

Segmenting Markets: Geographic and Demographic Approaches

IB Business Management 4.2 Marketing Planning | Trimester Assessment Worksheet

Worksheet	03 of 12
Recommended time	45 to 55 minutes
Total marks	35
Question types	Multiple choice, short answer, data response / case study, extended response
Focus	Geographic and demographic segmentation, customer differences, and tailoring the marketing mix.
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]

- Segmentation is the process of: [1]
 - Reducing the price of a product
 - Identifying groups of customers with clearly different needs and wants
 - Choosing suppliers
 - Estimating factory costs
- Which of the following is a demographic variable? [1]
 - Climate
 - Distance from the store
 - Age
 - Region
- Which of the following is geographic segmentation? [1]
 - Grouping customers by income level
 - Grouping customers by family size
 - Grouping customers by lifestyle
 - Grouping customers by urban or rural location
- One likely benefit of segmentation is that it can: [1]
 - Remove all competition
 - Make marketing more precise and cost-effective
 - Guarantee market leadership
 - Eliminate the need for pricing decisions
- A business selling different winter footwear in Scandinavia and lighter footwear in hot regions is responding mainly to: [1]
 - Geographic differences
 - Brand loyalty
 - Accounting controls

Section B - Short answer [8 marks]

6. Define the term market segment. [2]

7. Identify two demographic variables that a business might use to segment a market. [2]

8. Explain one advantage of geographic segmentation for an international business. [4]

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

Case study - TrailStep Footwear

TrailStep sells casual footwear and outdoor shoes. Managers are reviewing whether one national product range is enough or whether the market should be segmented more carefully.

Customer group	Key features	Estimated annual demand	Likely product focus
City commuters aged 18-30 in warm regions	Prefer lightweight, stylish shoes; use public transport	80,000 pairs	Breathable urban trainers
Adults aged 31-50 in colder regions	Want waterproof materials and durability	55,000 pairs	Water-resistant walking shoes
Family buyers in mixed climates	Value mid-price reliability and easy cleaning	70,000 pairs	Durable everyday footwear
Rural outdoor users	Need grip and rugged soles	35,000 pairs	All-terrain hiking shoes

9. Identify one geographic and one demographic basis of segmentation used by TrailStep. [2]

10. Explain one way TrailStep could adapt its marketing mix for one of the segments in the table. [4]

11. Analyse why segmentation may improve the efficiency of TrailStep's marketing spending. [6]

Section D - Extended response [10 marks]

12. Discuss whether a national clothing or footwear retailer should segment its market heavily or offer a standard range to all customers. [10]

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

Answer Key and Marking Guidance - Worksheet 03

Segmenting Markets: Geographic and Demographic Approaches

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	B	Segmentation identifies groups with distinct needs or characteristics.
2	C	Age is a demographic characteristic.
3	D	Urban versus rural location is geographic segmentation.
4	B	Segmenting allows more targeted decisions.
5	A	The example focuses on location and climate.

Open-response markscheme

Question 6 [2]

Indicative answer: A market segment is a group of customers within a market that has clearly identifiable needs and wants.

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

Question 7 [2]

Indicative answer: Any two of: age; gender; ethnicity; language; religion; marital status; family size.

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

Question 8 [4]

Indicative answer: Geographic segmentation allows a business to adapt its offer to local conditions such as climate, infrastructure or population density. This means the business is more likely to provide products and messages that fit local needs, improving relevance and potentially increasing sales.

Marking guidance: Award up to 2 marks for identifying an advantage and up to 2 marks for linked explanation.

Question 9 [2]

Indicative answer: Geographic bases include region, climate, city versus rural location. Demographic bases include age and family status.

Marking guidance: Award 1 mark for one valid geographic basis and 1 mark for one valid demographic basis.

Question 10 [4]

Indicative answer: For colder regions, TrailStep could adapt the product by emphasizing waterproof materials and durable soles, and adapt promotion by highlighting protection and reliability in winter conditions. Matching the offer more closely to segment needs should improve its appeal and reduce wasted promotion.

Marking guidance: Award up to 2 marks for a relevant adaptation and up to 2 for explaining its value.

Question 11 [6]

Indicative answer: Without segmentation, TrailStep may promote the same message to customers with very different needs. By identifying distinct groups, the firm can select appropriate products, channels and messages for each one. This reduces wasted advertising, increases relevance, and makes it more likely that expenditure turns into sales and market share. However, managers must still control the extra complexity created by offering tailored products.

Marking guidance: Reward a developed chain of reasoning linking segmentation to relevance, reduced waste and improved returns.

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: heavy segmentation can improve fit with customer needs, targeting and brand loyalty; it can support premium pricing in some groups; however, it increases complexity, product variety, forecasting difficulty and cost; a standard range simplifies production, purchasing and promotion but may fit fewer customers well; good answers should compare precision with simplicity and reach a balanced judgement.

Marking guidance: Use the 10-mark rubric. Reward balance and a justified conclusion.

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.