

8 Choosing strategic direction

Flyfast plc

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- a Answers may include the following:
- Core competencies are key in achieving a competitive advantage, enabling a business to capture market share and increase sales and profit.
 - Flyfast offered something different: low cost and no frills. It benefited from first-mover advantage, establishing a reputation that enabled it to grow despite increasing competition. (9 marks)
- b Answers may include the following:
- Strategic positioning relates to how a business is perceived by consumers. The fact that profits have fallen while competitors' profits have risen suggests that consumers no longer perceive Flyfast as the best option.
 - Core competencies have become dated. They no longer stand out in the market and future profits are not guaranteed. Competitors are offering better value.
 - Competitors have adopted a more focused cost leadership strategy according to Porter. According to Bowman, perhaps Flyfast's low prices are now low value too, which is an undesirable strategy.
- Themes for evaluation may include the following:
- Flyfast is no longer seen as market leader.
 - A more focused cost leadership strategy is required, suggesting that its positioning as a budget airline is fine but what needs to change is its strategy. (16 marks)

Using the mark schemes

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These answers give some possible responses, but not all. There are many ways in which most of the questions can be answered and the following marking schemes cannot include all of them. The answers provided are only some possible suggestions. Ask your teacher or lecturer how to use the mark schemes to select the appropriate level for your answer.

Mark schemes

a

Level	Descriptor	Marks
1	A limited response. Analysis lacks development, is mainly descriptive with only limited knowledge and understanding of the context of the question set.	1–3
2	A reasonable response. Analysis has some context, but it is not fully developed, demonstrating only a reasonable knowledge and understanding of the question set.	4–6
3	A good response. A well-developed analytical answer in context and using a good range of knowledge to answer the question set.	7–9

b

Level	Descriptor	Marks
1	Limited response — analysis has some context but lacks development, with only a limited knowledge and understanding of the question set. Judgements made but with only limited support and focus on the question set.	1–4
2	Reasonable response — analysis has some context but is not fully developed, demonstrating only a reasonable knowledge and understanding of the question set. Some supported judgement but may not be in context and may lack balance.	5–8
3	Good response — a well-developed analytical answer in context and using a good range of knowledge to answer the question set. Judgements built on analysis and show some balance.	9–12
4	Overall excellent. Analysis is extremely well developed, in context and using a good range of knowledge to answer the question set. Judgements stem clearly from the analysis, are well balanced and answer the question set.	13–16