

3.1 Marketing, competition and the customer

Name: _____ Class: _____ Date: _____

Total: 16 marks

Objective

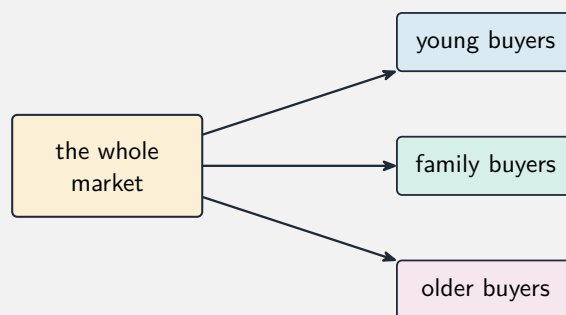
Build the skills to answer exam questions on **marketing, competition and the customer** 营销、竞争与顾客—the role of marketing, why customers matter, **niche and mass markets** 利基与大众市场, and **market segmentation** 市场细分.

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 Worked examples

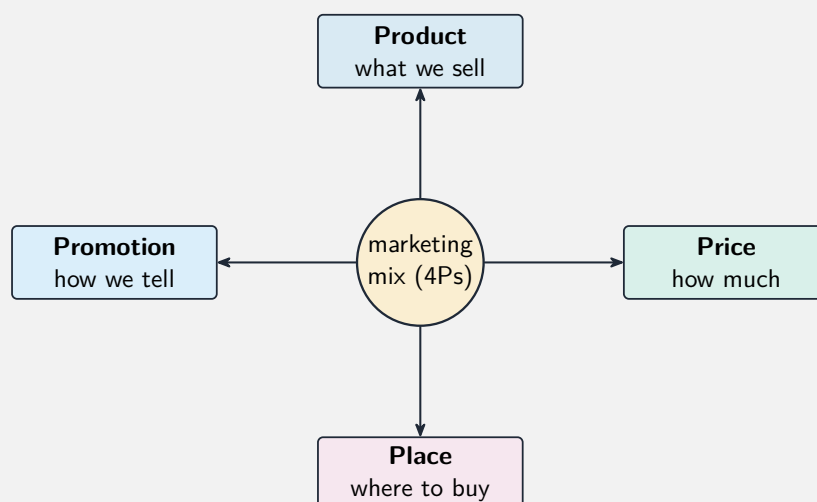
■ Marketing and the customer



split into segments (here, by age)

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

- **Marketing** 营销: find and satisfy customer wants, build **customer loyalty** 顾客忠诚度.
- Keeping a customer is far cheaper than winning a new one.
- **Niche market** 利基市场: small, special needs. **Mass market** 大众市场: large, many similar buyers.
- **Segmentation** 市场细分: 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]

4 Go further

You are now ready for the real exam questions on this subtopic. Open the **3.1 Marketing, competition and the customer** past-paper sheet in the Library, or try these in **Practice mode**:

- 0450/22 N25 —Q2 (marketing, case study)
- 0450/12 J25 —Q1 (the customer / market)
- 0450/21 J25 —Q2 (segmentation, case study)

Solutions

IGCSE Business answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 splitting a market into groups of buyers who share something, such as age, income or location (2 for a clear definition; 1 for a partial idea).

2.2 a niche market is a small part of a market with special needs; a mass market is a large market with many similar buyers (2 for a clear difference; 1 for a partial idea).

2.3 any two of: design a product to fit each group; aim advertising at the right people; spot gaps in the market (1 + 1).

3.1 any two of: find and satisfy customer wants; keep and increase sales/market share; build customer loyalty (1 + 1).

3.2 [6] For **each** of two reasons: K 1 + An up to 2 —e.g. *cheaper than new customers*: keeping a customer avoids heavy advertising costs → lower costs and steady sales. *Loyalty and repeat sales*: loyal customers buy again and recommend the business → higher long-term revenue. Maximum 3 each.

3.3 [6] Both sides + judgement. **For niche**: less competition, loyal customers, a small firm can serve it well. **Against**: small sales, and risky if the niche shrinks; a mass market has high sales but tough competition. **Judgement (Ev)**: a small new business often does better starting in a niche it can serve well, then growing—but it depends on its resources and how crowded the niche is.