

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

The brand isn't focused, as a result it can be widely recognised especially since its market target is large through the general public. Being widely recognised also makes it distinctively unique and attractive.

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

As XYZ are considering to expand globally, logistics such as transporting its products and foreign storage expenses are issues that would need to be considered. As the distance of transporting large amount can be exposed to damages and handling. Also, XYZ would need to consider if the time distributing is too consuming and force XYZ to set outsourcing operation in that particular region.

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.

As XYZ marketing goal aims at Elite Athletes and ~~Standardisation~~ general public. It will be appropriate to implement customisation as its key marketing strategy. This strategy will specifically target Elite Athletes whilst providing unique attraction to the public by introducing a product that out levels standard products and particularly different. In addition, by ^{having} customising products, the scale of products produced can be reduced favourably allowing logistics and distributing to other countries to be more secured and easier to handle. This reduce its storage expenses and allows the excess finance to be reallocated to expanding its function or apply to areas needed. As a result, this will keep its business flowing and operating under steadily grow and recognition.

End of Question 23