

**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

Global branding can be recognised worldwide and therefore will receive instant market share when expanding.

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

- How will xyz get their product to other countries? The transport of product to other countries may be expensive or difficult to find a transport line.
- When these items reach the country where will they be stored? xyz needs to look at warehousing, store location etc.

**Question 23 continues on page 14**

Question 23 (continued)

2012 HSC - Business Studies  
Band 3/4  
Sample 1 Question 23  
6

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

same for all customers.

Athletes known people wear them change price.

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

Marketing of standardisation will include the use of elite athletes which result in good market share if used correctly. However customisation may also have the same affect as this product is what individuals are looking for and it is also a global brand.

Finance maybe affected by customisation as the cost associated with the production and design of the new product is expensive. If this product is not accepted then the company will be running at a loss. However standardisation will result in market share and therefore result in profit over a period of time.

End of Question 23