are doing a good job of using this flower. There are more retailers, however, who are either adamant or definitely opposed to exotics in general. Anthuriums are used sparingly, mostly because of price, and woodroses have never attained any wide popularity.

Several members of the trade mentioned the fact that they have no idea at all of what flowers are available in Hawaii, what prices are quoted, and who the island shippers are. It was observed that no one had ever made a call to try to sell the line. With few exceptions Hawaiian flowers and foliage reaching Salt Lake City are purchased in small lots through Pacific Coast shippers. Little is known of the hybrid vanda and customers do not request this flower.

It is obvious that the potential of this market as an outlet for Hawaiian floral products cannot be realized without the exertion of much more sales effort. Even then it is probable that the price structure will need to be shifted downward on such items as anthuriums, ti leaves, and woodroses. Competition from Mexican foliage is severe in this area and ti leaves at 60 to 75 cents per dozen are a high-priced item. To sell any quantity of anthuriums the trade considers \$5 per dozen at wholesale as a maximum price. Further development of direct shipments to retail florists may be practicable here. One large retail shop took the position that it would not handle Hawaiian flowers until the public demands them — and the public won't demand them until Hawaii does some promotional work. Favorable comments were made on the good effects of demonstrations conducted several years ago by one of the Hawaii shippers.

Phoenix: Only a limited number of Hawaiian floral products are stocked regularly by wholesale florists in Phoenix. Generally it is possible for retailers to obtain anthuriums, ti leaves, and woodroses locally. A number of Phoenix florists buy Hawaiian items on order through shippers located in Los Angeles and San Francisco. This particular channel of supply has been used by the local wholesale dealers also. The price level prevailing on the few Hawaiian products offered in Phoenix is much higher than that found on competing floral products.

About one in three of the retail florists who were visited expressed more than a passive interest in Hawaiian flowers and foliage. Some had a very meager knowledge of the line and several others stated that the price of such products is too high for volume movement. Some criticism of quality was also noted. In a few cases retailers stated that they were concerned over the possibility that if they developed a greater demand there would be an increase in direct consumer shipments of Hawaiian products. The use of vanda Joaquim orchids for promotions has engendered florist antagonism toward other items as well.

At the time of the Phoenix survey anthuriums were priced at \$6 to \$9 per dozen on the wholesale market. Ti leaves were 60 cents and woodroses were \$1.50 to \$2.00 per dozen. Most retail florists indicated that their better orders for arrangements are in the \$5.00 to \$7.50 class which rules out most Hawaiian products. The only directly competitive tropical item available in Phoenix was the lower-priced Mexican foliage known as "jade" and "emerald." Among the several constructive suggestions offered by the florists as a means of bolstering trade in Hawaiian floral products were:

1. Promote more direct shipments to dealers in order to reduce margins and improve quality.
2. Use color advertising in trade magazines.
3. Participate more actively in short courses on flower arrangement.
4. Experiment further with prepackaging.

Southern Markets

The southern region of the United States, extending from Texas on the west to Virginia on the east, has not yet developed into an important outlet for Hawaiian floral products. In 1955 less than 10 percent of the commercial shipments of such products from the Territory were billed directly to flower dealers in the South. Despite this generalization there are some individual markets in the region that have been important outlets for the Hawaiian items. Houston, Dallas, and Ft. Worth have probably been the principal users of island flowers and foliage in this region. Florida cities such as Miami, Jacksonville, and Tampa have been secondary outlets in the South. The same is true of New Orleans and other major cities in the southern states.

Of some interest to Hawaii shippers who may be considering the South as a market for increased quantities of floral products is the fact that certain parts of this area are in relatively close proximity to other potential sources of exotics. The southern part of Florida is now producing a few vanda Joaquim and vanda hybrid orchids, mostly from Hawaiian stock, and a limited planting of woodroses is also reported to be in production. Croton leaves are plentiful in Florida. Off-shore areas in the Caribbean are shipping anthuriums, foliage, and woodroses to the United States Mainland. Puerto Rico, Trinidad, Haiti, and the East Coast of Mexico are currently supplying limited quantities of these floral products that are directly competitive with those of Hawaii.

Houston: Both the wholesale and the retail flower dealers of Houston are quite receptive to the handling of Hawaiian floral products. A considerable number of retail shops are making regular use of vanda orchids, anthuriums, ti leaves, and woodroses. Almost all of the wholesalers have stocked some Hawaiian items at one time or another but the majority now offer regularly only a few of the products. At the wholesale level the trade has tended to concentrate in one or two firms that receive shipments directly from the Territory. There are also several retailers who obtain floral products directly from shippers in the Islands.

In contrast to the situation in most markets, there are a number of Houston florists who make extensive use of Hawaiian flowers, particularly the vanda

Joaquim and anthuriums, for wedding and funeral work. Some of the retailers were emphatic in criticizing apparent inconsistencies in the pricing of Hawaiian products. Prices were considered too high to permit extensive use of such items in the usual arrangements that run from \$5 to \$10 each. Some people who are thoroughly familiar with the flower business of Houston expressed the view that Hawaiian products are typed as novelties or specialties and that not many more would be sold even if the price were reduced. It was generally agreed that Hawaiian flowers and foliage have not received much "push" in the way of sales promotion and dealer education. Much of the credit for the above average acceptance of the Hawaiian line in Houston must go to a few local dealers who believe thoroughly in exotics and who have made a determined effort to impress others with the worth of such products. Several florists report good success with small size arrangements of Hawaiian flowers.

Hawaiian anthuriums at wholesale were quoted at \$6 to \$9 per dozen and vanda Joaquim orchids were priced at \$1.50 to \$2.00 per dozen in small lots. Woodroses from Hawaii sell for \$1.50 to \$2.00 per dozen in bulk. Croton leaves and hybrid vandas from Florida are entering this market in small quantities. Some complaints of damage through bruising in transit were encountered here. Anthuriums in particular seem to be susceptible to such damage.

Dallas-Ft. Worth: Hawaiian flowers and foliage are stocked in varying degree by most of the wholesalers in this market area. A limited number of vanda Joaquim orchids are being sold to retail florists at the present time. Anthuriums (red in particular), ti and croton leaves, and woodroses are accorded much better acceptance than is evident for orchids from Hawaii. In the majority of cases the Hawaiian products handled by Dallas-Ft. Worth wholesalers are received through Pacific Coast shippers. Wholesalers here were in almost complete agreement that the Hawaiian line would receive more attention if only one or two such firms handled the products. It was also suggested that one effective outlet on the Pacific Coast through which all shipments of Hawaiian floral products could clear would tend to stabilize the marketing situation.

Retail florists in Dallas and Ft. Worth have a reasonably active interest in exotics, and this attitude tends to carry over in the form of a favorable attitude toward flowers and foliage from Hawaii. In this market, price seems to be the most serious deterrent to expanded use of island floral products. Apparently a considerable number of Texas people have visited Hawaii and thus have some knowledge of Hawaiian products. They also know something of prices prevailing on such items in the Islands and often question the much higher prices for the same commodities on the Mainland. Direct shipments from Hawaii to individual consumers have caused some concern among retail florists. Part of the retailers in this market obtain the bulk of their Hawaiian products from shippers on the Pacific Coast and use the local wholesalers on a stand-by basis. Few retailers are receiving direct shipments from the Territory.

As might be expected in this market, the competition of foliage from Mexico and Florida is keen. Flowers from Hawaii, except orchids, do not encounter this direct competition. Going prices at wholesale were about \$6 to \$12 per dozen

for anthuriums, \$0.75 to \$1.00 per dozen for ti leaves, and \$1.85 to \$2.25 per dozen for woodroses. The trade was unanimous in urging the Hawaiian flower industry to accept responsibility for market development. Only through promotion do these florists believe that Hawaiian products can be moved away from the novelty or specialty class. At the same time several dealers took the stand that the prestige value of Hawaiian products should be emphasized. Shortly before this survey of Dallas and Ft. Worth, there was a large flower show staged in Dallas where the Hawaiian motif was featured. It was reported that the show had a salutary effect in stimulating interest in Hawaiian floral products.

New Orleans: Although New Orleans is considered to be a leading market for floral products, it has not yet developed into an important outlet for Hawaiian flowers and foliage. The 1957 survey of dealers in the city indicates that woodroses are the only item in the Hawaiian line that is accorded general acceptance and they are sold mostly in the fall season. Limited numbers of vanda Joaquim orchids and ti and croton leaves are handled by local wholesalers but other products from Hawaii are generally shipped in only on order. Very few shipments are received directly from the Islands because most orders are placed with Pacific Coast or Chicago shippers.

It is estimated that 75 percent of the flower orders received by New Orleans retailers are in the "less than \$7.50" category. The consensus among the retailers surveyed was that Hawaiian floral products are desirable but the price is so high that these flowers are considered to be in the luxury class. Despite the widespread and frequent use of flowers by the people of New Orleans, it is evident that little is known of exotics and consumer demand for such items is correspondingly low. One of the leading florists in the city expressed the view that if retail business is to be developed it is necessary to display, advertise, and sell quality products. Where distribution of Hawaiian products is so limited as in New Orleans, there may be particularly good reason to attempt direct shipments to retailers; in fact, several large outlets suggested this method of developing the market.

A few pink anthuriums produced locally are offered to retailers at 50 and 75 cents each, depending on size. Occasionally a shipment of anthuriums is received from Trinidad and croton leaves are shipped in regularly from Florida. Now and then hybrid vanda orchids are brought to New Orleans from both Hawaii and Florida. Jade and emerald foliage from Mexico was priced at 75 cents per bunch of 50 stems. At wholesale the price on Hawaiian woodroses was \$1.50 to \$2.00 per dozen and vanda Joaquim orchids ranged from \$2.00 to \$2.50 per dozen in small lots. Ti leaves were from \$1.00 to \$1.25 per dozen.

Both wholesale and retail florists in this market would like to know more about what products are available in Hawaii, when they are offered, and at what price. Through a more aggressive sales program and more realistic pricing it should be possible to capitalize on the presently dormant interest that New Orleans florists have in Hawaiian flowers and foliage. A considerable number of retail florists believe that it is possible to reduce the size of arrangements in which exotics are used and in this way hold the price at a more reasonable level. This approach needs to be encouraged by Hawaii flower shippers.

Jacksonville: Woodroses, ti leaves, and lycopodium are the only Hawaiian floral products that are regularly available to Jacksonville florists. At one time or another most of the wholesalers located here have shipped in anthuriums, ginger, and heliconia but the demand for such items proved to be so slow that many were thrown away before they could be sold. At the present time these flowers are purchased only on order. A very limited number of vanda Joaquim orchids are sold in this market. Arrival condition has been poor on some Hawaiian cut flowers, particularly those transshipped from the Pacific Coast. In most cases, however, the Hawaiian products reaching Jacksonville are now shipped directly from the Islands.

Pink anthuriums from Trinidad are sometimes available in this market. They are usually priced at about 75 cents each to retailers. Croton leaves are very common in Florida and have little commercial value to florists. Several dealers mentioned the production of woodroses in southern Florida but the price of the local product is the same as prevails on Hawaiian woodroses; i.e., about \$2 per dozen in cellophane bags. A considerable quantity of hybrid vanda orchids is available from Florida growers at 35 to 50 cents each. This flower does not sell readily, however, and local growers are having difficulty in disposing of their output at a satisfactory price. Ti leaves and lycopodium at \$1 per dozen (wholesale) are high in price as compared to competing foliage produced locally or shipped from Mexico and the Pacific Northwest.

An official of a large flower distributing chain with headquarters in Jacksonville expressed the opinion that a combination of limited consumer interest and high price is responsible for slow sales of Hawaiian floral products in the South. He mentioned one specific case where a fair demand for red ginger that had been developed at \$6 per dozen was almost totally destroyed when the price advanced to \$9 per dozen. In general, it is his view that most wholesalers are not trying very hard to sell exotics, partly because the volume involved is so small. This particular firm would be interested in an experimental program through which Hawaiian products could be offered by selected retailers in order to determine acceptance and movement at various price levels. A market development program beamed at the consumer was also suggested.

Tampa-St. Petersburg: This market supplies a large trade area on the west coast of Florida. The principal item of Hawaiian floral products handled here is the woodrose which has been sold in considerable quantity. Apparently all or practically all of the woodroses reaching this market have been of Hawaiian origin. Woodroses are priced at \$1.75 per dozen at the wholesale level. Now and then the local wholesalers stock a few anthuriums from the Territory. Ginger and heliconia are purchased only on special order. These cut flowers are usually priced at \$9 to \$12 per dozen to retail florists. Lycopodium is sold at \$1 per dozen but demand for foliage at this price is not active. Orchids of practically all types are grown in Florida with the result that the markets in this region are supplied by local growers. A few vanda Joaquims from Hawaii are offered by wholesale florists at \$2.50 to \$3.00 per dozen.

Wholesale flower dealers in the Tampa-St. Petersburg market usually receive Hawaiian products directly from the Islands through the medium of shippers

representatives on the Mainland. The dealers who have had experience with the line indicated that most retailers will not take a chance on buying high-priced products; also, if the flowers are not in their stores the dealers do not try to encourage purchase of such items by their patrons. Although price is undoubtedly a deterrent in gaining broader acceptance of Hawaiian flowers, there is serious doubt whether price reduction alone would result in greatly increased sales. It is suggested that Hawaii's appeal should be to those who are seeking something different in floral products.

Miami-Miami Beach: To a greater degree than in any other market surveyed, the Miami dealers are handling both local and foreign exotics that are directly competitive to tropical products from Hawaii. Among the items produced in southern Florida are all types of orchids, including the hybrid vanda and vanda Joaquim, and woodroses. Green, tri-color variegated and red variegated ti leaves are received from Haiti and other Caribbean areas. There is the usual jade and emerald foliage from Mexico and other miscellaneous tropical foliage from Puerto Rico. Pink and coral anthuriums are received from Trinidad, Haiti, and Puerto Rico. Woodroses are now being produced in Puerto Rico. Ginger and heliconia are available in Haiti.

Despite the high level of competition from other producing areas, there are two major wholesale florists serving this market who receive Hawaiian products regularly. The principal items from Hawaii are woodroses and red anthuriums. Hawaiian woodroses are priced at \$2 per dozen to retailers and red anthuriums generally bring \$6.00 to \$7.50 per dozen for the medium size. Competitive woodroses from Florida are sold as low as \$1 per dozen but they are not as large or richly colored as those from Hawaii. Puerto Rican woodroses in the market were packed in native woven baskets which contained 50 woodroses each and the price was \$7.50 per unit. Caribbean and Hawaiian anthuriums carried the same price for comparable sizes and ti leaves from Haiti sold for 75 cents per dozen. Mexican jade foliage was selling for 30 cents per dozen. Local vanda Joaquim orchids are offered by growers for 10 to 15 cents each.

A sizeable block of hybrid vandas, mostly in blue and pink shades, is developing in Florida. These plantings have been based on Hawaiian stock. The cut hybrids are offered in the markets by the growers at prices ranging from 15 to 75 cents each. Acceptance of this flower by retail florists is reported to be gaining but at a slow rate. For the particular information of those Hawaii flower shippers who are interested in the competition of anthuriums produced in the Caribbean area, it was noted that the delivered cost of pink and coral blooms from areas such as Trinidad and Haiti where the tariff applies was about \$4.50 per dozen for medium to large flowers.

A planting medium from Mexico that is very comparable to Hawaii's tree fern was observed at Miami. This material is being distributed by a large orchid company.

One observation of the Miami market situation as it relates to Hawaiian floral products is worthy of emphasis. It is clear that price is not so serious an obstacle here as it appears to be in some other markets. This may be the result of the

relatively high level of spending in the resort area coupled with the fact that tropical products are in their more normal setting. Whether or not it is because of direct competition from other producing areas, the fact is that prices of Hawaiian floral products are actually lower in Miami than they are in some markets much less distant from the Territory.

Palm Beach: A small quantity of Hawaiian floral products is distributed in this market which serves an area on the east coast of Florida between Miami and Jacksonville. Orchids produced locally are in ample supply to cover all normal requirements of florists in this area. The only items from Hawaii that are shipped in with any regularity are anthuriums, woodroses, and lycopodium. On occasion a few vanda Joaquim orchids and some red ginger have been used here. Anthuriums from Hawaii are priced at \$6 to \$12 per dozen and lycopodium sells for \$1.00 to \$1.25 per dozen. Local vanda Joaquim are available for 12 to 25 cents each, depending on quantity.

Arrival condition of Hawaiian products has been the subject of some criticism in Palm Beach. Apparently anthuriums often show splits and bruises on the edges and vandas have been discolored or damaged at times. In Palm Beach and other Florida markets as well, there is objection to "package deals" from Hawaii in which croton and ti leaves are included. These foliage items are not highly regarded in Florida, the Hawaiian ti being too high in price and the croton too common in light of the many croton plants in Florida. Colors of anthuriums in shipments from the Islands are often mixed in such a way that there will not be a salable unit of some colors; e.g., two or three white and four or five pink.

Of interest to Hawaii growers is the fact that some difficulty is reported in obtaining a set of blossoms on local woodrose vines. A definite preference is indicated for the flat type of pink anthurium from Hawaii in contrast to the more cupped and tear-shaped flower from Trinidad. Sprays of woodroses also meet with some favor here.

Eastern Markets

Although it is geographically small this very heavily populated region of the United States, extending east from Ohio and north from Virginia, is an extremely important market for practically all types of commodities — and flowers are no exception. The East has been receiving about one-fifth of the commercial shipments of Hawaiian floral products in recent years. In relation to population and total floral trade the sales of Hawaiian flowers and foliage in this region have been of minor overall importance. The fact remains, however, that eastern markets offer an undeveloped potential that has barely been touched as an outlet for tropical floral products. Some direct competition from the Caribbean area is encountered in selling Hawaiian products along the eastern seaboard. There is an obvious need for an active program of market promotion and development in expanding the demand for Hawaiian floral products in eastern markets. More than in any other section of the United States there exists an attitude in the East that exotics do not "belong" or are out of place.

Washington, D.C.: With few exceptions the flower dealers of Washington look upon Hawaiian floral products as specialties that are handled mostly on order. A number of wholesalers take the view that tropical flowers are not readily available and that they appeal to only a limited number of people so why expend efforts to promote the line. As a rule not over one or two of the wholesale dealers in this market carry any Hawaiian products in regular stock. Anthuriums, ti and croton leaves, and woodroses are available most frequently. Most wholesalers indicate that at one time or another they have handled Hawaiian flowers and foliage but the response to such offerings did not justify continuation.

Prices quoted on Hawaiian products were relatively high on cut flowers but moderate on foliage and woodroses. Anthuriums, ginger, and heliconia ranged upward from \$9 per dozen wholesale. Ti and croton leaves were quoted at 50 cents per dozen and woodroses were \$1.75 per dozen. In most cases the Hawaiian flowers and foliage reaching Washington have been handled by Pacific Coast shippers. This routing of shipments is said to result in more rapid deterioration in quality because of added time and handling involved. Generally there is also an increase in the price level as the number of intermediate dealers increases. Several dealers expressed interest in the possibility of arranging for direct shipments of small quantities. Direct competition of tropical products from the Caribbean area is not a serious factor in the Washington market.

A number of dealers indicated their liking for the hybrid vanda orchid as a flower but in each case it was pointed out that most retail florists will not work the hybrid into corsages because it is somewhat more difficult to process than other orchids. The tendency is to sell and to use products that are more familiar. It was suggested that Hawaii should participate actively in the annual Washington flower show and also display arrangements of tropical products at florists' meetings. The vanda Joaquim orchid has no standing among the flower dealers because it has been used for "giveaway" purposes. Vanda Joaquims are shipped in on occasion for parties and promotions but they are not regularly available on the Washington market. Among the retail florists of Washington there is a minority group that is actively interested in trying new or different products. It is to these florists who are willing to deviate from the traditional or customary that Hawaiian flowers and foliage have particular appeal.

New York City: Despite the tremendous size of this market the volume of Hawaiian floral products distributed here is not large. The demand for exotics in New York City is perhaps best described as "spotty." There are some florists who do an excellent job of selling tropical products but these firms are a small minority. New York City is well known as a consignment market for flowers and the competitive situation is intense with some 50 wholesale firms operating in a small district in the crowded downtown area.⁶ Partly because of the reported tendency of flower growers and shippers to use New York City as a "dumping" place in marketing such products, the price structure fluctuates con-

⁶Elmer J. Moore, *Wholesaling Floral Commodities in the Chicago and New York City Markets*, USDA Agricultural Marketing Service, Marketing Research Report No. 175, June 1957.

siderably and the level of prices is generally lower than in other eastern markets. In these circumstances the Hawaiian products become more distinctly a high-priced specialty line. With the exception of vanda Joaquim orchids and to a lesser extent Hawaiian ti cuttings, both of which are moved in some volume through the New York City market, Hawaiian flowers and foliage are receiving very limited distribution among flower dealers in this area. Substantially all of the Hawaiian products reaching New York are shipped to this market directly from the Territory. Three wholesale dealers were found who stock anthuriums and ti and croton leaves regularly. Hawaiian anthuriums were priced at \$6 to \$9 per dozen at wholesale and the foliage items ranged from 35 to 75 cents per dozen. Pink anthuriums from Trinidad were priced at about the same level as the red flowers from Hawaii. One wholesaler reported that he was expecting a trial shipment of anthuriums from Colombia. Tri-colored ti leaves from the Caribbean were available. Woodroses from Hawaii are receiving broader dealer coverage than are the fresh products. Regular woodroses are usually \$1.50 to \$1.75 per dozen to retailers. Birds of paradise have reasonably broad distribution here and if Hawaii can ship good quality "birds" from June to October there is an opportunity to supply this flower during the off season in California. Hawaiian birds of paradise were selling for \$6.00 to \$7.50 per dozen at the time of the New York survey (July 1957). Other heavy cut flowers such as ginger and heliconia can generally be obtained more cheaply from the Caribbean area. Vanda Joaquim orchids are used for weddings and funerals by a limited number of retail florists. This flower has broader use, however, as a giveaway item and in the New York area it is often used for corsages and leis at Hawaiian-type parties. Vandas are priced at 9 cents each and up as single flowers for corsage work (not as leis).

An aggressive program of merchandising is in evidence in New York City for those Hawaiian products that are adapted to use for promotional and other special purposes. Vanda Joaquim orchids and ti cuttings are good examples of such items. Woodroses also receive considerable attention. Improved packing of birds of paradise and anthuriums was indicated as being needed if damage in transit is to be reduced. Constant attention to quality and price is required if Hawaiian products are to stave off further encroachment of tropical flowers and foliage from the Caribbean area upon the already limited outlets for the Hawaiian line in New York City. Hybrid vanda orchids have not yet made any real impression on florists in this market. Certain wholesale dealers stated that airline employees often bring tropical products to New York City and offer these products at prices considerably below the going rates; e.g., anthuriums at \$5 per dozen. It is not known how often this occurs or how widespread the practice may be but apparently there is some factual evidence to support the claim.

Boston: To a greater degree than in most other markets surveyed, it was found that Boston florists consider tropical products as not being well adapted to use in traditional type or colonial homes. Despite the extent of this attitude there are three flower wholesalers in the city who generally offer Hawaiian products to their clientele. One of these distributors stocks almost all of the better known flowers and foliage from the Islands. Except for vanda Joaquim orchids which

are often obtained from New York City, the Boston dealers are receiving most Hawaiian items by direct shipment from the Territory.

By comparison with other markets located at about the same distance from Hawaii, Boston has a more moderate price structure on tropical products. Anthuriums from Hawaii were priced at \$4 to \$9 per dozen, depending on size. Pink anthuriums from Trinidad sold at comparable prices. Heliconia and ginger usually bring \$6 per dozen in this market but the demand for such items is very slow. Foliage from Hawaii is priced at 75 cents per dozen but it is often necessary to make concessions on this price in order to keep the products moving. Vanda Joaquim orchids have sold as low as 6 cents each in large quantities (plain stem) but the usual price is about 9 or 10 cents each in lots of 100 (cotton stem). Almost no retail florists use the vanda Joaquim and there is said to be a strong dealer resentment of the promotional aspects of Hawaiian vandas. The stigma attaching to the vanda Joaquim among the trade carries over in some degree to the hybrid vanda which is being used in a limited way by Boston florists. Woodroses are offered at prices ranging from \$1.50 to \$2.50 per dozen. For the most part the Hawaiian floral products reaching Boston are handled on a consignment basis. This may have some effect on pricing policy.

During the Boston survey there developed an opportunity to examine a shipment of pink anthuriums that had just arrived from Trinidad. These flowers are the cupped and teardrop shape. They are packed 70 to a carton and the heads of the flowers are both wrapped in and rested on tissue paper. Stems carry water filled balloons. These anthuriums were in excellent condition and showed little bruising. Vanda hybrid orchids are being grown from Hawaiian stock in the Boston area. They are usually delivered to florists as sprays. Birds of paradise are used in some volume here but practically all are from California. The trade contends that California "birds" are superior to the Hawaiian product and the California shippers are doing a better job of packing their flowers. Also, price is a major factor in this case with California offering birds of paradise at a base price of \$2.50 per dozen, f.o.b. shipping point.

It was indicated that Hawaiian floral products sell best in the fall of the year after the plentiful supply of seasonal flowers on the Mainland has been marketed. Several Boston florists suggested that Hawaii needs an aggressive promotional program through which tropical flowers are displayed at the right time, in the right place, and with the proper people to give them added prestige value. Such displays might appear at important gatherings, on television shows, in magazine advertisements, and in other places where their association with events and people would create a favorable impression. Broader participation in displays at conventions of florists and in arrangement short courses was also mentioned as a means of popularizing Hawaiian flowers and foliage.

Midwestern Markets

The midwestern region of the United States has for some time been an important outlet for Hawaiian flowers and foliage. In 1955 this area was receiving about one-fifth of the direct shipments from Hawaii to dealers on the Main-

land. This is about the same volume of shipments as was reported for the eastern region of the United States. Chicago is the trading center of the midwest and this city has been the principal market for Hawaiian floral products shipped to the area. Some Hawaiian products are transshipped from Chicago to all parts of the Midwest and South. Other important primary markets for flowers and foliage from the Territory are Cleveland, St. Paul-Minneapolis, Detroit, St. Louis, and Kansas City. Among the 12 states in the region Illinois, Ohio, and Michigan alone account for almost one-fifth of the sales by retail florists in the United States.⁷

Increasing numbers of midwestern people are visiting Hawaii as tourists. While in the Islands these visitors usually gain some knowledge of tropical or exotic products. This fact coupled with the greatly improved air freight service from the Islands into the principal midwestern cities has resulted in a developing optimism concerning this region as a potential user of greater quantities of Hawaiian floral products. The midwestern area is not so readily accessible as the East and South to the growing competition of tropical products from the Caribbean and Mexico. Relatively speaking, Hawaii is in better competitive position in the West and Midwest. This logically suggests further action to develop those markets where prevailing conditions seem to offer the best return per unit of effort and cost expended.

Chicago: In contrast to New York City with its numerous flower wholesalers concentrated in a small area, the Chicago market consists of less than 15 major dealers who are located in three separate districts of the city. Also at considerable variance with the New York situation, it was found that almost half of the Chicago wholesalers are handling certain items in the line of Hawaiian floral products. There were five dealers who generally offer a complete line of tropical products. By number of firms involved, the consignment method of sale was used most frequently by wholesalers who sell Hawaiian products but in terms of dollar volume it is doubtful whether the returns from consignment sales would equal the purchases on an f.o.b. basis. Fresh cut flowers and foliage are received on consignment much more frequently than are such products as woodroses and vanda Joaquim orchids.

Anthuriums are sold in some volume in Chicago and the price is normally in the \$4 to \$9 per dozen range at wholesale. The average price is probably between \$5 and \$6 per dozen for the medium size. Ginger and heliconia at \$6 per dozen move in much smaller volume than anthuriums. Hawaiian birds of paradise were being sold at \$4 to \$6 per dozen during the off season in California. Most items of Hawaiian foliage are priced at 75 cents per dozen to retail florists but dealers often accept 50 cents per dozen in order to clear supplies on hand. Vanda Joaquim orchids were offered at \$8 per hundred with stems in cotton. Very few hybrid vandas reach this market but when available they sell for 50 to 75 cents each. Woodroses are a popular item in the Chicago market. At the wholesale level the regular woodrose is priced at \$1.50 to \$2.00

⁷M. Truman Fossum, *Trade in Horticultural Specialties, 1890-1950*, USDA Bureau of Agricultural Economics, Marketing Research Report No. 33, April 1953.

per dozen. The only directly competitive tropical products from areas other than Hawaii on hand at the time of the Chicago survey were a few ti and croton leaves shipped in from Florida and a limited supply of pink anthuriums (\$10 per dozen) from California greenhouses. An excellent variety of dry materials from Hawaii was being offered to retail florists by Chicago dealers.

Retail florists in Chicago give the impression of being unusually receptive to the use of tropical flowers and foliage. In this area there is not so much evidence of resistance to the use of "new" things. One factor that has a distinct relationship to the attitude of Chicago florists is the very effective missionary work on tropical flowers and foliage being done by a popular and well known designer who operates a large school of flower arrangement in the city. This person is enthusiastic about Hawaiian products and he uses them extensively in his work with florists. In the course of the survey there were many references to the benefits of the demonstrations of flower arrangement in which the exotics were used.

Although the prices of Hawaiian floral products in Chicago were not exorbitant as compared to the levels prevailing elsewhere on the Mainland, it was indicated by Chicago florists that they cannot use tropical products in their "bread and butter" or lower-priced trade. Several retailers report success in using smaller numbers of Hawaiian items in an arrangement as a means of holding the price at a competitive level. A few complaints of poor arrival condition were noted during the survey. In one case it was actually observed that almost one-fourth of a shipment of anthuriums from Hawaii showed damage that had occurred in packing or in transit. Failure of some Hawaii shippers to deliver on commitments was criticized severely and unusual fluctuations of prices also came in for adverse comment in this market. It was generally agreed in the trade that there is a definite place for tropical flowers and foliage and Hawaii can improve the demand for these products by becoming more aggressive in its sales program and by correcting certain trade practices such as price cutting, careless packing, and poor grading. A developing interest in variegated green and white and tri-color ti leaves was indicated in Chicago. Hybrid vanda orchids are particularly in need of promotion if they are to be used in any volume.

Cleveland: Among the five major firms that sell floral products at the wholesale level in Cleveland there are only two that offer Hawaiian flowers and foliage to the retail florists of the city. One wholesaler regularly carries a reasonably complete line of tropical products while the other from time to time offers such items as anthuriums, vanda Joaquim orchids, ti leaves, and woodroses. There is a strong feeling in the trade that Hawaiian products are a specialty line and, as such, it is better to concentrate the limited volume in one or two firms. Also, it is pointed out that through limiting the dealers there may be more incentive for those handling the line to exert some sales effort.

Red anthuriums were priced at \$4 to \$9 per dozen with the bulk being sold at \$6 and below. Hawaiian foliage ranged from 35 to 75 cents per dozen with croton at 35 cents and ti from 50 to 75 cents. Ginger and heliconia are usually brought in on order because of the slow demand for these flowers. Hawaiian cymbidiums were available at 35 to 75 cents each which was considerably below

the level of California stock. It is said that these particular orchids from Hawaii do not have the lasting qualities of the California product. A few hybrid vandas were on display at \$1.00 to \$1.50 each but they had been grown locally, probably from Hawaiian plants. Vanda Joaquim orchids are sold at \$8 per hundred in cotton. Woodroses at \$1.50 to \$2.00 per dozen are sold in volume during the late summer and fall for use in assembling the dry arrangements that appeal to consumers after home-grown summer flowers are no longer available.

There are a number of large flower production units located near Cleveland. Some of the wholesale dealers in this market have close ties with the local producers and there is a tendency to give preference to products grown locally. This policy may account in part for the willingness of most wholesalers to turn the marketing of Hawaiian items over to one or two dealers. Some dealers consider it difficult to maintain satisfactory trade relations with shippers located in Hawaii. This attitude also tends to give some competitive advantage to producing areas that are nearby. Cleveland is not alone in favoring local production, however, because this same situation is found in varying degree throughout the United States.

A number of retail florists in Cleveland are using vanda Joaquim orchids regularly. This flower is made up in low-priced corsages and has been used increasingly for funeral pieces. Apparently the giveaway or promotional aspects of the vanda have not disturbed Cleveland florists to the same extent as was indicated in most other markets.

Minneapolis-St. Paul: To a greater extent than in any other market surveyed, there is in the Twin Cities a co-mingling of grower, wholesaler, and retailer functions in the marketing of floral products. There are both wholesalers and retailers who also operate production facilities. In these circumstances the normal tendency is to emphasize the sale of those flowers that are produced locally. A considerable number of retailers have established direct shipping connections through which Hawaiian flowers and foliage are obtained from the Islands or from the Pacific Coast and Chicago. For these reasons the wholesaling of Hawaiian floral products has not proved to be a particularly attractive proposition to several dealers in the market. One firm is now specializing in the wholesaling and retailing of tropical products and three other dealers offer a limited line of Hawaiian flowers and foliage. In at least three other cases the line has been tried and later dropped because it was not considered profitable. It was reported that the Twin Cities market is often affected adversely by the diversion of surplus floral products from Chicago to Minneapolis and St. Paul. When this happens the price structure in the Twin Cities is badly strained.

In this market anthuriums are offered at \$3 to \$7 per dozen to retail florists. The anthurium is the only fresh cut flower from Hawaii that is carried in stock regularly. Birds of paradise have not sold as well here as in some other markets and very few Hawaiian "birds" have ever reached Minneapolis and St. Paul. Ginger and heliconia are purchased on order by the wholesalers but a few retail shops are shipping these items in directly from the Pacific Coast or Hawaii. Woodroses are a popular product in the fall and early winter. The regular woodroses are normally priced at \$1.25 to \$1.50 per dozen by wholesalers. Ti

leaves, croton leaves, and lycopodium are generally available here at prices ranging upward from 50 cents per dozen. A considerable quantity of vanda Joaquim orchids is sold through one dealer who specializes in tropical products. The going price of Joaquims at the time of the survey was \$8 per hundred in foil wrap. Very few hybrid vandas are used in this market but one firm has found a fair demand for Hawaiian dendrobiums when this flower is available.

A strong interest in descriptive materials on Hawaiian floral products was found in the Twin Cities. It is evident that a good many dealers know very little about the number of items available in Hawaii and the prices at which tropical products are offered. Even less is known about exotics by the general public although the growing number of persons visiting Hawaii from the Midwest is beneficial in this respect. It was suggested repeatedly that Hawaii needs to get more of its flowers and foliage on display even if such displays must be partially subsidized. Some interest was expressed in Hawaii as a source of anthurium and other rooted tropical plants. No directly competitive flowers or foliage from Florida or the Caribbean area, except Mexican jade and emerald, were observed in this market. One retailer who has sold a fair volume of tropical products expressed the view that a retail florist can "sell" items that he wants to move and in most cases the major effort is placed where the best return can be obtained. He believes that Hawaii has not tried aggressively to interest florists in the exotics.

GENERAL NOTES AND OBSERVATIONS

In most respects the extension of the market survey into areas other than the Pacific Coast region resulted more in a strengthening of previous observations than in the development of new ideas based on trade reaction. A considerable number of these observations are of primary importance in any effort that may be contemplated as a means of stimulating the growth and development of mainland markets for Hawaiian floral products. Among the items listed there are a number of comments that are similar to those reported in an earlier phase of this project.⁸ Where repetition is noted the purpose is both to lend emphasis to the points involved and to summarize those factors that represent a consensus among members of the trade.

In organizing for market development and promotion the growers and shippers of Hawaiian floral products may well benefit from the experience of the Florida gladiolus and pompon industry. A substantial block of the larger growers of these flowers has organized an association through which mutually beneficial projects are conducted. This trade association has engaged actively in market development through such media as a catalog in color and a color movie of Florida flowers. Costs are defrayed through the levying of assessments based upon volume of shipments. The group has also cooperated in setting up and operating a transportation service through which Florida flowers are moved to the major markets of the United States. The brochure or catalog issued in

⁸C. W. Peters, *Selling Hawaiian Floral Products—A Market Appraisal—Part I*, Hawaii Agr. Expt. Sta., Agr. Econ. Bul. 10, December 1956.



FIGURE 3. Examples of promotional methods used in developing the market for mainland floral products.

1957 by the Florida Flower Association is included in figure 3, which illustrates promotional materials relating to several floral products.

With Chicago and Houston as outstanding examples it is obvious that Hawaii has much to gain wherever tropical flowers can be used extensively in arrangement courses for retail florists. To some extent the same results are obtained through frequent display of exotics at conventions, flower shows, and other gatherings of people who are particularly interested in the arrangement and use of floral products. It is strongly recommended that Hawaii shippers and growers take more positive action to bring tropical flowers and foliage to the attention of florists and the general public. The display by the Florists and Shippers

By pricing their products in such a way that any person has ready access to the price quoted to wholesale dealers, Hawaii shippers are not building goodwill for their products among wholesalers on the Mainland. The practice of Denver carnation shippers who have established a differential between prices quoted to wholesale and retail dealers, respectively, may be a policy worthy of consideration for adoption by Hawaii shippers. At the present time there is probably no market in the United States where a wholesaler who handles Hawaiian floral products has any assurance that retail florists in his area cannot and will not be offered direct shipments at lower prices. This does not imply that Hawaii shippers should not deal directly with retailers, particularly where distribution at the wholesale level is faulty or even totally lacking, but it is intended to emphasize the need for recognition of differences in channels and a more realistic treatment of the varying outlets.

The mere fact that exotic type products are not well known on the Mainland leads to a number of marketing problems. In general, sales people sell best those products that they want to sell and that they are accustomed to. Because Hawaiian flowers are not so widely accepted as are the more conventional mainland flowers there is a tendency (not always intentional) on the part of dealers to favor the standard products such as roses, carnations, chrysanthemums, and gladioli. Price also enters into this situation because tropical flowers are generally offered at a level considerably above that prevailing on the mainland flowers. This has the obvious effect of narrowing the effective demand and when added to the inclination of florists to favor the long-established products it creates a situation that is difficult for Hawaii flower shippers to overcome, particularly as an unorganized group.

In competing on the Mainland the Hawaiian flowers and foliage often meet resistance based on conflict of interest. This situation is closely related to the problem of overcoming the advantage that goes with being the dominant product in the market. Many wholesale florists, and some retailers as well, have close financial and even social ties with mainland growers. A number of dealers are also growers. Where this community of interest prevails it is only reasonable to expect some reluctance to encourage outside competition. In general, however, the evidence indicates that the great majority of mainland dealers who handle the Hawaiian line are not consciously discriminating against the tropical products. It is further apparent, however, that where a firm specializes exclusively in the products from Hawaii or where tropical products are handled in some volume there is more emphasis given to the line and more sales effort is devoted to it. There is some advantage attaching to a policy of limiting the number of wholesale outlets through which Hawaiian products are offered in a particular market but restrictions of this type must not be permitted to have the effect of suppressing sales. Through common consent of the wholesale dealers in some markets the Hawaiian line has gravitated almost entirely into the hands of from one to three firms. This trend is particularly noticeable in such cities as Cleveland, Portland, Minneapolis-St. Paul, and New York.

Numerous suggestions for improvement of the trade in Hawaiian flowers and foliage were offered by both wholesalers and retailers in the areas surveyed.



FIGURE 4. Exhibit by the Florists and Shippers Association of Hilo at the 1958 California International Flower and Garden Show. (Photograph by Vic Stein and Associates of Hollywood.)

Association of Hilo at the 1958 California International Flower and Garden Show is an excellent example of the action that is needed (see figure 4). Wherever possible it would also be advantageous to establish more direct communications with mainland markets and dealers. A surprising number of dealers on the Mainland complained of never having seen or talked to any Hawaii shipper.

In many cases, particularly in the East, the number of dealers handling Hawaiian products before they reach the ultimate consumer is excessive. As the intermediaries increase the price spread between the grower and the consumer tends to broaden and quality usually deteriorates with successive handlings. In this case the usual result is a final price that discourages extensive use of the product. It is recognized that more direct shipments are often not practicable because of small quantities involved or because time dictates purchase from mainland sources. To be more nearly competitive with mainland produced flowers, however, the Hawaiian products will need to be routed as directly as possible to all markets but especially to those located east of the Pacific Coast region.

Some of these views are held by sufficient numbers of people to justify a recommendation that they be considered carefully by the Hawaii growers and shippers. Among those that seem to have particular merit are:

1. In selling tropical or exotic type flowers there should be particular emphasis placed on an appeal to those people who are seeking "something different." At the same time there should be a conscious effort made to develop a prestige rating for Hawaiian products. It is contended by many florists that widespread use of the vanda Joaquim orchid for promotional and giveaway purposes has had a cheapening effect on the entire line.
2. Names have an important bearing on acceptance of floral products. For example, the mere fact that the hybrid vanda orchid is a "vanda" creates an adverse reaction among some florists because of their unfavorable reaction to the marketing of the vanda Joaquim. Conversely, the trade reacts favorably to names such as bird of paradise, lipstick pods, and volcano grass.
3. By working through schools of floral design and other channels such as convention displays, illustrations and articles on floral arrangements in publications, advertisements, etc., it may be possible to convince the trade and the public that small arrangements of tropical flowers are both feasible and acceptable (see figure 5). This is one way in which the cost of such products to consumers may be held at a more competitive level.
4. Regular use of informational materials, particularly price lists and indications of availability, that would be circulated among the trade by Hawaii shippers is urged by many mainland dealers. These "broadcasts" are a widely used sales technique in merchandising many types of commodities, including floral products. Most shippers in Hawaii are considered to have been very passive in their sales efforts.
5. An industry organization composed of Hawaii flower shippers may ultimately provide the medium through which a promotional program for Hawaiian flowers and foliage may be conducted on the Mainland. By working together on market improvement it is probable that shippers would also develop and adhere to improved operating practices. Among the major problems that such a group could consider are transportation, packaging, grading, and some aspects of procurement and pricing.
6. A more thorough exploration of the feasibility of shipping rooted plants is suggested. Orchid plants are shipped in volume from Hawaii but some mainland dealers believe that anthuriums and tropical foliage may also have a good potential as rooted plants.
7. Considerable interest has developed in the variegated green and white and the tri-colored (variegated red, green, white) ti leaves that are being produced in the Caribbean area. There is probably no reason why these

TRIO

FOR INFORMAL LIVING

Three designs for casual summer living are highlighted by dried materials. Woven coconut tree wall plaque (center) is set off by grouping of wood roses, miniature wood roses, fire grass from slopes of volcano, round lipstick pods, and hand curled pods. Low design in scooped out, polished coconut shell (left) is composed of miniature wood roses, brown fire grass, and hand curled shellacked split pods. Triangular arrangement (right) features wood roses, fire grass, and hand curled pods in husk-encased coconut shell.

Michigan State Design School

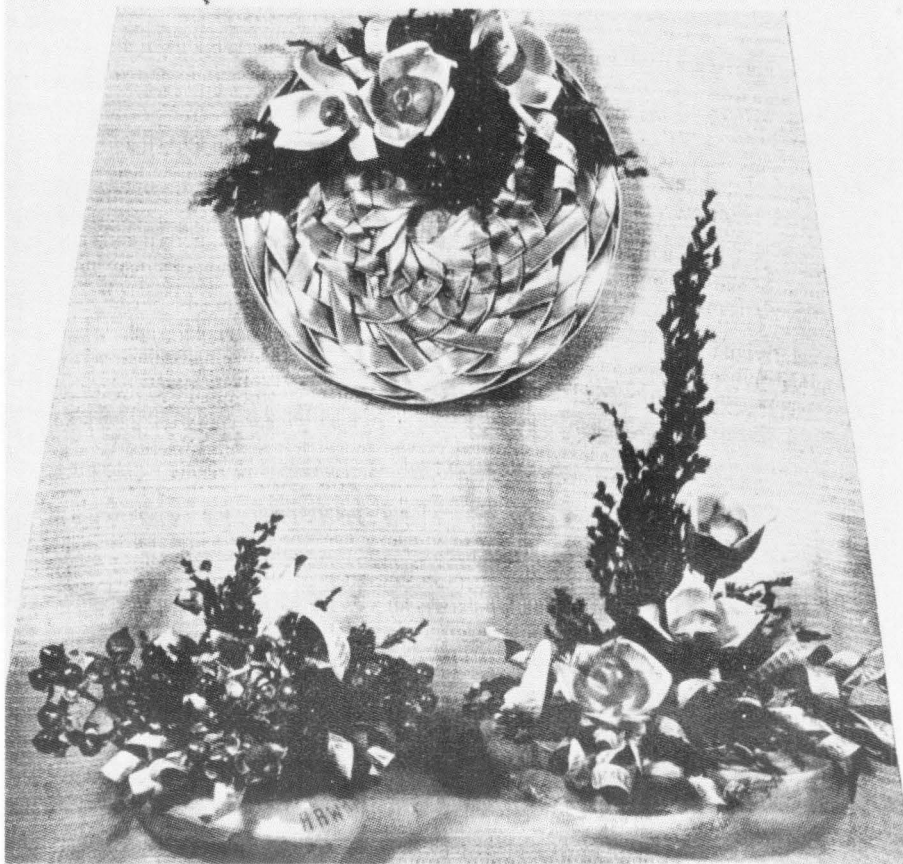


FIGURE 5. An illustration of arrangements employing Hawaiian floral products as carried in a national trade magazine.

varieties of ti cannot be produced in Hawaii. There continues to be a demand for increased numbers of the true pink anthuriums and to a lesser extent the pure white is desired. The estimate of 40 percent pink, 50 percent red, and 10 percent white as an optimum proportion continues to appear reasonable if florist opinion in the markets surveyed is used as a guide.

8. There is some evidence to indicate that the vanda Joaquim orchid is slowly regaining favor among florists. Despite their almost universal alienation from this flower because of its widespread use as a promotional "gimmick", most florists will admit that the Joaquim is basically a very usable and desirable flower. Here and there retail florists are now using this vanda in corsages, bouquets, and wreaths. Even small size arrangements are made with the vanda Joaquim. In those localities where the vanda has ceased to have appeal as a promotional item or where it has never been used extensively for that purpose, there is a reasonable prospect that florists might again consider the Joaquim as an acceptable part of their line. This flower had gained such a place for itself in the middle 1940's, but it rapidly lost favor among florists after the large scale promotions of vandas for giveaway purposes at store openings, conventions, etc., became the dominant channel through which the Joaquim was marketed on the Mainland. There remain many retail florists who will not have a vanda Joaquim in their shop. This means that the return of the flower to favor may be slow but among the trade there is now hope of success if a serious effort is made to regain some of the prestige that was lost.

Among the trade the consensus is that use of the vanda Joaquim for promotions of various kinds will undoubtedly continue to provide an important outlet for this orchid. In general, however, the conventional wholesaler-retailer channel is a minor factor in this trade and these dealers are only mildly interested in it. The great bulk of vandas shipped to the Mainland for promotions are handled by a limited number of firms that specialize in this type of business. No shift in this pattern is likely to occur for some time.

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