

# South Florida BUSINESS JOURNAL

## VALUE VENUES:

Businesses push added value offers, but what works — and why?

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## STRATEGIES

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# VALUE VENUES

South Florida firms deliver more in a down economy



Field of Flowers CEO Donn Flipse shows off some Oriental pink lilies. The flowers were part of the retailer's recent Lily Celebration.

BY LESLIE KRAFT BURKE

**A**fter being bombarded with “blues buster” retail and vacation offers, “recessionista” fashion and spa events, and “budget booster” promises of discounts and “more for your money,” consumers may never again agree to pay full price for anything.

To entice them to buy in a bad economy with seemingly no end in sight, businesses have launched a blitzkrieg of special offers. But, how do companies decide what to offer, and do the wthair coffers?

That depends on what the “added value” is and whether consumers perceive it as such, according to award-winning marketing veteran Bruce Turkel. In deciding what to offer, companies should never damage the core value of their products and services by cutting their cost indefinitely or offering them with something not of the same quality.

“You have to really know your customers and understand what their perceptions of high value are,” said Turkel, whose namesake firm is based in Coconut Grove. “Speak to your customers.”



MARK FREERKS

Above, Anthony Aquilina makes a table arrangement, while Yoonee Choi arranges flowers, right.



**Turkel**

Ask them what they want. Often, it may not cost you much to deliver.”

Turkel points to the example of coffee and bookstores offering Wi-Fi service.

“It costs them next to nothing and the chances are so much greater that people will stay longer and buy more if they have this access,” he said.

Added value generally is considered to be the increase in worth – or the perception of worth – of a product or service as a result of a particular activity. This could either be by adding something to a product or service or by packaging or branding it a certain way.

At Davie-based Field of Flowers, the staff conducts free flower arranging demonstrations during flower-oriented celebration events. There were free lily arranging classes for the Lily Celebration. Next is the Tulip Celebration, with classes offered from March 21 to April 15. In the process, Field of Flowers purchases greater quantities of featured flowers and passes discounts on to customers during these times. Field of Flowers also offers other onsite events for those buying flowers for special parties. The store partners with We Take The Cake during the events, and provides access to related party contacts, such as photographers and invitation sellers.



“Our periodic flower celebrations are a great hit,” Field of Flowers CEO Donn Flipse said. “We even raffle off one of the arrangements the designer makes. This is targeted specifically at getting more people to come into the store. We see for ourselves that it works.”

Partnering with another business is a particularly good idea for companies who want to offer something extra to their customers without devaluing their brand, product or service, Turkel noted, and said companies can get their offerings more exposure at the same time.

He added that packaging products and services together also is an effective way of temporarily discounting and also exposing customers to new offerings they may be persuaded to buy separately in the future.

Discounts – especially coupons – should always be temporary, he emphasized, noting that otherwise consumers see the lower prices as nothing special or develop “coupon dependency” – where they won’t buy at the business unless it’s offering the coupon.

Through Dec. 31, the Ritz-Carlton, South Beach offers the Tres Chic Pampering package for \$619, including a two-night stay in a deluxe room, daily breakfast for two in the hotel’s signature restaurant and three spa services. While the combination of the package’s offerings represents a significant discount to the upscale hotel’s typically pricy room, board and amenities, it encourages more traffic and exposes guests to the restaurant and spa – which they will likely use again during their stay or at another time.

RA Sushi restaurants, located throughout South Florida, recently extended their happy hours, which are now Monday through Saturday, instead of through Friday. Happy hour menus, offered from 3 to 7 p.m. on those days, have prices half off regular menu prices – a significant savings, as sushi is one of the more expensive dining-out options. Drink specials are from \$1 to \$7.



**Kilpatrick**

“Our extended happy hour provides guests the opportunity to enjoy great food and drinks, in a fun atmosphere, without breaking the bank,” RA Sushi VP Scott Kilpatrick said.

## THE CHALLENGES

- Enticing consumers to buy in a bad economy.
- Competing with so many other businesses offering “added value” at the same time.
- Finding the right “something extra” or discount that will be of value to customers and put money in the business owner’s pocket.

## LESSONS LEARNED

- The concept of added value doesn’t work for things nobody wants.
- Discounts should have expiration dates.
- Partnering with other businesses helps the process.
- Know your customers to know what they perceive as valuable.