CW   Date _____

Phase 2 Work for Year 9 Business

- Read around the subjects (do additional research using the resources on FROG, GCSE POD and from GCSE Bitesize

- Complete tasks on sheets

- Complete Cornell Note Taking Sheets on types of markets and target markets & market segmentation

Types of Markets

Write notes on: -

Consumer Markets

Commercial Markets

What comes first, the product or the market? – Brainstorm

Question: Which comes first the product or the market?
Answer: Depends on Business

Market Orientated

A business that takes into account the needs of the market for their goods and services. They carry out market research to find out exactly what a customer wants and design products to meet those needs.

Task: consider three companies/products that would be described as market orientated

Product Orientated

A business that concentrates on developing new products or services. They believe that if they develop a good enough product or service then people will buy it if they market it correctly.

Task: consider three companies/products that would be described as product orientated

Target Markets & Market Segments

Target Market

A target market is a precise profile of the customers a firm wishes to have. A firm will decide on its target market after conducting extensive market research.

A target market is normal one sentence that provides a description that includes **all** customers e.g. the target market of McDonalds could be 5-55 year olds, both genders, middle to low socio-economic groups who eat meat

Task: Identify the target market for Brentford School for Girls

Market Segments

A market segment is a section of a target market that has been identified as a group that particular products or services can be marketed towards.

Task: Identify three specific market segments for McDonalds and which products are designed for them e.g. Happy meal is designed for Age groups 5-12 year olds

Market Segmentation

Types of segments

Just as you can divide an orange up into segments you can divide the population as a whole into many different groups of people or **segments** that have something in common. Segmenting the market makes it easier to identify groups of people with the same consumer needs and wants. Marketers therefore look for categories they can use to divide up the population.
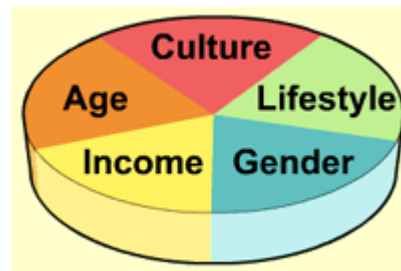
Age

The population can be divided by age in years (eg. 0-16, 17-25) or by the stage of life reached (eg. schoolchild, teenager). For example, a pensioner will have similar needs to those of other pensioners but different needs from those of a teenager.

Gender

Products may be targeted at a specific gender group. For instance, cosmetics have been traditionally targeted at women while DIY has been targeted at men.

Culture

People's needs and wants as consumers will vary according to their religion, language, social customs, dietary habits and ethnic background. In the UK businesses provide for a wide range of different cultures. There are magazines and newspapers in many different languages and Halal butchers in areas with large Muslim populations.

Income
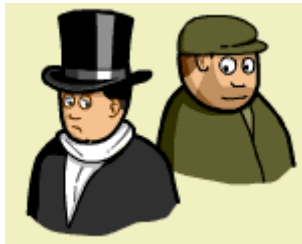
The population can be segmented according to annual salary, type of job and social class. Establishing a group's **disposable income** is important so that products can be targeted to the relevant income group. This is called a **socio-economic segment**. The socio-economic groups A, B, C1, C2, D and E describe how much the head of the household earns.

Social grade	Social status	Head of household's occupation
A	Upper middle class	Managerial, professional and administrative jobs such as solicitors, doctors, company directors
B	Middle class	Middle managers such as department managers, teachers
C1	Lower middle class	Supervisory or clerical workers such as junior managers and foremen
C2	Skilled working class	Skilled manual workers such as electricians, plumbers
D	Working class	Semi-skilled and unskilled workers such as production line workers, cleaners
E	Poorest in society	Long-term unemployed, casual workers, state pensioners

Lifestyle

People are grouped according to the way they lead their lives and the attitudes they share. For example, young professionals may drive a sports car because of the image they want to project. Married parents might want the same things, but have to provide for their children, which is a large extra cost. They will need a family car to suit their lifestyle.