



Towson University College of Business and Economics Spring 2016 Case Competition

Introduction

Our institution has traditionally focused on customers who were born before 1980. We have traditionally operated based on two principles as to why consumers change financial institutions:

- (1) They move or have some other large life event (e.g., marriage, divorce, a child goes away to college);
- (2) They have a poor experience with their current financial service provider.

We have a low market share in the millennial market. Millennials are most likely to bank where their parents opened their first account or where their parents told them to bank after their first paycheck. How can we attract these younger generations without losing sight of our core, older customers?

The Scenarios

Address **one** of the following 2 scenarios:

Scenario 1

The long-term success of 1st Mariner Bank depends on the ability to attract the younger generation. Provide a strategic plan to attract millennial customers.

Scenario 2

Millennials are increasingly running companies of their own. What needs will millennial-managed companies have that will differ from previous generations? Provide a strategic plan to position 1st Mariner Bank to meet the needs of millennial-managed businesses.

Evaluation Criteria

- (1) Provide an external and internal analysis and deliver a comprehensive strategy that spans three years. This should include milestones that you hope to accomplish over that time period.
- (2) Identify specific tactics you will use to accomplish your strategy. What will you do on a daily basis to accomplish your milestones?
- (3) Explain why a competitor would find it costly to imitate this strategy.
- (4) Specify the resources that are needed to support your strategy. These should be feasible. Be mindful of the resources your strategy will require (capital expenditure, staffing requirements, etc.).
- (5) Budgeted resources cannot exceed \$200,000. This budget includes sponsorships, advertising (both digital and traditional), and promotions.



Bank Profile

1st Mariner Bank is the largest independent bank headquartered in Baltimore. The Bank has approximately \$1 billion in assets, 350 employees and 15 bank branches in Baltimore County, Anne Arundel County, Harford County, Howard County, and Baltimore City. The Bank has access to over 24,000 surcharge-free ATMs nationwide. 1st Mariner also operates 14 mortgage offices in Central Maryland, the Eastern Shore of Maryland, and portions of Northern Virginia. 1st Mariner was founded in 1995 and continues to deliver on its mission to provide banking services in a personalized fashion, leveraging relationships to position the bank as Baltimore's community bank.

Below are some highlights regarding our current customers:

- All Retail accounts
 - Equally distributed between male and female
 - Age range majority is 41 + year olds
- Checking accounts
 - Equally distributed among male and female
 - Age range is majority 41-65 year olds
- CD accounts
 - Equally distributed among male and female
 - Age range is majority 70 + year olds
- Money market accounts
 - Slightly favors males
 - Age range is majority 56 + year olds
- Savings accounts
 - Equally distributed among males and females
 - Primary age ranges are 0-25 year olds and 41-65 year olds

Glossary of Terms

Life Event – A large life event includes, but is not limited to, going away to college, moving out of the area, a new job, getting married, and getting divorced etc.

The Silent Generation is individuals born between 1925 and 1944 (approximately)

Baby Boomers are individuals born between 1945 and 1964 (approximately)

Generation X is individuals born between 1965 and 1979 (approximately)

Millennials are individuals born between 1980 and 2002. (approximately)

Generation Z is individuals born between 2003 and the present



Retail Products - These are products that are sold to individuals. These accounts include: Checking, Saving, Money Market, Certificate of Deposit (CD), and IRA accounts.

How did you hear about us? – This is information we are attempting to capture. Our hope is to use this data to determine how we allocate our marketing money moving forward. The current information we believe is inaccurate because it is not fully utilized by our branch staff. However the mediums we are attempting to identify are: billboard, branch, call effort, email, existing customer, referred by friend, internet, referred by bank lender, mail, newspaper, online, other, radio, referred by relative, social, TV, and workplace.

Transferred from Bank – When a customer opens a new account we capture where those funds are coming from. We gather this one of three ways (1) we ask our customers, (2) it comes up naturally in conversation, or (3) if a check is used to fund the account we simply use that as reference. The banks we identify in this chart are: 1st Mariner Bank (internal transfer), M&T, PNC, Sandy Spring, Suntrust, Susquehanna (now BB&T), TD, Bank of America, Wells Fargo, and Credit Unions in general.