



5th Year Business November Exam Marking Scheme

Chapters 1,6,7,8,9,10

Using this Marking Scheme

This marking scheme has been created as an additional resource to support you in correcting the upcoming Christmas examination. It is intended as a flexible guide rather than a prescribed format, offering possible solutions and aligning student responses with the learning outcomes and action verbs in the specification.

No formal guidance has yet been issued on how marking schemes for this course should be structured beyond the outcome verbs in the specification, so please feel free to adapt, edit, or re-weight marks in whatever way best fits your class and teaching approach.

Send on any suggestions, feedback or errors to gavin@backinbusinesshub.com





Q1 Business In Our World

FíorFuel

FíorFuel is an Irish start-up founded by two friends, Maeve and Darragh, who wanted to create a superfood powder made entirely from Irish-grown ingredients. Their aim is to provide a daily health supplement rich in vitamins and minerals — a sustainable, locally sourced alternative to imported “super greens.”

They work closely with Irish farmers who grow kale, spinach, barley grass, and beetroot, which are then dried and blended into powdered sachets. The business also partners with a local packaging supplier that produces recyclable pouches. At first, suppliers required up-front payment, but as trust developed and orders became more consistent, FíorFuel began receiving bulk deliveries on credit terms.

Digital technology plays a major role in how the company operates. FíorFuel uses cloud-based stock-control software to track ingredient deliveries and finished goods, and manages all sales through its e-commerce website. They promote the brand through targeted social-media campaigns on Instagram and TikTok, and use analytics tools to identify which ads drive the most sales. The founders also hold regular Zoom meetings with app developers in Australia, who help manage their online store and develop new subscription features for repeat customers.

Innovation has been key to FíorFuel’s growth. The founders encourage all staff to share product ideas and customer feedback

through weekly brainstorming sessions. This culture of openness has helped generate new blends, such as a caffeine-free “morning boost” version. The business also invites health and fitness coaches to trial products and suggest improvements, ensuring continuous development of new ideas.

FíorFuel’s business model centres on providing convenient, Irish-sourced nutrition for health-conscious customers. Daily activities include ingredient sourcing, production, packaging, and online marketing. They work on building trust, education, and transparency about sourcing and nutrition with the customer. Its main customer type are young professionals and fitness enthusiasts, though a growing number of customers in their 40s and 50s have shown interest in the health benefits of Irish-grown supplements. The main costs include raw materials, packaging, technology, digital advertising, and delivery logistics.

Ethics are a cornerstone of the business. FíorFuel commits to fair pricing for farmers, transparent labelling, and responsible health claims that avoid exaggeration. Their marketing focuses on real-world benefits, diversity, and inclusion, ensuring messages appeal to a wide audience without unrealistic expectations. They also promote workplace wellbeing and fair conditions for staff as part of their company values, sharing free Friday videos where staff are free to take time off if they need to.





(a) (i) Outline the importance of suppliers for FíorFuel.

MS: 4m - (2+2) Importance explained (2), applied to FíorFuel (2)

Suppliers help a business manage its cash flow by offering credit terms.

They can help with FíorFuel's cashflow, they moved from up-front payments to buying ingredients on credit, helping the business manage costs as it grew.

Suppliers provide the materials that determine product quality.

Strong supplier relationships ensure access to reliable, high-quality, and ethically sourced ingredients, supporting a premium brand image.

FíorFuel relies on Irish farmers who produce quality kale, spinach, and beetroot, ensuring that its superfood powder meets high standards and supports its "Irish-grown" sustainability message.

(ii) Explain how the needs/wants of a supplier in a business may change at different stages of business development.

MS: 4m - (2+2) Importance explained (2), applied to FíorFuel (2)

At start-up stage, suppliers usually want payment up front because the business is new and unproven.

They need to reduce their risk of non-payment and ensure cash flow from early sales. As the business grows and proves reliable, suppliers become more confident and begin offering credit terms or delayed payments





(b) Describe three ways digital transformation has impacted on FíorFuel's operations.

MS: 15m - 3 @ 5 (1+2+2) Technology names (1), explained (2), impact on FíorFuel (2)

Cloud-based stock control software

This technology stores and updates stock information online in real time. It allows businesses to monitor inventory levels, deliveries, and sales instantly from any device. For FíorFuel, it ensures that ingredients and finished products are tracked accurately, reducing waste and improving speed of orders/means they won't run low on stock and miss orders.

E-commerce website

An e-commerce platform allows customers to browse, order, and pay for products online. It removes the need for physical retail space and enables direct-to-consumer sales. FíorFuel sells all of its superfood powders through its online store, increasing profit margins compared to selling through retailers, and allowing it to reach a global customer base beyond local outlets.

Social media analytics tools

These tools track engagement and performance data from digital marketing campaigns on platforms like Instagram and TikTok. They show which posts or ads lead to the most sales. FíorFuel uses analytics to refine its marketing strategy, focusing on the ads that attract the highest response and best return on investment.

Video-conferencing software (Zoom)

This technology enables live virtual meetings, file sharing, and collaboration across locations. FíorFuel's founders use Zoom to meet with Australian app developers, saving time and travel costs while supporting continuous improvement of their website.

Subscription app features

Subscription technology automates recurring payments and deliveries for repeat customers. It helps build predictable income and customer loyalty. FíorFuel's app developers created subscription options for customers who order regularly, creating a new revenue stream and improving repeat business.





(c) Determine the factors that have impacted on the development of business ideas in FíorFuel.

MS: 15m - 3 @ 5 (1+2+2) Factor (2), explained (1), impact on FíorFuel (2)

Organisational culture

A supportive and inclusive culture encourages employees to share ideas and feedback. When staff feel valued, they become active contributors to innovation. At FíorFuel, weekly brainstorming sessions allow all staff to suggest new blends and improvements, which led to the caffeine-free “morning boost” product.

“The founders encourage all staff to share product ideas and customer feedback through weekly brainstorming sessions.”

Access to technology

Digital tools enable small firms to test, market, and refine ideas quickly. FíorFuel’s use of analytics and online sales data helps identify which products and campaigns perform best, guiding decisions about new blends and packaging.

“They use analytics tools to identify which ads drive the most sales.”

Market trends / consumer behaviour / market research

Shifts in consumer values often drive business innovation. Rising demand for health, sustainability, and locally sourced products opens new opportunities. FíorFuel recognised this trend and developed Irish-grown superfood powders that match consumer interest in traceable, environmentally responsible nutrition / data from the site / fitness coach feedback.

“Their aim is to provide a daily health supplement rich in vitamins and minerals — a sustainable, locally sourced alternative to imported ‘super greens.’”

“A growing number of customers in their 40s and 50s have shown interest in the health benefits of Irish-grown supplements.”

Availability of resources

Businesses need time, skilled people, and finance to turn ideas into products. Without investment in these areas, idea development can slow down. FíorFuel allocates resources to work with app developers in Australia and pays fitness coaches to trial new products, ensuring continuous product development.

“The founders also hold regular Zoom meetings with app developers in Australia, who help manage their online store and develop new subscription features.”





(d) Identify the key elements of the business model canvas that are missing for **FíorFuel**, and complete their business model canvas.

MS: 16m - 4 @ 4 (2+2) Correct element (2) One point identified for FíorFuel (2)

Business Model Canvas				
Key Partners <ul style="list-style-type: none"> Irish farmers supplying kale, spinach, beetroot, and barley grass. Local packaging company producing recyclable pouches. Overseas tech developers (Australia) maintaining the e-commerce platform and subscription app. 	1.	Value Propositions <ul style="list-style-type: none"> A premium, Irish-grown superfood supplement offering natural nutrition and transparency. Sustainable and Irish alternative to imported "super greens." Builds consumer trust through traceability and authentic Irish sourcing. 	2.	3.
	Key Resources <ul style="list-style-type: none"> Skilled staff with expertise in nutrition, production, and marketing. Brand recognition of "100% Irish-grown" ingredients. Digital systems (site) 		Channel <ul style="list-style-type: none"> E-commerce website as the main sales channel. Social media (Instagram, TikTok) for marketing and engagement. 	
4.	Revenue Stream <ul style="list-style-type: none"> Direct online sales through the FíorFuel website. Monthly subscription model for regular users. Wholesale supply to selected Irish health stores or gyms. 			

1. Key Activities

- Sourcing Irish-grown kale, spinach, barley grass, and beetroot from local farmers.
- Manufacturing / stock control / distribution of superfood pouches.
- Managing e-commerce sales, returns, social media marketing, and subscriptions/app/site

2. Customer Relationships

- Building trust through transparent labelling and fair, accurate health claims.
- Engaging customers via Instagram and TikTok campaigns focused on education and wellbeing.
- Encouraging loyalty through online subscriptions and responsive digital support.

3. Customer Segments

- Young professionals and fitness enthusiasts seeking convenient, healthy nutrition.
- Growing segment of 40–50-year-olds interested in Irish-sourced supplements.
- Health-conscious consumers who value sustainability and local production.

4. Costs

- Ingredient/raw materials sourcing from Irish farmers and local packaging suppliers.
- Technology, digital marketing, and website/app development costs.
- Delivery, logistics, and staff costs to support production and fulfilment.





FíorFuel has recently decided to expand its production capacity by leasing a new facility outside Galway to meet growing demand. The move will allow them to increase output and reduce delivery times, but it also means hiring new staff and investing in automated blending equipment.

The expansion will require temporary disruption to current operations while machinery is installed. It will also involve renegotiating supply agreements with local farmers and seeking additional funding from investors to support the move. The company plans to begin production in the new facility within six months.

(e) (i) Conduct stakeholder mapping to identify and prioritise four stakeholders affected by this decision.

MS: 16m – 4 x 4 marks for each stakeholder

Named stakeholder (1), graded (0,1,2,3m) based on appropriate reference to level of interest/power for the stakeholder – suggested solutions below are a guide, but accept relevant answers.

Local farmers (suppliers)

High power – they control the supply of Irish-grown ingredients and can impact production if contracts or deliveries change.

High interest – the expansion directly affects their sales volumes and long-term relationships with FíorFuel.

Investors

High power – they provide the funding needed for the new facility and can influence how and when the expansion happens.

High interest – their financial returns depend on FíorFuel's growth and the success of the new operation.

Employees

Low power – they have little say in major investment or location decisions.

High interest – the move affects their daily work, job security, and adaptation to new technology and equipment.

Customers

Low power – they cannot influence FíorFuel's operational decisions.

High interest – they rely on consistent product availability and quality, which could be disrupted during the expansion.

Local community (Galway area)

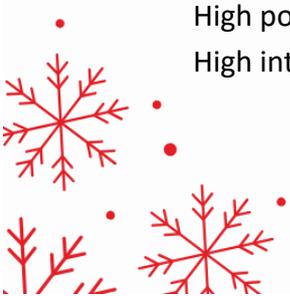
Low power – they have little direct influence over FíorFuel's business decisions.

High interest – the new facility affects local employment, traffic, and environmental impact in their area.

Lenders / Financial institutions

High power – they control access to loans or credit needed for equipment and setup.

High interest – they depend on FíorFuel's ability to repay financing linked to the expansion.





(e) (ii) Explain the importance of prioritising different stakeholder interests when making decisions in a business.

MS: 5 marks – Importance (2), relevant explanation for stakeholders/decisions...

Prioritising stakeholder interests helps a business make balanced, **informed decisions** that support long-term success.

When a company understands which stakeholders have the most power and influence, it can manage relationships more effectively and **reduce potential conflict**.

Accept explanation using FíorFuel e.g.

For FíorFuel, stakeholder mapping helps the founders decide **who to focus on most during expansion**. By identifying investors and suppliers as high-power stakeholders, they can prioritise securing funding and supply agreements first, while still communicating with employees and customers to maintain motivation and loyalty.





Question 2 – 50 marks

(a) “A business owner and investor may have different priorities in how the business operates”

(i) Discuss one conflict that might arise between these two stakeholders

MS: 4m (0/2/4)

A conflict usually occurs when stakeholders are competing for different outcomes (a win-lose relationship).

A conflict may arise over how profits are used in the business.

An investor may want profits paid out as dividends to get a quick return on their investment, while the owner might prefer to reinvest profits to fund growth or pay staff.

(ii) Suggest how a business owner could try to avoid conflict with an investor.

MS: 4m (0/2/4)

Clear communication and regular updates

The business owner can share progress reports, financial updates, and future plans with the investor.

This avoids conflict by ensuring the investor feels informed and included in decision-making, reducing misunderstandings about how funds are being used.

(b) (i) Identify three reasons why someone might decide to start their own business.

MS: 6m - 3 @ 2m (0/1/2)

Independence and control

Many people start a business to be their own boss and make their own decisions rather than working for someone else.

Financial opportunity

Entrepreneurs may see a chance to earn higher profits or improve their standard of living by developing their own ideas.

Personal fulfilment or passion

Some start a business to turn a personal interest or skill into a career, gaining satisfaction from creating something meaningful.

Identifying a market opportunity

A person might spot a gap in the market, like a problem they have or noticed, and decide to start a business to meet that demand.





Social or ethical purpose

Some entrepreneurs establish a social enterprise to make a positive difference, such as supporting local communities or promoting sustainability while still earning income.

(b) (ii) Outline the importance of enterprise for the government/economy, society and business.

MS: 12m - 3 @ 4 Importance (2), developed (2)

For the Economy

Higher incomes and living standards

Enterprise increases national income by driving productivity and innovation, helping Irish businesses grow and contributing more taxes to fund public services.

Job creation

New and expanding enterprises create employment across regions, particularly in high-skill sectors such as green technology, digital health, and AI.

Growth in exports

Irish innovations can be sold to global markets, bringing money into the economy and strengthening Ireland's position in international trade.

Attracts investment

A strong enterprise culture draws foreign direct investment and encourages start-ups, reinforcing Ireland's reputation as a hub for entrepreneurship.

For Business

Creates a Competitive advantage

Innovation allows businesses to stand out from competitors by offering better, cheaper, or more unique products and services.

Allows for Market expansion

Digital tools and e-commerce platforms enable businesses to reach global customers and grow without needing physical stores abroad.

Improved Efficiency and productivity

Process improvements, such as automation and AI, reduce costs, improve quality, and speed up delivery, increasing profitability.

Attracts skilled talent

Innovative, purpose-driven businesses appeal to skilled employees who value creativity, sustainability, and flexible working environments.

For Society

Solving social challenges

Social enterprises and community initiatives use enterprise to address homelessness, addiction recovery, and digital exclusion.





Environmental protection

Eco-innovation and circular business models reduce waste, emissions, and pollution, helping create a cleaner, more sustainable society.

Empowering communities

Access to enterprise supports, such as local enterprise offices and digital hubs, enables people to develop local solutions and create jobs.

Improved quality of life

Enterprise broadens access to services, technology, and healthcare, improving living standards and community wellbeing.

(c) Outline the importance of a business plan at both the start-up and operations stage of business development.

MS: 6m - 2 @ 3

Start-up Stage (clarifies idea, identifies value proposition, needed for investors/banks)

A business plan clarifies the idea, defines the value proposition, and proves the business is viable. It helps identify the target market and outline how the business will operate.

It is also crucial for securing funding, as investors and Local Enterprise Offices rely on the plan's financial projections and clear strategy before offering support.

Operations Stage (acts as a road map, use as benchmark)

At this stage, the plan guides day-to-day management and measures performance against goals. It helps monitor sales, costs, and staffing, ensuring efficiency and keeping the business on track with its long-term objectives.





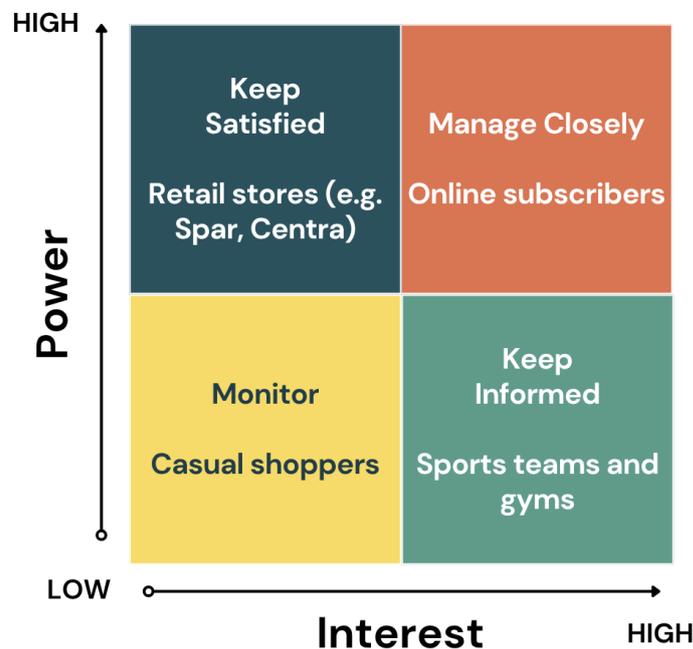
FuelUp is an Irish protein bar business that started out supplying sports teams and local gyms to try to hit its target market. They soon realised sales volumes were very low through this channel. Its founder then believed that getting stocked in major retail chains such as *Spar* and *Centra* was the key to growth and visibility.

After a few years in operation, FuelUp set up their ecommerce shop and discovered that selling **directly to consumers** through discounted online subscriptions produced far higher profit margins and stronger repeat sales. The company also noticed that casual retail shoppers often buy once or twice but rarely stay loyal to the brand.

FuelUp now wants to analyse which of its customer groups, **teams and gyms, retail stores, online subscribers, or casual shoppers**, have the most **power** and **interest** in influencing the business. The results will guide changes to its marketing mix.

(d) (i) Label and complete the grid below to use a **power-interest grid** to analyse customer interest for FuelUp.

MS: 8m – 4 @ 2m



Online subscribers (high power, power interest)

They bring consistent revenue through subscriptions and engage regularly with the brand, giving them strong influence and high loyalty.

Retail stores (e.g. Spar, Centra) (High power, low interest)

They control shelf space and visibility but have limited personal interest beyond product sales performance.

Sports teams and gyms (low power, high interest)

They support brand awareness and are invested in performance nutrition but buy in smaller volumes and have limited influence.

Casual shoppers (low power, low interest)

They make one-off purchases with little loyalty or feedback, giving them minimal power or influence over business decisions.





(d) (ii) Suggest how FuelUp should adjust two elements of their marketing mix, based on your findings.

MS: 6m – 2 @ 3m (1m Element, 2m how they adjust it)

Product

FuelUp could add new flavours or limited-edition protein bars for their online subscribers. This keeps regular customers interested and gives them something new to look forward to.

Price

They could offer discounts or bundle deals for subscribers who buy regularly. This makes customers feel rewarded and helps keep them loyal to the brand.

Place

FuelUp should focus more on selling online, for example by setting up a TikTok Shop linked to their website.

This would make it easier for customers to buy directly and would bring higher profit margins than selling through shops.

Promotion

They could run more online ads using fitness influencers and real customer stories. This helps attract more health-conscious customers and builds trust in the brand.

People

FuelUp should make sure their customer service is quick and helpful for online buyers. Good communication makes customers feel valued and more likely to stay subscribed.

Process

They could make it easier for customers to order and manage their subscriptions online. A simple system encourages people to keep buying without any hassle.

Packaging

FuelUp can improve their packaging by highlighting Irish quality and natural ingredients. This makes the product look trustworthy and appealing both online and in shops.

(e) What is the role of a business model in a successful business.

MS: 4m (0/2/4)

A business model is an essential element of the business plan that outlines how a company will **operate, create, deliver, and capture value in economic, social, and cultural contexts**. It plays a key role in guiding decision-making by showing how the business will **generate income, serve its customers, and use its resources effectively**.





Question 3 – 50 marks

Four friends decided to make a go of **The Irish Fairy Door Company** but soon realised their idea to build a magical world for children behind fairy doors would need more capital than they could provide. **The Irish Fairy Door Company** reached out for support from their South Dublin Local Enterprise Office, and were able to make their business a success.



(a) Identify three key competencies entrepreneurs would use when setting up a business, and for each one, outline its importance when starting or expanding a business.

MS: 12m - 3 @ 4m (1) Competency (1) Explained (2) Importance starting/expanding (2)

Risk taker

Entrepreneurs are willing to take personal and financial risks when starting a business, even when success is uncertain.

This is important at start-up because taking calculated risks allows new ideas to reach the market and helps the business grow despite initial challenges.

Creative

Creativity allows entrepreneurs to think differently, identify gaps, and develop unique products or services.

It is vital for standing out from competitors and attracting customers when launching or expanding a business.

Decision-making

Entrepreneurs analyse information, weigh up options, and make informed choices quickly. Strong decision-making is crucial at start-up when time and resources are limited and during expansion when taking strategic growth steps.

Proactive

Being proactive means taking initiative rather than waiting for opportunities to appear. This helps entrepreneurs stay ahead of competitors and act early to seize new market trends or innovations.

Being realistic

A realistic entrepreneur understands their limits and sets achievable goals based on facts rather than optimism.

This mindset helps manage finances and resources wisely and prevents overestimating success during growth.

Resilient

Resilience is the ability to stay determined and recover from setbacks or slow progress. It is essential when early sales are low or when challenges arise, ensuring the business continues moving forward.

Human relations

Good communication and networking skills allow entrepreneurs to build trust and form valuable relationships.





This is important for gaining support, investment, and customer loyalty as the business grows.

Independent

Independence gives entrepreneurs confidence to make their own decisions and take responsibility for outcomes.

This allows them to act quickly and steer the business without relying on constant approval from others.

Flexible

Flexibility enables entrepreneurs to adapt plans and adjust to customer feedback or market changes.

It is vital for surviving unpredictable challenges and responding to new opportunities during expansion.

Time management

Effective time management helps entrepreneurs prioritise key tasks and use resources efficiently.

It ensures deadlines are met and supports productivity when juggling multiple responsibilities in a small or growing business.

(b) Discuss three services *The Irish Fairy Door Company* would have been able to access from their Local Enterprise Office to support their business development and growth.

MS: 12m - 3 @ 4m (2+2)

Training and development

Local Enterprise Offices provide in-person and online training for entrepreneurs to build essential business skills. Programmes such as *Start Your Own Business* help owners improve planning, marketing, and financial management. This training supports growth by giving business owners the knowledge and confidence to make informed decisions.

Mentoring and advice

LEOs match entrepreneurs with experienced mentors who offer guidance on business strategy, finance, and market research. This one-to-one support helps businesses refine their plans, solve challenges, and identify opportunities for development and expansion.

Financial support and grants

LEOs offer grants such as *Feasibility Study* and *Business Expansion* grants, as well as access to Microfinance Ireland loans of up to €50,000. These supports help businesses invest in new products, hire staff, or fund growth when bank finance may not be available.

Networking opportunities

Local Enterprise Offices organise local business networking events where entrepreneurs can meet and share experiences.





These events help business owners build valuable connections, learn from others, and form partnerships that can lead to new customers or collaborations.

Networking also increases visibility within the local business community and provides a support network for future growth.

(c) Explain three functions of a feasibility study when developing a new business idea for a business like *The Irish Fairy Door Company*.

MS: 12m - 3 @ 4m (2+2)

Assessing market feasibility

This part of the feasibility study examines whether there is genuine customer demand for the product or service. It looks at target market size, customer needs, and existing competitors to judge if the idea can attract enough buyers to succeed.

Evaluating production feasibility

The study investigates whether the business has the resources, skills, and suppliers needed to make and deliver the product effectively. It ensures production capacity, staffing, and logistics can meet demand without overstressing resources.

Analysing financial feasibility

This assesses whether the idea is financially viable by estimating start-up costs, ongoing expenses, and potential profits. It helps entrepreneurs decide if the idea is affordable and capable of generating sustainable income.

Reviewing environmental feasibility

The study considers the potential environmental impact of the idea, such as waste, emissions, and energy use. This ensures compliance with environmental standards and supports sustainable, responsible growth.

Checking legal feasibility

It confirms that the business idea complies with laws around health and safety, employment, and intellectual property. This avoids legal risks, fines, and production delays that could harm the business later.





(d) (i) Explain three different pricing strategies used by businesses

MS: 9m - 3 @ 3m (1+2)

Penetration pricing

This strategy involves setting prices lower than competitors to quickly attract new customers and gain market share.

It's often used when a business first enters a market to encourage people to switch brands.

Price skimming

A business launches a new product at a high price to target early buyers and recover development costs, before lowering the price later to appeal to more customers.

It works well for innovative or in-demand products where people are willing to pay more at the start.

Premium pricing

This involves charging a higher price to reflect quality, exclusivity, or brand reputation.

It helps position the product as a luxury option and appeals to customers who associate higher prices with higher quality.

Cost-plus pricing

A business adds a set percentage or markup to the cost of producing a product to decide the final selling price.

This method ensures that all costs are covered and a consistent profit margin is made on each sale.

Bundle pricing

Two or more products are sold together at a reduced combined price.

This encourages customers to buy more items at once and can help increase overall sales.

Tiered pricing

A business offers different versions of a product or service at different prices.

Each tier provides varying levels of features or quality, allowing customers to choose the option that best fits their budget.

Price discrimination

A business charges different prices to different groups of customers for the same product or service.

The price difference is based on factors such as age, time, or location rather than production cost.





Predatory pricing

A company sets prices extremely low for a period of time to drive competitors out of the market.

Once rivals leave or reduce their market share, prices are raised again to increase profits.

Loss leader

A business deliberately sells certain products below cost to attract customers into a store or website.

The goal is to encourage them to buy other higher-priced or more profitable items.

Dynamic pricing

Prices change in real time depending on factors like demand, season, or customer behaviour.

This strategy helps maximise revenue by charging more during busy times and offering discounts during quieter periods. E.g. flights and hotels increase prices at busy times.

(ii) Outline two ways the target market for a product or service might influence the packaging / physical evidence element of the marketing mix.

MS: 5m - 3m + 2m

Design and style match

The look and feel of the packaging or setting should match what appeals to the target market.

For example, a luxury skincare brand might use sleek, minimalist packaging, while a trendy barber targeting young men could use modern décor, bold signage, and stylish furniture to reflect a premium yet relaxed vibe.

Relevant messaging

Language, colours, and visuals should connect directly with the audience's interests.

A protein bar for athletes might feature strong, energetic branding, while a family-focused café could use warm, friendly colours and welcoming décor to create a homely feel.

Convenience and functionality

Physical evidence should make the customer experience easy and comfortable.

For example, a barber could offer an online booking system and comfortable waiting area, while a food brand might use resealable, easy-to-carry packaging for busy customers.

Ethics and environment

If the target market values sustainability, both packaging and the business environment should reflect that.

An eco-conscious barber could use natural materials, energy-efficient lighting, and highlight sustainable products, just as a brand might use recyclable packaging.





Question 4 – 50 marks

(a) Arrange the stages below in the correct order and outline, using each stage, how a business **of your choice** could use the design thinking process to help develop/improve a product or service.

Stages: Implement, Clarify, Develop, Ideate

MS: 16m – 4 @ 4m (1,2,1) Stage, explained, linked to business of your choice

Business: All Real Nutrition

1. Clarify

The business begins by identifying what needs to be improved about an existing product. All Real Nutrition could research customer feedback and find that some people want a protein bar with extra fibre or a softer texture for easier digestion.

2. Ideate

After defining the problem, the team brainstorms ideas for improvement. They could explore new natural ingredients, flavour combinations, or textures that make the bar more appealing while keeping it healthy and sustainable.

3. Develop

The best ideas are turned into small test batches and shared with customers for feedback. All Real Nutrition could trial new recipes with gym members or loyal customers to see which version has the best taste and nutritional balance.

4. Implement

Once the improved bar is finalised, it is launched across stores and online. The company could promote it through influencer partnerships, in-store tastings, and social media campaigns to highlight its new benefits and drive sales.





(b) YouTube Advertising Revenue Hits \$10.3 Billion as It Takes Growing Share of TV Market
Using any two of the headings below, compare an advertising business model such as the one discussed above with another technology-driven business model you have studied.

- 1. Revenue generation**
 - 2. Consumer access and cost**
 - 3. Scalability and growth**
 - 4. User engagement and retention**
- MS: 12m – 2 @ 6m (3+3)**



Comparison to a marketplace model e.g. Vinted

1. Revenue generation

YouTube earns revenue primarily through advertising. Businesses pay to display targeted ads to viewers, while users access the platform for free.

Vinted, as a marketplace model, generates income through transaction fees or promotional listings when users buy or sell second-hand items.

2. Consumer access and cost

YouTube offers free access to most users, funded by advertisers, with an optional paid premium service. This makes it widely accessible and encourages large audience numbers.

Vinted is also free to join for users and there is no cost to sell any items. The buyer faces shipping fees when they purchase something, but the seller is free, encouraging people to increase the number of items they have for sale.

3. Scalability and growth

YouTube scales by incentivising content creators through monetisation based on views – this encourages new posts/creators, and increases viewing time.

Vinted's growth relies on expanding its user base of buyers and sellers, improving logistics, and entering new regional markets, which requires more development e.g. linking in with An Post for deliveries in Ireland.

4. User engagement and retention

YouTube keeps users engaged with personalised recommendations and a constant stream of new content, encouraging longer watch times and repeat visits.

Vinted builds retention through reviews, and seller ratings, motivating users to return regularly to buy, sell, and interact within the marketplace.





(c) (i) Discuss two ways YouTube could conduct market research

MS: 6m – 2 @ 3m (1+2)

Desk research

YouTube can use desk research by analysing existing data from viewing statistics, audience demographics, and global advertising trends.

Because its business model relies on advertising revenue, YouTube can study data from online reports or competitor platforms like TikTok to understand where advertisers are spending and how audiences are behaving online.

Field research

YouTube can use field research by gathering new, first-hand information directly from its users and advertisers.

This could include online surveys where users vote on a pop-up ad while on YouTube, to find out how viewers feel about different types of ads or how advertisers measure campaign success.

(c) (ii) What is the importance of identifying the target market for YouTube

MS: 4m (2+2)

More Effective Marketing Strategies

Identifying its target market helps YouTube understand who is watching, what content they enjoy, and how they respond to advertising.

This allows YouTube to tailor video recommendations, create more relevant ad placements, and attract advertisers looking to reach those exact audiences.

More Suitable Brand Development

Knowing its target market helps YouTube strengthen its brand identity and position in the digital entertainment space.

By understanding what appeals to different audiences—such as short, creative videos for younger users or long-form content for professionals—YouTube can design its platform features, layout, and tone to suit each group.

Higher Customer Satisfaction and Loyalty

When YouTube understands its target market, it can personalise recommendations and improve user experience.

By showing viewers the kind of content they actually want to see, YouTube keeps people engaged for longer and encourages them to return regularly.





(d) Outline three ways ethics is an important consideration when designing a marketing strategy.

MS: 6m – 3 @ 2m (1+1)

Builds trust and loyalty

Being ethical in marketing helps customers see the brand as honest and responsible. When a business promotes fair trade, uses recyclable packaging, or supports social causes, customers are more likely to trust it and stay loyal over time.

Creates powerful marketing stories

Ethical practices give businesses genuine stories to share in their marketing campaigns. Showing real examples of sustainability or community support makes advertising more authentic and helps customers feel connected to the brand's values.

Provides a competitive advantage

Promoting ethics and sustainability helps a business stand out in crowded markets. When products are similar, highlighting eco-friendly materials or fair sourcing can attract customers who are willing to support responsible brands.

Aligns with modern consumer values

Today's consumers, especially younger audiences, prefer brands that share their social and environmental beliefs. By designing marketing that reflects fairness, inclusivity, and sustainability, a business stays relevant and appealing to its target market.

Protects brand reputation

An ethical marketing strategy helps prevent negative publicity or backlash. By being transparent and avoiding misleading claims, a business builds a positive public image and avoids accusations of false advertising or "greenwashing."





(e) Managing relationships with different stakeholders is something successful businesses do very well.

Suggest two strategies a business can use to help avoid conflict with stakeholders.

MS: 6m – 2 @ 3m (1+2)

Open and transparent communication

A business should keep stakeholders informed about major decisions, challenges, and plans. Regular meetings, updates, and feedback opportunities help build trust and prevent misunderstandings that could lead to conflict.

Consultation and involvement in decision-making

Including key stakeholders—such as employees, suppliers, or investors—in important discussions makes them feel valued and heard.

This shared approach reduces resistance to change and helps the business find solutions that meet everyone’s needs.





Question 5

*Aoife began **Luna Scents**, a handmade perfume brand she runs from her bedroom. She buys natural oils and bottles online, mixes small batches, and promotes her perfumes through social media.*

Using her laptop, she manages orders, designs labels, and replies to customers who contact her through Instagram and email.

As sales have grown, she has started to consider working with a small local producer and a courier company to handle fulfilment more efficiently, while investing in stronger branding to reach new customers.

(a) (i) Outline any two of the key partners, key activities or key resources that make up Luna Scents's operational model, and explain why these may change over time.

MS: 8m - 2 @ 4m (2+2, explained, how they change over time)

Key Partners

External people or organisations a business works with to operate effectively. Luna Scents currently depends on online suppliers for natural oils and bottles, and may partner with couriers or a local producer for fulfilment. Over time they may have to switch to larger suppliers, new packaging partners, or branding agencies as demand increases.

Key Activities

The essential tasks a business carries out to deliver its product or service.

For Luna Scents, this includes mixing perfumes, designing labels, managing orders, and promoting products through social media.

Over time, these activities may shift towards managing production partners, overseeing marketing campaigns, and focusing more on brand development than hands-on production.

Key Resources

The main assets a business needs to operate successfully, such as skills, tools, or finances.

Luna Scents relies on Aoife's creativity, laptop, social media platforms, and basic equipment for mixing and bottling.

Over time, these resources may expand to include professional branding materials, a dedicated workspace, and additional staff or funding to scale production.

(ii) Identify a variable and a fixed cost Aoife has incurred running **Luna Scents.**

MS: 4m - 2 @ 2m

Variable Cost: natural oils, bottles and packaging, courier or delivery costs.

Fixed Cost: laptop, internet subscription, branding or design costs, possible rent or workspace setup.

(iii) Outline how her variable and fixed costs may evolve over time as her business grows.





MS: 4m - 2 @ 2m

As Luna Scents grows, Aoife's variable costs such as natural oils, bottles, and courier fees are likely to increase because she will produce and ship more perfumes to meet higher demand. She may also start buying larger quantities, which could slightly reduce the cost per unit.

Her fixed costs may rise if she invests in new equipment, pays for professional branding, rents a workspace, or hires staff. These higher fixed costs would reflect the business expanding from a home operation to a more established brand.

(b) Describe how changes in digital technology can impact on both market research and marketing for a new business start-up like *Luna Scents*.

MS: 8m – 2 @ 4m (2m tech mentioned, 2m explained)

Impact on Market Research

Continuous and real-time data

Digital tools allow businesses to collect instant feedback from customers through online surveys, polls, and social media.

Luna Scents could use Instagram polls to ask followers which new scent they prefer and adjust production quickly based on results.

Easier analysis of large amounts of data

AI and analytics software can track customer behaviour, reviews, and search trends to identify what people like or dislike.

Aoife could use Google Analytics to see which perfume products get the most clicks on her website and plan stock levels accordingly.

More affordable tools for small businesses

Technology has made professional market research accessible to start-ups through free or low-cost online tools.

For example, Luna Scents could use A/B testing to track how consumers react to different product images, how long they stay, and what type of posts get the best engagement.

Impact on Marketing

More targeted advertising

Digital platforms like Instagram and TikTok allow businesses to target specific audiences by age, interests, or location.

Luna Scents could promote ads to young adults who follow lifestyle or beauty influencers, helping her reach customers more likely to buy her perfumes.





More measurable campaigns

Online advertising makes it easy to track exactly how many people viewed, clicked, or bought after seeing an ad.

Aoife could use A/B testing to compare two different ad designs and see which one leads to more sales.

More creative and low-cost promotion

Digital media gives small businesses the chance to promote creatively without large budgets.

Luna Scents could collaborate with local influencers or post short behind-the-scenes videos showing how her perfumes are made to attract attention and build trust.





(c) Examine the cashflow forecast for the **Luna Scents** and answer the questions that follow.

2026	JAN	FEB	MAR	APR	TOTAL
RECEIPTS	€	€	€	€	€
E-commerce sales	22,000	24,500	26,000	27,000	99,500
Subscriptions	8,000	12,000	11,000	15,000	46,000
Retail sales	5,000	6,000	7,500	8,000	26,500
TOTAL RECEIPTS	35,000	42,500	44,500	50,000	172,000
PAYMENTS					
Purchases	14,000	18,000	16,500	22,000	70,500
Raw materials	10,500	12,000	11,500	16,000	50,000
Equipment Purchase	-	27,500	-	-	27,500
Other	4000	5000	3,000	6,000	18,000
TOTAL PAYMENTS	28,500	62,500	31,000	44,000	166,000
Net Cash	6,500	-20,000	13,500	6,000	6000
Opening Cash	500	7,000	-13,000	500	500
Closing Cash	7,000	-13,000	500	6500	6,500

MS: 10 marks

(i) Which month is expected to have the highest closing cash surplus? (2m)

January

(ii) In which month is a closing cash deficit expected? (2m)

February

(iii) According to the forecast, what is identified as the main reason for this deficit? (2m)

Planned purchase of equipment of €27,500 in February that leads to a deficit of €13,000.

(iv) Outline two pieces of advice you would offer the manager of **Luna Scents** on how to better manage their finances to prevent this deficit. (2 @ 2m)

Spread payments over time

Aoife could pay for equipment through hire purchase or leasing instead of paying all at once. This spreads costs into smaller monthly payments and reduces pressure on cash flow.

Increase cash receipts

She could run short-term promotions or offer small discounts for early payment. This helps bring in cash faster to cover expenses and avoid a deficit.

Avail of short-term finance

Aoife could arrange a bank overdraft or short-term loan to cover temporary shortfalls. This ensures she can pay bills on time while waiting for more sales income.





Pulse60 is an Irish fitness start-up offering 60-minute, high-energy dance-based workout classes that combine music, movement, and community. After building a loyal following through TikTok and Instagram, the founders plan to expand by franchising their in-person classes across Ireland and the UK. They also intend to launch a virtual version through a mobile app, allowing users to join live or recorded classes from anywhere.

Strong demand for health and wellbeing activities is supporting rapid growth, while technology such as streaming apps and wearable fitness trackers can enhance the user experience. However, increased competition from global fitness brands could make it difficult for Pulse60 to stand out. Rising living costs may affect how much people can spend on fitness subscriptions, and franchisees must manage insurance and music licensing fees. Social media continues to be a key marketing channel, but the business must balance energetic promotion with responsible messaging around fitness and body image.

(d) Conduct a STEEPLE analysis for four elements to develop a greater understanding of the external environment for **Pulse60** and identify potential areas of concern or of opportunity.

MS: 16m – 4 @ 4m (1+2+1 element, explained, related to Pulse60)

Social

Relates to changes in lifestyle, attitudes, and consumer expectations.

Opportunity: Growing interest in fitness, wellbeing, and community activities supports Pulse60's dance-based workouts. They can appeal to a wide audience by offering inclusive classes for all fitness levels.

Technological

Covers how new technology affects products, services, and competition.

Threat: Developing and maintaining a mobile app and streaming service can be expensive. If Pulse60 doesn't keep up with new tech or user expectations, competitors could overtake them.

Economic

Involves factors like income levels, costs, and consumer spending.

Threat: Rising living costs may reduce how much people can afford to spend on fitness subscriptions, which could lower membership and franchise sales.

Legal

Refers to laws and regulations that affect business operations.

Threat: Franchisees must follow insurance and music licensing laws. Failing to comply could lead to fines or damage to the brand's reputation.

Ethical

Relates to doing business in a responsible and fair way.





Threat: Overpromising fitness results or using unrealistic body images in advertising could lead to backlash. Pulse60 should focus on honest, positive messaging that promotes confidence and wellbeing.

