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GCSE Business Studies

Marketing orientation

Businesses can develop new products based on either a **marketing orientated** approach or a **product orientated** approach.

- ▶ A **marketing orientated** approach means a business reacts to what customers want. The decisions taken are based around information about customers' needs and wants, rather than what the business thinks is right for the customer. Most successful businesses take a market-orientated approach.
- ▶ A **product orientated** approach means the business develops products based on what it is good at making or doing, rather than what a customer wants. This approach is usually criticised because it often leads to unsuccessful products - particularly in well-established markets.

Most markets are moving towards a more market-orientated approach because customers have become more knowledgeable and require more variety and better quality. To compete, businesses need to be more sensitive to their customers needs otherwise they will lose sales to their rivals.

On the other hand some products are argued to create a need or want in the customer, especially products with a very high technological content. Mobile phones have moved from being a business accessory to being a big consumer brand item, with many additional gadgets, such as pictures, video and Internet access. Innovations create the need rather than the customer being able to second-guess how new technology is going to develop.

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