

Segmenting Markets: Socio-economic and Psychographic Approaches

IB Business Management 4.2 Marketing Planning | Trimester Assessment Worksheet

Worksheet	04 of 12
Recommended time	45 to 55 minutes
Total marks	35
Question types	Multiple choice, short answer, data response / case study, extended response
Focus	Socio-economic and psychographic segmentation, target markets and customer values.
Note	Original IB-style practice resource. Full answer key and marking guidance included at the end.

Student details

Name: _____ Class: _____ Date: _____

Instructions

Answer all questions. Use the case data where appropriate. Show clear reasoning in 4-mark, 6-mark and 10-mark responses. The answer key appears after the question pages.

Section A - Multiple choice [5 marks]

1. Socio-economic segmentation mainly groups customers by: **[1]**
 - A. Income, profession or education
 - B. Climate and region
 - C. Personality and values only
 - D. Website usage only
2. Psychographic segmentation focuses mainly on: **[1]**
 - A. Factory capacity
 - B. Lifestyle, attitudes, values and personality
 - C. Transport costs
 - D. Exchange rates
3. A target market is best defined as: **[1]**
 - A. Every customer in the economy
 - B. A particular market segment a business chooses to focus on
 - C. A competitor with the largest market share
 - D. A market with no rivals
4. For a segment to be attractive, it should generally be: **[1]**
 - A. Measurable, accessible and profitable
 - B. Large, global and unregulated
 - C. Expensive, formal and stable
 - D. Young, urban and digital
5. A business collecting data on whether customers value sustainability and adventure is mainly gathering: **[1]**
 - A. Psychographic information
 - B. Geographic information
 - C. Accounting information
 - D. Inventory information

Section B - Short answer [8 marks]

6. Define the term target market. [2]

7. Identify two psychographic variables a business may use in segmentation. [2]

8. Explain one difference between socio-economic and psychographic segmentation. [4]

Section C - Data response / case study [12 marks]

Case study - BrewNote Coffee Subscription

BrewNote delivers coffee pods and beans by subscription. Managers have identified four possible customer segments for the next phase of growth.

Segment	Profile	Estimated size	Accessibility	Expected profitability
Students	Low income; want a low monthly price and easy cancellation	18,000	High - reached cheaply through social media	Moderate
Young professionals	Medium to high income; value convenience and morning delivery	14,000	High - digital and workplace channels	High
Ethical enthusiasts	Strong concern for fair trade and low-waste packaging	9,000	Medium - specialist channels and content needed	High
Gift buyers	Seasonal purchasers buying for others	6,000	High	Low to moderate

9. State one segment that looks attractive and one that looks less attractive for BrewNote. [2]

10. Explain why psychographic data may be useful for BrewNote. [4]

11. Analyse whether BrewNote should target young professionals or ethical enthusiasts first. [6]

Section D - Extended response [10 marks]

12. Discuss whether small businesses should focus on one target market rather than multiple segments. [10]

Answer in continuous prose. Use relevant concepts, case/context references and a supported judgement.

Answer Key and Marking Guidance - Worksheet 04

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Markscheme note

These are original IB-style practice markschemes. Award credit for any other valid, well-applied response. For 4-mark questions, credit explained points. For 6-mark questions, reward developed chains of reasoning. For 10-mark questions, use the level descriptors and reward a supported judgement.

Section A answers

Q	Answer	Brief rationale
1	A	Socio-economic segmentation focuses on income, profession and education.
2	B	Psychographic segmentation is about the way customers live and think.
3	B	A target market is the selected segment a business aims its marketing at.
4	A	These are the standard tests of segment attractiveness.
5	A	Values and lifestyle preferences are psychographic.

Open-response markscheme

Question 6 [2]

Indicative answer: A target market is a particular market segment that a business focuses its marketing activities on.

Marking guidance: Award 1 mark for a partial idea and 2 for a clear, accurate definition.

Question 7 [2]

Indicative answer: Any two of: lifestyle; personality; values; attitudes; social class; interests.

Marking guidance: Award 1 mark per valid variable, up to 2 marks.

Question 8 [4]

Indicative answer: Socio-economic segmentation groups customers by objective indicators such as income or profession, while psychographic segmentation groups them by less tangible characteristics such as lifestyle or values. The first helps estimate purchasing power; the second helps shape brand messages and product meaning.

Marking guidance: Award up to 2 marks for identifying a valid difference and up to 2 marks for explanation.

Question 9 [2]

Indicative answer: Attractive answers may include young professionals or ethical enthusiasts because expected profitability is high. Less attractive answers may include gift buyers because demand is seasonal and profitability is lower.

Marking guidance: Award 1 mark for a sensible attractive choice and 1 mark for a sensible less attractive choice.

Question 10 [4]

Indicative answer: Psychographic data helps BrewNote understand why some customers buy coffee beyond price alone. For example, customers who care about sustainability may respond strongly to fair-trade sourcing and low-waste packaging. This allows BrewNote to design offers and messages that connect with values, not just demographics.

Marking guidance: Award up to 2 marks for identifying usefulness and up to 2 marks for explanation.

Question 11 [6]

Indicative answer: Young professionals combine high accessibility and high profitability, so they may generate sales faster and at lower promotional cost. Ethical enthusiasts are smaller and less accessible, but the segment may offer stronger loyalty and a clearer premium position if BrewNote's sourcing and packaging are distinctive. On balance, many responses may argue for young professionals first because the segment is easier to reach and scale, while using sustainability features to support the brand.

Marking guidance: Reward developed reasoning comparing segment attractiveness criteria and reaching a justified view.

Marks	Descriptor
1-2	Basic understanding with limited explanation.
3-4	Some application and analysis, but development is partial.
5-6	Developed, relevant analysis linked clearly to the case or context.

Question 12 [10]

Indicative answer: Indicative content: one target market can reduce complexity, keep the message clear, lower costs and fit limited resources; however, relying on one segment increases risk if tastes change; multiple segments can spread risk and expand revenue but raise complexity and cost; the best answers should consider the business's resources, clarity of proposition and the nature of the market before judging.

Marking guidance: Use the 10-mark rubric. Reward balanced discussion and a supported judgement.

Marks	Descriptor
1-2	Limited relevant knowledge; response is mostly descriptive or generic.
3-4	Some understanding and some application, but analysis is thin or uneven.
5-6	Clear understanding with relevant application and some developed analysis.
7-8	Good analysis with balanced discussion of benefits and limitations.
9-10	Well-developed, well-applied evaluation with a supported judgement or recommendation.