

- 2. Inspiration for the Organic Food Company Ltd grew from a coffee shop and delicatessen in a mid-Wales town which had an unrivalled reputation for unique recipes, e.g. soups, sauces, salads and sandwich fillings, combined with excellent customer service. Soon the owner, Sandra realised that there was a **niche market** there for the taking and so the Organic Food Company Ltd was born.

The success of the business led Sandra to consider expanding. She would like to develop a range of organic pasta dishes, but before doing so, she would need to carry out some market research.

- (a) Explain **two** problems for Sandra of operating in a niche market. [4]

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