

## Assessment Schedule – 2020

### Business Studies: Apply business knowledge to a critical problem(s) in a given large business context (90845)

#### Assessment Criteria

#### Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

**Explaining** states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

**Fully explaining** develops the explanation with further expansion of **how** the situation / action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.

**Justifying** uses relevant evidence to justify the significance of the decision or the likelihood of success. This should include reference to alternative courses of action, or new information to further support the decision that has not already been established in earlier parts of the question.

The task should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)	<p><u>Fully explain TWO ways in which a consumer may obtain information about <i>Vegan Power's</i> products, and how this information may influence their decision on whether to make a purchase.</u></p> <p>A consumer may refer to product reviews about <i>Vegan Power's</i> product range (Stated) to obtain information about the level of satisfaction / dissatisfaction they may have with the product in terms of taste and ease of use (Explained). This would allow the consumer to determine whether the product is appropriate for them as potential customers, based on the opinions of others who have used the product range, and would influence whether they decide to purchase the product themselves (Fully explained).</p> <p>A consumer may test samples of <i>Vegan Power's</i> product range at display stands at endurance events (Stated) to see whether the product tastes good / provides the necessary nutrition and is easy to use during events and training (Explained). By testing the product themselves, consumers / potential customers can determine whether <i>Vegan Power's</i> product range would suit them, which would influence whether they decide to purchase <i>Vegan Power's</i> products themselves (Fully explained).</p> <p>Other possible options:</p> <ul style="list-style-type: none"> <li>• Consumers may ask friends, family, or fellow multisport athletes who use <i>Vegan Power's</i> products for their opinions on those products (word of mouth), to determine whether the product tastes good / provides the necessary nutrition and is easy to use during events and training.</li> <li>• Consumers may refer to influencers and / or other existing users on social media for comments about <i>Vegan Power's</i> product range, and for opinions about the level of satisfaction / dissatisfaction they may have with the product in terms of taste, nutrition value, and ease of use.</li> </ul>
(b)	<p><u>Discuss TWO strategies that <i>Vegan Power</i> could implement to address the negative impact of the influencer's endorsement of the competitor's product on <i>Vegan Power's</i> future sales and profits.</u></p> <p>One strategy that <i>Vegan Power</i> could implement would be to focus their advertising or promotional material on particular aspects of its products that are better (perceived or real) than <i>Real Deal's</i> product range (Explained). Given that <i>Vegan Power</i> is known for its great taste, nutrition, and ease of use for athletes during races and training, focusing their advertising or promotional spend on those aspects could help to counter the influencer's endorsement of <i>Real Deal's</i> products, as this is an area where they should have a competitive advantage over <i>Real Deal</i>. Continued reinforcement of these product benefits to potential customers may increase future sales and profits for <i>Vegan Power</i> (Fully explained).</p> <p>Another strategy that <i>Vegan Power</i> could implement would be for the business to consider sponsoring key endurance events where <i>Vegan Power's</i> target</p>

	<p>market are present, to promote the product over <i>Real Deal's</i> product range (Explained). By sponsoring endurance events, the brand image / reputation / benefits of the product range could be promoted and endorsed by those events, encouraging competing athletes to use those products at the events, and therefore spreading awareness of the benefits of them over the claimed benefits being endorsed by the influencer. This could potentially lead to increased future sales and profits for <i>Vegan Power</i> (Fully explained).</p> <p>Sponsoring endurance events would be more successful as a strategy than trying to win an advertising and promotional battle with <i>Real Deal</i>. One reason is that although sponsorship of sports events can be expensive, <i>Vegan Power's</i> intended target market is likely to be attending each event. Potential customers could therefore be guaranteed to be exposed to the benefits of its products. On the other hand, promotional material or advertising may not be as effective for boosting brand awareness in light of the influencer's active endorsement of the competitor, <i>Real Deal</i>.</p> <p>Another reason why sponsorship of endurance events would be more successful as a strategy is that 72% of customers trust a business more after it is recommended by an influencer. Therefore, advertising and promotion would be likely to be a less effective form of marketing for <i>Vegan Power</i> than sponsorship, where first-hand exposure of the product range at sponsored events could give potential customers an opportunity to experience the benefits of the products at reduced prices, or free of charge. Customers may then be more likely to purchase those products, both in the high street and at future sports events – increasing sales and, in the long run, increasing profits (Justified).</p> <p>Other strategies that could be discussed include:</p> <ul style="list-style-type: none"> <li>• Reducing the price of its products</li> <li>• Start a customer loyalty programme</li> <li>• Use their own influencer to promote its products</li> <li>• Change to a different target market</li> </ul>
(c)	<p><u>Fully explain TWO potential consequences of <i>Vegan Power's</i> relatively inexperienced management when addressing the threat of the new competitor.</u></p> <p>One consequence of <i>Vegan Power's</i> inexperienced management is that employees may feel insecure at the lack of direction / strategy from their senior managers towards the threat from <i>Real Deal</i> (Explained). This could lead to low employee morale, as they feel that they may lose their jobs due to declining monthly sales, perhaps prompting some staff to look for new jobs, in particular with the competitor, <i>Real Deal</i>. This could mean that <i>Vegan Power</i> may have to recruit and train new staff, thus increasing its labour costs and reducing both profitability and (potentially) the economic sustainability of the business venture (Fully explained).</p> <p>A further consequence is that due to the inexperience of the managers, the marketing strategies they choose to address this new threat may be inappropriate / ineffective for attracting / enticing potential customers. These potential customers may then choose to purchase <i>Real Deal's</i> product range rather than <i>Vegan Power's</i> range, as they may be more attracted to the competitor's product (Explained). This could lead to a further reduction in sales for <i>Vegan Power</i>, and probably reduced market share also. This, in turn, could negatively impact on the future profitability and economic sustainability of the business (Fully explained).</p>
(d)	<p><u>Discuss TWO possible solutions <i>Vegan Power</i> could use to resolve problems arising from management's relative inexperience when combating the threat of the new competitor in the short term.</u></p> <p>One solution could be to hire / employ a consultant / business advisory / mentor who has management experience in developing strategies to combat new competition (Explained). Given that <i>Vegan Power's</i> current management does not have the experience to combat this threat, the consultant could provide suggestions to them about a clear strategy to address the decline in sales caused by the entry of <i>Real Deal</i> into this market (Fully explained).</p> <p>Another solution <i>Vegan Power</i> could use is for management to attend seminars / presentations, or have in-house training on the topics of how to combat the threat of new competitors (Explained), with a particular focus on dealing with the impact of social media influencers. This new knowledge could enable the</p>

	<p>young managers to develop effective strategies to deal with the threat of <i>Real Deal</i>, and therefore develop a clear strategic direction going forward for <i>Vegan Power</i> (Fully explained).</p> <p>The first solution would likely be more effective than the second one in the short term. <i>Vegan Power</i> needs to address the issue in the immediate future, due to declining monthly sales and diminishing employee morale, and a consultant who has experience in this area would be able to provide appropriate strategies/suggestions that management could implement immediately to tackle this problem. Waiting for management to develop their own strategies from seminars/presentations or from in-house training, would probably result in a longer period of time for implementation.</p> <p>Another reason why the first solution may be more effective in the short term is that the cost of time away from core business activities that management would otherwise be involved in on a day-to-day basis may be higher than the cost of hiring a consultant in the short term. This could lead to higher costs and therefore impact on <i>Vegan Power's</i> overall profitability at a time of declining sales (Justified).</p> <p>Another solution that could be discussed is tapping into staff knowledge to resolve the issue.</p>
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## Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>TWO ways in which a consumer may obtain information about <i>Vegan Power's</i> products prior to making a purchase</li> <li>TWO strategies that <i>Vegan Power</i> could implement to address the negative impact of the influencer's endorsement of the competitor's product on <i>Vegan Power's</i> future sales and profits</li> <li>TWO consequences of <i>Vegan Power</i> having relatively inexperienced management when addressing the threat of the new competitor, <i>Real Deal</i></li> <li>TWO solutions that would deal with the causes of management's limited experience to address the threat of new competition.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> <li>TWO ways in which a consumer may obtain information about <i>Vegan Power's</i> products, and how this information may influence their decision-making prior to making a purchase</li> <li>how TWO strategies that <i>Vegan Power</i> could implement would address the negative impact of the influencer's endorsement of the new competitor's product on <i>Vegan Power's</i> future sales and profit</li> <li>TWO consequences of <i>Vegan Power</i> having relatively inexperienced management when addressing the threat of the new competition, <i>Real Deal</i>.</li> <li>how the TWO solutions would deal with the causes of management's limited experience to address the threat of new competition.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and / or Māori business concept(s) to support explanations.)</p>	<p>Fully explains how the TWO strategies would address the negative impact of the influencer's endorsement of the new competitor's product on <i>Vegan Power's</i> future sales and profits.</p> <p>AND</p> <p>Justifies, with TWO reasons, why one strategy would be more successful than the other.</p> <p>AND</p> <p>Fully explains how the TWO solutions would deal with the causes of management's limited experience to address the threat of the new competition.</p> <p>AND</p> <p>Justifies, with TWO reasons, why one solution would be more effective than the other in the short term.</p> <p>Answers will typically <b>integrate</b> relevant examples, business knowledge, and / or Māori business concept(s) to support explanations.)</p>

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. Most points covered, including some justification.	All points covered. One part may be weaker.

N0= No response; no relevant evidence.

### Cut Scores

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0 – 2	3 – 4	5 – 6	7 – 8