Edexcel GCSE Business
1.2.3 Market segmentation
Multiple Choice Question Test Bank

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MCQ Test 3

This MCQ test contains 13 questions covering the specification content for 1.2.3: Market segmentation

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> **Instructions:**
> - **There are 13 questions in this test.**
> - **Your teacher will determine how long you have to complete this test and under what conditions.**
> - Only **one** answer per question is allowed for **questions 1-11 inclusive.**
> - **Two** answers should be selected for questions **12 and 13.**
> - For each answer, completely fill in the circle alongside the appropriate answer(s).
> - If you want to change your answer, you must cross out your original answer.
> - If you wish to return to an answer previously crossed out, ring the answer you now wish to select.

0 1   Which of following best describes the term, market segmentation?

   A The elements which influence whether a customer buys a product   ⭕

   B The proportion of total market sales sold by one business   ⭕

   C Dividing the market into different groups based on needs and wants   ⭕

   D The process of gathering and analysing data from the market place   ⭕

   [1 mark]

0 2   Which of the following is a benefit to a business of segmenting a market?

   A Increased risk of making inaccurate business decisions   ⭕

   B Market segments are always very easy to reach   ⭕

   C High sales levels are guaranteed   ⭕

   D The business is more likely to generate sales from its products   ⭕

   [1 mark]

0 3   Which of the following is a type of segmentation based on how much a customer earns?

   A Lifestyle   ⭕

   B Age   ⭕

   C Location   ⭕

   D Income   ⭕

   [1 mark]

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0 4   The method used to identify where a product is positioned in the market in terms of certain criteria, such as high priced/low priced, is best known as:

A Market segmentation   ☐

B Market share   ☐

C Market mapping   ☐

D Marketing mix   ☐

[1 mark]

0 5   A business manufactures and sells vegetarian ready meals. Which type of market segmentation would the business most likely use?

A Location   ☐

B Lifestyle   ☐

C Gender   ☐

D Age   ☐

[1 mark]

0 6   The target market of a Caribbean cruise ship holiday is couples aged 65 years and over with a keen interest in travel. This is an example of segmentation according to:

A Income and gender   ☐

B Age and location   ☐

C Lifestyle and age   ☐

D Gender and location   ☐

[1 mark]

0 7   Segmenting the market can help a business because:

A Prices are more likely to be set that customers are prepared to pay   ☐

B Products developed will always successfully sell on the market   ☐

C The distribution channel chosen will always ensure high sales   ☐

D Promotion methods chosen will be guaranteed to reach the customer   ☐

[1 mark]

0 8 Which of the following could be seen as the opposite criterion to *"traditional"* on a market map?

    A Everyday ☐

    B Modern ☐

    C Luxury ☐

    D High quality ☐

[1 mark]

0 9 M&S sells clothes aimed at males, females, adults and children. This is an example of segmentation according to:

    A Income and lifestyle ☐

    B Age and income ☐

    C Location and income ☐

    D Age and gender ☐

[1 mark]

1 0 Discount supermarkets, such as Aldi and Lidl, are most likely to segment the market according to:

    A Gender ☐

    B Age ☐

    C Income ☐

    D Lifestyle ☐

[1 mark]

1 1 CBeebies, a BBC television network aimed at children under 6 years old, is aimed at a segment based upon:

    A Gender ☐

    B Location ☐

    C Age ☐

    D Income ☐

[1 mark]

1 2   Which **two** of the following are examples of market segmentation based on income?
Select **two** answers:

A A designer/luxury suit aimed at consumers with high salaries ☐

B A fragrance aimed at male consumers ☐

C A package holiday aimed at consumers under 30 years of age ☐

D A car aimed at high earning consumers ☐

E A cake aimed at consumers with specific dietary requirements ☐

[2 marks]

1 3   Which **two** of the following statements are true in relation to market segmentation?
Select **two** answers:

A Some businesses attempt to reach all market segments ☐

B Market segmentation will guarantee a business is always successful ☐

C Once market segments have been identified, they are easy to reach ☐

D It is easy to predict, measure and segment the market ☐

E It allows businesses to more easily target consumers with similar characteristics ☐

[2 marks]

ANSWERS TO THIS MCQ TEST

Q	CORRECT
1	C
2	D
3	D
4	C
5	B
6	C
7	A
8	B
9	D
10	C
11	C
12	A, D
13	A, E