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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Business Studies 2023

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

Credits: Four

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.

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 2–14 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (DO NOT WRITE IN THIS AREA). This area will be cut off when the booklet is marked.

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

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TASK

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 answers.

You should read the resource information in ALL of the boxes before beginning the task.

BACKGROUND INFORMATION

Established in 1990, *Saver Shed* is a retailer of homeware, groceries, toys, and clothing. A relatively new concept to New Zealand when it began trading, *Saver Shed* has steadily grown and now operates 54 stores in this country. Such has been its success, *Saver Shed* also expanded into the Australian market in 1998 and has eight stores successfully operating there.

The market *Saver Shed* operates in within New Zealand has a small number of large firms. *Saver Shed* is the biggest of these and currently holds the largest share of the market. Due to its success, *Saver Shed* sells its products in its physical stores only, using just the one sales channel.

When it began operations, *Saver Shed* had the sole focus of maximising profit returns to its shareholders. However, over the last 15 years, it has expanded its measures of success to incorporate all aspects of sustainability. *Saver Shed* recognises that it needs to continue to grow and adapt in order to maintain its strong position in the market.

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The assessment continues on the following page.

Earlier this year, *Top Cache*, a large American multinational company also specialising in the retail of homeware, groceries, toys, and clothing, announced that it plans to open a flagship store in Christchurch, New Zealand in 2025. *Top Cache* has successfully operated in the global market for over 30 years.

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

(a) (i) Explain one threat to the business of the entry of a multinational company.

(ii) Explain the impact that the entry of a multinational company would have on the economic sustainability of the business.

In preparation for the arrival of *Top Cache* in the New Zealand market, *Saver Shed* has secured the employment of two operations managers who have previously worked for *Top Cache* in the United States of America.

While these managers are providing very good insight into the working of *Top Cache*, *Saver Shed*'s directors are concerned at their lack of understanding of Kiwi culture and the way New Zealand businesses operate. Their current interactions with suppliers, staff, and large customers are causing tension and disrupting operations.

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

(b) Evaluate a strategic response that the business has implemented, or could implement, to improve the cultural awareness of its managers.

(i) State the strategic response, and explain why this is a business-wide reaction at multiple levels (at least TWO of size, scope, and timeframe).

(ii) Explain one positive effect the strategic response would have on the business.

(iii) Explain one negative effect the strategic response would have on the business.

(iv) Provide a justified conclusion, including any new information, as to the likely success of the strategic response.

DEFINITION

Kaitiakitanga

The exercise of guardianship, particularly in relation to natural resources, such as land, [redacted] for short-term or individual profit.

Source: https://seniorsecondary.tki.org.nz/Social-sciences/Business-studies/Maori-business/Culture-and-values#Kaitiakitanga

Over the last 15 years, one of the significant ways *Saver Shed* has changed its operations has been to improve the impact it has on the natural environment. These changes have been made in response to increased pressure from consumers, and also a growing awareness and understanding among managers of the impact the business was having on the natural environment.

Some of the actions *Saver Shed* has taken include:

- using local producers, where practical, to reduce *Saver Shed*'s carbon footprint
- stocking items of higher quality to ensure they last longer
- encouraging suppliers to reduce the amount of plastic used in their packaging.

In the box below, enter the details of a New Zealand-registered business you have studied that is operating in a global context and that has taken, or could take, action to demonstrate kaitiakitanga. **Do not use *Saver Shed*.**

Name of New Zealand-registered business: _____

Good(s) sold or service(s) provided: _____

_____

(c) (i) Explain the action the business has taken, or could take, to demonstrate kaitiakitanga.

_____

_____

_____

_____

_____

_____

(ii) Explain how this action could affect the market share of the business.

Online sales are playing an increasingly important role in retail operations. In 2022, [redacted] led consumers to shop more frequently online.

Source: https://www.shopify.com/enterprise/online-shopping-trends-ecommerce

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

(d) Evaluate a strategic response that the business has implemented, or could implement, in response to consumers shopping more frequently online.

(i) State the strategic response, and explain why this is a business-wide reaction at multiple levels (at least TWO of size, scope, and timeframe).

(ii) Explain one positive effect the strategic response would have on the business.

(iii) Explain one negative effect the strategic response would have on the business.

(iv) Provide a justified conclusion, including any new information, as to the likely success of the strategic response.

Extra space if required.
Write the question number(s) if applicable.

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