Topic 1.3 Market Mapping: Activity



**Task 1 (AO2):**

A market can be divided into small segments (e.g. pieces) according to common characteristics of the potential customers. This process of dividing the market is called ***market segmentation***. These common characteristics can be grouped according to:

**Demographics:** e.g. by age, gender, income, ethnicity, religious groups, family size

**Geography:** e.g. by area or location

**Socio-economic groups:** e.g. by working class, middle class or upper class

The main purpose of market segmentation is to more accurately meet the needs of selected customers in a more profitable way. In Ruby’s case study, she knew that there were groups of customers who had similar buying habits. Ruby identified three groups of customers in her market. Who are they and what are their needs?

|  |  |
| --- | --- |
| **Market Segment** | **Customer Needs of the Segment** |
|  |  |
|  |  |
|  |  |

**Task 2 (AO3):**

Create a m**arket map** for the supermarket industry and identify a suitable gap for a new business to enter this market by completing the following steps:

1. Draw a ***market map*** for the supermarket industry
2. Position the following supermarkets on your market map: **Tesco; Sainsbury’s; Morrisons; Aldi; Lidl; M&S; Waitrose**
3. Extension: identify where there is a gap in the market in the supermarket industry and write a short paragraph explaining how a new business could take advantage of this **gap in the market**.

**Task 3/ Homework (AO3):**

1. Complete the ‘over to you’ case study on the handout sheet. **Due: Tuesday 7th October.**