

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report

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Table of Contents

Contents	Page Number
Introduction.....	3
Brief Explanation of the Specific Business Problem.....	3
Two Alternative Solutions.....	3
Justification for Selected Solution.....	4
Risk Analysis of the Selected Solution.....	4
Plan to Implement the Selected Solution.....	4
Means of Measuring Effectiveness of Implementation of Selected Solution....	5
Conclusion	5
Reference List.....	6

Introduction

This report is a strategic business analysis for Green Haven Florists, an independent flower shop in Norwich, UK. The business is facing a 30% decline in in-store sales, reduced foot traffic and increased competition from online retailers.

Brief Explanation of the Specific Business Problem

Green Haven Florists is facing a significant decline in revenue due to several interconnected issues. Firstly, there has been a 30% drop in in-store sales caused by reduced foot traffic, as nearby businesses have closed, and consumers increasingly prefer online shopping. Although online orders have slightly increased, they are not sufficient to offset this loss.

Secondly, rising operational costs, including higher prices for imported flowers and sustainable materials, have reduced profitability. While the company's eco-friendly approach appeals to customers, it has also made maintaining low prices more difficult.

Another major issue is the outdated website, which customers find difficult to navigate. This limits online sales and discourages potential customers. Additionally, the business lacks a strong digital marketing strategy, relying mainly on word-of-mouth and occasional social media activity.

Suggested Two Alternative Solutions

Solution A

Create a Modern E-Commerce Platform with Subscription Services

Redesigning Green Haven's website into a Modern, user-friendly e-commerce platform is part of this approach. Mobile optimization, simplified checkout process, same-day or local delivery choices, and a floral subscription service would be an important feature.

PMI Analysis

Plus	Minus	Interesting
-Boosts the potential for internet sales -Satisfies consumer desire for ease of use -Makes recurring money from subscriptions	-Initial expenses for development -Demands outsourcing or digital expertise -Continuous upkeep is required	-Possibility of gathering client information for focused advertising -Requires constant website updates -Might change how existing loyal customers interact with the business

Justification

By concentrating on online sales, this method immediately addresses the decrease in foot traffic. Convenience is preferred by many consumers, thus a strong online presence can recover lost demand. Additionally, subscription services reduce dependency on seasonal sales by generating steady revenue. Improving the website also increases conversion rates, improves user experience, and addresses customer issues.

Solution B

Strengthen Brand Through Social Media Marketing and Local Engagement

This approach emphasizes creating a robust online presence via consistent social media marketing (particularly Instagram and TikTok), partnerships with influencers, and engaging with the local community through workshops and pop-up events

PMI Analysis

Plus	Minus	Interesting
-Affordable marketing approach -Develops a robust brand identity -Draws in younger viewers	-Requires a lot of time to oversee -Outcomes might require some time -Necessitates skills in content creation	-Might require staff training or new skills -May depend on seasonal demand -Could increase customer engagement

Justification

This approach aids Green Haven in competing with the stylish boutique florist by enhancing its online presence and attractiveness. A big social media presence can increase traffic both online and in physical stores. Community involvement further strengthens the business's distinctive selling feature its personal approach and commitment to sustainability setting it apart from major chains.

Justification for Selected Solution

Option A is the best choice. Although both options tackle essential problems, Solution A produces a more immediate and quantifiable effect on revenue generation. The prioritization of the weighting allocates 50% to financial recovery, 30% to customer convenience, and 20% to long-term sustainability. An enhanced e-commerce platform not only compensates for lost in-store sales but also generates new revenue sources via subscriptions. Conversely, Solution B enhances brand recognition but does not ensure instant monetary gain. Consequently, Solution A provides a more dependable and scalable approach

Risk Analysis of the Selected Solution

Based on the results from your Risk Analysis:

The primary risks consist of significant upfront expenses, technical challenges during the development phase, and minimal customer acceptance. The website also faces the danger of not attracting enough traffic without additional marketing efforts. Included criteria consist of financial hazard, operational hazard, and market approval. These were chosen as they have a direct effect on business survival. To reduce risks, Green Haven might implement a gradual rollout and outsource skilled developers.

Action Plan

Stage	Timeframe	Activity	Responsibility	Justification
Needs Assessment	Weeks 1-2	Identify website requirements (subscriptions, delivery options)	Liam & Priya	Ensures clear understanding before development begins
Hire Developer	Week 3	Recruit web developer or agency	Liam & Priya	Outsourcing ensures professional quality and saves time
Design and Development	Weeks 4-8	Build website, improve UX, mobile access, and payment systems	Developer/ Agency	Creates a functional, user-friendly online platform
Testing	Week 9	Test website for errors and usability issues	Developer & Liam/Priya	Ensures smooth customer experience before launch

Means of Measuring Effectiveness of Implementation of Selected Solution and Key Performance Indicators

Objective Goal	Specific	Measurable	Achievable/Relevant	Time-Bound
Boost Sales	Increase total online flower sales	25% increase in revenue	Leverages new digital platform to reach wider audience	Within 6 months
Grow Subscriptions	Acquire new recurring subscription clients	100 new registered subscriptions	Targeted social media marketing and loyalty incentives	Within 3 months
Optimize Website	Improve the websites conversion rate	Reach a 3% conversion rate	Better user interface and faster checkout process	Over the next 4 months

The primary Key Performance Indicator (KPI) will be the conversion rate, since it indicates the proportion of website visitors who turn into paying customers. This is crucial as the goal is to boost online sales and rival online sellers.

Additional supporting KPIs consists of website traffic, online sales revenue, total subscriptions, and the rate of customer retention. Website traffic indicates the number of visitors to the site, whereas sales revenue assesses financial success. Subscriptions indicate customer interest in ongoing services, while the retention rate reflects the number of customers who come back.

SMART goals have been established to assess advancement. The goal of the business is to boost online sales by 25% in 6 months, monitored via revenue. It also seeks to acquire 100 subscription customers in 3 months to establish a reliable income. Furthermore, the company seeks to boost customer retention by 15% over the next 6 months, assessed through repeat buying behavior. Ultimately, the company seeks to boost the website conversion rate to 3% in 4 months, which directly indicates enhanced website effectiveness.

These goals are achievable considering the proposed enhancements to the website and services. Tracking these KPIs allows the business to evaluate success and implement enhancements when necessary.

These objectives are Specific, Measurable, Achievable, Relevant, and Time-bound (established timelines). They offer clear standards to assess success and enable modifications if goals are not achieved.

Conclusion:

Green Haven Florists is facing significant challenges due to declining foot traffic, increased competition, and rising operational costs. The shift in consumer behaviour towards online shopping has made it essential for the business to alter its current model. After evaluating two potential solutions, developing a modern e-commerce platform with subscription options appeared to be the most effective strategy. This approach enables the business to meet customer needs for convenience while maintaining consistent revenue. Even with risks such as initial costs and technical challenges, these can be mitigated via careful planning and incremental implementation. In general, embracing digital transformation is crucial for ensuring the long-term sustainability and competitiveness of Green Haven Florists.

Key Findings

- Green Haven Florists has faced a 30% drop in in-store sales, primarily because of decreased foot traffic and shifting consumer tastes.
- The company has a weak online presence, and an old website restricts its potential for online sales.
- Rivals, such as a boutique florist specializing in social media and an affordable nationwide chain, have increased market competition.
- Customers appreciate the store's quality and sustainability but seek enhanced convenience options like delivery flexibility and subscription services.

- Creating an e-commerce platform that includes subscription services presents the most straightforward chance to boost revenue and align with current market trends.

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