

Assessment Schedule – 2021**Business Studies: Demonstrate understanding of strategic response to external factors by a business that operates in a global context (91380)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<i>Explaining</i> 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.	<i>Fully explaining</i> develops the explanation with further expansion of how the situation/action could affect potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and/or consequences.	<i>Justifying</i> 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.

Note: The candidate should use only one context for each part, but may change contexts between parts. Each answer should be read as a whole before awarding a grade.

Part	Sample Evidence
(a) (i) (ii)	<p><i>Growth of an export market</i></p> <p>Production of the woollen home insulation would have to increase (Stated). Production at the south Auckland factory needs to increase to match the increase in sales anticipated from gaining greater access to the UK market as a result of the UK leaving the EU (Explained).</p> <p>The likely impact of the growth of an export market is that <i>Pirikahu</i>'s economic sustainability will be enhanced, as it would now have a larger market in the UK (Explained). If <i>Pirikahu</i> experienced a reduction in sales in one of its existing markets, e.g. the New Zealand market, greater access to the much larger UK market could enable it to maintain or even increase overall profits (Fully explained).</p>

(b)	<p><i>Strategic response to ensure that a business has the necessary facts about a new export market/sub-market before preparing to launch</i></p> <p>(i) <i>Pirikahu</i> should hire a British market research company to fully research the London and Wales sub-markets for woollen insulation products (Stated). This is a strategic response because it would involve the operations team in south Auckland putting together samples for the researchers to show potential customers, and it would involve the marketing team interpreting the findings of the UK market research company. This would be expensive and might require a significant amount of time to carry out (Explained).</p> <p>(ii) <i>Pirikahu</i> would gain a detailed understanding of the London and Wales sub-markets (Stated). This is because British market researchers would know the different aspects of these sub-markets, as they could directly approach relevant sources. For example, they could identify existing operators (competitors) in these markets and find out their marketing strategies (Explained). The effect of this would be better regional information gathered in a more timely fashion, meaning more efficient and accurate decision-making by <i>Pirikahu</i>'s management when they are developing their marketing strategy for entering the new sub-markets in the UK (Fully explained).</p> <p>(iii) Undertaking market research in the UK could be a lengthy task (Stated). This is because the London and Wales sub-markets are large, and the market research company would need time to provide research findings that are sufficiently detailed to allow calculations such as the optimum price for <i>Pirikahu</i> to charge for its insulation product (Explained). The effect of this would be that the operations and marketing staff at <i>Pirikahu</i> could be distracted from their regular tasks, resulting in reduced productivity in these two departments (Fully explained).</p> <p>(iv) <i>Pirikahu</i> should hire the local market research company in the UK, because accurate market information will provide long-term benefits, whereas the research process may cause only a few months of disruption in marketing and operations. Ultimately, the long-term benefits would exceed the short-term costs and lead to more profit.</p> <p>Also, by hiring a local company for the market research, local customers will be impressed that they are being interviewed and/or participating in focus groups run by locals with the same cultural differences (e.g. accents) as they have. This will lead to greater cultural sustainability – a key value for <i>Pirikahu</i>.</p>
(c)	<p><i>Market share and competition</i></p> <p>Selected business: <i>Icebreaker</i></p> <p>(i) If <i>Icebreaker</i> were to face new competition from a large multinational in a market in which it previously had much less competition (e.g. from <i>North Face</i> making and selling merino wool tops), then <i>Icebreaker</i>'s market share would fall (Stated). This is because <i>North Face</i> is a large company with economies of scale that would enable it to charge lower prices for its products than <i>Icebreaker</i> does (Explained).</p> <p>(ii) Competition from a large multinational company such as <i>North Face</i> will likely result in a fall in profits for <i>Icebreaker</i>, as it will have fewer sales (Explained). This is because some customers will choose to buy from <i>North Face</i> rather than <i>Icebreaker</i>. This fall in profits is especially likely if major costs such as promotional activity are not reduced (Fully explained).</p>

(d)	<i>Strategic response towards application of cultural awareness</i>
(i)	<p><i>Pirikahu</i> should put its managers on a cultural understanding course run by a Chinese cultural consulting firm in China (Stated). This is a strategic response because it would involve all factory managers and the staff from HR and Communications who are writing up new policies and procedures for dealing with workers in the Shanghai factory. This would take time, as not only would managers need to learn about significant holidays, they would also need to understand aspects of the language, greetings, pronunciation and culture to help ensure positive interaction with the local workers (Explained).</p>
(ii)	<p>The effort made by the managers to attend the course and start applying their new cultural responsiveness skills would be popular with the Shanghai factory workers (Stated). This is because the factory workers would have been told that the managers were learning from a Chinese consulting firm, rather than one in New Zealand. This would be viewed as respectful (Explained). The impact of this would be a happier factory staff who would be more inclined to work hard for their managers, leading to a rise in productivity (Fully explained).</p>
(iii)	<p>If <i>Pirikahu</i> sent its managers to a Chinese cultural consulting firm, there would be a drop in factory productivity (Stated). This is because the managers may be absent when key decisions, such as how much wool to order for the next production batch, are made (Explained). The effect of the fall in productivity would be a fall in output, meaning orders for customers in the UK might not be completed on time, leading to customer complaints (Fully explained).</p>
(iv)	<p><i>Pirikahu</i> should put its factory managers on the course, because the loss in productivity from absent factory managers would be temporary (probably no more than a few weeks), and hence a short-term cost, compared with a potential long-term gain in productivity from factory staff who feel respected because their managers have learned their culture from a Chinese consultant. Also, the HR department could work to ensure that this cultural learning is passed on from old to new managers as they are replaced over time.</p> <p>Learning important language and cultural protocols thoroughly from a Chinese cultural consultant would also lead to an improvement in cultural sustainability – a key objective for <i>Pirikahu</i>.</p>

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • the effect on production if an export market grows • an impact on the economic sustainability of the business if an export market grows • how a strategy that a business could implement to ensure that it has the necessary facts about a new export market/sub-market before preparing to launch is a strategic response • ONE positive impact of the strategic response • ONE negative impact of the strategic response • the likely effect on market share if a business faces competition from a large multinational • an impact on profits if a business faces competition from a large multinational • how a strategy that a business could implement to ensure cultural responsiveness is a strategic response <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> • the effect on production if an export market grows, including ONE impact on economic sustainability • ONE positive impact of the strategic response • ONE negative impact of the strategic response • the likely effect on market share if a business faces competition from a large multinational, including ONE effect on profits <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concept(s) to support explanations.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> • the likely success of a strategic response that a business could implement to ensure that it has the necessary facts about a new export market/sub-market before preparing to launch • the likely success of a strategic response that a business could implement to ensure that the managers in its workplace(s) act in a culturally responsive manner when working with staff from different cultures. <p>Answers will typically integrate relevant examples, business knowledge, and/or Māori business concept(s) to support explanations.)</p>

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All Excellence evidence.

N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 2	3 – 4	5 – 6	7 – 8