

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

Global Branding will allow XYZ LTD to be
recognisable in many markets. It will boost consumer
confidence in the ~~product~~ brand & the sports
shoes.

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

XYZ Ltd will have to consider how they will
transfer stock overseas, as well as their inventory
management techniques. XYZ Ltd must consider
where & how they will hold stock. And
whether they will use the LIFO, FIFO or
JIT approach.
Global factors such as economies of
scale must also be considered. It is XYZ Ltd
decision as to whether they want to
make customise or standardised shoes.

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- (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 & Finance management play an important roles in XYZ LTD's decision to use Customisation or Standardisation as a marketing strategy.

Marketing Management through Market Research & Segmentation will influence the business's decision on whether to standardise or customise their products. Market research will point towards standardisation if the business's objective is to manufacture for a mass market. This form requires Assembly line production meaning if the business's finance company must spend on machinery.

For example if the business has low financial stability it will influence the Marketing Management to use a standardisation approach as it is cheaper compared to product Customisation.

End of Question 23