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Roses Only founder launches start-up in New York

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Sydney-founded online floral delivery business Roses Only has launched in the US, with hopes of taking a piece of the country's \$US3 billion (\$3.98bn) online floral retailing market.

The company is delivering boxes of long-stemmed red, pink and yellow roses across New York City, with plans to expand to cities such as Los Angeles, Chicago and Miami. New York is the third international location for Roses Only founder and director James Stevens, following expansions to Singapore and London.

Mr Stevens sold the Australian arm of the delivery service to FlowersCorp in 2013 but retained the rights to the brand outside Australia.

“New York is the place, of all the cities in the world, that lends itself more to Roses Only than any other,” Mr Stevens told *The Australian*.

“It's a discerning economy (and) I just love the energy.”

With concentrations of bankers, lawyers and other well-paid professionals, the city has the right demographic fit for a brand that charges \$US99 for a dozen red roses, he thinks.

Mr Stevens estimates that in time the business could be turning over \$US20 million a year in New York alone, comparable to total sales from Roses Only Australia.

Mr Stevens launched the brand in Australia in 1995, not knowing a husband-and-wife team of

Dutch immigrants, Jan and Janny Ooms, had already opened their florist named Roses Only in New York a few years earlier.

At its height, the first incarnation of Roses Only, New York had 16 stores.

But after facing problems with their partners that led to the business closing, the Ooms started a new venture, Roses and Blooms.

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After becoming aware of each other's existence, the Ooms have partnered with Mr Stevens to launch a new Roses Only, New York.

While Roses Only provides the brand, online store and packaging, Roses and Blooms will fill the orders with roses imported from Ecuador.

The partners are well aware of their array of competition.

A Google search for “roses delivered New York” returns a plethora of results and advertising. Corner stores sell cut-price bouquets and well-established local brands are more recognisable.

One of the biggest US players, 1-800 Flowers, is a Nasdaq-listed company that reported sales of \$US1.2 billion in the past year — from total sales of \$US3bn across all online floral retailers in the US, according to IBISWorld. The equivalent Australian market is worth \$68m.

In that competitive environment, Mr Stevens's plan is to launch slowly and to use creative strategies to avoid the high cost of subway advertising.

But unless the weather is unusually cold, couriers will use the subway to courier the gifts, explains Roses Only New York chief executive Rob Huxley, who has relocated from Australia to manage the venture.

“The beauty of hand delivering on the subway is you get all that free branding,” he says.

“All the delivery guys are going to have little cards ... and they’ll be promoting the product every time they deliver as well.”

The first batch of Roses Only branded boxes have been manufactured by Visy and shipped from Australia, an exercise which Mr Huxley says is “almost as cheap” as to source US packaging later, because of the weaker Australian dollar.

The September launch is designed to allow ramp-up time before Valentine’s Day, the biggest day for florists.

Americans spent \$US1.9 billion on flowers last February 14, according to the trade association, the National Retail Federation.

Mr Stevens is adamant the company doesn’t want to be a fad. “I’d like to be known as the finest rose delivery brand in New York,” he says. “The sending of a dozen roses is a classical action.”