# The Sydney Morning Herald

Business Small business Managing

This was published 4 years ago

# Mother's Day rip-off warning: How online florists can short-change customers



By **Cara Waters**May 12, 2017 — 8.34pm

Mother's Day is the most popular day of the year for buying flowers but florists are warning of the "devastating" impact of online order gatherer florists.

Local florists say customers may be left short-changed with flowers that are drooping, late or damaged while they are left dealing with the fallout.

Order gatherer florists are websites which gather orders from the internet. The florists are not attached to a physical, bricks-and-mortar flower shop or warehouse; instead their businesses are built on websites visible in every Australian suburb through online search listing.

After a customer orders online the order gatherer florists pass it on to a local florist after deducting a percentage of the order without ever advising consumers there is a middle-man involved.



Charles Lukasik, owner of Floral Expressions says order gatherer florists are "devastating" for the industry. NICK MOIR

"The effect on florists is devastating," says Charles Lukasik, florist and owner of Floral Expressions in Northmead and founder of the Australian Florists Network.

"Our industry is getting a bad reputation as consumers are paying order gatherers for flowers worth a certain amount, but when they get delivered they are only worth a fraction of the price. Last Mother's Day lots of florists refused to make up orders for order gatherers resulting in a lot of unhappy customers who paid for their orders on line, but they were never delivered."

#### Deceptive local advertising

Lukasik says some order gatherer florists engage in deceptive local advertising.

"Order gatherers spend thousands of dollars with Google to be seen as the local florist in all suburbs," he says. "They appear in every suburb in Australia, claiming to be located in that suburb."

Order gatherer florist Lily's Florist appears through its targeted advertising to be a local florist – however the business is online only and does not have physical stores or warehouses.

In a 2012 interview with <u>payment provider E-Way</u> Andrew Thomson, co-founder and chief executive of Lily's Florists, detailed how the business captures online flower orders through over 30 major city-specific websites across Australia, 200 micro-sites for the smaller towns and suburbs across Australia for customers searching on Google and over 150 feeder

websites that forward potential customers to the national Lily's Florist website.



Wollongong Florist - Shop 3, 106-108 Central Road Wollongong



Spot the difference: Lily's Florist in Wollongong and Lily's Florist Parramatta.

#### False address claims

Lukasik says other order gatherer florists falsely claim to be located at physical street addresses on their websites.

"[It is] to reinforce their claims that they are a local, bricks-and-mortar establishment," he says.

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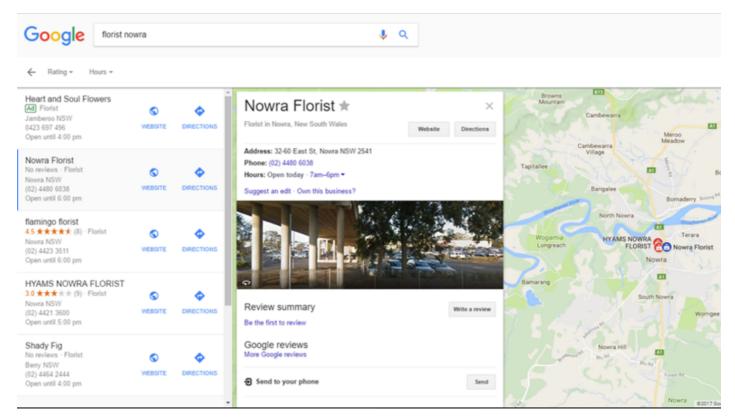
Charles Lukasik, Australian Florists Network founder.

For example, Lily's Florist claims to have a store at 32-60 East street in Nowra New South Wales but a Google search of this location shows it is an underpass.

Thomson says Lily's Florist has advised Google that this is not the business' listing.

"Sometimes Google will attach a URL to an incorrect address, as they have with the Lily's

Florist Nowra listing," he says. "Obviously we do not have a member florist under a bypass. Google relies heavily on user input with these listings."



A search for Lily's Florist in Nowra leads to an underpass.

## **Chunky commissions**

Order gatherer florists often deduct a hefty commission leaving consumer with a small bunch of flowers after spending up big.

The Australian Florists Network says commissions range from between 21 per cent and 55 per cent and leave both consumers and local florists short changed.

Sometimes the commission can be even more, Annie Lok the owner of South City Florist in Wagga Wagga received an order from order gatherer Ready Flowers for a dozen long stem red roses which were sold to the consumer at \$124.95 reduced from \$178.50.

The order was sent to Lok for \$57.85, a commission of 67 per cent by the order gatherer.





Left side shows a bunch of flowers ordered by a consumer for \$124.95 and on the right is the price paid to the florist of \$57.87.

Ready Flowers has been the subject of ongoing customer complaints and an investigation by the Australian Competition and Consumer Commission. The order gatherer florist collapsed into administration last month owing local florists more than \$188,000.

Lok says order gatherers Ready Flowers and Z Flowers use an auction system where the order is offered to a range of local florists for the suggested price of \$57.85. The local florists then bid to win the work.

"Most of the time I ask for more money because the prices are ridiculous," Lok says. "You wouldn't make any money. You lose your labour you lose everything. I think it is very desperate that florists will do it."

Z Flowers failed to respond to a request for comment.

### Disgruntled customers

Lok is concerned about the impact on customers.

"At the end of the day the customer will receive something that is not good at all," Lok says. "It is not possible to deliver to the original price. It's a big problem because the customer will never receive the value they expect because [the order gatherer florists] go for the lowest price."



A Ready Flowers complaint.

Customer reviews on sites such as Product Review echo Lok's concerns.

Many of the order gatherer sites attract very mixed reviews with Fast Flower's customer "Richo" complaining "Very disappointing display of flowers the roses were drooping when delivered they were all dead within 2 days will never use or recommend your business to anyone".

Fast Flowers failed to respond to a request for comment however did offer a refund to the customer.

#### Florist's choice

Thomson defends the practice of order gathering on the basis that local florists choose to participate.

"With our system, they can reject orders if they can't or don't want to do them and they can always withdraw from the membership at any time," he says. Thomson says the commission charged by Lily's Florist varies and he will not disclose the percentage.

"Our fees are such that the florist can still make the order to value so the customer is receiving the product at full value and the florist is still profiting," he says. "Otherwise – the florist would not accept our order and we would never have repeat customers as we do."

#### Impact on the industry

The Australian Small Business and Family Enterprise Ombudsman has been dealing with complaints about order gatherers.

"The ASBFEO is aware of this issue and has investigated complaints on behalf of florists who have not be paid for supplying flowers through online florist operations, which have been referred to as 'order gatherers'," a spokesperson for the ombudsman says. "The complaints from bricks-and-mortar florists result from being left out of pocket after supplying flowers ordered by 'order gatherers' who have failed to pay them for their services."

Brendan Dodwell, owner of North Side Flower Market in Brisbane, says local florists are struggling to compete against the sheer size and resources of order gatherer florists.

"A small individual florist has nowhere near the resources to compete against a business that has millions of dollars to spend on online advertising that says we are an online business in your suburb."

Dodwell says customers can avoid order gatherers by supporting local florists.

"If you are interested in a local florist look at their website for a physical address," he says. "Look at the reviews and their social media and Facebook page."

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