Strand 2 Chapter 11 Growth, development and expansion (2 weeks)

Learning Outcomes

11.1 Demonstrate an understanding of the importance of identifying competition in the market.

11.2 Use Porter's five forces model* to identify and analyse competition in the market and use these findings to identify the competitive advantage of a business.

11.3 Outline the strategies employed by a business to adapt or expand.

11.4 Appreciate the potential of technology to support adaption and expansion.

11.5 Conduct a cost-benefit analysis to analyse the implications of business expansion.

11.6 Outline strategies that a business may employ to adapt based on their marketing mix and/or business model.

Chapter Overview and Introduction

From the Specification (Pg 19 of NCCA Doc):

"In engaging with the learning outlined in this strand, students will explore idea development, the importance of planning, growth and development and operations and finance."

Chapter starts on page 196

Primer Questions

Primer Questions – Growth, Expansion, and Competition

Q1. Name some businesses you know that have expanded; how did they grow?

Prompts for class: Think about shops, restaurants, tech firms, or Irish SMEs. Did they open new branches, buy another company, or move online?

Suggested Answers:
– McDonald's expanded through franchising.
– Supermac's expanded by opening outlets nationwide.
– Netflix expanded internationally and added streaming after starting with DVDs.
– Gym+Coffee expanded from a small Irish brand into the UK and US through e-commerce.

Q2. Choose businesses that really stand out from competitors; what makes them stand out?

Prompts for class: What makes a brand different — price, product, customer experience, or branding?

Suggested Answers:
– Ryanair stands out on price (low-cost flights).
– Apple stands out for design, ecosystem, and brand loyalty.
– Patagonia stands out for sustainability focus.
– Boojum stands out in Ireland for strong brand culture and customer following.

Q3. How are smaller Irish businesses adapting or expanding through the use of technology?

Prompts for class: Think about social media, apps, websites, or online sales. Can you name an Irish business using these tools?

Suggested Answers:
– K9 Connectables sells through e-commerce and uses social media to reach global customers.
– All Real Nutrition uses online subscriptions and e-commerce to expand into the US market.
– Irish cafés and restaurants (e.g. local independents) use apps like Deliveroo and JustEat to expand reach.
– Many Irish SMEs use Instagram and TikTok for targeted promotion and customer engagement.
– Doddl is a tech first mortgage switch option to speed up and make the mortgage experience easier than the traditional method

Hook for the chapter – content in chapter PowerPoint to go with each

Spotify YouTube video on the streaming platform – it covers their business model, revenue streams, and we can get students to do a Porters Five Forces here without formally naming it so they are ready for it when they meet it in the textbook.

Show students these questions, then watch the video and let them answer them (in pairs/groups on whiteboards)

1. Spotify uses a "freemium" model. What does this mean, and why might it attract so many users compared to rivals?
2. How has Spotify tried to grow beyond just music streaming? Do you think this gives them an advantage?
3. What challenges does Spotify face in making money from music streaming?
4. How important are podcasts in Spotify's business strategy? Why might they see podcasts as different from music?
5. Based on the video, what do you think gives Spotify its strongest competitive advantage right now?

Teacher info below for these with expected answers and prompts

Q1. Spotify uses a "freemium" model. What does this mean, and why might it attract so many users compared to rivals?
Prompt: Ask students what "free" and "premium" might mean in this context.
Suggested Answer: The freemium model means users can access Spotify for free with ads, or pay for premium with no ads and extra features. This attracts many users because they can try the service at no cost before deciding to subscribe.

Q2. How has Spotify tried to grow beyond just music streaming? Do you think this gives them an advantage?
Prompt: Get students to recall what other content Spotify is investing in.
Suggested Answer: Spotify has expanded into podcasts and exclusive content. This gives them an advantage because podcasts keep users on the platform longer and differentiate them from rivals like Apple Music or YouTube Music.

Q3. What challenges does Spotify face in making money from music streaming?
Prompt: Ask students where Spotify's music comes from and who gets paid and if its something Spotify have a lot of control over or not.
Suggested Answer: Spotify must pay most of its music revenue to record labels and artists, which limits its profits. Unlike Apple or Amazon, Spotify relies mainly on streaming and doesn't have other major revenue streams to balance this.

Q4. How important are podcasts in Spotify's business strategy? Why might they see podcasts as different from music?
Prompt: Encourage students to think about costs.
Suggested Answer: Podcasts are important because Spotify can own the rights to them if they produce them themselves and doesn't need to pay royalties like with music. This makes podcasts a more profitable way to keep users engaged and attract advertisers.

Q5. Based on the video, what do you think gives Spotify its strongest competitive advantage right now?
Prompt: Ask students to think about what makes Spotify different from other music apps.
Suggested Answer: Spotify's biggest advantage is its large user base and brand recognition, combined with personalised playlists and recommendations. Offline saved playlists and access also make the service 'sticky' so users are slow to look for alternatives. Their focus on podcasts also gives them a unique edge compared to rivals.

Then use worksheet to introduce the concept of Porters Five Forces without naming it

WORKSHEET IS HERE

Spotify and Competition – Worksheet
Instructions: Answer the following questions about Spotify. Use what you learned from the video and discussion.

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1. How easy would it be for a new music app to set up and compete with Spotify?
Prompts for students: Think about costs, licensing music, attracting customers.
Answer: It's difficult. Setting up a new streaming service requires huge investment to get music rights and persuade customers to switch. This makes the threat of new entrants low.

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2. How much power do music artists and record labels have over Spotify?
Prompts for students: Are all artists on Spotify? Who decides what gets streamed?
Answer: Labels and big artists have some power because Spotify needs their music to attract customers. However, smaller artists have little power because they depend on Spotify for reach. Overall, supplier power is medium to high.

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3. How much power do Spotify's customers (listeners) have?
Prompts for students: Can customers set the price? Can they easily switch?
Answer: Individual customers have little power over prices, but collectively they matter a lot because if people cancel, Spotify loses revenue. Customer power is medium. Some locked in to annual subscriptions so harder to leave. They would also lose saved playlists, followers etc…

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4. What other ways can people listen to music (substitutes)?
Prompts for students: Think about YouTube, Apple Music, Amazon, radio, CDs.
Answer: There are lots of substitutes: YouTube, TikTok, radio, and other music apps. Substitutes are high because people can easily find other ways to listen.

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5. How much competition does Spotify face from other streaming services?
Prompts for students: Who are Spotify's main rivals? Do they compete on price or features?
Answer: Spotify faces strong rivalry from Apple Music, Amazon Music, and YouTube Music. All offer similar prices, so they compete through features and content. Rivalry is high.

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6. What do you think is Spotify's main competitive advantage?
Prompts for students: What makes Spotify different? Why do people choose it over rivals?
Answer: Spotify's advantage is its brand recognition, large user base, and personalised features like "Discover Weekly." Expanding into podcasts also sets it apart.

Useful business examples, stories, links, videos, resources…

Digital hub links (always log on to the hub for the latest versions or if links aren't working here):

PowerPoint

Class exams with solutions

Worksheet for the Introduction Hook

Kahoot / online quizzes for formative assessment

Suggested solutions to workbook

Suggested solutions to sample paper questions

Key information for the chapter:

Strand 2 Chapter 11	Growth, development, and expansion	2 weeks								
Learning Intention	**Learning Outcome**	**Textbook (Pages)**	**Mins**	**Activity Book (HL Qs)**	**Activity Book (OL Qs)**	**HL1**	**HL2**	**OL1**	**OL2**
the importance of identifying potential competition and competitors and the significance of a business' competitive advantage and how a business can capitalise on this.	11.1 Demonstrate an understanding of the importance of identifying competition in the market.	197-198	40	Q1	Q1,Q2	HL1 Q1 (e)			
the importance of identifying potential competition and competitors and the significance of a business' competitive advantage and how a business can capitalise on this.	11.2 Use Porter's five forces model* to identify and analyse competition in the market and use these findings to identify the competitive advantage of a business.	199-204	80	Q2	Q3	HL1 Q1 (e)	HL2 Q1 (d)		OL2 Q2 (d)
the importance of identifying potential competition and competitors and the significance of a business' competitive advantage and how a business can capitalise on this.	11.3 Outline the strategies employed by a business to adapt or expand.	205-208	60	Q4	Q4				
how enterprise is not static and how a business may develop and may use technology to support growth.	11.4 Appreciate the potential of technology to support adaption and expansion.	209,	20	Q3					
the importance of considering both potential benefits and potential costs when making business decisions.	11.5 Conduct a cost-benefit analysis to analyse the implications of business expansion.	210-211	30	Q5	Q5		HL2 Q5 (b)		
how a business may have to adapt to external drivers (including customer demographics, competition, and economic factors) to enhance financial sustainability, and how the business can address issues through considering their product/service, pricing, promotion, people, packaging, process, and place and/or business model.	11.6 Outline strategies that a business may employ to adapt based on their marketing mix and/or business model.	212-213	40	Q6	Q6				
		Mins	**270**	**Hr:**	**4.5**				

S2 Ch 11 Growth, development and expansion (L.O. 11.1)

Textbook Pages: 197-198
Activity Book: HL Q1 | OL Q1, Q2
Time Allocation: 40 minutes

Learning Outcome	11.1 Demonstrate an understanding of the importance of identifying competition in the market.
Students Learn About	The importance of identifying potential competition and competitors and the significance of a business' competitive advantage and how a business can capitalise on this.
Sample Paper Q	**HL1 Q1 (e)** Identify Glow Inc's potential competitive advantage and, based on this advantage, recommend an appropriate strategy for launching their new product on the market.
Create other potential Qs	1. Demonstrate one way a small Irish business can capitalise on its competitive advantage. 2. Explain why it is important for a business to identify both direct and indirect competitors. 3. Identify one competitive advantage a local café might have and recommend how they could use it to attract customers.

Specification Language Decoded

Demonstrate: Prove or make clear by reasoning or evidence, illustrating with examples or practical application
Identify: Recognise patterns, facts, or details; provide an answer from a number of possibilities; recognize and state briefly a distinguishing fact or feature

R&R activity

Pg 197	**Q1** **Prompts for class:** Ask students to think about why their family or friends have cancelled or switched subscriptions. **Key points from Deloitte (Ireland, 2025):** • **Cost**: 31% said subscriptions are too expensive. • **Not using it enough**: 29% cancelled because they didn't watch enough. • **Budget pressures**: 21% dropped services to cut overall spending. **Q2. What niches or USPs could a new entrant use?** **Prompts for class:** • Get students to imagine they're launching a new streaming service. What gap would they fill? How could they do something differently to the existing Apps (content, payment, use of ads, devices etc…?) • Link back to reasons people cancel: how could a new service solve these problems? (link to design thinking in chapter 7 – problem and customer focused) **Possible discussion points:** • **Cheaper models**: e.g. ad-supported free or low-cost tiers. • **Specialist content**: sports-only, kids-only, or Irish-produced shows. • **Bundles and extras**: streaming included with broadband, gaming, or music subscriptions. • **Flexible use**: shorter contracts or "pause" options to reduce waste, buy one box set or one show (pay per use option?) **Q3. Quibi** is widely seen as the **highest-profile streaming failure** so far. • It launched in April 2020 with **$1.75 billion in funding**, led by Jeffrey Katzenberg (ex-Disney) and Meg Whitman (ex-HP).

	• It promised "quick bites" (short episodes for phones only), but the timing (COVID lockdowns) and poor content meant users didn't stick. • Despite Hollywood backing and big-name shows, it shut down after just **six months** in October 2020.

Know	Understand	Be able to do
• Difference between direct and indirect competition. • What a competitive advantage is (cost, differentiation, niche).	• That competitive advantage can be temporary unless capitalised upon.	• Identify a competitor for a given business. • Spot a competitive advantage and suggest how to use it through the marketing mix.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Provide a competitor checklist (price, product, quality, convenience, brand) to help students distinguish between different offerings to help spot a USP. Give students sentence starters: • "One competitor for this business is ___." • "Its advantage is ___ because ___."	Ask students to recommend one adaptation (in price, promotion, or place) to strengthen the advantage highlighted.

S2 Ch 11 Growth, development and expansion (L.O. 11.2)

Textbook Pages: 199-204
Activity Book: HL Q2 | OL Q3
Time Allocation: 80 minutes

Learning Outcome	11.2 Use Porter's five forces model* to identify and analyse competition in the market and use these findings to identify the competitive advantage of a business.
Students Learn About	The importance of identifying potential competition and competitors and the significance of a business' competitive advantage and how a business can capitalise on this.
Sample Paper Q	**HL1 Q1 (e) (ii)** Analyse the competitive forces in the market for Glow Inc using Porters Five Forces Model. **OL2 Q2 (d)** Porter's Five Forces Model. Name the two forces missing from the diagram. Write your answers in the space below.
Create other potential Qs	(i) Use Porter's five forces model to identify and analyse competition in the market for McDonalds restaurants in the fast food sector in Ireland. (ii) Identify McDonalds competitive advantage from your assessment.

Specification Language Decoded

Identify: Recognise patterns, facts, or details; provide an answer from a number of possibilities; recognize and state briefly a distinguishing fact or feature
Analyse: x Study or examine something in detail, break down in order to bring out the essential elements or structure; identify parts and relationships, and to interpret information to reach conclusions
Porter's five forces model: Porter's model includes five forces which support deeper understanding of the competitive forces within business which drive how economic value is divided amongst stakeholders. The five forces within Porter's model include the threat of new entrants, the bargaining power of suppliers, the bargaining power of customers, the threat of substitutes and competitive rivalry

R&R activity

Pg 204	**Q1. Applegreen:** Focus on *value pricing, Irish branding, and strong food partnerships* (e.g. M&S Foods, Subway, Burger King). This appeals to price-conscious and family travellers. **Circle K:** Focus on a *sleek, modern experience* — premium coffee, in-store bakeries, digital screens. This appeals to customers who want convenience and quality. **Q2.** https://drivechange.applegreen.com/ https://www.circlek.ie/sustainability Ask them to identify **specific, tangible claims**, then assess credibility **"Are they measurable, or just marketing talk?"** Challenge: **"Could these initiatives actually influence consumer choice at the forecourt?"** **AppleGreen** Their "Drive Change" initiative commits to achieving **Net Zero in operations by 2030** and being **carbon neutral across Scope 3 emissions by 2050**, along with other pillars like *low carbon future, cleaner energy, community investment* They also do tree planting (community initiative) and a charitable fund. **Circle K**

Their sustainability strategy spans three pillars: *Planet, People, Prosperity*, including **renewable energy powering 168 sites**, expanding EV charging with solar energy, and offering **HVO renewable fuel**, **water recycling** in car washes, and improved packaging/waste practices. They're also advancing packaging and fuel innovation like **renewable diesel (HVO)** and **sustainably sourced coffee**, plus ongoing efforts on **biofuel expansions**

Both companies can appeal to eco-conscious motorists. Applegreen's visible community engagement may build strong local loyalty, while Circle K's infrastructure-led approach (charging, renewable fuels) positions it well in the growing green transport shift.

Q3. Circle K using Porter's Five Forces

Threat of new entrants: Low.
High capital costs for building sites and strong brand loyalty in fuel and food service make it difficult for new entrants to compete. Profits are likely to be higher as Circle K and its main rivals face less risk of sudden new competition.

Supplier power: Medium.
Circle K depends on food and coffee partners but has a choice of multiple suppliers. Profits are stable here as no single supplier dominates, though switching partners may carry short-term costs.

Customer power: High.
Drivers can easily choose Applegreen, Maxol, or independents nearby, and loyalty apps make switching even easier. Profits are likely to be lower because buyers hold strong influence over pricing and promotions.

Threat of substitutes: Medium.
Motorists could bring coffee and snacks from home or stop at independent cafés instead of Circle K. Profits are squeezed if substitutes become more attractive, especially on price and convenience.

Competitive rivalry: High.
Circle K faces direct, aggressive competition from Applegreen and Maxol, with heavy discounting and promotional offers. Profits are likely to be lower as rivalry forces high marketing spend and tight margins.

Circle K could develop a *subscription coffee/EV charging bundle* to lock in commuter loyalty.
Action: Offer unlimited coffee + discounted charging for a monthly fee.
Why it would work: Combines their premium coffee with the growing EV trend, creating stickiness in a high-rivalry market.

Know	Understand	Be able to do
• Names of the five forces. • Key factors that make each force high or low.	• How the interaction of forces influences profitability and competition. • That analysing forces helps identify where an advantage can be built.	• Label and describe all five forces in a market. • Apply the model to a case (e.g. Glow Inc or Deliveroo). • Infer a likely competitive advantage from the analysis

		(e.g. sustainability, brand loyalty, low-cost structure).

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
• Provide a scaffolded "forces template" with sentence starters ("This force is high because…"). • Supply a word bank of competitive force terms (e.g. "switching cost," "brand loyalty"). • Use visuals: a blank Porter's diagram to be completed in groups.	• Ask students to track how one force changes over time in an industry (e.g. streaming or retail). • Link to Ch. 9 -> how a business might adapt its marketing mix to respond to a strong force. • Students recommend a strategy to reduce the impact of one high force.

Note

Porter's model doesn't just focus on how big a business is or how much market share it has – it is looking at all of the forces that will ultimately impact on how profitable a business is ->

<u>How each force affects profitability</u>

Threat of new entrants
E.g. if threat is low -> Profits are likely to be higher as strong barriers protect existing businesses.

Bargaining power of suppliers
If supplier power is **low** → Profits are likely to be higher as firms can buy inputs cheaply and keep margins strong.

Bargaining power of customers
If customer power is **high** → Profits are likely to be lower as buyers push for lower prices or better quality e.g. if you make cakes and your largest customer is Aldi who buys from you.

Threat of substitutes
If threat is **high** → Profits are likely to be lower as customers can easily switch to alternatives.

Competitive rivalry
If rivalry is **low** → Profits are likely to be higher as fewer rivals mean more stable pricing and stronger loyalty.

S2 Ch 11 Growth, development and expansion (L.O. 11.3)

Textbook Pages: 205-208
Activity Book: HL Q4 OL Q4
Time Allocation: 60 minutes

Learning Outcome	11.3 Outline the strategies employed by a business to adapt or expand.
Students Learn About	How enterprise is not static and how a business may develop and may use technology to support growth.
Sample Paper Q	None
Create other potential Qs	1. Outline two strategies a small retailer could use to adapt its business when facing new competitors. 2. Outline one example of organic expansion and one example of inorganic expansion. 3. Outline one benefit and one drawback of using a strategic alliance as a method of expansion. 4. Outline one way technology can support a business when adapting to market changes.

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information.

R&R activity

Pg 208	**Nokia example for smartphones below** Background: Nokia dominated the global mobile phone market in the late 1990s and early 2000s. In 2007, they held over 40% of global market share. When Apple launched the iPhone and Android phones followed, Nokia tried to expand into the smartphone market. Outcome: Their expansion failed. By 2013, Nokia's phone business had collapsed, and Microsoft bought it for just €5.4 billion. Analysis: Nokia stuck with its old operating system too long, misjudged the importance of software and apps, and entered the smartphone market too late. Conclusion: Success in one era doesn't guarantee success in the next. Expanding into new product categories requires adapting to consumer needs and new technology trends.

Know	Understand	Be able to do
• Examples of adaptation strategies such as changing product, price, or distribution. • Different forms of expansion including organic and inorganic	• That expansion carries both opportunities and risks, and not all attempts succeed. • Organic methods and inorganic (merger, takeover, alliance)	• Outline strategies a business could use to adapt. • Outline different forms of organic and inorganic expansion

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Card Match Activity (Pairs or Small Groups) Prepare three sets of cards: **Set A – Types of Strategy** Adaptation	**Extension Activity: Growth Options for K9 Connectables** **Task for students:** K9 Connectables is an Irish company that makes

Organic Expansion Inorganic Expansion **Set B – Explanation** Changing elements of the business such as price, product, or distribution to suit the market. Growth from within by opening new outlets, selling online, or franchising. Growth through mergers, takeovers, or strategic alliances with other businesses. **Set C – Logos/Examples** Starbucks (added drive-thru, mobile ordering, and delivery options) All Real Nutrition (e-commerce store in Ireland and USA, subscription option online for recurring delivery) Kraft & Cadbury (takeover gave Kraft access to Cadbury's distribution and brand strength) **How to run it:** Give each pair of students a shuffled deck of the 9 cards (3 per set). Ask them to match each type to the correct explanation and an example. Pairs then compare their answers with another pair before the teacher confirms.	interactive dog toys. Imagine the business wants to grow further. Suggest one possible strategy for each type of growth below. Adaptation: How could K9 Connectables adapt its existing products, prices, or promotions to respond to competition or customer needs? Example answer: Introduce a subscription box option with new toy designs delivered monthly, adapting to customer demand for convenience. Organic Expansion: How could K9 Connectables grow from within the business? Example answer: Expand by selling through their own online shop into new EU markets, or by opening a branded retail store in Ireland. Inorganic Expansion: What takeover, merger, or strategic alliance could they consider? Example answer: Form a strategic alliance with a pet food company to bundle toys and treats together, or partner with a large pet retail chain to reach more customers.

Note

S2 Ch 11 Growth, development and expansion (L.O. 11.4)

Textbook Pages: 209
Activity Book: HL Q3
Time Allocation: 20 minutes

Learning Outcome	11.4 Appreciate the potential of technology to support adaption and expansion.
Students Learn About	How enterprise is not static and how a business may develop and may use technology to support growth.
Sample Paper Q	None
Create other potential Qs	Describe three forms of technology that can help a small business adapt to customer needs. Identify one risk and one benefit of relying on technology to grow a business.

Specification Language Decoded

Appreciate: Recognise the meaning, value, or importance of or have a practical understanding of

Know	Understand	Be able to do
• Examples of technology in business such as e-commerce, apps, social media, data analytics.	• That technology helps businesses adapt quickly to customer behaviour and expand beyond local markets. • Different types of technology in different areas of business (apps, e-commerce, AI, Canva, automation, social media, targeted marketing, crowdfunding)	• Appreciate examples of businesses using technology to support adaptation and expansion. Recognise why technology is now central to growth strategies. Suggest how a specific technology could support a chosen business.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Matching cards **List A – Technologies** E-commerce Social media Apps Data analytics Digital payments Technology partnerships **List B – Descriptions** Selling online through a website or platform to reach customers directly. Using platforms like Instagram or TikTok to market products and engage with customers. Mobile apps for ordering, loyalty, or customer interaction. Using customer data to track behaviour, improve	**Case Challenge:** Choose a business (e.g. K9 Connectables). Students propose one way it could use technology to adapt and one way to expand. E.g. Adaptation – launch a dog owner community app for product feedback. Expansion – use e-commerce and targeted social media ads to reach US customers. Read the case studies at the beginning of the book and identify where the businesses have used technology to expand, listing the method and benefit.

services, and target offers. Contactless and mobile payment options to make transactions quicker and safer. Working with third-party platforms such as Deliveroo or Amazon to increase reach.	

Note

S2 Ch 11 Growth, development and expansion (L.O. 11.5)

Textbook Pages: 210-211
Activity Book: HL Q5 | OL Q5
Time Allocation: 30 minutes

Learning Outcome	11.5 Conduct a cost-benefit analysis to analyse the implications of business expansion.
Students Learn About	the importance of considering both potential benefits and potential costs when making business decisions.
Sample Paper Q	**HL2 Q5 (b)** Conduct a cost-benefit analysis of the proposed move by Mars. (takeover of Pringles)
Create other potential Qs	Analyse the costs and benefits of a small business moving from a local to an online market. Conduct a cost-benefit analysis of a merger between two fast-food chains like McDonalds and Burger King.

Specification Language Decoded

Conduct: Perform an activity
Analyse: Study or examine something in detail, break down in order to bring out the essential elements or structure; identify parts and relationships, and to interpret information to reach conclusions

R&R activity

Pg 211	Student answers here based on option they have chosen

Know	Understand	Be able to do
That expansion can bring potential benefits such as increased revenue, economies of scale, stronger market presence, and access to new skills and products. That expansion also carries potential costs such as high capital investment, increased risk, cultural clashes or poor integration, and loss of focus or quality.	That a cost-benefit analysis weighs up both the positives (growth opportunities, efficiencies, diversification) and negatives (financial costs, risks, cultural and operational challenges) before deciding on expansion.	Conduct a basic cost-benefit analysis of a proposed expansion, showing both sides clearly. Analyse whether benefits outweigh costs in a given case study, reaching a reasoned conclusion.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Task: A local hair salon is considering opening a second branch. Each pair of students is given 8 cards. They must sort them into **Benefits** or **Costs**, then discuss which are most important. **Cards – Benefits** Increased sales and revenue from more customers. Greater brand presence in a new area. Economies of scale from buying products in bulk. Opportunity to employ more staff and build new skills. **Cards – Costs** High cost of setting up and fitting out the new salon.	**Task:** Imagine the following three takeovers are being considered. Choose one and conduct a cost–benefit analysis. List at least three possible benefits and three possible costs, then decide whether you would recommend going ahead. **Scenario 1 – Supermac's buys Boojum** Supermac's is considering buying Boojum, the Mexican fast-food chain. The aim is to add variety to its food portfolio and strengthen its presence in Irish cities.

Risk that customer demand may not meet expectations. Management stretched between two locations. Possibility of quality dropping if staff are not trained well. **Teacher Note:** After sorting, students should rank the cards from most to least important. Teacher then links back to the textbook (pp. 210–211), showing how cost–benefit analysis balances both sides before deciding.	**Scenario 2 – Gym+Coffee acquires Fitbit Ireland** Gym+Coffee, an Irish athleisure brand, plans to buy Fitbit's Irish operations to link clothing with wearable tech. The goal is to attract health-conscious customers and expand into smart technology. **Scenario 3 – K9 Connectables merges with Petstop** K9 Connectables, the Irish dog toy company, is exploring a merger with Petstop, a nationwide pet retailer. This would give them access to a larger distribution network and wider customer base.

Note

The cost-benefit analysis doesn't state whether a conclusion should be reached, but based on the outcome verb "interpret information to reach conclusions" I think it would be a good idea to give 2-3 benefits and 2-3 costs and then an overall conclusion based on those points for full marks at HL.

S2 Ch 11 Growth, development and expansion (L.O. 11.6)

Textbook Pages: 212-213
Activity Book: HL Q6 | OL Q6
Time Allocation: 40 minutes

Learning Outcome	11.6 Outline strategies that a business may employ to adapt based on their marketing mix and/or business model.
Students Learn About	How a business may have to adapt to external drivers (including customer demographics, competition, and economic factors) to enhance financial sustainability, and how the business can address issues through considering their product/service, pricing, promotion, people, packaging, process, and place and/or business model.
Sample Paper Q	None
Create other potential Qs	1. Outline one way a business could adapt its **pricing** strategy to respond to economic pressures. 2. Outline one way a business could adapt its **promotion** strategy to attract a younger demographic. 3. Outline one change a business could make to its **business model** to become more financially sustainable.

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information.

R&R activity

Pg 213	**Business Example: Netflix** **What external driver prompted change?** Competition from Disney+, Amazon Prime, Apple TV+ and pressure from customers for cheaper subscriptions in the face of cost-of-living challenges. **How did it adapt its business model?** Introduced an ad-supported subscription tier, cracked down on password sharing, and invested more heavily in original content to differentiate itself. (Ads not in Ireland yet as of Sept 2025) **What model did it move from and to?** Moved from a subscription-only, ad-free model to a hybrid model offering both ad-supported and ad-free subscriptions. **Did the change help improve its financial sustainability? Why or why not?** Yes. The ad-supported tier brought in millions of new users who might otherwise not subscribe, while ad revenue provided a new income stream. Limiting password sharing also converted some non-paying users into paying subscribers. These adaptations helped maintain growth in a highly competitive streaming market. **Teacher Note:** Encourage students to consider whether these changes improved Netflix's long-term brand value as well as short-term revenue. Some customers may dislike ads or restrictions, so there are risks alongside the benefits.

Know	Understand	Be able to do
• That businesses can adapt using the 7Ps of the marketing mix (product, price, place, promotion, people, packaging, process). • That adaptation may also involve changing the overall business model e.g. from manufacturing to subscription	• That adaptation is driven by external factors such as customer demographics, competition, or economic conditions.	• Give an example of a business model change in response to external drivers. • Apply the 7Ps to real cases and explain why a specific change might work.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Provide a worksheet with the 7Ps listed and ask students to fill in one possible adaptation for each (with sentence starters). Give short scenarios (e.g. “Sales are falling among younger customers”) and ask students to pick which “P” could be adapted in response.	Case Challenge Students select a business (e.g. All Real Nutrition or Netflix) and suggest one adaptation in each of the 7Ps. Ask students to recommend one business model change (e.g become advertising based…) Netflix could do to improve financial sustainability.

Links to cross-cutting themes:

Entrepreneurial Thinking:	Students explore how businesses identify competition and spot opportunities to capitalise on a competitive advantage (LO 11.1). They apply models such as Porter's Five Forces to think strategically (LO 11.2), and consider real-world examples of adaptation, expansion, and innovation (LO 11.3, LO 11.6).
Ethics and Sustainability:	When analysing expansion strategies and competitive advantage, students reflect on ethical and sustainability claims (e.g. Applegreen vs Circle K, LO 11.2). Failed takeovers and misaligned expansions (e.g. Under Armour's MyFitnessPal, Nokia's smartphones) highlight the risks of prioritising profit over stakeholder alignment (LO 11.3, LO 11.5). Students consider how sustainable strategies, including EV infrastructure and renewable fuels, can become a source of long-term competitive advantage.
Digital Transformation:	Technology as a driver of business change runs throughout the chapter. Students examine how businesses use apps, e-commerce, social media, data analytics, and digital payments to adapt and expand (LO 11.4). Case studies such as Netflix illustrate how digital models evolve (subscription to ad-supported tiers, password-sharing controls). Cross-links are made to case studies from earlier chapters where technology reshaped business models.
Business and Financial Literacy:	Students practise evaluating benefits and costs of expansion strategies through cost–benefit analysis (LO 11.5), gaining insight into financial decision-making and risk. The marketing mix and business model activities (LO 11.6) link financial sustainability to strategic adaptation. Case studies such as Mars' proposed takeover of Pringles (sample paper) and local expansion examples (e.g. cafés, gyms) ensure students can connect financial concepts to both multinationals and SMEs.

Assessments

Formative	Summative	AAC (Investigative Study)
• Think–Pair–Share on why businesses cancel or switch services (LO 11.1, streaming R&R p.197). • Group work to complete a Porter's Five Forces wheel for Circle K (LO 11.2, p.204). • Sorting cards: Benefits vs Costs for a hair salon expansion (LO 11.5, p.210–211). • Matching activity with technologies and descriptions (LO 11.4, p.209). • Worksheet on the 7Ps with examples of adaptations (LO 11.6, p.212–213).	• Activity Book Qs: HL Q1–Q6 and OL Q1–Q6 aligned with each LO. • Short written assessment: "Conduct a cost-benefit analysis of a proposed expansion for a local café." • End-of-chapter exam (mix of MCQs, short-answer, and structured long-answers) to cover LOs 11.1–11.6. • Sample Paper-style questions, e.g. Glow Inc. (Porter's Five Forces, competitive advantage), Mars takeover of Pringles (cost-benefit analysis).	• Students investigate a chosen business (local or international) that has adapted or expanded in the past 5 years. • They identify the external driver for change, outline the strategy used (adaptation, organic, inorganic), and assess the role of technology in supporting growth. • They conduct a basic cost-benefit analysis of the decision, linking to financial sustainability. • Presentation format could be written report, slideshow, or poster. • Teacher note: This links directly to LO 11.3 (adapt/expand), LO 11.4 (technology), LO 11.5 (cost–benefit analysis), and LO 11.6 (marketing mix/business model).

Teacher and Department Review

1. Teaching and Learning Effectiveness	2. Differentiation and Inclusion
How confident were students in applying Porter's Five Forces to real-world examples (e.g. Glow Inc, Circle K)? Which support strategies (e.g. card sorts, scaffolded templates, sentence starters) helped students access the models and apply them effectively? Did students engage with the R&R case studies (Netflix, K9 Connectables, Applegreen vs Circle K), and were they able to link them back to theory?	Were all students able to access core concepts such as competitive advantage, organic vs inorganic growth, and cost–benefit analysis? How well did group activities (e.g. strategy scenarios, business model adaptation tasks) support mixed-ability learners? Did extension activities (e.g. investigative case challenges, technology applications, K9 Connectables growth options) stretch higher-achieving students appropriately?

3. Resource Use and Gaps	4. Connections and Continuity
Do I need additional visual summaries (e.g. Porter's diagram, cost–benefit framework, 7Ps infographic) to help students consolidate the models? Were the textbook case studies sufficient to illustrate growth strategies, or would extra Irish SME/local business examples add more relevance? Did students need more practice in distinguishing between benefits and costs of expansion, or between different types of growth (adaptation, organic, inorganic)?	Did students make links between this chapter and earlier material (e.g. Ch. 7 Design Thinking, Ch. 9 Marketing Mix)? Are students beginning to appreciate how digital transformation and sustainability influence business growth strategies across different sectors?

How this chapter can link to the key competencies at Senior Cycle

Thinking and solving problems	Students apply models such as Porter's Five Forces and cost–benefit analysis to real case studies, learning to break down complex business decisions and evaluate options.
Being creative	Through activities like proposing new strategies for K9 Connectables or suggesting adaptations to the marketing mix, students generate innovative solutions for business growth and sustainability.
Communicating	Students practise explaining competitive advantage, justifying cost–benefit decisions, and presenting adaptation strategies clearly in both written and oral formats.
Working with others	Group activities such as card sorts, case study analysis, and business model challenges encourage collaboration, discussion, and consensus-building.
Participating in society	By examining ethical and sustainability claims (e.g. Applegreen vs Circle K) and how businesses respond to social pressures, students reflect on the role of business in communities and the environment.
Cultivating wellbeing	Students see how external drivers such as consumer needs and working conditions shape business adaptation (e.g. four-day week at ProjectOne), highlighting links between business growth and quality of life.
Managing learning and self	Independent research tasks (e.g. investigating failed expansions or technology applications) help students take ownership of their learning and develop critical self-management skills.