

KNOWLEDGE ORGANISER

Key Vocabulary

Customer needs – the specific things that a buyer wants about goods and services

Customer reviews – feedback from customers, which can be online

Word of mouth – when a customer tells another person about a business

Repeat purchase – when a customer returns to the same business

Market research – the process of gathering, processing and interpreting information about consumers' behaviour

Secondary research – using research that has already been carried out for another purpose

Primary research – collecting new information

Qualitative data – research into opinions and views

Quantitative data – data that is numerical

Focus group – a small number of consumers who have a discussion

Market trends – an overall pattern related to products

Market gap – where demand is not being met by the existing products available

Bias – a one-sided view

Sample-size – the number of consumers that are involved in market research

Market segmentation – splitting up all consumers into different groups that have similar needs or characteristics

Target market – the specific market segment a business aims to sell to

Demographics – customers based on statistical data relating to the population, e.g. resident or marital status

Market map – a diagram that positions all products within a market using two features, e.g. price and quality

Socio-economic group – a method of segmenting that uses income and class / occupation to classify people

Market – the potential buyers for one product; where goods and services are exchanged

Competition – where there is more than one business attempting to attract the same customers

Monopoly – a market where there is only one business

Oligopoly market – a market where there are a few firms that dominate the market




Competitive market – where there are lots of small firms offering very similar products

Differentiation – strategies and techniques that a business uses to make their product stand out

Market share – the percentage of sales within the market that one business has

Competitive advantage – where one business has 'the edge' over the others in a market

Theme 1 – Investigating Small Business

			
Topic: 1.2 Spotting a business opportunity			
1.2.1 Customer needs			
Identifying and understanding customer needs <ul style="list-style-type: none"> What customer needs are: price, quality, choice, convenience The importance of identifying and understanding customers; generating sales, business survival 			
1.2.2 Market Research			
The purpose of market research: <ul style="list-style-type: none"> To identify and understand customer needs To identify gaps in the market To reduce risk To inform business decisions Methods of market research <ul style="list-style-type: none"> Primary research: survey, questionnaire, focus group, observation Secondary research: internet, market reports, government reports The use of data in market research: <ul style="list-style-type: none"> Qualitative and quantitative data The role of social media in collecting market research data The importance of the reliability of market research data 			
1.2.3 Market Segmentation			
How businesses use market segmentation to target customers: <ul style="list-style-type: none"> Identifying market segments: location, demographics, lifestyle, income, age Market mapping to identify a gap in the market and the competition 			
1.2.4 The competitive environment			
Understanding the competitive environment: <ul style="list-style-type: none"> Strengths and weaknesses of competitors based on: price, quality, location, product range and customer service The impact of competition on business decision making 			

Wider Business World

Aldi & Lidl versus Tesco – meet different need though the price level and choice available

Takeaways – during Covid- 19 restaurants had to move to takeaway for business survival

Innocent Smoothies – conducted initial market research at a festival using two bins – Yes or No to launching their business

Survey monkey – a free online survey platform making it easier to conduct research

Hotel market – consider the target market of the Savoy compared to a Premier Inn

Fenty Beauty- Created to target a market of hard to match skin tones making 'women everywhere included'

Ford cars – products lots of products to target different segments

Cinemas- Vue, Odeon, Cineworld dominate the market with Lightbox, Everyman and others also holding some market share (Oligopoly Example)

London Underground – a monopoly market because there is only one tube firm

Tesla- Hold the competitive advantage in electric motors due to have proved the well-established myth that electric vehicles are ugly and slow is wrong.