

# 1.1 - Meeting Customer Needs

Test your knowledge of Theme 1.1 by working out whether the following statements are true or false. Ensure that you consider each statement carefully before selecting a response. Precise knowledge is essential for success in A Level Business!

1- Mass market products will appeal to fewer buyers than niche market products.	T	F
2- Businesses operating in a niche market can usually benefit from economies of scale.	T	F
3- Businesses that operate in a niche market will face fewer competitors.	T	F
4- Market share refers to the proportion of sales in a market that one business is responsible for.	T	F
5- Businesses in dynamic markets do <b>not</b> need to focus on adapting to changes.	T	F
6- A competitive market is likely to be a dynamic market.	T	F
7- Online retailing has made it easier for businesses to sell their products around the world and establish a global brand.	T	F
8- Businesses are in <b>indirect</b> competition if they sell different products but appeal to the same customer expenditure.	T	F

9- Uncertainties are unexpected events.	T	F
10- Market orientated businesses limit spending on market research.	T	F
11- Quantitative market research will usually involve asking the respondents to describe their opinions, thoughts and feelings on the product.	T	F
12- Primary research is usually more expensive than secondary research.	T	F
13- The limitations of secondary research include: (1) it will not be specific to the business, (2) it may be out of date, and (3) competitors will be able to access it.	T	F
14- Larger sample sizes are more likely to be representative when conducting market research.	T	F
15- Market mapping allows a business to compare itself to its competitors by reference to two criteria.	T	F
16- Market mapping is unlikely to be affected by bias.	T	F
17- Market mapping may be used to spot gaps in the market.	T	F
18- High unit costs are likely to give a business a competitive advantage.	T	F
19- A business with a USP may be able to justify charging a higher selling price.	T	F
20- Added value = the price the product is sold for - the cost of making the product	T	F