

Preparing a SWOT

This case study looks at a hypothetical regional bank. Your task here is to prepare a SWOT for the firm; that is, identify their strengths, weaknesses, opportunities, and threats. As a result of this exercise, you should have a much clearer idea of what marketing strategies would best suit them, given their current environment.

About The Sunny Valley Bank

Beautiful Sunny Valley region, home to just over 10,000,000 people. The Sunny Valley Bank had started several decades ago and had achieved a 20% share of the adult banking market (around 1,500,000 customers).

They now had 50 branches throughout the region, which has been a key driver of their success (that is, being very convenient). They also had the advantage of being the 'local' bank. They were friendly and truly concerned with helping their customers.

According to their marketing manager, "While our success was initially due to the convenience of our branches, in later years our closeness and "smallness" became a major point of difference over major banks. As a result, many of our new customers came from word of mouth".

However, they do have their limitations for their customers (which explains why they only have 20% market share). For instance, they have a limited range of products (such as not having a credit card). And in recent years, there's been a big change in technology. People now access their accounts through ATMs, phones and the internet - so banking customers don't necessarily need the convenience of branches, or the service that goes with it (particularly in these time-poor days).

Therefore, what was once a 'strength' (of many branches), may have become a 'weakness' (cost of rent and staff). Adding to this pressure has been the rise in specialist competitors. Today, loan brokers aggressively target the profitable loans business, and firms like American Express, Citibank and Virgin targeting credit cards business, plus places like ING Bank chase low transaction/high balance savings.

Their Proposed Marketing Changes

As a result, the bank found themselves in a little bit of a strategy 'mess' and had decided to 'reinvent' themselves to be more competitive in today's market. Their proposed changes include:

- More heavy focus (positioning) on being the local bank ('there for you, as always')
- Introducing customer relationship management (CRM) programs, including appointing "personal bankers"
- Creating a 'selling is helping the customer' corporate culture
- Working their existing customer base harder (getting greater "share of wallet")
- Utilizing local retailers to help gain increase market share
- Having a heavier emphasis on electronic/remote channels (such as internet and the call center), and
- Introducing a more competitive range of products - starting with a credit card

Student Discussion Questions

1. Prepare a top-level SWOT analysis for the bank.
2. Given your SWOT, to what extent do you agree with their proposed strategy? Why?
3. How would you change/improve their proposed strategy?