

**2012 HIGHER SCHOOL CERTIFICATE EXAMINATION
Business Studies****2012 HSC - Business Studies
Band 2/3
Sample 1 Question 23****Section II (continued)****Question 23 (12 marks)**

XYZ Ltd produces sports shoes which are worn by elite athletes and the general public in North America. XYZ Ltd is keen to expand into Europe and Asia.

- (a) What is ONE possible benefit to XYZ Ltd of using global branding as a marketing strategy? **2**

One possible benefit to XYZ Ltd of using global branding as a marketing strategy would be that by using elite athletes more customers see that the product is great quality and that its affordable to the general public to purchase also.

- (b) Describe TWO physical distribution issues that XYZ Ltd will have to consider as part of their expansion. **4**

Two physical distribution issues that XYZ Ltd will have to consider would have to consist of the distribution of the products - more stores would have to create more franchise stores in Europe & Asia. Also the costs in distributing to two different countries, economic fluctuation could collide with exporting goods.

Question 23 continues on page 14

- (c) The management team of XYZ Ltd is deciding whether to use customisation or standardisation as its marketing strategy for the expansion.

Analyse how marketing and finance would be linked in XYZ Ltd's decision to customise or standardise.

Marketing and finance would be linked in XYZ Ltd's decision to customise or standardise simply by the fact that marketing needs to take place to gather a large clientele. The more potential customers are aware of the product, the more the demand is for the product. The higher the demand is the more financial resources need to take place to produce more products, marketing allows the business to gather information on what styles and customisation of the product is wanted. Different countries may go for different trends and styles therefore allowing the business to provide different options of product to be purchased. Different ethnicities means different clientele and knowledge on Asia & Europe.

End of Question 23