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# A Case Study About CLARK'S FLOWER SHOP

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## **MARKETING CHANNELS CLARK'S FLOWER SHOP**

### **I. Context**

#### **Background**

Clark's Flower Shop was founded in 1976 located at Oxford Street, Whitstable, Kent, in Newtown, and has been in the flower industry since that day. Bob and DeeClark founded it, and the vision in their business is to put fresh flowers in everyone's house. Clark's Flower shop grew from home-based greenhouse flower retailer to regional grower and flower wholesaler. Clark's Flower Shop has been developing its business online or E-commerce. The internet's rapid spread and worldwide reach have made it a highly effective communication medium between Clark's Flower Shop and their customers. Clark's Flower Shop created their website for their customers to view their products' different designs and sizes and their prices.

#### **Research Questions**

- How does the inception of electronic marketing channels affect the traditional distribution channel participants?
- Can small firms like Clark's accommodate the roles and responsibilities of wholesalers while being a retailer at the same time?
- What are the underlying issues of disintermediation despite its convenience to the growing electronic marketing channel?

## **Propositions**

The emergence of electronic channels and disintermediation presented great opportunities for Clark's Flower shop, yet it also introduced new challenges that could negatively influence their performance. If Clark's flower shop successfully utilized the perks electronic channels provided in enhancing their supply chain management and channel flow, their firm's viability and success are assured. Hence, the failure to adequately address the challenges caused by disintermediation and electronic channels could threaten Clark's flower shop's survival in the competitive market it belongs in.

## **Purpose**

The goal of this study is to address and make recommendations for how to fix the problem of Clarks Flower Shop's delivery services and product flow shortening. As well as: (1) To substantiate the procedures on how Clark's Flower shop would take responsibility for the repercussions from product flow shortening; (2) To have a better grasp of the advantages and disadvantages of disintermediation; (3) To show the key variables of Electronic Marketing Channels as they dominate the distribution

## **Data Collection**

Secondary market research was conducted in this case study, indicatively, in a qualitative research approach. It was administered by gathering related literature, archival data, and previous market research published on websites. The collection of these data focused on determining the main theme of the study to have provided adequate information that helped in analyzing the underlying issues of the case. Furthermore, similar articles and studies are utilized to formulate the possible solutions to the key problems presented in the case. The researchers in the team have been assigned to various subjects in this study.

## II. Analysis & Findings

Given the transpiring utilization of advanced technologies, there has been a corresponding modification of the marketing channels, from traditional to electronic marketing channels. It was made to allow consumers to shop and purchase products and services that are made available online through the internet. The power of this electronic intermediary covers the flow of negotiation, ownership (movement of the title), information, and promotion (persuasive communication) that could be easily managed online. It shortens the passage of these factors and speeds up its circulation. However, it is incapable of addressing the product flow (physical possession of the product) due to its limitations. Despite its speed and cost-effectiveness, in the long run, it still could not be able to fulfill the transaction between a buyer and a seller resulting in the usage of traditional ways like transport vehicles, e.g. Trucks, SUVs, trains, and planes.

In line with its benefits, it was proven more efficient and potentially more effective than using traditional distribution channels (Hoffman, Novak, & Chatterjee, 1995). Aside from reducing sales and distribution costs, it also increases its profit due to the decreased number of competitors considering that they have the competitive advantage of having a wider range of products and expansion from being a retailer to a wholesaler. Furthermore, it broadens its global scope and reaches. The capacity of the internet to get as far as it can is unutterable. It also provides convenience and rapid transaction processing; technically, in just a click and tap, fulfillments of transactions are made.

Instead of being obsolete, electronic marketing channels will serve as the intermediary or the middleman as well as the purpose and role of the traditional wholesalers. But that doesn't mean that the wholesalers will vanish; instead, it will be extensively reduced. They are evolving to a better and more convenient process and system. With the growing power of small retailers, they imply being category killers whereas they withdraw and replace by themselves the role and functions of wholesalers.

If the flowers are directly delivered in a faster phase, they will arrive in Clark's flower shop in the best quality since it is still fresh and would prevent flowers from getting damaged due to being delivered at multiple points. Additionally, in research from Taylor (2020), shortening the product flow gives Clark's flower shops an advantage of reducing their supply chain cost, increasing their profit, and improving their margin because they can get the supplies cheaper by removing the wholesale florist distributors markup or commission to it. Furthermore, according to the study of Enfield Doors (2013), purchasing directly from the grower means that Clark's flower shop will have a wider variety of flowers they can choose from, and they can also get flowers according to their precise specification.

Nevertheless, since Clark's flower shop would remove the wholesaler in their distribution channel, they ought to bear all the roles and responsibilities, which would make their management and control more complicated than it was. As a retailer that they are, they would be a wholesaler at the same time. They should be able to expand their management and operations that might increase their expenses; however, it is crucial for them despite its costs. The following are organization aspects to be considered investing in:

Manpower for both operations staff and corporate employees; Research and Development for the expounded target market and competitors; Transport vehicles for the increase of deliveries; Location expansion for the additional shelf space considering its increase of purchased products. This competitive strategy is an opportunity for them to increase their sales and profitability, and address their overhead expenses sufficiently.

It is possible to prevent the complete vanishing of flower wholesalers in the near future; as a matter of fact, the flower industry is continuously going global and rapidly progressing. For instance, the United State's flower industry in 2020 is worth 5 Billion US Dollars, online flower shop sales in the US increase by 8.5% through 2015-2020, and flower designers in the US earn at least 13.48 US Dollars per hour. However,

disintermediation cannot be prevented especially when the pandemic happened, but still, the flower industry will continue to expand in the near future.

### **III. Limitations**

The findings of this study have to be seen in the light of some limitations that include Clark's Flower shop financial capacities and the accurate number of wholesalers to survive this developing channel strategy considering that the survival rate for this development varies depending on the ability to adapt, strategies and financial assets of each participant, along with the supply of the dot.com growers and demand of the market.

### **IV. Conclusion**

The existence of Electronic marketing channels has permanently changed how firms operate. In the present, firms utilize all the benefits Emarketing made available for them to gain competitive advantages and for the case of Clarks' flower shop through intermediation and utilization of Emarketing channel to effectively communicate directly to growers the flowers they need to meet the demands of their customers arrived in their end faster and in better quality. Considering these, for the betterment of Clark's flower shop profitability, product, and overall performance they should pursue removing wholesalers in their product flow and take advantage of the benefits of electronic marketing channels to improve their channel flow (negotiation, ownership, information, and promotion).

Clarks' flower needs to take into account that shortening their product flow could speed up the circulation of their product and sales. Additionally, this system is more cost-efficient since they do not need to add the wholesaler markups. Furthermore, they can gain the capability to have a wider variety of flowers they could choose from since they are purchasing directly from suppliers which then enables them to cater to consumers' preferences better. Moreover, Clark's flower shop could also turn itself into a

wholesaler since they have contacts with growers already, and as a consequence, they could maximize their profitability further. Nevertheless, because of the eradication of wholesalers in their product flow, they are expected to do all their responsibilities and roles. And to do that, Clark's Flower Shop should invest in its labor force, R&D, logistics, storage space, and location expansion.

It is also worthwhile to know that other than making it easier for Clarks's flower shop to look and communicate with growers directly, internet channels are also valuable for the distribution and promotion of their products and shop. Through the use of digital distribution channels like building an online shop in an e-commerce platform, creating a website, and utilizing the social media marketplace, Clark's flower shop could market their product to a wider population and make it convenient for potential and existing customers to purchase from them. Other than these, they could enhance their promotional strategies to boost their brand awareness and widen their market reach with the use of digital marketing channels and tools. In conclusion, disintermediation is inevitable for the reason that entrepreneurs have an objective to optimize their profitability and performance. Lastly, integrating digital channel strategies is necessary for all businesses if they want to keep up with the competitive market and be successful in it considering that this world is becoming tech-saturated.

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Task distribution:

Background - Lacsado

Research Questions - Jimenez

Propositions - Hallado

Purpose - Rodriguez

Data Collection - Jimenez

Analysis & Findings - Hallado, Jimenez, Lacsado

Limitations - Rodriguez

Conclusion - Hallado