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1. Introduction

Green Haven Florists is a small independent flower shop based in Norwich, UK, known for bespoke floral arrangements, eco-friendly practices, and strong community relationships. Despite previous success, the business has experienced a significant decline in revenue and footfall over the past 12 months. This report analyses the core business problem facing Green Haven Florists, evaluates two alternative solutions, and recommends the most appropriate course of action. A risk analysis, implementation

plan, and performance measurement framework are also provided to support sustainable decision-making in line with the module learning outcomes.

2. Identification of the Business Problem

The primary business problem facing Green Haven Florists is a decline in profitability caused by reduced in-store sales, increased competition, and rising operational costs. In the last year, in-store sales have decreased by approximately 30%, largely due to reduced high-street footfall and changing consumer behaviour favouring online shopping. Large online flower retailers offer lower prices, same-day delivery, and frequent promotions, placing pressure on Green Haven's traditional business model.

Additionally, rising costs of imported flowers and sustainable packaging materials have eroded profit margins. Although the company's commitment to sustainability aligns with consumer values, it has become increasingly expensive to maintain. Internally, weaknesses in digital capability—such as an outdated website, limited digital marketing skills, and lack of structured online services—have further limited Green Haven's ability to compete effectively.

Overall, the problem is multifaceted, involving external market pressures, internal capability gaps, and strategic misalignment with evolving customer expectations.

3. Alternative Solutions

Based on the identified problem, two realistic strategic alternatives are proposed:

Solution 1: Digital Transformation and Online Expansion

This solution focuses on modernising Green Haven Florists' digital presence. It includes redesigning the website, introducing online ordering, flexible delivery options, and flower subscription services, as well as investing in digital marketing through social media and search engine optimisation.

Solution 2: Differentiation Through Community Engagement and Experiential Retail

This option emphasises strengthening Green Haven's physical presence by offering in-store workshops, floral classes, community events, and partnerships with local businesses. The aim is to increase footfall by positioning the shop as a community hub and premium experiential brand.

4. Evaluation of Alternative Solutions

The two alternatives are evaluated using the PMI (Plus, Minus, Interesting) tool (see Appendix A).

Solution 1: Digital Transformation and Online Expansion

Pluses include increased market reach, improved customer convenience, potential revenue growth through subscriptions, and better competitiveness against online retailers.

Minuses involve initial investment costs, the need for new digital skills, and possible resistance to change.

Interesting aspects include data-driven marketing opportunities and scalability beyond the local market.

Solution 2: Community Engagement and Experiential Retail

Pluses include reinforcing brand identity, customer loyalty, and differentiation through personal experience.

Minuses include limited scalability, dependence on physical footfall, and vulnerability to economic downturns.

Interesting points include opportunities for collaborations and enhanced word-of-mouth marketing.

While both solutions address aspects of the problem, Solution 1 directly responds to changing consumer behaviour and competitive pressures.

5. Selection of the Preferred Solution

The preferred solution is **Digital Transformation and Online Expansion**. This option is the most appropriate because it tackles the root causes of declining sales by aligning the business with current digital and consumer trends. Unlike Solution 2, which relies heavily on physical presence, digital expansion allows Green Haven to compete more effectively with online retailers while still retaining its sustainable and bespoke brand values.

Furthermore, online services such as subscriptions and flexible delivery provide recurring revenue streams and reduce reliance on unpredictable foot traffic. This

solution also offers long-term scalability and resilience in a changing retail environment, making it more sustainable than a purely experiential strategy.

6. Risk Analysis of the Selected Solution

A basic risk analysis is presented in Appendix B. Key risks include:

- **Financial Risk:** High upfront costs for website development and marketing may strain cash flow.
- **Operational Risk:** Limited digital expertise could delay implementation or reduce effectiveness.
- **Market Risk:** Increased online competition may limit differentiation if branding is unclear.

Mitigation strategies include phased investment, outsourcing digital development, staff training, and maintaining a strong sustainability-focused brand message.

7. Implementation Action Plan

The implementation plan (Appendix C) outlines a phased approach over six months:

1. **Planning Phase:** Define objectives, budget, and select digital service providers.
2. **Development Phase:** Redesign website, integrate online ordering and payment systems.
3. **Marketing Phase:** Launch social media campaigns, email marketing, and subscription promotions.
4. **Training Phase:** Develop digital skills for owners and staff.
5. **Launch and Review:** Go live, collect customer feedback, and refine services.

Clear responsibilities, timelines, and resources are allocated to ensure effective execution.

8. Measuring the Effectiveness of Implementation

Effectiveness will be measured using key performance indicators (KPIs), including:

- Growth in online sales revenue

- Number of subscription customers
- Website traffic and conversion rates
- Social media engagement metrics
- Overall profitability and customer satisfaction

Regular monthly reviews will allow Liam and Priya to monitor progress and make data-driven adjustments.

9. Conclusion

Green Haven Florists faces significant challenges due to changing consumer behaviour, increased competition, and rising costs. Through careful analysis, this report has identified digital transformation as the most effective strategic solution. By investing in online capabilities while maintaining its sustainable ethos, Green Haven Florists can reposition itself for long-term success. Effective risk management, structured implementation, and ongoing performance measurement will be essential to achieving sustainable growth.

10. Reference List

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