

1. Study the information below and then answer the questions that follow.

Quiksilver - a surfing success story

In the late 1960s, Australian surfers Alan Greene and John Law designed a pair of boardshorts that were durable, lightweight and dried rapidly. The shorts had all the features that surfing customers wanted – a wax pocket, Velcro fastenings, a wide supportive waistband and, most importantly of all, they were comfortable. They were a huge success and as a result Quiksilver has always ensured that it has adopted a **market orientated** approach to its product development.

Today, Quiksilver is a truly global brand and offers a diverse range of products including a complete clothing collection, accessories, eyewear, watches and wetsuits. The company has diversified into the snowboarding and skateboarding markets. It provides a range of products targeted at 25-40 years olds, 8-14 year old boys and even toddlers. Girls' lines now include well established brand names such as Roxy, Raisins and Leilani swimwear. The company still ensures that the staff who manage its **extensive product portfolio** know what their customers want and need; many of its employees are former world and national champions in surfing, snowboarding and skate boarding.

- (a)
 - (i) What is meant by the term *market orientated*? [2]
 - (ii) Briefly explain **two** advantages to a business, such as Quiksilver, of being market orientated. [4]
- (b)
 - (i) With reference to the passage, explain what is meant by *market segmentation*. [2]
 - (ii) Explain **two** reasons why Quiksilver would wish to identify different market segments. [4]
- (c) Consider the usefulness and limitations of the Boston Matrix to businesses, such as Quiksilver, when managing an *extensive product portfolio*. [8]