

Importance of Marketing and Customer Satisfaction

Why businesses need effective marketing, how satisfaction and delight affect loyalty, and how changing environments shape decisions.

Worksheet	4.1-WS02	Suggested time	45-60 minutes
Total marks	34	Coverage	IB Business Management 4.1 Introduction to marketing

Answer all questions. Show full workings for calculations. Use business terminology and apply answers to the context where relevant.

Section A - Multiple choice

- Effective marketing is most likely to result in which outcome? [1]
 - Customers perceive the product as good value and the business meets its objectives
 - The business never needs to change its offer again
 - Only the promotion function becomes important
 - Lower quality products can always be sold at higher prices
- Which statement best describes delighted customers? [1]
 - They are satisfied enough not to complain but may switch easily
 - They are more than satisfied and are more likely to remain loyal and recommend the brand
 - They are always willing to pay any price charged
 - They never compare the product with competitors
- Which is an example of a change in the business environment affecting marketing? [1]
 - A firm continues with the same packaging for ten years
 - A business reduces quality control inspections
 - New regulations limit how sugary drinks can be promoted to children
 - A company refuses to measure customer feedback
- A business sees customer needs changing because of rising health awareness. What should marketing do first? [1]
 - Ignore the trend until rivals respond
 - Monitor the change and adapt the offer to better meet customer needs
 - Raise prices immediately to maintain profit
 - Reduce the number of staff in every department

Section B - Short answer

- Define the term customer-centric. [2]
- Explain the difference between satisfying customers and delighting customers. [4]
- Explain one reason customer preferences may change and one likely effect on a business. [4]

Section C - Data response / case study

Case study - FitFizz

FitFizz sells canned fruit-flavoured drinks to teenagers. For years the brand used bright packaging and heavy social media promotion. Recently, schools in its main market restricted the sale of high-sugar drinks, and many parents have become more concerned about health and nutrition.

FitFizz has noticed falling sales in school-area stores. Managers are debating whether to develop lower-sugar products, change the advertising message, or focus more on older consumers who still buy the original recipe.

8. Explain how social change and legal change may affect FitFizz's marketing decisions. [4]
9. Analyse whether marketing could help FitFizz rebuild demand without major changes to production. [6]

Section D - Extended response

10. Discuss whether delighting customers should be a higher priority than minimising marketing costs. [10]

Answer key and marking guidance

Indicative answers are provided below. Equivalent, well-applied business answers should also be credited.

Marks	General marking guidance
2	Award for a precise definition or one simple explained point. Terminology should be accurate.
4	Award for two relevant explained points, or correct working plus answer where calculation is required.
6	Award for developed analysis that links cause and effect and uses case material where relevant.
10	Award for balanced evaluation or discussion, use of context, and a supported conclusion or judgement.

Section A - Multiple choice answers

Q	Answer	Why
1	A	Effective marketing matches value to customer needs while helping the business achieve goals.
2	B	Delighted customers are especially likely to stay loyal and spread positive recommendations.
3	C	Legal changes can affect what and how firms are allowed to market.
4	B	Marketing should understand the shift and adapt products and decisions accordingly.

Section B - Short answer guidance

Q5. Define the term customer-centric. [2]

- A customer-centric business focuses strongly on understanding and meeting customer needs.
- It starts with the customer and works backwards when making decisions.

Credit other relevant, accurate and well-explained answers.

Q6. Explain the difference between satisfying customers and delighting customers. [4]

- Satisfying customers means meeting expectations so the buyer feels the exchange was worthwhile.
- Delighting customers means exceeding expectations so they feel more than satisfied.
- Delighted customers are more likely to recommend the product, remain loyal and try new products.

Credit other relevant, accurate and well-explained answers.

Q7. Explain one reason customer preferences may change and one likely effect on a business. [4]

- Preferences may change because of social trends, health concerns, technology, income changes or new lifestyles.
- The business may need to redesign the product, change promotion, alter prices or target a different segment.
- If it does not adapt, sales and loyalty may fall.

Credit other relevant, accurate and well-explained answers.

Section C - Data response / case study guidance

Q8. Explain how social change and legal change may affect FitFizz's marketing decisions. [4]

- Social change: greater health awareness may reduce demand for sugary drinks and increase demand for healthier alternatives.
- Legal change: restrictions on selling or promoting high-sugar drinks near schools may limit channels or advertising methods.
- FitFizz may need to reformulate products, change packaging messages, target different customers or use different media.

Credit other relevant, accurate and well-explained answers.

Q9. Analyse whether marketing could help FitFizz rebuild demand without major changes to production. [6]

- Marketing may help somewhat by changing promotion, clarifying product information or targeting new customer groups.
- However, if the core problem is that customers no longer want a high-sugar product, promotion alone may have limited effect.
- The firm may need product changes as well as marketing changes because effective marketing depends on providing what customers value.
- Therefore, marketing can support recovery, but without some adjustment to the product the business may struggle to restore demand fully.

Credit other relevant, accurate and well-explained answers.

Section D - Extended response guidance

Q10. Discuss whether delighting customers should be a higher priority than minimising marketing costs. [10]

- Delighting customers can strengthen loyalty, repeat purchases and positive word of mouth.
- In competitive markets, simply satisfying customers may not be enough to differentiate the business.
- However, actions designed to delight customers may raise costs through premium service, more support or product improvements.
- Managers must compare the likely returns from stronger loyalty with the extra cost required.
- Some businesses may benefit more from efficiency and value pricing than expensive delight strategies.
- A strong judgement should recognise that customer delight is valuable when it produces long-term revenue and brand strength, but costs still matter because the business must remain profitable.

Judgement guidance: reward balance, use of relevant evidence or case context, and a justified final conclusion.