

3.1 Marketing, competition and the customer

Name: _____ Class: _____ Date: _____ Total: 20 marks

KEY WORDS market • product • marketing • mass market
• customer loyalty

Objective

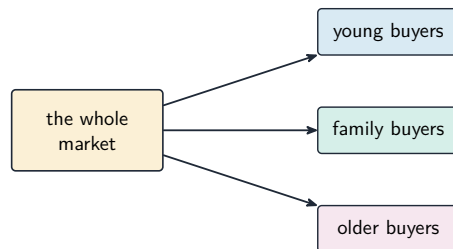
Build the skills to answer exam questions on **marketing, competition and the customer**, – the role of marketing, why customers matter, **niche and mass markets**, and **market segmentation**.

You must be able to:

- explain the role of marketing and why keeping customers matters
- distinguish niche from mass markets
- explain the benefits of market segmentation

1 Key knowledge and worked examples

■ Marketing and the customer

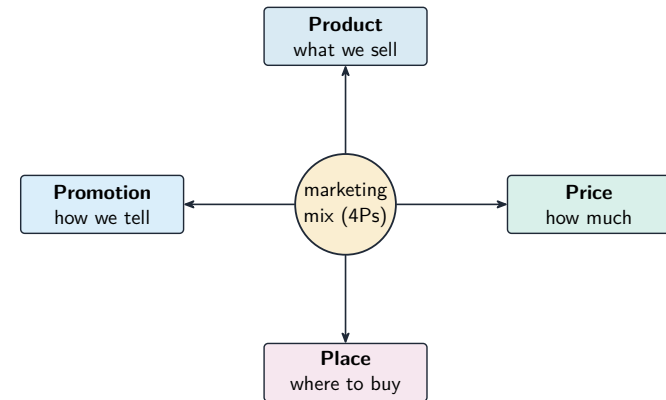


split into segments (here, by age)

Marketing finds out what customers want and satisfies it at a profit

- **Marketing** : find and satisfy customer wants, build **customer loyalty**
- Keeping a customer is far cheaper than winning a new one.

- **Niche market** : small, special needs. **Mass market** : large, many similar buyers.
- **Segmentation** : split the market by age, income, gender, location → target each group.



Once a segment is targeted, the four Ps of the marketing mix are used to satisfy it

Answer shapes: K + App + An + Ev (a justified judgement, for “do you think” questions).

2 Practice

2.1 Define the term *market segmentation*. [2]

2.2 State the difference between a *niche* and a *mass* market. [2]

2.3 Identify two benefits of segmenting a market. [2]

3 Exam-style questions

3.1 Identify two roles of marketing. [2]

3.2 Explain two reasons why keeping existing customers is important to a business. [6]

3.3 Do you think selling in a niche market is better than selling in a mass market for a small new business? Justify your answer. [6]
