

Module Title: Problem Solving and Decision Making

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Student Name: Mariam Kostanashvili

Student Number: 2510872

Lecturer's Name: Lloyd Bahary

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Introduction

The case study is about Green Haven Florists, a small independent shop in Norwich, UK. The business is experiencing a 30% decline in sales. This reflects wider changes in customer behaviour, as more people prefer online shopping (Kotler and Keller, 2016). Additionally, increasing competition and rising costs are affecting small businesses in the retail sector (Burns, 2016).

Brief Explanation of the Specific Business Problem

Green Haven Florists is a small independent flower shop located in Norwich, UK. Over the past 12 months, the business has experienced a significant decline in in-store sales, estimated at around 30%. This downturn has been driven by a combination of internal and external factors that have negatively impacted the company's performance and profitability. One of the main causes is the shift in customer behaviour towards online shopping. Many customers now prefer the convenience, lower prices, and same-day delivery offered by large online flower retailers. As a result, foot traffic on the high street has decreased, further reducing in-store sales. In addition, the closure of nearby businesses has contributed to a decline in customer visits. Rising operational costs have also placed pressure on the business. The increasing cost of imported flowers, such as tulips and orchids, due to inflation and supply chain disruptions, has reduced profit margins (**Laudon and Traver, 2021**).

. Furthermore, Green Haven's commitment to eco-friendly packaging and sustainable materials has increased expenses. Finally, the company's outdated website and limited digital marketing presence have made it difficult to compete effectively in an increasingly digital marketplace. Together, these factors have created a challenging environment for the business.

Suggested Two Alternative Solutions

Solution A : One effective solution for Green Haven Florists is to improve its digital presence by developing a modern, user-friendly website and increasing its use of social media marketing (**Chaffey, 2022**).

This could include offering online ordering, flexible delivery options, and subscription services to meet changing customer expectations. By strengthening its online platform, the business can attract a wider audience and compete more effectively with online flower retailers.

PMI Analysis:

Plus (+):

- Increases customer reach beyond the local area
- Improves convenience for customers
- Enhances competitiveness against online retailers

Minus (-):

- Requires initial investment in website development
- May require staff training in digital marketing

- Interesting (I):
- Opportunity to build a strong brand identity online
- Potential for long-term business growth

This solution directly addresses the key problem of declining in-store sales by adapting the business to current digital trends and customer behaviour, ultimately improving profitability.

Solution B

Another effective solution is to enhance the in-store customer experience by offering personalised services and unique products. Green Haven Florists could introduce workshops, seasonal events, and customised floral arrangements to attract more customers into the store. Creating a welcoming atmosphere and strengthening relationships with local customers can help increase foot traffic and build customer loyalty.

PMI Analysis:

Plus (+):

- Improves customer experience and satisfaction
- Increases foot traffic to the store
- Builds strong customer loyalty

Minus (–):

- May require additional time and staff effort
- Limited reach compared to online platforms

Interesting (I):

- Opportunity to create unique in-store events
- Differentiation from large competitors

This solution addresses the decline in in-store sales by encouraging customers to visit the shop, creating a more engaging and personalised experience that competitors cannot easily replicate.

Justification for Selected Solution

Solution A is the most appropriate option for Green Haven Florists as it directly addresses the key issue of declining in-store sales caused by increasing online competition. By improving its digital presence, the business can reach a wider audience, offer convenient services such as online ordering and delivery, and better meet changing customer expectations. Compared to Solution B, which focuses only on in-store experience, Solution A has a greater long-term impact as it allows the business to compete in the growing online market. Although it requires initial investment, the potential benefits outweigh the costs due to increased sales opportunities and business growth. Overall, greater importance is given to digital transformation, as it provides both immediate and sustainable improvements in performance.

Risk Analysis of the Selected Solution

The main risks associated with improving the digital presence include the initial financial investment required for website development and marketing, which may be challenging for a small business. There is also a risk that staff may lack the necessary digital skills, requiring additional training. Furthermore, increased online competition may limit the effectiveness of these changes. To evaluate these risks, criteria such as cost, feasibility, and potential return on investment were considered. Despite these risks, the benefits of expanding into the digital market outweigh the challenges, as this solution offers long-term growth and increased competitiveness.

Plan to Implement the Selected Solution

The implementation of the selected solution will focus on improving Green Haven Florists' digital presence through a structured and phased approach. First, the business will invest in developing a modern, user-friendly website that supports online ordering and delivery services. This stage should be completed within the first 1–2 months and may require outsourcing to a web developer. Secondly, social media platforms such as Instagram and Facebook will be actively used to promote products, share content, and engage with customers. This will be an ongoing activity, managed by the business owners or trained staff. In addition, basic digital marketing training will be provided to improve internal capabilities. Clear responsibilities will be assigned, with Liam focusing on operational management and Priya managing marketing and customer engagement. Regular monitoring will be essential to ensure progress and effectiveness. This structured approach ensures that the implementation is realistic and manageable for a small business. The decision to prioritise digital development is justified by the increasing importance of online shopping and the need to compete with larger online retailers. Overall, this plan supports both short-term improvements and long-term business growth.

Means of Measuring Effectiveness of Implementation of Selected Solution

The effectiveness of the selected solution will be measured using key performance indicators (KPIs) and SMART objectives. One important KPI is the increase in online sales, which can be monitored monthly to assess growth after implementing the new website. **(Laudon and Traver, 2021).**

Website traffic and customer engagement, such as the number of visitors and social media interactions, will also be used to evaluate digital performance. Another key indicator is the conversion rate, showing how many website visitors become paying customers. Customer feedback and online reviews will provide additional insight into customer satisfaction and overall experience. SMART objectives will ensure that goals are clear and measurable. For example, the business may aim to increase online sales by 20% within six months or achieve a 30% increase in website traffic within three months. These objectives are specific, measurable, achievable, relevant to the problem, and time-bound. By regularly monitoring these indicators, the business can evaluate whether the solution is successful and make necessary adjustments to improve performance.

Conclusion:

Key Findings

This report has identified several key issues affecting Green Haven Florists, particularly the significant decline in in-store sales over the past 12 months. The main factors contributing to this problem include increased competition from online flower delivery services, changing customer behaviour, reduced foot traffic, and rising operational costs. Additionally, the company's limited digital presence and outdated website have made it difficult to compete effectively in the modern retail environment. Two possible solutions were explored: improving the digital presence and enhancing the in-store experience. While both options offer benefits, the analysis showed that focusing on digital development is the most effective approach. This is because it directly addresses the shift towards online shopping and provides opportunities for business growth. Overall, the findings suggest that Green Haven Florists must adapt to digital trends and invest in online capabilities to remain competitive. By implementing the selected solution and monitoring its effectiveness through KPIs and SMART objectives, the business can improve performance and achieve long-term sustainability.

Reference List

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Kotler, P. and Keller, K. (2016) Marketing Management. 15th edn. Pearson.

Burns, P. (2016) Entrepreneurship and Small Business. 4th edn. Palgrave.

Statista (2023) Online shopping trends in the UK. Available at:

<https://www.statista.com> (Accessed: 15 April 2026).

Laudon, K. and Traver, C. (2021) E-commerce: Business, Technology, Society. Pearson.

The Key Performance Indicator is:

Specific	Measurable	Attainable	Relevant	Time-Bound
Questionnaire Observation Reviews	How many Qs? Which days? How long?	Who is going to do it? Is it attainable?	What type of data? On what? What's the point?	How long will it take to collect the data?