Victoria University Of Bangladesh

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Bachelor of Tourism & Hotel Management

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1.

As a worker in a bank, customers can be classified into relationship groups based on their profitability and projected loyalty. Here's a classification scheme with examples:

1. *High-Profit, High-Loyalty Customers*:
   - These are customers who are both profitable and highly loyal to the bank.
   - Examples include high-net-worth individuals who maintain multiple accounts, invest in various financial products offered by the bank, and regularly use banking services such as loans and credit cards.

2. *High-Profit, Low-Loyalty Customers*:
   - These are customers who are profitable to the bank but may not be highly loyal and may be open to switching to another bank for better offers.
   - Examples include business clients who generate significant revenue through commercial loans, but may also maintain relationships with other banks and are willing to move their accounts for better terms.

3. *Low-Profit, High-Loyalty Customers*:
   - These are customers who may not generate significant profits individually but are highly loyal to the bank, making them valuable in the long term.

- Examples include retail customers who maintain basic savings or checking accounts, use debit cards, and occasionally use other banking services. While their individual transactions may not be highly profitable, their long-term loyalty and potential for cross-selling other products make them valuable.

4. *Low-Profit, Low-Loyalty Customers*:
   - These are customers who neither generate significant profits nor demonstrate strong loyalty to the bank.
   - Examples include occasional users of banking services who maintain minimal balances, rarely use additional products or services, and may be open to switching banks for better deals.

By classifying customers into these relationship groups, banks can tailor their marketing strategies, product offerings, and customer service approaches to maximize profitability and enhance customer loyalty. This segmentation allows banks to allocate resources effectively, prioritize high-value customers, and implement retention strategies to strengthen relationships with profitable and loyal customers.

2.

The Product/Market Expansion Grid, also known as the Ansoff Matrix, is a strategic tool used by businesses to analyze and plan growth strategies. It was developed by Igor Ansoff in 1957. The matrix consists of four growth strategies based on two dimensions: products and markets.

1. *Market Penetration*: This strategy involves selling more of the company's existing products to its current markets. It focuses on increasing market share by attracting more customers or convincing existing customers to buy more. This can be achieved through tactics such as advertising, promotions, pricing strategies, and improving product quality or features.

2. *Market Development*: This strategy involves introducing existing products to new markets. It aims to expand the customer base by entering new geographical regions, targeting different demographic segments, or reaching new distribution channels. Market development may require market research, adaptation of products to suit local preferences, and establishing partnerships or alliances with local businesses.

3. *Product Development*: This strategy involves developing and offering new products to existing markets. It aims to meet the changing needs and preferences of customers by introducing innovations, improvements, or variations of existing products. Product development requires research and development efforts, testing, and effective marketing to ensure successful adoption by customers.

4. *Diversification*: This strategy involves entering entirely new markets with new products. It aims to reduce risk by diversifying the company's portfolio and revenue streams. Diversification can be either related (entering markets or producing products related to the company's existing business) or unrelated (entering markets or producing products unrelated to the company's existing business).

Limitations of BCG Growth-Share Matrix:
1. *Focus on Market Growth Rate and Market Share*: The BCG matrix focuses solely on market growth rate and market share as criteria for evaluating business units. It overlooks other factors such as industry attractiveness, competitive dynamics, and internal capabilities, which are also important for strategic decision-making.

2. *Assumption of Market Growth Rate and Market Share*: The matrix assumes that high market share leads to profitability and that high market growth rates are always desirable. However, this may not always be the case, as high market share can be associated with low profitability due to intense competition or declining industries.

3. *Limited Strategic Options*: The BCG matrix categorizes businesses into four quadrants (Stars, Question Marks, Cash Cows, and Dogs) based on their relative market share and market growth rate, which may oversimplify the strategic options available to businesses. It does not provide guidance on specific growth strategies such as market penetration, market development, product development, or diversification.

4. *Static Analysis*: The BCG matrix provides a snapshot of the business portfolio at a specific point in time and does not account for changes in market conditions, competitive dynamics, or technological advancements over time. As a result, it may not be suitable for dynamic and rapidly changing industries.

3.

A)

Marketing myopia refers to a short-sighted approach to marketing that focuses narrowly on selling specific products or services rather than understanding and fulfilling the broader needs and desires of customers. The concept was introduced by Theodore Levitt in a Harvard Business Review article titled "Marketing Myopia" published in 1960.

Key characteristics of marketing myopia include:

1. *Product-Centric Focus*: Companies that fall into marketing myopia tend to focus excessively on their products or services rather than on understanding the underlying needs, preferences, and experiences of their customers. They may become overly fixated on the features and functions of their offerings without considering how these fit into broader customer contexts.

2. *Lack of Customer-Centricity*: Marketing myopia leads to a lack of customer-centricity, where companies fail to recognize the evolving needs and desires of their target customers. Instead of focusing on creating value for customers, they prioritize selling what they have, leading to a disconnect between the company's offerings and customer expectations.

3. *Failure to Adapt*: Companies affected by marketing myopia may fail to adapt to changes in the market environment, technological advancements, or shifts in consumer behavior. They may become complacent and resistant to innovation, relying on outdated business models and strategies that are no longer effective in meeting customer needs.

4. *Risk of Decline*: Companies that succumb to marketing myopia risk stagnation or decline as they become increasingly disconnected from their customers and fail to address emerging competitive threats. Without a customer-centric approach and a focus on long-term value creation, they may lose market share and relevance over time.

To overcome marketing myopia, companies need to adopt a more customer-centric mindset and focus on understanding and fulfilling the needs, preferences, and aspirations of their target customers. This involves conducting market research, gathering customer feedback, and continuously innovating to deliver value-added solutions that address customer pain points and create memorable experiences. By shifting from a product-centric to a customer-centric approach, companies can build stronger customer relationships, foster loyalty, and drive sustainable growth in the long run.

B)

Macro marketing and micro marketing are two levels of marketing analysis and strategy that focus on different scopes and objectives within the field of marketing:

1. *Macro Marketing*:
   - Macro marketing refers to the study and analysis of marketing phenomena at a broader, aggregate level. It involves examining the overall market environment, industry trends, and societal factors that influence marketing decisions and outcomes.
   - Key characteristics of macro marketing include:
     - Focus on market structures, industry dynamics, and macroeconomic factors.
     - Analysis of market segments, consumer demographics, and consumer behavior trends on a large scale.
     - Examination of broad marketing strategies, such as positioning, branding, and market segmentation, that apply to entire markets or industries.
     - Emphasis on understanding how marketing activities impact society as a whole and contribute to economic development and societal welfare.

2. *Micro Marketing*:
   - Micro marketing, on the other hand, refers to the study and analysis of marketing phenomena at a smaller, individual level. It involves understanding the specific needs, preferences, and behaviors of individual customers or small market segments.
   - Key characteristics of micro marketing include:
     - Focus on individual consumers or small market segments and their unique characteristics, preferences, and buying behaviors.
     - Use of targeted marketing strategies, such as personalized advertising, direct marketing, and one-to-one marketing, to reach and engage specific customer groups.
     - Emphasis on building relationships with individual customers and providing customized products, services, and experiences tailored to their needs.
     - Analysis of customer data, market research, and customer feedback to inform marketing decisions and optimize marketing efforts for specific target audiences.

In summary, macro marketing focuses on the broader market environment and industry-level trends, while micro marketing zooms in on individual consumers or small market segments to understand their specific needs and behaviors. Both levels of analysis are important for developing effective marketing strategies and driving business success, and they often complement each other in the overall marketing approach of a company.