

Strategy development for the market entry of a corporate bank into Eastern Europe

Challenge

Our client was aiming at expanding its business into two selected target countries in Eastern Europe. In order to achieve this ambitious goal, the first project phase therefore had to comprise a full analysis of the market potential, the accurate calculation of respective business cases and the assessment of possible market entry strategies. Due to its broad range of contacts to experts and decision makers in the respective countries and a team of consultants with cross cultural and multilingual competencies, METIS was mandated to prepare a decision memorandum for this venture.

Approach

The team initially raised facts about the economic, legal and political environment, including current and future trends as well as analysed market potential and the competitive landscape. Thereby the project focus was geared to identify financial services needs and requests of corporate clients in the segment of 10-300 mn. € turnover per year. In addition to desk research, the market analysis was completed by considerable first hand insights like client interviews, mystery shopping etc. The next project phase concluded with the display of feasible market entry scenarios and a recommendation considering the clients specific situation. METIS activities comprised in particular:

- Evaluation of competitors concerning their financials, sales approach and service offering for the target group; execution of mystery shopping to verify results
- Segmentation of the target group according to company size, rating and industry sector; calculation of market potential in these segments
- Execution of target client interviews to identify differences in client behaviour as well as specific customer needs and preferences concerning corporate banking services
- Analysis of georeferenced data on market and competition to decide on locations
- Assessment of different market entry options to develop a recommendation for each market
- Calculation of a business case including sensitivity analysis regarding important assumptions and risk analysis

Results

Within a very challenging timeline, METIS was able to thoroughly prepare the client's decision. According to the market situation in both countries and considering the risks and the necessary efforts, we recommended to the client a positioning as niche player. To help the client realise the suggested target position, a sequential plan was elaborated for each market, taking different scenarios into account. After all, the bank also seized the chance to acquire an already existing regional player - an investment opportunity which was identified during the project.

For more information, please feel free to contact us.