

**Module Title:** *Problem Solving and Decision Making*

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## Table of Contents

|                                                                                            |                 |
|--------------------------------------------------------------------------------------------|-----------------|
| <b><i>Module Title: Problem Solving and Decision Making.....</i></b>                       | <b><i>1</i></b> |
| <b><i>Introduction .....</i></b>                                                           | <b><i>3</i></b> |
| <b><i>Brief Explanation of the Specific Business Problem .....</i></b>                     | <b><i>3</i></b> |
| <b><i>Suggested Two Alternative Solutions .....</i></b>                                    | <b><i>3</i></b> |
| <b><i>Justification for Selected Solution.....</i></b>                                     | <b><i>5</i></b> |
| <b><i>Risk Analysis of the Selected Solution .....</i></b>                                 | <b><i>5</i></b> |
| <b><i>Plan to Implement the Selected Solution .....</i></b>                                | <b><i>6</i></b> |
| <b><i>Means of Measuring Effectiveness of Implementation of Selected Solution.....</i></b> | <b><i>7</i></b> |
| <b><i>Conclusion .....</i></b>                                                             | <b><i>8</i></b> |
| <b><i>References.....</i></b>                                                              | <b><i>9</i></b> |

## Introduction

This report analyses the challenges faced by Green Haven Florists, a small independent flower shop in Norwich, and explores how the business can adapt to a changing retail environment. Two alternative solutions are developed and evaluated using PMI and Grid analysis. The report then justifies the selected solution, outlines a realistic implementation plan, and explains how its effectiveness will be monitored and evaluated through appropriate Key Performance Indicators (KPIs) and SMART objectives. Digitalization is especially important for small businesses, as digital marketing helps them reach customers where they already are and compete with larger firms (Digital Marketing Institute, 2024).

## Brief Explanation of the Specific Business Problem

Green Haven Florists, once successful for its bespoke floral designs and eco-friendly image, has experienced a 30% decline in in-store sales and reduced foot traffic on the high street. Although online orders have risen slightly, they do not fully compensate for this loss. The main causes include a shift in consumer behaviour towards online shopping, rising costs of imported flowers and sustainable materials, and an outdated, hard-to-use website with limited delivery and subscription options. In addition, Liam and Priya rely mostly on word-of-mouth and occasional social media posts, while new local competitors offer stronger online presence and more attractive pricing. This reflects wider UK trends, where growth in online shopping has contributed to declining footfall and pressure on high street retailers (Retail Bulletin, 2024).

## Suggested Two Alternative Solutions

**Solution A:** Digital Modernisation (Expanded website + Active social media strategy)

### PMI analysis

| Plus                       | Minus                         | Interesting                   |
|----------------------------|-------------------------------|-------------------------------|
| Increase online sales      | Owners need digital skills    | Social media collaborations   |
| Attracts younger customers | Requires financial investment | New online features possible  |
| Expands market reach       | Time consuming to maintain    | Useful customer analytics     |
| Boosts brand visibility    |                               | Strong eco-brand storytelling |

|                                |  |  |
|--------------------------------|--|--|
| Supports subscription services |  |  |
|--------------------------------|--|--|

Digital modernisation allows Green Haven to shift part of its declining in-store sales to online channels by offering a more accessible, user-friendly website and convenient ordering options. A stronger social media presence increases visibility, attracts new customers, and brings back existing ones who moved to online competitors. Together, these digital improvements help compensate for the 30% drop in physical foot traffic and create a more stable, diversified revenue stream. Research on digital and social media marketing shows that online channels can increase brand awareness and sales while keeping costs relatively low, which is crucial for small firms like Green Haven (Dwivedi et al.,2021)

#### **Solution B:** Subscription based Weekly flower service

##### **PMI analysis**

| Plus                                           | Minus                                                   | Interesting                                           |
|------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| Provides stable recurring income               | Requires reliable delivery logistics                    | Opportunity to promote eco-friendly, seasonal flowers |
| Long-term customer loyalty                     | High commitment for owners to maintain weekly schedules | Opportunity to offer gift-based subscriptions         |
| Attracts both households and corporate clients | Quality stability                                       | Ability to launch returning client promotions         |
|                                                | Staff requirements                                      |                                                       |

A subscription service creates a stable and predictable revenue stream that compensates for the decline in walk-in customers. By encouraging repeat purchases, it builds long-term customer loyalty and reduces dependence on foot traffic. This consistent demand helps offset the 30% drop in sales and provides a more reliable financial foundation for the business.

## Grid analysis

| Factors:      | Revenue<br>Impact | Cost<br>effectiveness | Customer<br>Reach | Long-term<br>sustainability | Competitive<br>advantage | Total |
|---------------|-------------------|-----------------------|-------------------|-----------------------------|--------------------------|-------|
| Weights:      | 5                 | 4                     | 5                 | 5                           | 4                        |       |
| Solution<br>A | 3     15          | 2     8               | 3     15          | 3     15                    | 3     12                 | 65    |
| Solution<br>B | 2     10          | 2     8               | 1     5           | 2     10                    | 1     4                  | 37    |

## Justification for Selected Solution

Solution A, focused on digital modernisation, is the most effective option because it directly addresses the core issue behind the 30% decline in sales: reduced customer reach and stronger online competition. The Grid Analysis shows that Solution A achieves the highest total score (65), mainly due to its impact on revenue, customer reach, and long-term sustainability. These factors were given high weights because improved visibility and accessibility is essential for business recovery. By upgrading the website and social media presence, Green Haven can attract more customers, increase online orders.

## Risk Analysis of the Selected Solution

Risk analysis of Solution A highlights two main challenges for Green Haven Florists. The first is financial: investing in website redevelopment and digital marketing may strain cash flow, and online sales may grow slower than expected. The second is skills and capacity, as Liam and Priya currently lack experience in managing digital campaigns and regular social media activity. Similar problems are common among small firms that adopt digital marketing with limited resources (Semerenko, 2024). These risks were assessed by their likelihood and their potential impact on revenue and customer relationships.

## Plan to Implement the Selected Solution

- ✓ Problem: 30% drop in sales
- ✓ Chosen Solution: Digital modernisation – website upgrade and social media strategy.

### Action Plan

| <b>Actions</b>                       | <b>Description</b>                                                                            | <b>Time Frame</b> | <b>Staff responsible</b> |
|--------------------------------------|-----------------------------------------------------------------------------------------------|-------------------|--------------------------|
| Assess skills and choose support     | Review Liam and Priya's digital skills and decide whether to hire a freelancer/agency         | Week 1            | Liam and Priya           |
| Develop website brief                | Define website goals, functions (online orders, payments, delivery options) and eco-branding. | Week 2-3          | Priya                    |
| Website redesign and testing         | Build, test and refine the new website and online ordering system                             | Week 4            | Liam                     |
| Set up social media and content plan | Create Instagram/Facebook/TikTok pages, branding and monthly content calendar                 | Week 5            | Priya                    |
| Launch and monitor campaign          | Launch website, run promo campaign, review analytics and adjust monthly.                      | Week 6            | Priya and Liam           |

## Monitoring

Green Haven will monitor the implementation of digital modernisation by tracking website traffic and online orders every week, with Liam checking basic web analytics and Priya recording the number and value of online sales. They will also review social media engagement (likes, comments, shares and follower growth) on a weekly basis to see whether the new content strategy is attracting and retaining customers. Once a month, both partners will compare these figures with the previous period to identify trends and decide whether any adjustments to the website or social media activity are needed.

## Evaluation

The effectiveness of the solution will be evaluated mainly through changes in overall sales revenue and the proportion of sales coming from online channels, using monthly financial reports. Customer satisfaction with the new digital experience will be assessed through online reviews and short feedback forms on the website and social media. Every quarter, Liam and Priya will review these results together and judge whether the digital modernisation is successfully helping to recover from the 30% drop in sales.

## Means of Measuring Effectiveness of Implementation of Selected Solution

The effectiveness of the digital modernisation strategy will be measured through a focused set of Key Performance Indicators. The **main KPIs** are total sales revenue, the proportion of sales generated online, website traffic, conversion rate and customer satisfaction with the digital experience. These indicators show directly whether the new website and social media activity are helping Green Haven recover from the 30% drop in sales and reach more customers. Digital marketing guidance also stresses the importance of selecting KPIs that are closely linked to business goals and measurable online behaviour (Smart Insights, 2025).

Green Haven aims to increase total sales revenue by 15% within 12 months and raise the share of online sales from 20% to 40% in the same period. These targets follow the **SMART** framework: they are **Specific**, focusing on clearly defined outcomes; **Measurable**, using sales reports, web analytics and reviews; **Achievable** for a small florist with a realistic digital plan; **Relevant** to the core problem of declining sales; **Time-Bound** with explicit deadlines. This ensures the owners have clear criteria against which to judge the success of the implementation.

## Conclusion

The assignment has examined the situation facing Green Haven Florists and applied structured decision-making tools to support the owners in choosing a response. The analysis showed that falling footfall, rising costs and a weak digital presence were key drivers of the 30% decline in sales. After comparing two options, digital modernisation was selected as the preferred solution. A realistic implementation, monitoring and evaluation plan was developed, supported by clear KPIs and SMART objectives. Overall, the project demonstrates how a small independent florist can adapt to market change by investing in digital channels in a planned and measured way.

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