

POWER BA CASE STUDY

Power BA is an Auckland-based boutique investment consultancy firm that serves both individual and institutional clients. Individual investors typically make small, low-risk investments in a limited number of stocks, bonds and/or mutual funds. Conversely, institutional investors prefer maintaining a diversified portfolio to mitigate risks. Prior to the COVID19 pandemic, Power BA experienced significant growth, attracting clients from across the Australasian region. However, this success also brought increased competition, particularly from investment consultancy firms in countries like Singapore. In the post-pandemic era, the investment environment has shifted dramatically prompting Power BA to reevaluate their business strategies. The company is now being confronted by several tough questions:

- Should Power BA focus be on retaining current investors, reactivating dormant investors from the COVID19 era, or targeting new investors?
- Should the firm prioritize individual investors or institutional investors?
- Should Power BA consider diversifying its operations beyond the Australasian market?

With these challenges in mind, answer the following questions:

1. Devise a segmentation scheme to address Power BA's current challenges in the investment environment. Your response should include data requirements for segmentation and discrimination, and indicate whether you are using needs-based or choice-based segmentation approach.
2. If you select a needs-based segmentation, list variables you might explore. If you chose a choice-based segmentation, explain how you can use CART to narrow down the list of variables.
3. Recommend a targeting scheme that Power BA can use to engage its most valuable customer segments. Consider applying insights from customer valuation.