

Florists call for ACCC investigation into 'misleading' advertisements by national firms

ABC South West WA / By Laura Birch

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Florist Jenny Scott says national companies are taking business from local providers.

(ABC South West: Kate Stephens)

Florists say customers are being misled into not supporting local businesses by deceptive online advertising — and it's putting their businesses at risk.

A group of florists has called on the Australian Competition and Consumer Commission (ACCC) to investigate the practice that allows national florists to masquerade as local companies.

Jenny Scott has owned a flower shop in Bunbury, Western Australia, for 25 years and said she had lost out on tens of thousands of dollars each year to these online websites.

"I would say [I've lost] about \$80,000 in my turnover," she said.

Key points:

- Florists want the ACCC to investigate national businesses that masquerade as local
- National companies use regional locations on their websites to appear local, then get local florists to fill orders at a reduced cost
- The national organisation for florists says

"They present and seem like they're local, showing phone numbers that look local, or name themselves as Bunbury."

the practice is the biggest concern to the industry

The companies allow customers to order flowers over the phone or online and then employ a local florist to make the flower arrangement at a reduced cost.

"It's the idea that they're professing that they're local themselves, when they're actually passing the order on to a local florist," Ms Scott said.



sts say deceptive advertising is a worldwide problem. (*ABC South West: Kate hens*)

'Misleading practice' an international problem

Bunbury MLA Don Punch said the practice was misleading and had written to the ACCC on behalf of the florists to ask for an investigation.

"If a reasonable person looking at a website thinks that they're dealing with a local provider and it turns out to be someone based in downtown Sydney, that's not right," Mr Punch said.

He wants the ACCC to issue guidelines to make it clearer who the consumer is buying from and who is accountable for the product.

Jason Nealon, President of Flowers Australia, a national voice for florists, said online order gatherers are the biggest concern for the industry.

"This is not just an issue for Australia — it's an issue worldwide," he said.

"The whole aim is to be the first option for people looking for flowers in specific areas."

He said the online companies were trying to capitalise on spontaneous flower purchases.

"They're doing some amazingly misleading activity," Mr Nealon said.

"So even finding vacant blocks within different cities and marking that as their shop locations on Google maps."

Capitalising on search engine results

When typing a question or business into a search engine, online advertisements appear at the top of the page followed by organic search results.

Kenneth Yap is a marketing lecturer at Murdoch University and said most people did not scroll past those first few websites.

"In 50 per cent of general search enquiries, people generally click and find the answer within the first three links," Dr Yap said.

He said companies could pay to be at the top of search results and ask search engines to target customers' locations using postcodes.

Website designers or managers can make a website appear local by inserting a specific word or location into parts of their page and URL.



sts say bouquets can be a spontaneous purchase, which national companies can
alise on. (ABC South West: Kate Stephens)

Dr Yap said this could lead search engines to believe the company was legitimately located in that area.

But the practice could be expensive.

"If they're smaller companies in regional towns maybe they don't have the kind of digital presence," he said.

"Maybe they don't have the resources to buy Google ads ... or show up on a Google search page."

To Jenny Scott this practice was not just harming the florist industry, but communities as well.

She said small businesses, like her own, provided financial support to local charities and sporting clubs.

"As the years go by if these services keep coming in and taking over local business, the funds won't be there for these sponsorships and these really worthy causes of people who need money to help families and communities," Ms Scott said.