

# Strategic Marketing Formulation Through External And Internal Analysis : A Case Study Of Mekar Bersorai Florist

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## Abstract.

*In the last quarter of 2024, Mekar Bersorai is experiencing a critical business challenge due to declining sales performance. The research design adopts a descriptive case study design which centers on the fundamental issues of Mekar Bersorai, the declining sales and change of customer behavior. The design allows a thorough analysis of both internal and external environments of the flower industry and identification of relevant marketing solutions to improve the competitive edge of the company. The study used Porter's 5 Forces for external analysis and VRIO for internal analysis. Porters five forces analysis revealed that the industry experiences high rivalry and buyer power, as well as high threat of substitute. While the VRIO analysis shows that, although Mekar Bersorai has a personalization service and unique design ideas, it can be replicated by other competitors unless it is organized and structured, the VRIO identified the absence of organizational structure, a lack of innovation, and formal processes. As seen in this study, the optimal solution to ensuring that Mekar Bersorai undergoes a recovery is through strengthening its unique brand image, gradual incorporation of technology to enhance service accessibility, and fostering greater customer relationships to create loyalty in a highly competitive market.*

**Keywords:** Florist industry; Marketing strategy; Porter's Five Forces; and VRIO analysis.

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## I. INTRODUCTION

The florist business has experienced a lot of expansion and diversification with the changing market forces, new technology, and changing consumer needs. Bridge Market Research estimates that the flower and ornamental plant market has reached USD 27.23 billion in the year 2021, and is expected to hit USD 45.07 billion in 2029 with a CAGR of 6.50% (Bridge, 2022). Such data, combined with the opportunities available in Indonesia, puts the country in a very favorable position to contribute to the floriculture industry (Christina et al., 2025). The growth of the florist industry in Indonesia can be seen in terms of business growth, revenue growth, and more innovative approaches to online marketing. Cut flowers are typically a significant decorative material used in events such as weddings, celebrations, tributes, and other gatherings (Renstra Kementerian Pertanian, 2020). Several florist companies, including Middlemist Florist, are experiencing a substantial annual growth in revenue, and it is projected that this growth will be 20-40 percent annually, with a high ROI (Christina et al., 2025). Moreover, Indonesia boasts the biggest flower market in Southeast Asia, Pasar Rawa Belong in Jakarta, which sustains hundreds of traders and is an indicator of the development of the industry. Florists usually locate their stores strategically in the locations where floral products are in high demand, such as learning institutions, government buildings, and urban areas. The key areas of flower purchases are schools and universities due to occasions as graduations and academic ceremonies. One of the studies showed that about 61.5% of customers will rather purchase flowers in special flower shops compared to supermarkets or convenient stores, which proves that special florists have a competitive edge in such situations (Paiva et al., 2020). Mekar Bersorai is a flower company that has aim to captured the market opportunities in this growth market.

Located in a strategic location, near numerous schools, universities, and government offices, Mekar Bersorai is set to offer the services that will satisfy the needs of all occasions and demands. Mekar Bersorai designs floral arrangements according to the preferences of clients, their budgets, and it also plans to conduct flexible operational working hours to offer immediate availability to both planned events and unplanned gift orders. At the very beginning of 2024, Mekar Bersorai has been having a serious business issue as sales have been dropping. Statistics indicate that the revenue has declined by approximately 30 percent, which is critical to the current and future financial performance of Mekar Bersorai. Moreover, the purchasing habits of the

customers seems to be evolving as well as the decrease in revenues, and it will be necessary to conduct extensive research to find out the actual causes of the issue. The decline in sales of Mekar Bersorai reflects a general industry practice that influences most of the florists in Indonesia. According to the official records, the purchasing patterns of the customers have changed from the traditional florists to the modern floral companies. Despite the fact that some businesses have slowed the negative sales growth rate through the display of high-end flowers, these businesses still have significant revenue problems (Etheredge et al., 2024). The sector demands thorough research on many aspects that affect the floral business industry. A shift in purchasing habits is one of the remarkable customer behavior changes. Buyers used to purchase smaller and cheaper arrangements of flowers more frequently. But they are now less likely to make regular purchases, but in larger value quantities. The preference of the consumers changed considerably, and this may be due to the economic changes, change in lifestyles, or new purchasing trends (Gonzalez & Alarcon, 2022). This customer behavior shift is negatively impacting the productivity of Mekar Bersorai, which uses fast inventory turnover to keep the flowers fresh and prefers consistent sales to be cost-efficient. The changing preferences of the customers require an urgent change in Mekar Bersorai to retain the customers and continue the business growth.

## II. METHODS

This study employs qualitative data collection method to collect the data. The information was obtained by conducting semi-structured interviews with the business owner, competitors, industry experts, and customers of Mekar Bersorai. Thematic analysis approach was used to analyze the data, where the focus is on identifying, describing, and categorizing key themes that can be found in qualitative data. This method has been selected due to its adaptability that enables intensive investigation of narrative meaning and capturing the experiences of participants in an effective manner (Kampira, 2021). Two primary methods are used to analyze the obtained data. Porter's 5 Forces is used to analyse the external environment and to evaluate the competitive nature of the industry regarding market rivalry, suppliers and buyer bargaining power, potential substitutes and barriers to entry. Internal analysis involves the VRIO framework to analyse the resources and capabilities of Mekar Bersorai in the terms of value, rarity, inimitability and organizational support. These analyses give a complete view of the marketing strategic formulation of the company.

## III. RESULT AND DISCUSSION

### External Analysis: Porter's Five Forces

The floral industry has a Medium-High threat of New Entrants. The entry barrier in the florist business is not that high, although, networking, craftsmanship, consistency are needed to maintain the business in the long run. Anyone can easily begin a florist business, yet establishing credibility and long-term customer relationships remains a challenge that moderates the threat to existing firms. The Supplier Bargaining Power in floral business is Medium. The relationship of suppliers in the floral industry is built on trust to a significant degree which minimises significant power distance. Nevertheless, seasonality of the supply of flowers may cause temporary dependence spikes (e.g. during specific holidays or in off-season), which in turn the suppliers influence moderately at times. Bargaining Power of Buyers is denoted as High. The power of the customers in this market is very high considering the sensitivity to prices and the availability of other flower retailers or gifting solutions. There is no high degree of loyalty among buyers and buyers are likely to move to other florists where they feel there is a price or value difference. Providing a personalized service experience is therefore crucial to enhance customer loyalty. The threat of substitutes in the flower industry is High. Customers have a lot of different options of products that they can buy in place of fresh floral arrangements. The development of alternative gift alternatives, including gift hampers, snack boxes, indoor potted plants or fake flowers is a serious threat to fresh flowers sales. Such substitutes in many cases attract the customers by being more practical or more durable and this decreases the amount of fresh cut flower purchase.

There is a high Industry Rivalry in the flower industry. The intensity and growth of competitions within florist businesses is high. The market has many players, and the entry barriers (low barriers) pose the

continuous threat of new entries. Price wars and intense online advertising (through social networks, such as Instagram and Tik Tok) is also a common practice on the part of florists; this further adds to competition. The high level of saturation and presence of the online market has practically brought about high competition where the florists need to innovate and cooperate to survive. Some of the most common ways that florists compete to build a niche include unique designs, branding based on a story, or collaboration with other businesses, but competition is still intense. In general, the Five Forces analysis shows that Mekar Bersorai is a company with a very competitive environment. The competition in the industry is very strong, as well as buyer power whereby customers enjoy a wide selection of alternatives and are price and value sensitive. The threat of substitutes is high because customers can choose non floral gifts. Although the competition of a new entrant is moderate (there are numerous individuals that can establish a florist business, but not all of them will be successful in the long term), the supplier strength is moderate and can be controlled by managing the relationship. These external forces imply that Mekar Bersorai should consider differentiation (as a strategy to fight against rivalry and substitutes) and customer relationship management (as a strategy to fight against buyer power), as part of its strategy.

### **Internal Analysis: VRIO Framework**

The products and services offered by Mekar Bersorai have different values. The flower arrangements are custom-crafted and personalized in a way that the customers will relate to the special meaning and beauty in the arrangements. The artistic and trial and error method of the owner in mixing flowers makes the bouquets to be memorable compared to those in mass-market florists. Moreover, service experience provides relational value over product, resulting in high customer satisfaction and retention. The capabilities of the company are described as being rare in some ways. Mekar Bersorai does not operate on the basis of the standard templates on the product side; the arrangement is made on the custom basis. The result of the intuitive combination of colors, textures, and type of flowers is hard to be found elsewhere, and hence, the product offering is rare. Mekar Bersorai is highly flexible to customer requests and budget, as well as its operational availability on the service side, are extremely uncharacteristic of competitors. Such a level of service is difficult to find in the local florist market. Although the product and service of Mekar Bersorai is unique, these advantages are not completely inimitable. Floral design as an art can be seen and duplicated with time; rival florists may experiment with the same creative amounts, hence, there may come a time when the product's uniqueness is copied. Similarly, the elements of the service might be replicated by the rival companies. Therefore, both product and service strengths do not have strong barriers to imitation that will protect their uniqueness in the long run. Mekar Bersorai is not as internally organized and structured as it could be to take full advantage of its valuable and rare characteristics.

It has a highly casual and founder-focused business model. In the case of the product dimension, the creative process depends virtually on the individual capabilities of the owner and has minimal standardized documentation or Standard Operating Procedures (SOPs). This renders it difficult to scale up or ensure consistency in quality on a bigger scale. The service side has manual processing and no technological systems in place and over dependence on the owner and less delegation. These organizational limitations mean that Mekar Bersorai's valuable and rare resources are not fully supported internally. Based on the internal and external analysis, the research narrowed down to three areas to focus on in the marketing plan of Mekar Bersorai. Those marketing strategies are Brand Identity Consolidation, Customer Intimacy and Relationship Deepening, and Increased Accessibility with Technology. Mekar Bersorai will develop a clear and recognizable identity using meaningful design themes and emotional storytelling, which will improve its brand distinctiveness. This strategy is based on the basic strength of the company, which is its sincerity and purposeful art in designing floral. The strategy is to produce consistent style of the creation of all products and messages, in such a way that the audience can immediately relate the aesthetic and emotional undertone with the Mekar Bersorai brand. Through brand consolidation, Mekar Bersorai will be able to distinguish itself better than its competitors and enhance customer recognition and trust.

The second strategy is on creating long term customer relationships by engaging them personally and continuously. Mekar Bersorai will convert non-recurring customers into regular customers by offering them a very personalized service experience. The company offers a higher level of customer intimacy to gain

a higher level of customer loyalty and lifetime value, despite the fact that customers have numerous options in the environment. This also assists Mekar Bersorai in sustaining pricing integrity (customers would be willing to pay a premium to a trusted service) and in countering competition by ensuring client loyalty through excellent relationship management. The third approach will focus on the use of technology to enhance access to services and efficiency in the operations. Industry trends and experts emphasized the need to integrate technology in order that florists can be relevant as well as making the business more convenient to customers. It also entails the enhancement of the online presence and e-commerce of the company such that the booking of the florist and communication with it can occur without a break over the digital platforms. Through adopting these technology solutions Mekar Bersorai will be able to expand to a larger customer base, offer high end convenience and strengthen its brand image of the modern and innovative. Importantly, the use of technology will be balanced with the company's personal touch, ensuring that increased scale and accessibility do not come at the expense of the bespoke, emotional experience that defines the brand.

#### **IV. CONCLUSION**

To sum up, this paper shows that the most effective way that Mekar Bersorai can turn around its falling sales and reclaim its growth will be through a combination of reinforcing the distinctive brand image, slowly integrating technology to help customers access its services, and establishing long-term relationships with its customers, which will help build loyalty in an already competitive market. The external and internal analysis extended a clear vision of the situation of the company: in spite of creative and valuable offerings of Mekar Bersorai, the company should fill the gap in the organization and respond to the severe pressure of the external environment. The strategic marketing formulation proposed is based on a direct response to these findings that will capitalize on the creative strengths of the company and work on its weaknesses. Implementing these strategies could help Mekar Bersorai differentiate itself, better satisfy its target market, and ultimately recover its financial performance.

In addition to the immediate business issue, the findings of this case study will add to the overall body of knowledge on the strategic marketing development of micro and small creative businesses in emerging markets. It highlights the need to match internal strengths and external market dynamics in designing marketing strategies. Future studies would be able to expand on this study by investigating outcomes of the strategy implementation by Mekar Bersorai and examining quantitative results of post-strategy performance. Another worthwhile research question is to explore how continuous innovation and agility can help maintain competitive advantage in the florist industry. Overall, the formulated strategic marketing plan offers Mekar Bersorai a clear, evidence-based direction for moving forward and provides a practical example for similar small enterprises facing dynamic market challenges.

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