

FLEURISTE

From Trend to Shelf: Developing Products for Modern Consumers
Practice Worksheets — Answer Key

Part 1 — Short Answer Questions

Scenario 1 — NovaTech Tablets

NovaTech produces consumer electronics and currently sells mid-range tablets for general use. After research, they identified two potential customer groups for expansion:

	Digital Artists	Corporate Employees
Profile	Create illustrations, animations and digital art	Use tablets for presentations, meetings and documentation
Age	18 to 45	25 to 60
Occupation	Freelancers, designers, students	Managers, executives, consultants
Income	Low to moderate, often self-funded	Moderate to high, stable, often company-funded
Key needs	Min 4K display, 100% sRGB, 4096-level stylus, min 16GB RAM	Reliability, min 10–12h battery, security, min 8GB RAM + 256GB storage
Market	Growing demand for advanced creative tablets	Stable and scalable; companies purchase in bulk

Q1

Market Trend

Using the information provided, determine a market trend that we are seeing in the market.

Answer

Any ONE of the following:

- A — Increasing demand for tablets with advanced creative capabilities for digital artists
- B — Growing demand for high-performance devices for specialised digital activities
- C — Stable and scalable corporate demand with companies purchasing devices in bulk

Explanation

D is incorrect — declining interest in mid-range tablets is not supported by the data. Both segments still want tablets, just more specialised ones.

Q2

Demographic Factor & Chosen Segment

Which demographic factor most clearly differentiates the two customer segments, and which segment offers a stronger market for NovaTech's expansion?

Answer

Demographic factor:

Income / Purchasing Power

Chosen segment:

Corporate Employees

Explanation

Corporate employees have stable, company-funded income — the most strategically significant differentiator. Digital Artists have low to moderate, self-funded income, making them a less reliable market for bulk expansion.

Q3

Product Development Strategy

Based on the target demographic chosen, determine the most appropriate product development strategy for this opportunity.

Answer

Product Improvement

NovaTech already sells tablets. Adding specific upgrades (battery life, security features) to better serve corporate employees is Product Improvement — enhancing the existing product for a new use case.

Explanation

New Product Introduction would mean launching an entirely new product category. Line Extension would mean cosmetic changes like a different colourway or configuration — NovaTech already sells tablets, and the corporate variant requires substantive upgrades, which is Product Improvement.

Q4

Product Specification for Corporate Employees

Based on the target demographic chosen, recommend one suitable product specification for this collection.

Answer

Any ONE of the following:

B — Minimum 8GB RAM and 256GB storage for daily business use

C — Long battery life (minimum 10–12 hours)

D — Enterprise security features (e.g. biometric login, remote device management)

Explanation

These directly match the corporate demographic's stated requirements. Option A (16GB RAM, 4K display with stylus) is a spec for Digital Artists, not corporate employees.

Your café is launching 2 new products:

- A basic chocolate muffin for daily customers
- A premium layered cake made with imported Belgian chocolate and fresh berries

For Q6:

Supplier A sells normal chocolate at \$15 per 100g

Supplier B sells Premium Belgian chocolate at \$20 per 100g

Market research shows that customers are willing to pay 50% more for desserts made with Premium Belgian chocolate.

Q5

Pricing & Justification

Identify which product should be priced higher and which lower, and justify your answer based on product categories.

Answer

Higher priced product:

Premium layered cake

Lower priced product:

Basic chocolate muffin

Justification:

The basic chocolate muffin is an entry-level, everyday product & the premium layered cake is a premium product.

Explanation

This is the only correct justification. General statements about premium pricing (e.g. 'premium products cost more to make') do not specifically explain the pricing difference between these two products. Option D is incorrect — they cannot be priced the same.

Q6

Supplier Selection

Select a supplier and support your answer by comparing the percentage increase in ingredient cost with the potential price premium.

Answer

Increase in ingredient cost:

33.3% $(\$20 - \$15) \div \$15 \times 100 = 33.3\%$

Maximum price premium customers will pay:

50%

Supplier choice:

Supplier B — Premium Belgian chocolate (\$20/100g)

Explanation

Since customers will pay 50% more but ingredient cost only rises 33.3%, Supplier B's premium ingredient is commercially justified — you earn more in price premium than you spend in extra cost.

Q7

Selling Price Calculation

You are selling a product which costs \$60 to produce. The target gross profit margin is 50%. Calculate the selling price.

Answer

\$120

$\text{Selling price} = \text{Cost} \div (1 - \text{Gross Margin}) = \$60 \div 0.5 = \$120$

Explanation

A common mistake is adding 50% to the cost ($\$60 + \$30 = \$90$), but that gives a margin of only 33.3%. Gross profit margin is always calculated on the selling price, not the cost price.

Q8

Marketing Claim — Regulatory Compliance

You are launching a wellness drink and want to market it as "100% organic," however you cannot verify this claim from the supplier. What action should you take before publishing the advertisement?

Answer

Any ONE of the following:

- A — Do not publish the claim until it can be verified with supporting supplier documentation
- B — Remove the '100% organic' claim from marketing materials until verified
- C — Obtain written certification or evidence from the supplier before advertising

Explanation

Under Singapore's Consumer Protection (Fair Trading) Act, unverified claims can be considered misleading. Publishing with a disclaimer (D) or hoping to verify later (E) are not acceptable.

Q9

Product Discontinuation

Your company sells Product X (retails \$90, costs \$20) and Product Y (retails \$115, costs \$70). Based on profit margin, which product should be discontinued?

Answer

Product X gross margin:

$77.8\% (\$90 - \$20) \div \$90 \times 100$

Product Y gross margin:

$39.1\% (\$115 - \$70) \div \$115 \times 100$

Product to discontinue:

Product Y

Reason — any ONE of the following:

- A — Product Y has a significantly lower profit margin (~39%) compared to Product X (~78%)
- C — Product Y generates less gross profit per unit sold despite a higher retail price

Explanation

B and D are incorrect — Product X is the more profitable product. Despite Product Y's higher retail price, its gross margin is far lower.

Q10

Product Lifecycle

Sales dropped from 100 units/month to 15 units/month over 6 months. Identify the lifecycle stage and apply one appropriate action.

Answer

Lifecycle stage:

Decline

Action — any ONE of the following:

- A — Discontinue the product
- B — Replace with a new product
- C — Refresh or redesign the product
- D — Reduce marketing investment

Explanation

A sustained drop from 100 to 15 units over 6 months is a clear Decline stage. Increasing marketing spend (E) is generally not an effective or efficient response at this stage.

Q11

Brand Identity & Marketing Channel

You are launching a premium home fragrance brand targeting high-end customers. State a suitable brand identity positioning and one marketing channel that supports it.

Answer

Brand identity positioning:

Premium / Luxury / High-end

Marketing channel — any ONE of the following:

- A — Tatler Singapore or luxury lifestyle magazines
- B — Instagram luxury / lifestyle influencers
- C — High-end interior design publications

Explanation

All three channels reach audiences aligned with a premium brand identity. Mass-market TV (D) and MRT station flyers (E) would dilute the premium positioning.

Q12

Packaging Modification — Japanese Mochi

Each mochi is wrapped in food-safe paper, sealed in a plastic wrapper, arranged in a box with two inner paper layers, wrapped in wrapping paper, then placed in a gift bag. Customer feedback prefers simpler, more eco-friendly packaging. Apply one specific modification.

Answer

Any ONE of the following:

- A — Remove the plastic wrapper and retain only the food-safe paper for each individual piece
- B — Replace the plastic wrapper with a biodegradable or compostable alternative
- C — Remove the outer gift bag and present in the closed box only
- D — Reduce the inner paper lining from two layers to one
- E — Eliminate the outer wrapping paper layer

Explanation

Options A–E all address the customer request by removing or substituting a packaging layer. Adding a heavier box (F) increases packaging, which is the opposite of what customers requested.

Q13

Operational Control — Supplier Orders

You ordered 200 white lilies but received 200 white chrysanthemums. The supplier claims your phone order mentioned chrysanthemums. What operational control measure should you implement for future orders?

Answer

Any ONE of the following:

- A — Confirm all supplier orders in writing (email or formal purchase order) after any verbal / phone order
- B — Send a written order summary to the supplier immediately after a phone order, specifying exact product, variety, colour, and quantity
- C — Use a formal purchase order document that the supplier must acknowledge before fulfilling

Explanation

The root cause was a verbal order with no written record. Any written confirmation method is a valid control measure. Continuing with phone-only ordering (D) solves nothing.

Part 2 — Case Study: LumiHome

About LumiHome

LumiHome is a Singapore-based home fragrance brand specialising in scented candles and diffusers. Products are priced between \$40 to \$90, targeting the mid to upper market segment.

Part 1 — Market Research & Supplier Quotations

LumiHome is planning to launch a new candle collection targeting wellness-focused working adults aged 25–40. Market research findings:

- 1. There is a growing demand for clean-burning, non-toxic candles
- 2. Customers are willing to pay up to 25% more for natural ingredients (e.g. soy wax, essential oils)
- 3. They prefer subtle, calming scents (e.g. lavender, sandalwood)
- 4. They favour minimalist, aesthetically pleasing packaging
- 5. They are influenced by peer recommendations (word of mouth) and online reviews
- 6. They primarily use Instagram and TikTok
- 7. They prefer 1–2 days delivery and are comfortable spending \$50–\$85 per candle

Costing guidelines:

Direct material and delivery costs must not exceed 40% of retail price

Fixed delivery cost: \$10 per item

	Supplier A	Supplier B	
Soy wax (per 100g)	\$8	\$6	
Essential oils (per 100ml)	\$25	\$20	
Lead time	Next day	7 days	
Ordering process	WhatsApp + invoice	Website + invoice	
Natural certification	Yes	No	

CS1

Product Strategy, Feature & Specification (Questions 1 & 2 are linked)

Q1: Identify one product development strategy LumiHome should adopt and explain how a specific product feature addresses a current market trend. Q2: Propose one suitable product specification — it must correspond to your chosen trend and feature.

Answer

Market trend — any ONE of the following:

- A — Growing demand for clean-burning, non-toxic candles
- B — Customers willing to pay up to 25% more for natural ingredients
- C — Preference for minimalist, aesthetically pleasing, eco-friendly packaging

Product development strategy:

Product Improvement

Product feature — must match your chosen trend:

- Trend A → Feature A: Use soy wax and essential oils (natural, non-toxic ingredients)
- Trend B → Feature A or C: Use soy wax & oils OR offer subtle, calming scents
- Trend C → Feature B: Use eco-friendly minimalist packaging

Product specification (Q2) — must match your chosen feature:

- Feature A (soy wax & oils) → Spec C: Natural / non-toxic ingredients (soy wax, essential oils)
- Feature B (eco packaging) → Spec B: Minimalist, aesthetically pleasing packaging
- Feature C (calming scents) → Spec A or C: Subtle calming scents OR natural/non-toxic ingredients

Explanation

LumiHome already sells candles. Upgrading them with natural ingredients and better packaging is Product Improvement. D (declining demand) contradicts the data. Each trend must be paired with a logically consistent product feature and product specification — they cannot be mixed and matched arbitrarily.

CS3

Supplier Selection

Using the supplier quotations and specifications provided, select the most appropriate supplier for the new collection and justify your choice using one supplier selection criterion.

Answer

Supplier choice:

Supplier A

Selection criterion — any ONE of the following:

- A — Natural certification — meets the target demographic's preference for natural/non-toxic products
- B — Next-day lead time — aligns with customer preference for 1–2 day delivery

Explanation

C (lower cost) and D (website ordering) are Supplier B's advantages, not Supplier A's. Supplier B lacks natural certification and has a 7-day lead time — both disqualifying factors for this collection.

After a month of product development and marketing strategy development, LumiHome launched the following products in 2 different formats:

	Glass Jar Candle	Travel Tin Candle	
Description	200g soy wax candle with essential oils	200g soy wax candle in a metal tin	
Wax + Oils (Supplier A)	\$18	\$18	
Wax + Oils (Supplier B)	\$13.50	\$13.50	
Container	Glass jar: \$3	Tin: \$3	

Costing guidelines:

Direct material and delivery costs must not exceed 40% of retail price

Fixed delivery cost: \$10 per item

Marketing strategies under consideration:

- 1. Influencer collaborations on Instagram
- 2. Paid banner ads on news websites

CS4

Cost Calculation

Using Supplier A's cost together with the packaging and delivery costs, calculate the total direct cost of the Soy candle in Glass Jar. Determine whether pricing the product at \$70 meets the ≤40% costing guideline.

Answer

Wax & oils (Supplier A):
\$18

Container (glass jar):
\$3

Delivery cost:
\$10

Total direct cost:
\$31 (\$18 + \$3 + \$10)

Percentage of retail price:
44.3% ($\$31 \div \70×100)

Meets costing guideline:
No — 44.3% exceeds the 40% threshold

Explanation

The product must be priced higher than \$70 to meet the guideline. At \$70, the direct costs consume 44.3% of retail — exceeding the 40% cap.

CS5

Selling Price & Category

Using the brand's price range, the target demographic's spending range, and the company's costing guidelines, determine a suitable selling price for the soy candle in a glass jar.

Answer

Acceptable price range:

\$77.50 to \$85

Minimum to meet $\leq 40\%$ guideline: $\$31 \div 0.4 = \77.50

Must fall within brand range: \$40–\$90

Must fall within demographic's comfort range: \$50–\$85

Therefore the acceptable range is: \$77.50–\$85

Product category:

Mid-tier

Explanation

Any price below \$77.50 violates the costing guideline. Any price above \$85 exceeds the demographic's comfort range. Any price above \$90 exceeds the brand's price range. Mid-tier is correct as the price falls within the \$40–\$90 brand range.

CS6

Marketing Strategy

LumiHome is considering two marketing strategies. Select the more appropriate strategy based on the brand identity and target demographic, and state ONE reason.

Answer

Marketing strategy:

Influencer collaborations on Instagram

Reason — any ONE of the following:

A — The target demographic primarily uses Instagram and TikTok

B — The target demographic is influenced by peer recommendations and online reviews

C — Influencer content feels more authentic and trusted than banner ads

Explanation

Options D and E describe advantages of banner ads on news websites, which suit a mass-market brand — not this wellness-focused, Instagram-using demographic.

CS7

Legislative Consideration

LumiHome intends to market its candles as "natural" and "non-toxic" and charge a premium. Identify one legislative consideration before making these claims publicly.

Answer

Any ONE or both of the following:

A — Ensure claims are accurate and supported by verifiable supplier certification before publishing

B — Comply with Singapore's Consumer Protection (Fair Trading) Act — unverified claims may be considered misleading

Explanation

A fine-print disclaimer (C) does not make an unverified claim compliant. 'Natural' and 'non-toxic' are not standard terms requiring no verification (D) — they are specific claims that can mislead consumers if unsubstantiated.

Part 3 — Post-Launch Review (3 Months)

LumiHome has successfully launched their product, and are doing their 3 months post launch review based on sales numbers and customer feedback received.

Units Sold	Month 1	Month 2	Month 3
Glass Jar Candle	80	95	120
Travel Tin Candle	70	50	30

Customer feedback:

1. "The travel tin so light. Seems like it's made of cheap metal"
2. "The travel tin's cover keeps falling off!"
3. "I really like the scents! They make me feel super relaxed"
4. Packaging is simple and aesthetically pleasing

CS8

Lifecycle Intervention

Using the 3-month sales data provided, determine which product requires lifecycle intervention and apply ONE appropriate action.

Answer

Product for intervention:

Soy candle in metal tin (Travel Tin)

Sales trend: 70 → 50 → 30 units (clear decline)

Appropriate action — any ONE of the following:

- A — Refresh or redesign the product
- B — Reposition it for a different target market
- C — Phase out / discontinue the product

Explanation

The Travel Tin shows a clear declining trend while the Glass Jar is growing (80→95→120). Increasing promotional spend (D) rarely reverses a product decline and is generally not a sound strategic response at this stage.

CS9

Product Modification

Based on customer feedback that the travel tin candle feels less premium (feels light / cheap metal, lid keeps falling off), propose one specific product modification.

Answer

Either of the following:

- A — Upgrade to a heavier-gauge, higher-quality tin to improve weight and sturdiness
- B — Improve the lid mechanism / fit so it closes securely

Explanation

Both A and B are correct — they directly address the two specific customer complaints. A fixes the weight/quality feel, B fixes the lid. C (surface finish) is a cosmetic change that does not address the structural quality issues. Switching to glass (D) abandons the travel tin product line. Reducing the price (E) acknowledges the problem without fixing it, and erodes margin.

Operational Step

LumiHome submitted an order via WhatsApp and the supplier sent an invoice. Apply ONE operational step before approving the invoice to minimise ordering errors.

Answer

Any ONE or both of the following:

A — Cross-check all invoice details (product type, quantity, scent variant, delivery address) against the original order before approving

B — Confirm all line items on the invoice match the agreed specifications before signing off

Explanation

Verification before approval creates a reliable check to catch errors. Approving immediately (C) defeats the purpose.

Verbal confirmation from a colleague (D) does not create a written audit trail.