Chapter 11 Class Exam

Name:________________ **Score:____________**

Answer all questions

Suggested Exam Length: 50 minutes

Student Input (Pre-exam)

How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

What strategies did you use to study for this exam? What was the best one?

Which activities in class did you most enjoy for this topic?

Student Reflection (Post-exam)

How happy were you with your result?

What were the hardest questions? Why?

Is there any exam technique I should change/use again for my next exam?

What topics should I look over again?

McDonald's has over 95 outlets in Ireland and is one of the largest fast-food chains in the country. It faces competition from rivals like Burger King, KFC, and Irish chains such as Supermac's, which often compete on price and promotions. Opening new fast-food outlets in Ireland requires significant investment in property, staff, and marketing, which makes it harder for smaller businesses to enter at scale. McDonald's depends on a mix of global suppliers and Irish farmers for beef, potatoes, and dairy, but it also has the advantage of scale when negotiating prices. Customers have plenty of dining options, from other fast-food chains to healthier restaurants, cafés, and even home delivery services, so McDonald's must work hard to keep them loyal. The company has introduced menu adaptations such as salads and vegan options to match changing customer tastes. One of McDonald's strengths is its strong global brand and recognisable menu, which helps it stand out in a crowded market.

(a) (i) Identify the three missing Forces from the list below for Porter's Five Forces Model

1. Threat of New Entrants	4.
2.	5. Competitive Rivalry
3.	

(a) (ii) Analyse the competitive forces in the market for McDonalds using Porters Five Forces Model.

(a) (iii) Identify McDonald's potential competitive advantage and, based on this advantage, recommend an appropriate strategy for launching a new range of vegan options on to the market.

(b) Outline three strategies a small Irish business that sells clothing online in Ireland could use to expand.

1:

2:

3:

(c) Describe two forms of technology that supports adaptation or expansion for a business.

1:

2:

(d) Tesco, one of Ireland's leading grocery retailers, is considering a takeover of Musgrave Group, the owner of the SuperValu and Centra brands. SuperValu currently has over 220 outlets nationwide and strong relationships with Irish suppliers. Tesco is believed to be offering a premium price to secure the deal, which would give it an even larger share of the Irish grocery market. Industry commentators suggest that the move could help Tesco compete more effectively against Aldi and Lidl, who continue to grow strongly. However, questions remain about the high cost of the deal, possible community backlash over the loss of an Irish-owned brand, and whether regulators would allow such a takeover to proceed given Tesco's existing market share.

Conduct a cost–benefit analysis for Tesco taking over Supervalu in Ireland.

(e) Outline one way YouTube could either adapt its marketing mix or its business model to respond to changing competition in the market.

Chapter 11 Marking Scheme – Total 93 marks

(a) (i) Identify the three missing Forces from the list below for Porter's Five Forces Model (6 marks 3 @ 2)

Bargaining Power of Suppliers
Bargaining Power of Customers
Threat of Substitutes

(a) (ii) Analyse the competitive forces in the market for McDonalds using Porters Five Forces Model
5 @ 5 marks each – 2 marks for explaining the force, 0-3 for applying it to McDonalds with reference to low/medium/high

Potential info for answers, state, explain, analyse McDonalds

- Rivalry → Burger King, KFC, Supermac's competing on price/promotions.
- New entrants → high investment barrier.
- Supplier power → global + Irish suppliers, scale advantage.
- Customer power → many alternatives, loyalty not guaranteed.
- Substitutes → cafés, healthier restaurants, home cooking, delivery services.
- Competitive advantage → strong brand and recognisable menu.

1. Threat of New Entrants
This force looks at how easy or difficult it is for new businesses to enter the market.
For McDonald's, the threat is low because setting up a nationwide fast-food chain requires heavy investment in outlets, staff, and marketing. Smaller businesses may open single outlets, but it is very hard to compete at McDonald's scale.

2. Bargaining Power of Suppliers
This force examines how much influence suppliers have over the business.
McDonald's sources food from global suppliers and also works with Irish farmers for beef, potatoes, and dairy. Because of its size and scale, McDonald's can negotiate good terms, so supplier power is relatively low.

3. Bargaining Power of Customers
This force considers how much influence customers have on prices and products.
Customers have many alternatives, such as Burger King, KFC, Supermac's, cafés, and

healthier restaurants. If McDonald's does not meet their needs, customers can easily switch, so customer power is medium to high.

4. Threat of Substitutes
This force looks at other ways customers can meet the same need.
In Ireland, substitutes include cafés, home cooking, food delivery services, and healthier dining options. Because these are widely available, the threat of substitutes is high, and McDonald's must adapt its menu to match changing tastes.

5. Competitive Rivalry
This force examines the level of competition between existing firms.
McDonald's faces strong rivalry from Burger King, KFC, and especially Irish competitor Supermac's. These rivals compete on price, promotions, and menu options, making the rivalry high in Ireland's fast-food sector.

(a) (iii) Identify McDonald's potential competitive advantage and, based on this advantage, recommend an appropriate strategy for launching a new range of vegan options on to the market.
MS: Advantage highlighted 3m, appropriate strategy recommended 2m, justified 2m

McDonald's potential competitive advantage is its strong global brand and large customer base. This makes it trusted and widely recognised by consumers in Ireland.

Based on this advantage, the best strategy for launching vegan options would be to use its brand power and nationwide outlets to make the new products widely available and well promoted.
McDonald's could run campaigns on TV, apps, and social media, but also use targeted digital marketing aimed at people in Ireland who are already searching for vegan or plant-based food.
By combining its trusted brand with focused promotion, McDonald's can attract loyal customers while also reaching new plant-based consumers, ensuring the vegan range gains quick visibility and uptake.

(b) Outline three strategies a small Irish business that sells clothing online in Ireland could use to expand.
12m (3 @ 4m (2+2)

Organic Expansion
The clothing business could expand organically by opening its own physical shop or pop-up store in busy Irish cities. This would allow customers to try on clothes, improve brand recognition, and build stronger customer loyalty beyond online sales.

E-commerce
The business could further develop its e-commerce platform by offering international shipping and subscription services. This would open up new markets, such as Irish communities abroad, and give customers a more convenient and consistent way to buy.

Takeover
The business could grow inorganically by acquiring another small Irish online clothing brand. This would instantly expand its product range, add new customers, and reduce competition in the market.

(c) Describe two forms of technology that supports adaptation or expansion for a business.
12m - 2 @ 6m (2+2+2)

1. E-commerce
E-commerce allows businesses to sell products online through websites or apps, reaching customers beyond their local area.
Example: All Real Nutrition sells protein bars internationally through its online store, expanding its customer base.

2. Social Media
Social media platforms like Instagram or TikTok help businesses promote products and engage directly with customers.
Example: Gym+Coffee used social media campaigns to grow its brand and attract younger audiences across Ireland and abroad.

3. Data Analytics
Data analytics tools help businesses track customer behaviour and spot trends, allowing

them to adapt products and marketing.
Example: Spotify analyses listening habits to recommend playlists and keep users loyal to the platform.

(d) Conduct a cost–benefit analysis for Tesco taking over Supervalu in Ireland.
25 marks – 2 benefits, 2 challenges @ 5m each (2+3) conclusion 5m

Benefits:
– Rapid market access: Tesco would gain 220+ SuperValu outlets, strengthening presence in rural Ireland.
– Eliminates competition: Tesco would reduce the influence of SuperValu, boosting market share against Aldi and Lidl.
– New assets: Tesco would gain SuperValu's strong supplier network and brand loyalty.
Costs:
– High capital requirement: Tesco must pay a premium price for the takeover.
– Hostility: Communities and suppliers may resist the loss of an Irish-owned brand.
– Regulatory issues: The takeover may be blocked due to Tesco's already strong market share.
Conclusion: While Tesco would gain scale and market dominance, the high cost, potential backlash, and regulatory barriers may outweigh the benefits.

(e) Outline one way YouTube could either adapt its marketing mix or its business model to respond to changing competition in the market.
6m (3m reference to changing competition, 3m for adaption for either)

YouTube could adapt its **pricing** by expanding its ad-supported free tier while offering discounted bundles for YouTube Premium, keeping users engaged while competing with TikTok and Spotify.

YouTube could expand its business model by offering **subscription** options for ad-free music videos/audio only for cheaper than their premium YouTube offering. This would offer a cheaper option to position it against Spotify for YouTube users to listen to music on to the go.