

Component 2 – Individual Report

Module: Problem Solving and Decision Making

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1. Introduction

Green Haven Florists is a small independent flower shop based in Norwich, UK. The business has built a positive reputation for bespoke floral designs, environmentally friendly packaging, and strong links with the local community. However, over the past year, the business has experienced a decline in sales and customer footfall. This report aims to analyse the main business problem facing Green Haven Florists, propose two realistic alternative solutions, and evaluate them using a decision-making tool. One solution will then be selected and justified. The report will also include a basic risk analysis, an implementation plan, and a discussion on how the effectiveness of the chosen solution can be measured.

2. Explanation of the Business Problem

Over the last twelve months, Green Haven Florists has experienced a noticeable reduction in in-store sales. Although there has been a small increase in online orders, this has not been sufficient to compensate for the loss of walk-in customers. One key reason for this issue is the change in customer shopping behaviour, with many customers now choosing to buy flowers online due to convenience, wider choice, and lower prices. The business is also facing increased competition from large online flower retailers and a national chain that offers fast delivery and frequent discounts. These competitors have greater resources and stronger digital marketing strategies, making it difficult for a small independent florist to compete. In addition, customer feedback has highlighted that Green Haven's website is outdated and difficult to navigate, which reduces its ability to attract and retain online customers. Rising operational costs have further contributed to the problem. The cost of imported flowers has increased due to inflation and supply chain issues. At the same time, the business's commitment to sustainable materials, such as biodegradable packaging and locally sourced flowers, has increased expenses. These factors combined have placed pressure on profitability and threaten the long-term sustainability of the business.

3. Alternative Solution 1: Social Media Marketing and Digital Improvement

The first proposed solution is to improve Green Haven Florists' digital presence through social media marketing and website improvement. Social media platforms such as Instagram and Facebook could be used to promote floral arrangements, share behind-the-scenes content, and advertise special offers. Regular posting would help increase visibility and engagement with both existing and potential customers. Improving the website is also a key part of this solution. A more user-friendly website with clear product images, simple navigation, and easy online ordering could encourage more customers to place orders online. This would help the business compete more effectively with online retailers while maintaining its unique brand identity. This solution focuses on long-term growth by building brand awareness and adapting to modern customer behaviour. It also allows Green Haven Florists to reach a wider audience without the need for significant physical expansion.

4. Alternative Solution 2: Price Promotions and In-Store Discounts

The second solution is to introduce regular price promotions and in-store discounts to attract customers back to the shop. This could include seasonal discounts, loyalty cards, or special offers for repeat customers. Such promotions may encourage short-term increases in foot traffic and sales. However, this solution has several limitations. Frequent discounts could reduce profit margins, especially given the rising cost of flowers and materials. There is also a risk that customers may only purchase during promotions, which could affect long-term revenue. As a result, while this solution may provide temporary relief, it does not fully address the underlying issues facing the business.

5. Evaluation of the Two Solutions

The two proposed solutions were evaluated using a Grid Analysis (PMI method), which considers the positive, negative, and interesting aspects of each option. The results of this analysis are shown in Appendix 1. The analysis indicates that social media marketing and digital improvement offers stronger long-term benefits, including increased customer engagement, improved brand visibility, and sustainable growth. In contrast, price promotions scored lower due to financial risks and limited long-term impact. Based on this evaluation, the digital-focused solution is considered more suitable.

for addressing the business problem.

6. Selected Solution and Justification

Based on the evaluation, social media marketing and digital improvement is the most appropriate solution for Green Haven Florists. This solution directly addresses the main challenges identified, including declining footfall, weak online presence, and increased competition. By strengthening its digital presence, the business can attract new customers while maintaining relationships with existing ones. Unlike price promotions, this approach focuses on long-term value rather than short-term incentives, making it a more sustainable option for the business.

7. Risk Analysis

One potential risk associated with this solution is the lack of digital marketing skills within the business. This may slow down implementation or reduce effectiveness. Another risk is that online marketing efforts may take time to generate measurable results. These risks can be managed by starting with simple strategies, using free or low-cost digital tools, and gradually improving digital skills through training or external support. Setting realistic expectations and monitoring progress regularly can also help reduce risk.

8. Implementation Plan

The implementation process would begin with updating the website to improve usability and online ordering. This could be followed by creating a clear social media content plan, including regular posts, promotions, and customer testimonials. A small advertising budget could be allocated to boost visibility on social media platforms. The business owners would monitor progress on a monthly basis and adjust strategies as needed based on performance and customer feedback.

9. Measuring Effectiveness

The effectiveness of the chosen solution can be measured using key performance indicators such as website traffic, number of online orders, social media engagement, and overall sales figures. Customer feedback and repeat purchase rates can also provide insight into customer satisfaction and loyalty.

10. Conclusion

In conclusion, Green Haven Florists is facing several challenges due to changing customer behaviour, increased competition, and rising operational costs. After evaluating two alternative solutions, social media marketing and digital improvement was identified as the most effective and sustainable option. By implementing this solution, the business can improve its market position, increase sales, and support long-term growth.