

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

By expanding the business 'XYZ' this will help in promoting the business name overseas and increase profits for the business. Also interest may not have to be paid in some countries therefore minimising expenses.

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

By expanding their business overseas XYZ Ltd will have to consider physical distribution issues that will arise as a part of their expansion such as the transportation of the goods e.g. for example how to get the shoes across to Europe and Asia in the most efficient and effective way and also being able to promote their product overseas in order to get the target consumers attention and attract them to your product.

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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.

Customising is the process of establishing and producing a product that meets consumers wants and needs and having it customised for them e.g. L'Oréal ^{age} skin repair is specially customised for older women to stop aging signs of aging from appearing. ~~thereas~~ Whereas, standardising is product a product that can meet all consumers in all age groups, not just targeting a specific group. Marketing and Finance are linked to XYZ Ltd's decision to customise or standardise as they are establishing a marketing strategy ~~as~~ who to target, and how to place, promote, price and establish a product. Finance would be linked as they must develop a financial plan and strategy in order to expand their business overseas. and whether they customise or standardise the prices will vary and funds differ.

End of Question 23