**Business Educators Western Australia (Inc)**

**2020**

Disclaimer: This marking key was developed to accompany the 2020 BEWA Business Management and Enterprise exam. It is strongly advised that teachers work the exam to check all answers before administering it to their students.

**MARKING KEY**

**BUSINESS MANAGEMENT AND ENTERPRISE**

**YEAR 12 ATAR**

**UNIT 3**

**2020 BEWA Semester One Examination**

This is a provisional marking key developed by BEWA that can be reviewed and modified by the teacher as necessary.

This marking key does not show the only alternatives possible. Candidates should not be penalized for consequential errors, alternative responses or presentations.

## Section One: Short answer 60% (61 Marks)

## Question 1 (10 marks)

According to the world bank, the country Laos has a fast growing economy driven by the natural resources sectors.

a) Explain the impact that globalisation has on employment levels in developed countries and developing countries (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Explains comprehensively the impact that globalization has on employment levels in developed countries and in developing countries. | 4 |
| Describes the impact that globalization has on employment levels in developed countries and in developing countries. | 3 |
| Outlines impact that globalization has on employment levels in developed countries and in developing countries. | 2 |
| States impact that globalization has on employment levels in developed countries and in developing countries | 1 |
| **Total** | **4** |
| Students should incorporate globalisation in contextualising the facts/ideas/examples that have been learned regarding employment levels in developing countries and in developed countries. Global corporations will always look for efficiencies regarding their cost structure. This also means labour and manufacturing costs. Globalisation has made it easier for companies to establish parts of their operations in developing countries where labour costs are cheaper than in developed countries. Various Australian industries are affected by this e.g. manufacturing. Developing countries benefit because more of their population have the opportunity to work and get an income which may increase their standard of living. | |
| Accept any other correct, logical answer. | |

(b) Describe the measures in which governments can encourage international trade and investment.  
 6 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Describes comprehensively two government incentives (Grants and Taxation) in a balanced way. | 5-6 |
| Describes two government incentives (Grants and Taxation). Provides more detail in one incentive than another. | 4 |
| Outlines two government incentive (Grants and Taxation) Responds in general terms. | 3 |
| States two government incentives (Grants and Taxation) and/or Lists accurate terms and phrases that relate to syllabus but limited in meaning | 1 - 2 |
|  |  |
| **Total** |  |
| Syllabus focus: host country and home government incentives for international trade, including **grants, taxation**  development,  Students asked to “Describe”, that is to provide characteristics and features of this particular content related to previously learned definitions, content and relevant examples in relation to grants and taxation.  Students could as part of their response address the idea of “host country” and “home government” Student response can be from an Australian perspective as if Australia is the home government and use the latest relevant examples E.g. Austrade, ATO. Student response can also be from an international perspective (foreign home government) and use relevant contextualised examples.  It’s in a governments interest to stimulate export revenue activity for the wealth of their nation. They can so this by giving away government money to export businesses in the form of grants. Governments can also find out a way to make exporters decrease their taxation costs E.g. Exported goods for Australia are generally GST free. | |
| Accept any other correct, logical answer. | |

**Question 2** **(9 marks)**

‘Ethics’ is area of philosophy that involves an awareness of one’s moral principles to determine what is good and what is bad (or right and wrong). Ethical dilemmas often arise when making decisions that will have positive and negative outcomes.

Describe **three (3)** areas where ethics plays a role in global business decision making.

|  |  |
| --- | --- |
| **Description** | **Marks** |
| For a) b) and c) |  |
| Describes an example of the role of ethics in global business decisions | 3 |
| Outlines an example of the role of ethics in global business decisions | 2 |
| Identifies an example of the role of ethics in global business decisions | 1 |
| **Total** | **9** |
| a**) Environmental responsibility** – the role of environmental responsible decisions in a global business:   * inform ways and practice that contribute to more sustainable patterns of living * decisions are futures-oriented, focusing on protecting environments and creating a more ecologically and socially just world through informed action.   b) **Outsourcing** – the role of ethical decisions when global businesses outsource include:   * being guided by the business’ CSR policy for all outsourcing activities * developing relationships with businesses who adhere to similar CSR codes of practice.   c) **The use of offshore labour** – the role of ethical decisions should include the:   * awareness of the host countries’ labour regulations and workplace conditions * awareness of labour vulnerability/exploitation * being guided by the business’ CSR policy for any offshore labour employed. | |
| *Accept any other correct, logical answer.* | |

**Question 3**  **(10 marks)**

**La Petite Bebe is** a medium sized Australian frozen food business that specializes in ready-made frozen organic baby meals. Having success in the Australian market, the business owners are now considering expanding into the South East Asian markets.

a) Identify **three (3)** benefits and **three (3)** challenges to Australian businesses as a result of FTAs.

(6 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Identifies benefits | 1 - 3 |
| Identifies challenges | 1 - 3 |
| **Total** | **6** |
| **Benefits**: Offer preferential treatment in partner countries for Australian goods, in the form of tariff elimination or reduction. Improve access to cheaper, better quality or more technologically advance imported inputs to business. Global value chains are increasingly a feature of international trade,  **Challenges:** Increase in competition causing domestic market to decrease, Movement of workforce means skilled workers can go where there are better conditions and pay. Lack of knowledge and experience could make trade inappropriate and difficult | |
| Accept any other correct, logical answer. | |

b) Identify and list **three (3)** features of a free trade agreement (FTA) that is suitable for Australian businesses who want to expand into South East Asia. (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Lists features of FTAs | 1 -3 |
| Identifies the name / title of FTA | 1 |
| **Total** | **4** |
| AANZFTA: The government has entered into a comprehensive ASEAN-Australia-New Zealand (AANZFTA) free trade agreement; with negotiations covering sectors including goods, services, investment and intellectual property.  Key features:   * extensive tariff reduction and elimination commitments * regional rules of origin provide new opportunities for Australian exporters to tap into international supply chains in the region * promotes greater certainty for Australian service suppliers and investors, including through certain legal protections for investment in ASEAN territories * provides a platform for ongoing economic engagement with ASEAN through a range of built-in agendas, economic cooperation projects and business outreach activities * barriers could be in terms of tariffs or limits in supply or value, such as quotas * whilst not the primary role, may FTAs require additional domestic legal and business reforms such as including commitments on labour and the environment to encourage. | |
| Accept any other correct, logical answer. | |

## Question 4 (12 marks)

Pied du monde is an Australian footwear manufacturer footwear creating shoes that are incorporate style, comfort and support. The business considering expanding their business activities in South East Asian Markets.

Explains **three (3)** factors that determine the feasibility of expanding into a South East Asia

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For each of the three factors x3** | |
| Explains factor that determines feasibility for expanding: Many strong ideas | 4 |
| Describes factor that determines feasibility for expanding: Strong idea or many smaller ideas. | 3 |
| Outlines factor that determines feasibility for expanding: General idea | 2 |
| Identifies factor that determines feasibility for expanding. Limited idea | 1 |
| **Total** | **4** |
| **Level of demand by consumers**: ability and number of potential customers, including frequency of purchase; have enough potential customers to warrant; investment of expansion; potential customers must be able to afford quality Australian products  **Consumption patterns**; changing trends of consumers; dairy products are consumed more regularly and becoming part of daily diet; health benefits of dairy – calcium; Australian products due to quality – reflection of new middle class demands; China consuming more dairy imports  **Competitor activity**; refers to the number of competitors in the market and their market share low confidence in overseas production systems new Free Trade Agreement (FTA) reducing barriers | |
| Accept any other correct, logical answer. | |

Q**uestion 5 (10 marks)**

Some of the world’s most successful brands identify with values of connectedness, inclusivity, diversity, creativity and culture.

a) Explain how managing diversity can be used as a strategy for business growth. (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Explains how managing diversity can be used as a strategy for business growth | 4 |
| Describes the how managing diversity can be used as a strategy for business growth | 3 |
| Outlines how managing diversity can be used as a strategy for business growth | 2 |
| Identifies a limited explanation about how managing diversity | 1 |
| **Total** | **4** |
| Managing diversity ensures that businesses in global markets take advantage of different genders, ages, cultural backgrounds and other variables to enable the business to encompass a range of knowledge, skills, values, languages and ideas.  It can lead to the creation of new ideas, ease transitions into new markets, and increase productivity. As the nature of the workforce changes, business should take advantage of diversity of working hours, growth in part-time work, venues, and time zones as this can increase productivity and profitability through finding the right person for the job. | |
| Accept any other correct, logical answer. | |

b) Use a case study to evaluate the benefits of having a global brand. (6 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **Global Brand** | |
| Evaluates in detail the benefits and value of having a global brand | 3 |
| Outlines the benefits of global brand | 2 |
| States the benefits of global brand | 1 |
| **Sub total** | **3** |
| **Case study** | |
| Comprehensive detail provided of business case study | 3 |
| General level detail in business case study | 2 |
| Limited detail provided in case study | 1 |
| **Sub total** | **3** |
| **Total** | **6** |
| **Consistency:** Shows that the business is committed to the global marketplace, is successful and has the resources to back it up on a worldwide scale.  **Build up global awareness: a** global brand has more visibility than a local brand. If you ship your brand to the UK, Singapore, HK, for example, prospective customers who travel there or live in the country get exposed to it. Every time you ship to a new country, you’re building global awareness of your brand. Easier to differentiate it from other brands and it won't blend in with domestic brands if marketed well.  **Achieve economies of scale:** The development costs to fund a new global brand can be spread over large volumes. Those costs include but are not limited to manufacturing, marketing, human resources, distribution and shipping. The same advertising, promotion and packaging can be used globally.  **Standardisation:** The same approaches to marketing the brand in all markets, just using different languages, is quicker and less expensive that adapting the marketing to the local market. A standardised approach is less complex because there is one marketing team, using one strategy for all markets | |
| Accept any other correct, logical answer. | |

**Question 6 (10 marks)**

Being an exporter opens up a number of potential lucrative opportunities as your potential customer base turns global. A degree of vigilance however is needed when international financial transactions occur.

a) Identify two financial risks that could exist for exporters when trading overseas. (4 marks)

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| --- | --- |
| **Description** | **Marks** |
| **For each financial risk x 2** | |
| Identifies the financial risks | 1 - 2 |
| **Total** | **4** |
| **Currency fluctuations:** The uncertainty of the Australian dollar against other currencies has an impact on the profit of Australian business. If payment is to be received in the foreign currency movements in the exchange rate can reduce the profit margin.  **Non-Payment of monies:** It is sometimes very difficult to track down overseas customers who have not paid. The longer the delay between the order and the actual delivery also increases the likelihood of non-payment. The way to avoid this consequence would be to ensure payment of monies up-font, or at least a large deposit. Electronic transfers of money have enabled this process, there is still a time delay and fees involved. | |
| Accept any other correct, logical answer. | |

b) Outline **three** strategies that can be considered to minimise financial risks in the export market.

(6 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For each strategy x 3** | |
| Outlines strategy to minimise risk | 2 |
| States strategy to minimise risk | 1 |
| **Total** | **6** |
| **Documentation** – documentary letter of credit, documents against payment  **insurance** – export credit insurance, political risks insurance, transit or shipping insurance  **hedging** – a financial approach whereby a financial instrument is used to offset potential gains/losses, hence can be implemented to minimize risk | |
| Accept any other correct, logical answer. | |

**Question 7 (25 marks)**

Global\_DR Medical Clinics (a.k.a. Global\_DR) has recently expanded operations into Vietnam by acquiring local clinical services provider, Ket Qua Doctors and Specialists. To facilitate a smooth transition of the acquisition, a team of healthcare associates has been created with the goal to streamline and align various business activities and determine areas that need change. Some of these areas included bookings, payment transactions, patient information management and marketing.

Ket Qua Doctors and Specialists was established in Vietnam in 1976 and has 7 clinics across the country. It was a privately owned bank and has been mainly managed and controlled by the original family owners. Most processes are still paper based and there has only been recent uptake of technology in the clinics.

1. Outline one internal factor and one external factor that drives change. (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For internal and external factor** | |
| Outlines by indicating the main features | 2 |
| Identifies with limited detail | 1 |
| **Total** | **4** |
| **Internal** Management – Decisions from management will need to be implemented. These can include new systems policies outsourcing starting an online presence and business new products and services.  **External: Technology** e.g. many businesses are adopting e-commerce to stay in business Government – Changes in legislation; factors in the global environment; Customers demand Competition rivalry Social factors  Student should refer to case study | |
| Accept any other correct, logical answer. | |

b) Explain **two (2)** possible resistances to change that may occur at Ket Qua Doctors. (6 marks)

|  |  |
| --- | --- |
| **For each reason for resistance to change** | |
| Explain the reasons for resistance links to detail to question scenario | 3 |
| Outlines. reasons for resistance may refers to question scenario | 2 |
| Identifies reasons for resistance | 1 |
| **Total** | **6** |
| **Staff Attitude***:* People will put themselves ahead of the benefits to the organisation. Change involves extra effort. Misunderstandings may occur because the reasons/benefits are not communicated clearly. Differing opinions between staff and management over the advantages and disadvantages of change. Insecurity – People prefer familiarity and staying with the “norm”. They may fear becoming redundant*.*  **Financial Cost**: Change may involve rebuilding some or all of the business and be associated with considerable cost. Even when budgeted for the cost incurred may cause resistance when the outcome is unclear. Purchasing New Materials and Equipment - This ranges from capital equipment (machines, technology) to things like stationery, branding, logos. Any brand changes may also mean extra advertising to inform customers. Redundancy Payouts - Workplace changes like outsourcing or combining jobs may involve redundancy payouts to some workers. This is a consideration related to the profitability of the change.  **Managerial Inertia:** In business inertia means being stuck in a routine because it is comfortable and not confronting the issue. This may be because managers see the problem as being too hard, they don't have the skills to deal with it, or it is just safer to leave it like it is.  Breaking the inertia cycle means creating dissatisfaction in the organisation about the problem. Change agents are often employed to involve people in finding solution and communicating their ideas to the rest of the group.  **Cultural Incompatibility:** When cultures clash there is bound to be resistance as each group may not want to give up their way of doing things. This can happen at a national and international level.  *Students to present many relevant ideas, characteristics, details with rich meaning* | |
| Accept any other correct, logical answer. | |

1. Analyse the first **two (2)** steps of Kotter’s 8 Steps change model and how Global\_DR can facilitate change. (8 marks)

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| --- | --- |
| **Description** | **Marks** |
| **For each step.** | |
| Analyses step by detailing and relating characteristics, cites the implications for Global\_DR | 4 |
| Explains using more ideas to characterise steps, starts to connect with scenario | 3 |
| Describes the step and its characteristics, acknowledges scenario | 2 |
| Outline the step in general detail | 1 |
| **Total** | **8** |
| **1. Create a sense of urgency**: Communication is key to the success of the changes  Convince staff that change is necessary, identify threats and opportunities for the business, Discuss the reasons for the change, allow staff to make comments, suggestions, ask staff to support the changes.  **2. Form a powerful coalition:** Identify leaders in the business/workplace, Select people with leadership skills and technical attributes that can be relied upon to make the changes happen. , Convince people that change is necessary, Create a team that will work together to make the changes happen, The team should be a mix of people from different departments and levels of the business  *Student to connect ideas and show relationships between the content itself and question scenario and/or previous learned case studies* | |
| Accept any other correct, logical answer. | |

d) Draw a diagram and write an explanation on how Lewin’s Forcefield Analysis model applies to the Ket Qua Doctors and Global\_DR. (7 marks)

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| --- | --- |
| **Description** | **Marks** |
|  | |
| Applies Lewin’s Forcefield Analysis model to case study | 4 |
| Explains Lewin’s Forcefield Analysis model to case study | 3 |
| Describes Lewin’s Forcefield Analysis model to case study | 2 |
| Outlines Lewin’s Forcefield Analysis model to case study | 1 |
| **Diagram** | |
| Draws detailed diagram in a purposeful application, all elements are addressed | 3 |
| Draws diagram in a sketchy general manner, most elements are addressed | 2 |
| Draws diagram with limited detail | 1 |
| **Total** | **7** |
| Lewin argued successful businesses must be constantly updating, adapting and changing.  Stages of the Force Field Analysis  State proposed changes; List driving forces for and list restraining forces (against) for change; Allocate a weighting to each between (1) weak to (5) strong; Determine whether the forces for or against change are stronger; If forces for are stronger, implement the change; Allocate a weighting to each between (1) weak to (5) strong; Determine whether the forces for or against change are stronger; If forces for are stronger, implement the change; If driving forces for have the same total as restraining forces, no change should take place.  *Students must contextualise the model to the case study* | |
| Accept any other correct, logical answer. | |

**Question 8 (25 marks)**

The brand value associated with the giant technology company Apple is the expectation in innovation, improvements and productivity. The company embraces the concept of innovation across its main business functions of operations, marketing, and finance.

Apple’s operations function includes the development and manufacturing of components, materials and equipment. The marketing function encompasses professional, scientific and technical services. Finally, the finance function includes consumer sales, transportation, and business sales. All of these processes and services do not only help make and sell their products, they provide for an interconnected technological eco-system to exist.

1. Outline the roles and benefits of innovation in relation to technology products consumers use in everyday life. (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For roles x1 and benefits x 1** | |
| Outlines. and benefits of innovation in relation to technology | 2 |
| Identifies roles and benefits of innovation in relation to technology | 1 |
| **Total** | **4** |
| Students demonstrate and connect their learnt content to their own real life context. E.g. self-reflection as a consumer of these goods and in the way, they use their devices,  In regard to role, student writes about about the functionality of the technology. In regard to benefit, the enjoyment it brings in terms of entertainment, arts, culture, media, other. | |
| Accept any other correct, logical answer. | |

1. Analyse two (2) factors that impact on the success of innovation in technology based companies like Apple. (8 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For each factor x 2** | |
| Analyses factors in connecting many ideas about factors of success |  |
| Explains and expands on factor’s characteristic in relation to success | 4 |
| Describes factor’s characteristics | 2 |
| Identifies factor that impacts success | 1 |
| **Total** | **8** |
| **Timing**; the concept of timing in terms of both the innovation/operations cycle of innovation and how this relates to their customer cycles  **Cost:** investment in innovation (intellectual property), research and development canbesignificant, therefore requires appropriate financial resources; and requires appropriate human resources in terms of skill and volume  **Marketing strategy:** relates to provision of the right information regarding the innovative products, services, processes, position and/or paradigm, and how the strategy will inform existing markets and develop new markets; a key element of the marketing strategy impacting success will be the timing of its implementation/release to the market and the use of the appropriate distribution channels  T**echnology;** adoption, implementation, maintenance and training of staff technology skills will assist in innovation/operations area of innovation or the absence of any of these could have negative impacts; impact in terms of the level of investment required for innovative technology/equipment to support the innovation; other areas that may be impacted include the use of technology in the e-commerce stage of innovation and in the administrative areas supporting innovation processes.  *Student to connect ideas and show relationships between the content itself and question scenario and/or previous learned case studies* | |
| Accept any other correct, logical answer. | |

c) Identify and justify **two (2)** benefits of innovation you think is critical in achieving success in a competitive, ever-changing fast paced industry. (8 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For each of the benefits x 2** | |
| Justifies benefits of innovation you think is critical in achieving success. Persuasive compelling voice | 4 |
| Explains benefits of innovation you think is critical in achieving success. Comprehensive ideas | 3 |
| Describes benefits of innovation you think is critical in achieving success. General conversational tone with lack of depth. | 2 |
| Identifies benefits of innovation you think is critical in achieving success. | 1 |
| **Total** | **8** |
| **financial gain**: product innovation, e.g. new and/or more products to sell process innovation e.g. productivity gains  **expansion of global market presence:** innovation can be a driver of business growth: innovation can give a business a competitive edge over its foreign rivals  **increased market share:** innovation can assist brand switching with the producing of more appealing/innovative products and hence increase market share; competitive advantage.  *Flexibility in what student chooses as long as they make a convincing case, citing evidence, examples and further information to support their argument*. | |
| Accept any other correct, logical answer. | |

1. Evaluate the role that e-commerce may have in a socially global online environment. (5 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Evaluates in appraising or measuring the significance of the role of e-commerce supports position by selecting and combining ideas that leads to a conclusion. | 5 |
| Analyses in connecting interrelated ideas about role of e-commerce and makes further relationships to global and social environments | 4 |
| Explains many ideas about role of e-commerce and connects to global and social aspects | 3 |
| Describes many ideas about the role of e-commerce and starts to make connections to environment | 2 |
| Identifies role of e-commerce | 1 |
| **Total** | **5** |
| e-commerce is the trading or goods and services via the internet  the internet supports business activities to operate 24/7 in a global environment  access allows business to operate in a global environment on both a B2B and B2C basis. Impact on security on customers: Passwords, Payment, Delivery of goods, Impact on distribution Payment of goods, Delivery of goods (cost, process), Scams; The impact of social network and streaming technologies on e-commerce. | |
| Accept any other correct, logical answer. | |

**Question 9 (25 marks)**

Markson and Gray are fine makers of unique teas made from Australian native ingredients that have beneficial calming effects. Oddly enough, the tea had been discovered by some Hollywood celebrities while filming in Australia’s outback. They are looking to develop a key partnership with US based HANK Enterprises, a large venture capitalist firm with strong investment links to hotel chains and resorts. HANK Enterprises would like to invest and retain all production and manufacturing in Australia to ensure the tea’s quality. Markson and Gray would still like to be involved in some of the marketing decisions. They want to ensure that their brand’s integrity and reputation is not compromised because they believe its value will still be recognised on its own merits.

a) Explain one factor that could be driving global business development for Markson and Gray. (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Explains one factor that could be driving global business development, expands on specific information and connections with the case study. | 4 |
| Describes one factor that could be driving global business development, makes connections to case study | 3 |
| Outlines one factor that could be driving global business development, attempts link to case study | 2 |
| Identifies one factor that could be driving global business development | 1 |
| **Total** | **4** |
| The more accurate answer would first be **financial growth opportunities and/or loss minimisation,** then **consumer purchasing and spending patterns**  May award marks for factors if strong cases are made for it.  financial growth opportunities and/or loss minimisation: growth of multinational corporations able to decentralise operations to take advantage lower costs in developing nations relevance: current trend for other businesses to offshore their operations in Asia; this may be an opportunity given the expense of operations in remote Australia  consumer purchasing and spending patterns; increased understanding, acceptance and diversification of cultures, means consumers globally have increasingly similar tastes, customers more willing to purchase foreign products (product demand)  relevance: globalisation has facilitated global purchasing of products and produce; consumers are prepared and able to pay for quality produce  World Trade Organisation (WTO) regulations and sanctions: removal of trade barriers enabling consumers to purchase goods internationally and increasing exporter and importer activity in domestic market; relevance: removal of trade barriers facilitates successful historical trade activities  deregulation of the financial markets; enabling greater access to international capital; relevance: opportunity to develop offshore operations in a global market. | |
| Accept any other correct, logical answer. | |

b) Evaluate the rationale for **two (2)** strategic alliances that could enable this potential global expansion to operate. (8 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For each strategic alliance x 2** | |
| Evaluates in appraising or measuring most suitable strategic alliance, then supports position by selecting and combining ideas that leads to a conclusion. | 4 |
| Analyses in connecting interrelated ideas about role of the strategic alliance, its construct, and expresses logical opinion about preference to use in the future | 3 |
| Explains ideas about strategic alliance construct. Makes a general judgement regarding preference. | 2 |
| Outlines the strategic alliance in a general manner. | 1 |
| **Total** | **8** |
| **Outsourcing** - Involves one business identifying activities that can be performed by another business on their behalf. **Merger** - When two businesses agree to integrate as a new single company. They combine resources, assets, people and equity. Create a new company with a new name. **Joint Venture** - Businesses involved set up an independent company. Company uses resources from all alliance partners. **Franchising** - The owners of the business (franchisor) gives permission to another person or entity (franchisee) to use their business model. A person or business buys a license to trade using another firm’s name, logo, brand and trademarks - franchisee pays a license fee and royalty payment based on sales revenue  *Flexibility in what student chooses as long as they make a convincing case, citing evidence, examples and further information to support their argument*. | |
| Accept any other correct, logical answer. | |

c) Discuss the potential issues for Markson and Gray in balancing standardisation and adaption decisions relating to; **i)** corporate slogan, **ii)** product name and **iii)** product features. (9 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
| **For each marketing mix element x 3** | |
| Discusses a more nuanced perspective on the issue to standardise or adapt. Explains marketing mix element comprehensively. | 3 |
| Explains characteristics of the marketing mix element. Sound discussion on pros and cons whether to standardise or adapt. | 2 |
| Outlines the general nature of the marketing mix element. Limited discussion on whether to standardise or adapt. | 1 |
| **Total** | **3** |
| **i) corporate slogan**–Do we American-ize? Or do emphasise the Aussie aspect? Or do we keep neutral? Slogans could be too tacky for the product. Even though Americans and Australians are similar they have differences in humour. Getting this right could mean brand loyalty, successful market entry  **ii) product name** –Same cultural considerations as name. Getting it right though would mean brand loyalty and recognition; and ultimately benefit financially from increased sales. Do we associate ourselves with HANK and hotel chain to get, more exposure to new customer segments?  **iii) product features** *–* is possibly a key area which has value, benefits in quality of products, the tea has positive effects. Native ingredients that have beneficial calming effects. This is what got the business noticed in the first place.  **Standardisation and Adaption**  **Standardisation:** provides a consistent message; allows economy of scales for packaging etc.  customers are visually aware of same brand in different markets; by selling one unified product lacks uniqueness – may not be as competitive against local products/businesses; limits flexibility that can have a negative reaction by neglecting local requirements.  **Adaptation;** shows respect for local markets/culture/customer leads to better company image and sales; leads to greater customer satisfaction; generates higher costs to change marketing mix for each market; is time consuming including market research and adaptation time. | |
| Accept any other correct, logical answer. | |

d) Justify the importance of Australian entrepreneurs’ ability to market the benefits of home grown/developed products. (4 marks)

|  |  |
| --- | --- |
| **Description** | **Marks** |
|  | |
| Justifies importance of Australian entrepreneurs’ ability to market the benefits of home grown/developed products. Persuasive compelling voice, | 4 |
| Explains importance of Australian entrepreneurs’ ability to market the benefits of home grown/developed products. Comprehensive ideas | 3 |
| Describes benefits to market the benefits of home grown/developed products. General conversational tone with lack of depth. | 2 |
| Identifies benefits of home grown/developed products. | 1 |
| **Total** | **4** |
| Student voice important here as they are expressing their evaluative judgements. Linking to the case study scenario and other real life examples of Australian business success. Weaker responses will stick to just writing about home grown products, Strong responses would include logical and relevant personal opinions based on their content knowledge and experience with the real world. Gauge possible entrepreneurial voice in the responses. | |
| Accept any other correct, logical answer. | |