

**BBM 1202 PRINCIPLES OF MARKETING**

**CAT I & II**

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**ANSWER ALL THE QUESTIONS**

**OBSERVE THE DEADLINE**

**a) It is argued that every product goes through a product life cycle (PLC). Explain any three strategies a marketer may employ at the maturity stage of the PLC, clearly explaining what the maturity stage entails.(5 marks)**

In the product life cycle(PLC), the maturity stage is whereby there is increased competition in the market and price reduction of the product is likely.

During this stage a marketer may employ **product differentiation** which means to compare or showcase the differences between 2 competing products in a bid to gain some competitive advantage in a market dominated by products from other companies.

A marketer may also employ product diversification, which is achieved by entering into additional markets and/or pricing strategies. Often the product may be improved, altered or changed, or new marketing activities are developed.

Finally still in the maturity stage, a marketer can also start building brand loyalty by ensuring that customers are rewarded for every purchase and points are given which can be redeemed later.

**b) Explain the meaning of segmentation and describe the significance of segmentation to a bank. (10 Marks)**

Market Segmentation is the division of a market into different homogeneous groups of consumers. Rather than offer the same marketing mix to vastly different customers, It possible for firms to tailor the marketing mix for specific target markets, thus better satisfying customer needs.

For many banks, loans are a huge segment of banking operations. Personal loans and business loans make up a significant portion of bank's lending. Loan products are typically advertised separately from the bank's other products. Banks benefit from segmentation by marketing specific loans to a target group who can buy the loans.

Instead of selling the loans to a larger market group, banks can market to a smaller group who they are sure based on their research will be able to buy the loans.

Banks can market investment solutions to existing customers with bundled benefits. They can also advertise through local media, but they may deliver more targeted messages through investment-related publications.

Banks segment customers into two general categories before breaking down those markets into product benefits: consumers and businesses. Some companies focus entirely on consumer products; others do only commercial banking. However, many traditional banks market to both types and offer products in similar

areas for businesses because of their normally larger size and scope regarding money management.

**b) Distinguish between marketing research and marketing information system.  
(5 Marks)**

Marketing Research is the undertaking to investigate of gain more info about the target market and consumer behaviors that exists and how your products will be received. Market information system is structured source of information that has the results or what is gotten from a conducted research in a way users can benefit from it.

**c) Marketers are today faced with a mirage of challenges that never existed in the past. Discuss Five of these challenges.(10 marks)**

Budgeting Constraints: Securing more budget is a pressing challenge for marketing globally. And often, getting more budget is easier said than done, this is so especially for smaller organizations that aren't working with sizable nor flexible marketing spend. Small startup are coming up every day but marketing budgets are quite small.

Information Technology: Technology has also impacted the ways consumers engage with brands and businesses and the ways businesses and brands must engage with consumers. From social media and digital marketing right through to e-commerce and every step in between on the ubiquitous "sales funnel" marketing is taking responsibility for the planning and management of the customer journey through data-informed personalised marketing and real time media options.

Staying Relevant in a dynamic market: There's the saying "time is money," and then there's marketing, where this is an everyday reality. With new technology and platforms emerging each day, it can be difficult to keep up.

What Do Marketers Really Do? Executives, co-workers, and even marketers themselves are questioning the role of marketing, its goals, and how to achieve them. This confusion can cause problems within an organization. When

marketers aren't sure how to deliver the best results, or when they feel friction from other departments, their productivity and success rates go down.

Dealing With Data: As the current technology dictates, data is key in any marketing strategy. However collection and management of the data remains a big challenge for marketers in today's world