BUSINESS: *Creating informed, discerning employees, consumers and future leaders*	**Topic 1.2.1 Customer Needs**

Key Vocabulary

Customer needs – the specific things that a buyer wants about goods and services

Customer reviews – feedback from customers, which can be online

Word of mouth – when a customer tells another person about a business

Repeat purchase – when a customer returns to the same business

Core Knowledge

Customer needs are the specific wants or needs that buyers have when purchasing goods

Different customers have different needs

If a business knows and understands its customers' needs it is in a better position to produce the products that customers want, in the way that they want them, leading to increasing sales, and so contributing to long term survival

Customer needs are:

- **Price** that reflects the quality of the product, and is low enough to match consumer incomes
- **Quality –** usually more important for those with higher income levels
- **Choice –** consumers like to select from a range of options, e.g. different flavours, colours or packet sizes
- **Convenience –** making life easier for customers
- **Efficient and reliable service –** such as having enough stock, or longevity of a product
- **Design –** how good a product looks

Don't be a "man on the street"

- Don't assume consumers always go for the cheapest option – they have other needs that may override price depending on the circumstances

Wider Business World

Aldi & Lidl versus Tesco – meet different need though the price level and choice available

Banks – a variety of ways to access your funds is convenience

Takeaways – offer convenience so we pay more than the cost of the ingredients

Synoptic Links

Market research – this is how a business finds out customer needs

Market segmentation – how we divide up customers into smaller groups with similar needs

Added value – meeting customer needs can allow a business to charge higher prices, i.e. add value to a product