

Green Haven Florists:

Strategic Analysis of Declining In-Store Sales

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Purpose of Presentation

This presentation examines the 30% fall in customer sales at Green Haven Florists' outlets in light of several analytical frameworks and internal and external factors.

Analysis structures used include:

- StructureContext Overview
- Nature & Scope of issues
- 5W2H Diagnostic Model
- PESTEL Macro Environmental Analysis
- Fishbone Root Cause Analysis
- Key findings

ContextOverview

Green Haven Florists launched in 2016 based on:

Bespoke floral design, sustainability, and community focus.

However, the UK retail industry structurally shifted towards digital purchasing (ONS, 2023), affecting high street independent retailers.

Nature & Scope of the Issues Green Haven's decline is multi-dimensional

1. Structural Decline in High Street Retail

UK high street footfall remains considerably below pre-2020 levels (ONS, 2023). This points to a systemic environmental shift, rather than merely firm-level weakness.

2. Digital Disruption

The success of e-commerce has created new customer expectations with respect to (Chaffey & Ellis-Chadwick, 2019):

- Speed
- Price transparency
- Delivery flexibility

Green Haven's lack of digital optimization reduces its competitiveness.

3. Cost Inflation & Supply Chain Volatility

SMEs are more vulnerable to:

- Supply chain disruptions
- Import price fluctuations
- Inflationary pressures (Bank of England, 2023)

4. Competitive Intensification

- Boutique florist (strong branding & Instagram presence)
- National chain (economies of scale & price leadership)
- Porter (1980) argues increased competitive rivalry compresses margins.

This is therefore both a **macro-environmental** and planned capability issue.



Applied Diagnostic Tool

The 5W2H model provides structured clarification of operational problems (Brassard, 1989).

Element	Critical Application
what	30% in-store sales decline
why	Footfall reduction, online competition, digital weakness
where	Norwich high street
when	Past 12 months
who	Walk-in & price-sensitive customers
How	Limited digital marketing & delivery capability
How much	Reduced revenue & profit margin compression



Critical Evaluation



✓ Strength: Clarifies operational reality



✗ Limitation: Does not measure impact weight or strategic priority



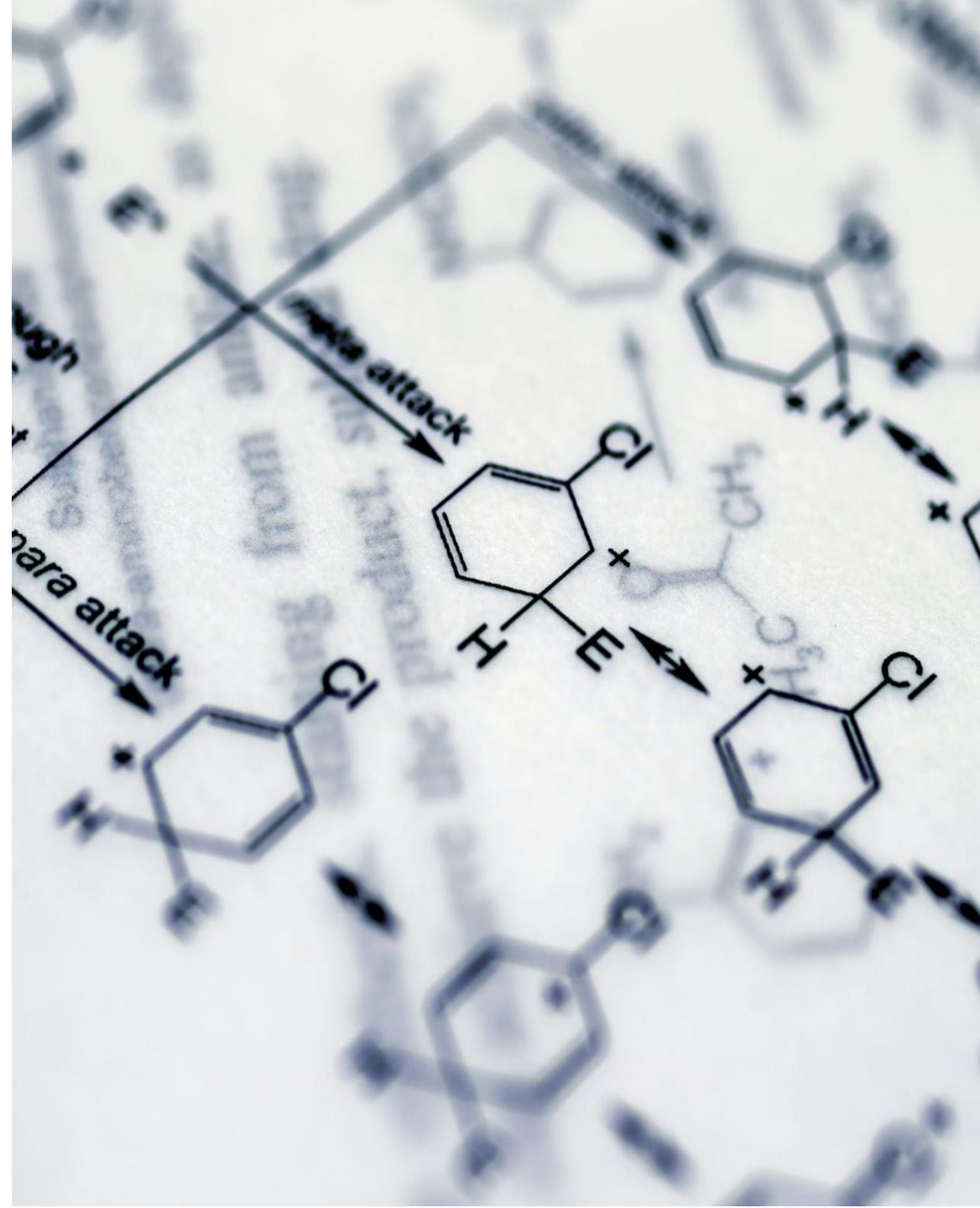
Therefore, deeper macro-analysis is required → PESTEL.

PESTEL Framework (Explanation & Rationale)

PESTEL analyses external factors beyond an organisation's control (Johnson, Scholes & Whittington, 2020).

It anticipates threats and identifies opportunities for the organisation.

While useful, it does not account for competitive intensity or a company's internal capabilities and should be used in conjunction with other similar models.



PESTEL Applied to Green Haven

Political

- Post-Brexit trade barriers raise import costs
- Regulatory costs disproportionately affect SMEs

Economic

- UK inflation reduces discretionary consumer spending ([Bank of England, 2023](#))
- Cost of living crisis shifts consumer demand to cheaper alternatives.
- This explains the migration to national chains.
- Social Increased convenience culture Digital-first consumers ([Mintel, 2023](#))
- Growing ethical consumption, therefore favouring Green Haven's positioning.

Social factors present both a threat and an opportunity for Green Haven.

Technological

Digital capability is now a calculated necessity ([Teece, 2018](#))

Green Haven lacks:

- SEO optimisation;
- subscription automation;
- data driven marketing

Environmental

Climate variability increases the risk to flower supply chains; being sustainable is also a source of competitive advantage

Legal

The rising National Living Wage, increases the cost of complying with consumer rights legislation.



Fishbone (Cause-and-Effect) Diagram

- The Fishbone Diagram identifies the root causes of these performance issues (Ishikawa, 1985).

Fishbone Diagram



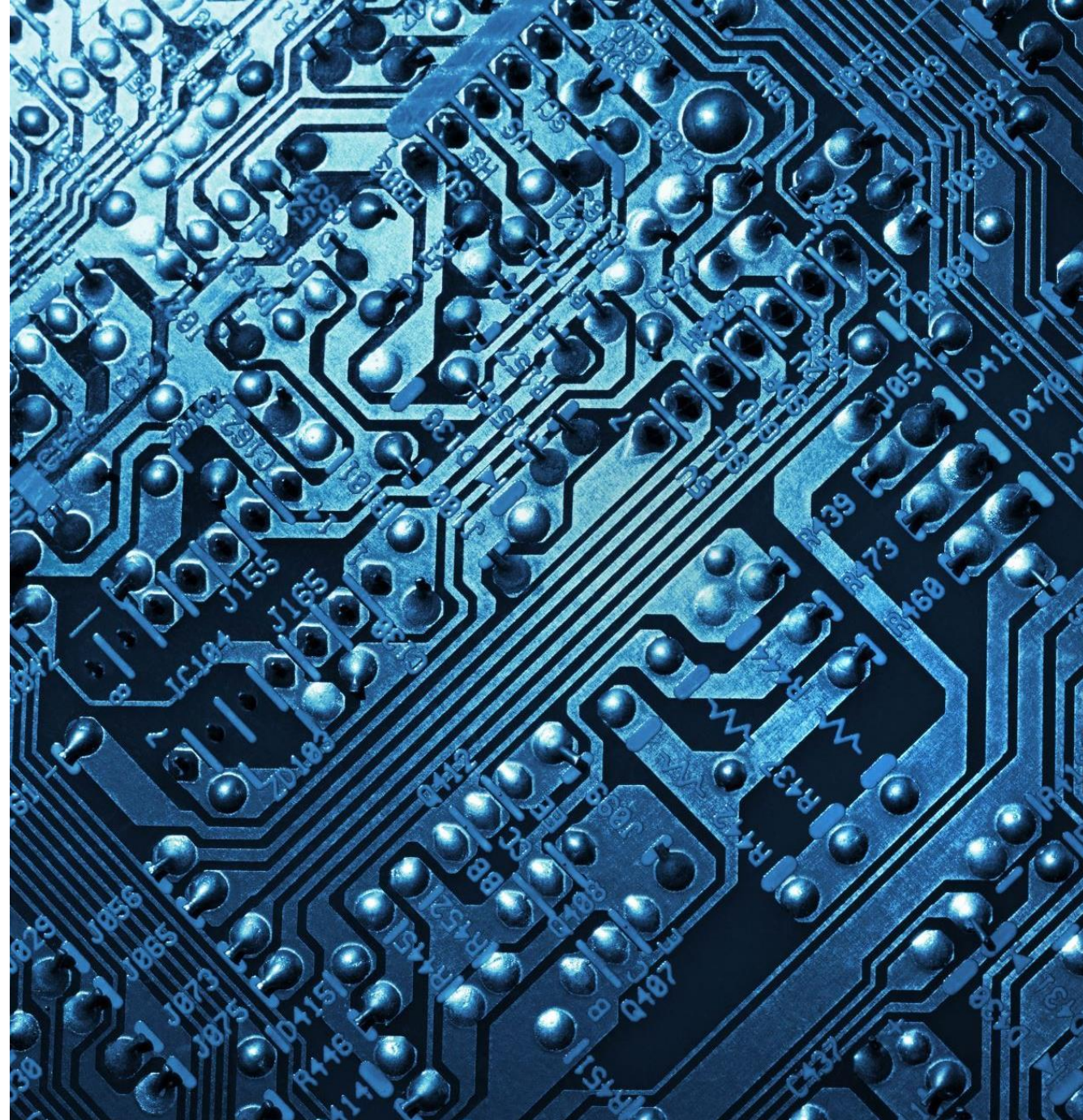
Key Findings (High-Level Strategic Judgement)

The decline in sales structure relates to macroeconomic trend changes.

Competitive rivalry is high. Internal weaknesses are an underdeveloped digital infrastructure, with sustainability as a planned differentiator.

External and internal threats stem from shortcomings in capabilities.

The primary problem is calculated adaptation failure in a transforming retail environment.



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