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1-800-FLOWERS.COM Opens Millions of Stores Overnight

*Alvenda Shoplets Generated a 41% Increase in Sales and
10.5x Lift in Interaction Rates*

EXECUTIVE SUMMARY

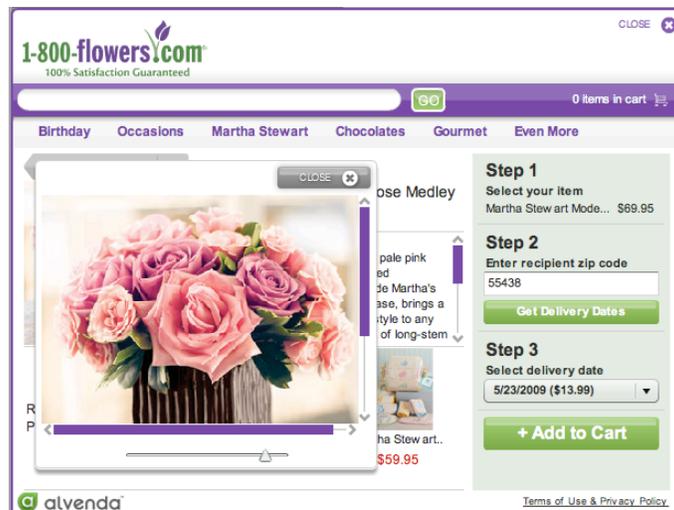
In May, 2009, 1-800-FLOWERS.COM achieved an industry first by running a commerce-enabled advertising campaign for the Mother's Day holiday. Thousands of customers were able to conveniently order gifts from the leading retailer's banner advertisements without getting "clicked off" the Web site they were browsing. The complete 1-800-FLOWERS.COM Web store was brought to their customers rather than the other way around!

1-800-FLOWERS.COM has been recognized as a multi-channel innovator and was one of the first companies to market products online beginning in 1992 through CompuServe and on America Online in 1994. "1-800-FLOWERS.COM has consistently pushed traditional boundaries to create not just one, but several access channels," said Jim McCann, CEO, 1-800-FLOWERS.COM. "Through our collaboration with Alvenda, we have now opened millions of stores on Web sites frequented by our customers."

Alvenda Shoplets are brand-consistent rich media ecommerce stores that are published across many of the Internet's most visited Web sites in the form of banner ads. The Shoplets are highly interactive, easy to use, and designed for the needs of the "on-the-go" consumer – specifically those customers looking to make a quick purchase. The retailers' entire product assortment is available to shoppers through fast navigation and search capabilities. The checkout process is streamlined to capture impulse buys and supported by secure encryption technology verified by VeriSign.

1-800-FLOWERS.COM launched the Alvenda program in time to support one of its largest holidays – Mother's Day. In an A/B test, millions of Shoplets were distributed to publisher Web sites alongside comparable banner advertisements promoting Mother's Day gifts.

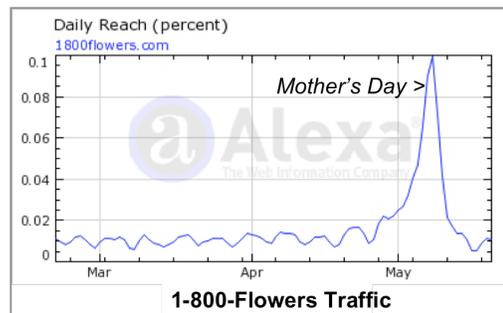
The Alvenda ShopletsTM delivered 41% more sales per impression and a 10.5x lift in interaction rates compared to the banner advertisements.



KEY SUCCESS CRITERIA

Given their historical success expanding into new channels, 1-800-FLOWERS.COM immediately saw the potential of online distributed commerce with Alvenda. Five key success criteria were outlined for the launch. Alvenda and 1-800-FLOWERS.COM successfully delivered against each of the following:

1. 100% Customer Satisfaction
 - a. The campaign was launched during one of 1-800-FLOWERS.COM largest holidays of the year – Mother’s Day. All customer touch points needed to be able to capture orders with 100% accuracy.
 - b. Real-time inventory access was necessary to manage the large number of same-day-delivery orders unique to the 1-800-FLOWERS.COM business and the highly perishable nature of the product.
2. Safety and Security
 - a. All customer information collected during checkout in the 1-800-FLOWERS.COM Shoplets needed to be securely captured, transmitted, and managed.
3. Scalability
 - a. 1-800-FLOWERS.COM processes more than 14 million transactions per year. Mother’s Day represents a significant spike in traffic and order volume. The Alvenda platform needed to be able to quickly scale to support the huge volumes.
4. Profitability
 - a. The program needed to deliver a higher return on advertising spend (ROAS) relative to other advertising vehicles (ex. search, affiliate marketing, display advertising).
 - b. The program needed to represent very low financial risk including low-to-no upfront fees and revenue share pricing that ensured profitable sales.
 - c. The program needed to be self-sufficient and not require 1-800-FLOWERS.COM IT resource support given the important IT needs of other planned Mother’s Day holiday campaigns.
5. Speed to Market
 - a. The program needed to be up and running live in production within four weeks in order to support the Mother’s Day holiday.



PROGRAM IMPLEMENTATION

Over the previous months, 1-800-FLOWERS.COM had recently completed the implementation of a new more agile technology infrastructure including software from IBM WebSphere® Commerce, Endeca, and others. This flexible platform has enabled 1-800-FLOWERS.COM to try new business strategies while minimizing risk.

In less than four weeks, Alvenda was able to quickly integrate the Alvenda distributed commerce capability with the 1-800-FLOWERS.COM platform and launch a new sales channel for the business.

A beautiful, brand-consistent Shoplet™ was developed for 1-800-FLOWERS.COM and delivered as a rich media banner advertisement across many of the Internet’s most visited Web sites.

- The Shoplet™ is highly interactive, easy to use, and designed for the needs of the “on-the-go” consumer – specifically those customers looking to make a quick gift purchase.
- The entire product assortment is available to shoppers through fast navigation and search capabilities.
- The checkout process is streamlined to capture impulse buys and supported by secure encryption technology verified by VeriSign.

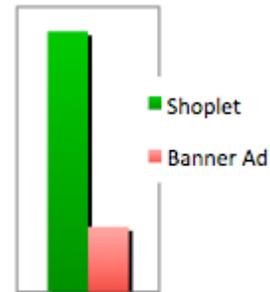
PROGRAM RESULTS

1-800-FLOWERS.COM launched their Alvenda program one week before Mother’s Day 2009. More than 75 million impressions across premium publisher Web sites were served in the first few days of the campaign.

An A/B testing approach was used for the program. The 1-800-FLOWERS.COM® ShopletTM was run against the 1-800-FLOWERS.COM banner advertising unit. *The results were remarkable:*

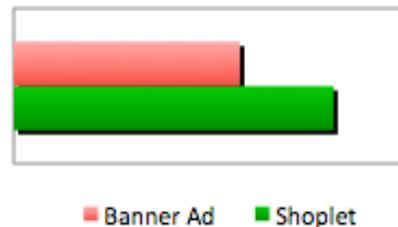
1. **Interaction Rates.** Interaction rates for ShopletsTM were 10x higher than banner ads that require customers to “click-off” their current site to visit the advertiser. On content heavy publishers (ex. MSNBC), interaction rates were 13x higher than standard display ads.

Consumers preferred to interact with an advertiser’s brand at current Web location rather than commit to visiting an advertiser’s Web site directly.



2. **Sales per Impression.** ShopletsTM drove more sales than banner ads, generating 41% more sales per impression.

Consumers trusted the 1-800-FLOWERS.COM brand, the Publisher’s brand, and the Shoplet itself.



It was also observed that when promotional language was added to the Shoplet, interaction rates dropped by 20%! Consumers prefer to interact with brands NOT advertisements. The more the Shoplet looked like an advertisement the sharper the decline in interactions.

“We are very pleased with the financial results of the Alvenda program,” said Lewis Goldman, SVP Marketing, 1-800-FLOWERS.COM. “Alvenda’s low risk performance pricing model made this an easy decision for us. Alvenda is 100% aligned with our revenue growth goals and they have ‘skin in the game,’ as we only pay Alvenda a sales commission when they deliver real sales results.”

Alvenda was able to bring 1-800-FLOWERS.COM live on their sales network in less than four weeks from start to finish. The turn-key enablement approach didn’t require support from the flower retailer’s IT group. “It was important to us that Alvenda could launch the program without hampering our IT team’s efforts to optimize our existing Mother’s Day campaign,” added Goldman.

Overall, 1-800-FLOWERS.COM’s Alvenda program generated (ongoing) revenue at a superior return on advertising spend (ROAS). By literally bringing the store to their consumers they’ve created a world-class showcase for their brand and they’ve given their customers a convenient new channel to transact with.

“We believe the majority of future online sales will happen offsite. Customers will be able to shop with brands wherever they happen to be whether they’re on YouTube, a favorite blogger Web site, or in Facebook,” said Wade Gerten, CEO, Alvenda. “With innovative merchants like 1-800-FLOWERS.COM, Alvenda is moving commerce forward to these touch points and is generating remarkable sales results.”

ABOUT 1-800-FLOWERS.COM

1-800-FLOWERS.COM, Inc. is the world's largest florist and gift shop. For more than 30 years, 1-800-FLOWERS.COM, Inc. has been providing customers with fresh flowers and the finest selection of plants, gift baskets, gourmet foods, confections, balloons and plush stuffed animals perfect for every occasion. 1-800-FLOWERS® (1-800-356-9377 or www.1800flowers.com), was listed as a Top 50 Online Retailer by Internet Retailer in 2006, as well as 2008 Laureate Honoree by the Computerworld Honors Program and the recipient of ICMI's 2006 Global Call Center of the Year Award. 1-800-FLOWERS.COM offers the best of both worlds: exquisite arrangements created by some of the nation's top floral artists and hand-delivered the same day, and spectacular flowers shipped overnight from its Fresh From Our Growers® collection. As always, 100% satisfaction and freshness are guaranteed. Also, visit 1-800-Flowers en Español (www.1800flowersenespanol.com). The Company's BloomNet® international floral wire service provides (www.mybloomnet.net) a broad range of quality products and value-added services designed to help professional florists grow their businesses profitably.

The 1-800-FLOWERS.COM, Inc. "Gift Shop" also includes gourmet gifts such as popcorn and specialty treats from The Popcorn Factory® (1-800-541-2676 or www.thepopcornfactory.com); cookies and baked gifts from Cheryl&Co. ® (1-800-443-8124 or www.cherylandco.com); premium chocolates and confections from Fannie May® confections brands (www.fanniemay.com and www.harrylondon.com); gourmet foods from GreatFood.com® (www.greatfood.com); wine gifts from Ambrosia® (www.ambrosia.com); gift baskets from 1-800-BASKETS.COM® (www.1800baskets.com) and DesignPacSM gifts (www.designpac.com); Celebrations® (www.celebrations.com), a new premier online destination for fabulous party ideas and planning tips; as well as Home Decor and Children's Gifts from Plow & Hearth® (1-800-627-1712 or www.plowandhearth.com), Wind & Weather® (www.windandweather.com), HearthSong® (www.hearthsong.com) and Magic Cabin® (www.magiccabin.com). Shares in 1-800-FLOWERS.COM, Inc. are traded on the NASDAQ Global Select Market under ticker symbol FLWS.

ABOUT ALVENDA

Alvenda operates a commerce-enabled advertising network for merchants consisting of premium publishers, bloggers, subject matter experts, and even customers themselves. With Alvenda, everybody sells! Alvenda enables merchants to generate profitable revenue by targeting, advertising, and transacting with customers across millions of locations on the Web. Alvenda is a privately-funded company headquartered in Minneapolis, MN. Alvenda was founded in 2008 by three executives with past expertise in merchandise optimization software at Oracle Retail, online retail marketing at Target.com, and interactive advertising at Ogilvy Interactive. For more information on Alvenda, visit www.alvenda.com.

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