

# 1-800 Number Adds Web Site And More \$

*continued from page 56*  
the original 1-800-Flowers name from a Texas-based business that lasted a mere two months before it declared bankruptcy. His second was embracing technology which, 12 years ago, was new—toll-free telephone shopping.

In those early years, in the midst of a "tremendous round of success," a good run of luck helped, too. AT&T's televised profile of the company, in a



Jim McCann  
President  
1-800-Flowers

commercial it repeatedly aired to eight million Olympics-watching viewers, didn't hurt. Nor did most of CNN's advertisers pulling the plug on ads during the Persian Gulf war of 1991, considering it distasteful to sandwich commercials between live war coverage. The free airtime CNN offered 1-

800-Flowers in early 1992 vastly improved the company's mindshare.

But, ultimately, the Internet catapulted the company ahead. This time around, the new technology was the Web, and, in 1992, 1-800 Flowers was one of a few companies selling on-line. Since the company had already established a strong brand in the toll-free retail space, on-line flower shopping caught on relatively quickly. Two years ago, 1-800-Flowers had the highest-volume Web site in the E-commerce world. Today, the company boasts \$40 million in on-line sales—more than 10 percent of its yearly sales of \$300 million—via America Online, the Microsoft Network and the Word Wide Web. With a 40 percent compounded annual growth rate for the last three years, it is one of the fastest-growing companies in the U.S.

But Mr. McCann doesn't attribute the company's success to on-line shopping alone. Rather, he views the four-prong approach 1-800-Flowers uses—telephone sales, Internet storefronts, catalog purchasing and retail shops—as the secret to its success, along with a well-established brand and a high commitment to customer service.

Today, customers can buy over the phone, switch to on-line purchases and may even drop by a neighborhood distributor to grab a bunch on the way home. On-line in-house services like Bloomlink

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## Web Adds To Flower Power

■ BY CAROLYN WHELAN

NEW YORK—"I still wonder if the flowers were wet because the stems were damp or my palms were so sweaty," said Jim McCann, president of 1-800-Flowers. "But from then on, I knew flowers would be an important part of my life." Mr. McCann was referring to his first date with Margarite, and the relatively circuitous route he took to becoming the first name in flowers in the on-line world.

Mr. McCann, who was keynoting at last week's Internet Commerce Show in New York, is certainly not your typical E-commerce guru. The Irish-Catholic New Yorker grew up painting walls alongside his four brothers and their father—who ran a contracting business in Queens (a borough of New York)—before graduating to bartending ("I was pretty successful at that"). A

move from socializing at work to social work seemed a natural one, so, for more than 14 years, he ran a group home, St. John's Home for teenage boys, in Rockaway, Long Island.

The move into flowers was a natural one, too, also involving "social connections with people." To satisfy the strange requests his kids were making, "things like a roof over their head, something to eat and clothes once in a while," Mr. McCann decided to supplement his meager non-profit income with revenues from a small flower shop he purchased. Bit by bit, he extended his floral empire, buying up 14 shops all over the metropolitan area before, albeit reluctantly, giving up his altruistic work and moving full-time into flowers.

Mr. McCann's first wise move was branding the company. In 1987, he bought up

*continued on page 57*

offer virtual floral classes, and its Floraversity is a training program for distributors. The company recently instituted creative services, such as pre-purchased flowers for birthdays and Mother's Day, and electronic reminders that special days are weeks away. Tomorrow: overseas markets.

Does Mr. McCann think the impersonalization of electronic communication will erode personal touches like flowers? Hardly. Computerized, streamlined transportation and logistics are enabling the year-round availability of Dutch lilies, Asian orchids and African

carnations, with savings from improved efficiencies allowing 1-800-Flowers to offer exotic alternatives at the same price as it did in 1989. In today's fast-paced, transient world, Mr. McCann says, unexpected surprises like bouquets count more than ever. ♦