91379





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# **Level 3 Business Studies 2020**

91379 Demonstrate understanding of how internal factors interact within a business that operates in a global context

9.30 a.m. Monday 16 November 2020 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how internal factors interact within a business that operates in a global context.	Demonstrate in-depth understanding of how internal factors interact within a business that operates in a global context.	Demonstrate comprehensive understanding of how internal factors interact within a business that operates in a global context.

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

There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.

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 2–12 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.

TOTAL

This task has FOUR parts, (a) to (d). Use the background information below, the supplementary information in the other boxes, and your business knowledge to complete this task. You may integrate any relevant Māori business concepts into your answer.

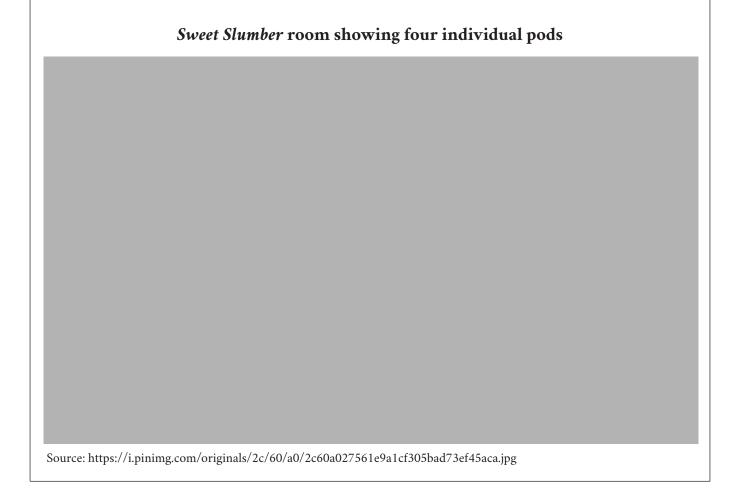
### **BACKGROUND INFORMATION**

*Sweet Slumber* offers pod-style accommodation to a target market of short-stay overseas travellers arriving or departing from Auckland, Christchurch, Queenstown, and Sydney international airports.

The accommodation consists of a number of rooms, each containing four individual sleeping pods. Each self-contained pod has a king single mattress, bed linen and pillow, reading light, power supply, USB charging port, WiFi access, and storage pockets. Pod hire also includes a luggage locker and access to a shared kitchen, lounge space, and bathrooms.

This innovative accommodation option for travellers requiring a few hours of rest, recreation and sleep before or after a long flight is priced from just \$35 per day. *Sweet Slumber* pod accommodation offers more features and a lower price point than many hostels and backpacker accommodation providers, and is located within five minutes' walk of each international airport.

A goal of *Sweet Slumber* is to achieve economic sustainability. To achieve this, it operates on a low-cost business model, with staff in low-skilled positions receiving the minimum wage.



## **TASK**

ASSESSOR'S USE ONLY

You may choose either *Sweet Slumber* or a New Zealand-registered business operating in a global context you have studied in depth.

<ul><li>In your answer, use examples and refer to:</li><li>ONE benefit of introducing a product or service innovation</li></ul>	
•	the effect of successful product or service innovation on short-term profitability.

While pod-style accommodation is new to New Zealand, it is growing in popularity throughout the world as travellers seek more cost-effective accommodation options. Additionally, New Zealand international airports are banning travellers from staying overnight in airport lounges, due to security risks.

Realising the market is growing, the CEO at *Sweet Slumber* is eager to protect the company's intellectual property in New Zealand, as the rise in popularity of pod accommodation is predicted to continue.

She is considering the following intellectual property protection (IPP) solutions to protect *Sweet Slumber*'s intellectual property in New Zealand:

- Trademark
- Patent.

You may choose either *Sweet Slumber* or a New Zealand-registered business operating in a global context you have studied in depth.

(b) Evaluate the likely success of ONE intellectual property protection (IPP) solution in preventing competitors from copying the intellectual property of the business.

Selected IPP:		

In your answer:

- fully explain ONE positive effect and ONE negative effect of your selected IPP
- provide a justified conclusion, including any new information, as to the likely success
  of your selected IPP in preventing competitors from copying the intellectual property of
  the business.

The target market for *Sweet Slumber* accommodation pods is young, short-stay, budget-conscious, international travellers.

When economic conditions in other countries worsen, *Sweet Slumber* and other New Zealand businesses reliant on overseas customers may experience falling sales, revenue, and profits. As a result, businesses may resort to reducing staff numbers in an effort to remain economically sustainable.

When facing staff cuts, businesses typically use one of the following change management strategies:

- Inclusive
- Top-down.

**Note:** Examples of worsening economic conditions may include rising unemployment, falling incomes, reduced spending, and falling consumer and producer confidence.

You may choose either *Sweet Slumber* or a New Zealand-registered business operating in a global context you have studied in depth.

(c) Fully explain ONE negative impact of using EITHER an inclusive change management strategy OR a top-down change management strategy to reduce staff numbers.

Se	elected change management strategy:			
In yo	n your answer, use examples and refer to:  ONE negative impact on the staff			
•	how this impact would affect the economic sustainability of the business.			

### **DEFINITION**

**Quality Circles**: Small groups of workers and managers who meet to solve problems and improve the quality of the organisation's products or services.

When worsening economic conditions occur, many businesses find themselves competing for a smaller number of total customers in a market crowded with competitors. Businesses therefore often seek alternative ways to increase their customer appeal and market share, such as improving product quality. A quality management method that may be adopted is Quality Circles.

(d) For a New Zealand-registered business you have studied that is operating in a global context, evaluate Quality Circles as a method that the business uses, or could use in the future, to improve quality and market share when faced with falling total customers in a market with many competitors.

In your answer, use examples and:

- fully explain ONE positive and ONE negative impact of this strategy on the business
- provide a justified conclusion, including any new information, as to the suitability of introducing Quality Circles as a method to improve market share when faced with falling total customers in a competitive market.

Name of New Zealand- registered business	
Goods and/or services provided	

ASSESSOR'S USE ONLY

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