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SUPERVISOR'S USE ONLY

91380



Level 3 Business Studies, 2012

91380 Demonstrate understanding of strategic response to external factors by a business that operates in a global context

2.00 pm Monday 3 December 2012 Credits: Four

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL the questions in this booklet.

Refer to relevant business knowledge and/or Māori business concepts in your answers.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–15 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

| ASSESSOR'S USE ONLY | | | | | | |
|--|---|--|--|--|--|--|
| Achievement | Achievement with Merit | Achievement with Excellence | | | | |
| Demonstrate understanding of strategic response to external factors by a business that operates in a global context. | Demonstrate in-depth understanding of strategic response to external factors by a business that operates in a global context. | Demonstrate comprehensive understanding of strategic response to external factors by a business that operates in a global context. | | | | |
| Overall level of performance (all criteria within a column are met) | | | | | | |

You are advised to spend 60 minutes answering the questions in this booklet.

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QUESTION ONE: Multinational Businesses

Use the information in the boxes and your business knowledge to answer the following questions.

Pizza Truck NZ (PTNZ) is a premium fast-food franchise that started up in Wellington in 2004. Encouraged by other multinational restaurant chains, the business strategy has been to establish its brand and outlets in Australia (Phase 1 in 2013) and then south-east Asia (Phase 2 in 2015).

| (a) | Explain ONE external factor that has encouraged the growth of multinational businesses in recent years. | | | | |
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If all is successful over the next few years, the management at *PTNZ* have set a strategic goal to develop into a global brand by 2025. However, there is generally a mixed reaction to multinational companies, especially due to their impact on local businesses in host nations.

| • | ONE way in which multinational companies can benefit businesses in host nations | | | | | | |
|---|---|--|--|--|--|--|--|
| • | ONE way in which multinational companies can harm businesses in host nations. | | | | | | |
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A competitor in the Australian market has become quite concerned that a developing multinational company like *PTNZ* might take a large part of their market share. The Australian company has combatted this with a negative marketing campaign, the major focus of which has been on buying Australian rather than New Zealand pizza.

A strategic response means a business-wide reaction at multiple levels (size, scope, time (c) frame). Evaluate a strategic response that PTNZ could implement to counter the negative marketing campaign.

In your answer, you should:

- explain the suggested strategic response to the negative marketing campaign
- fully explain ONE possible positive and ONE negative impact to the business of the

| response |
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| come to a justified conclusion on the likely success of the strategic response. |
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QUESTION TWO: Changes in the Global Marketplace Caused By the Internet and Social Networking

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Use the information in the boxes and your business knowledge to answer the following questions.

PTNZ has implemented a "bricks and clicks" strategy, in which customers can order in person from outlets (bricks) and also in the comfort of their own home via the *PTNZ* website (clicks).

PTNZ has also developed a social media element to its online marketing strategy. This allows customers to use social media websites to learn about new products and send in photos, product reviews, and recipe ideas.

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| ıı yot | ur answer, you should explain in detail: |
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| | ONE possible positive effect of the "bricks and clicks" strategy |
| | ONE possible negative effect of the "bricks and clicks" strategy. |
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"The internet and online selling mean that any business can be based anywhere in the world and still enjoy global success".

This statement was heard by the marketing manager in a speech from an internet marketing expert.

- Evaluate PTNZ's global strategy in relation to the marketing expert's statement. (c) In your answer, you should:
 - explain what is meant by the statement
 - fully explain ONE way in which the statement applies to PTNZ as a franchise pizza retailer
 - fully explain ONE way in which the statement does NOT apply to PTNZ as a franchise

| pizza retailer draw a justified conclusion as to whether this statement is relevant to <i>PTNZ</i> 's global strategy. |
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QUESTION THREE: Social and Cultural Sustainability

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Use the information in the box, and your business knowledge, to answer the following questions.

PTNZ has based its brand on western cultural and artistic ideas. However, in recent years there has been a consumer boycott in parts of south-east Asia against other Western fast-food retailers and Western branding, because some of the local people feel it is undermining local culture.

| n y | our answer, you should focus on the impacts of: |
|-----|---|
| • | promotional strategies |
| | relationships with key stakeholders such as suppliers or employees in host countries. |
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(c) A strategic response means a business-wide reaction at multiple levels (size, scope, time frame). Name a business operating in a global context that you have studied in depth. Evaluate a strategic response that your named business has taken or could take to support social and cultural sustainability.

In your answer, you should:

- explain ONE social and/or cultural issue and the strategic response by the business
- fully explain ONE positive and ONE negative impact to the business of the strategic response
- draw a justified conclusion on the success or likely success of the strategic response.

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