

Case 4.1

JPMorgan Chase: Chasing Growth Through Mergers and Acquisitions



SPSS Data File



SAS Data File



JPMorgan Chase is a well-known global financial services firm that provides broad-range investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity services. As of 2017, JPMorgan Chase operates in more than 100 countries and serves millions of U.S. consumers and many of the world's most prominent corporate, institutional, and government clients. With more than \$2.4 trillion in assets, JPMorgan Chase is a leader in the banking industry. JPMorgan Chase is a component of the Dow Jones Industrial Average. The company is not only doing well currently, with a promising future, but it also has a noteworthy history.

JPMorgan Chase & Co. was founded in New York in 1799. The firm is built on the foundation of nearly 1,200 predecessor institutions that have come together over the years to form today's company. Here are some highlights from its recent history and the key transactions leading up to the formation of JPMorgan Chase:

- In 1991, Chemical Banking Corp. combined with Manufacturers Hanover Corp., keeping the name Chemical Banking Corp., then the second-largest banking institution in the United States.
- In 1995, First Chicago Corp. merged with National Bank of Detroit's parent NBD Bancorp., forming First Chicago NBD, the largest banking company based in the Midwest.
- In 1996, Chase Manhattan Corp. merged with Chemical Banking Corp., creating what was then the largest bank holding company in the United States.
- In 1998, Banc One Corp. merged with First Chicago NBD, taking the name Bank One Corp. Merging subsequently with Louisiana's First Commerce Corp., Bank One became the largest financial services firm in the Midwest, the fourth-largest bank in the United States, and the world's largest Visa credit card issuer.
- In 2000, JPMorgan & Co. merged with Chase Manhattan Corp., in effect combining four of the largest and oldest money center banking institutions in New

York City (JPMorgan, Chase, Chemical, and Manufacturers Hanover) into one firm called JPMorgan Chase & Co.

- In 2008, JPMorgan Chase & Co. acquired Bear Stearns Companies Inc., thereby strengthening its capabilities across a broad range of businesses.
- In 2011, J.P. Morgan celebrated the 90th anniversary of the firm's presence in China.

The acquisition of other companies is one of the primary methods that JPMorgan has used to grow its numbers and can be considered a strength in regard to how these mergers have combined to give rise to a broad range of commercial and investment banking capabilities.

In order to sustain growth that is so important in its strategic and long-term plans, JPMorgan Chase conducted a study to understand its consumers, their lifestyles, and potential for customer segmentation in terms of investment products and service needs. The questionnaire used follows and the data file can be downloaded from the Web site for this book. The outputs and the analyses of this study should help JPMorgan Chase carve its growth plan and its successful implementation.

Annual Financial Services Survey

INTRODUCTION

This survey asks some questions about financial services (i.e., about investments and banking). The **primary financial services provider** (company) is where you have the **largest** portion of your household's investments and savings/checking assets. Your co-operation in answering these questions is greatly appreciated.

PART A. FINANCIAL SERVICES PROVIDER

1. If you were selecting a **primary financial provider (company) today**, how important would each of the following be to you?
(X ONE Box for EACH)

	Extremely Important	Very Important	Somewhat Important	Somewhat Unimportant	Not Important At All
a. Performance of investments with this provider	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
b. Fees or commissions charged	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
c. Depth of products and services to meet the range of your investment needs	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
d. Ability to resolve problems	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
e. Online services offered	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
f. Multiple providers' products to choose from	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
g. Quality of advice	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
h. Knowledge of representatives or advisors you deal with	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
i. Representative knowing your overall situation and needs	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
j. Access to other professional resources	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
k. Degree to which my provider knows me	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
l. Quality of service	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>

	Extremely Likely	Very Likely	Somewhat Likely	Somewhat Unlikely	Very Unlikely
2. How likely are you to recommend your primary provider to someone you know? (X ONE Box)	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
3. How likely is it that you will continue to use your primary provider at least at the same level as up to now? (X ONE Box)	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
4. How likely is it that you or your household will drop or replace your primary provider? (X ONE Box)	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
5. How would you rate the advantage to you of using your primary provider rather than other financial services providers? (X ONE Box)	Very Big 5 <input type="checkbox"/>	Big 4 <input type="checkbox"/>	Some 3 <input type="checkbox"/>	Slight 2 <input type="checkbox"/>	None 1 <input type="checkbox"/>

✓

6. How would you rate the following elements of your primary financial provider (company)? If it is not applicable, select "NA."
(X ONE Box for EACH Statement)

	Excellent	Very Good	Good	Fair	Poor	NA
a. Overall satisfaction with primary provider	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
b. Performance of investments with this provider	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
c. Fees or commissions charged	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
d. Depth of products and services to meet the range of your investment needs	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
e. Ability to resolve problems	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
f. Online services offered	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
g. Multiple providers' products to choose from	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
h. Quality of advice	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
i. Knowledge of representatives or advisors you deal with	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
j. Representative knowing your overall situation and needs	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
k. Access to other professional resources	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
l. Degree to which my provider knows me	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
m. Quality of service	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>

7. During the past 12 months, have you or anyone in your household switched some assets (other than checking account assets) from one investment/savings provider to another? (Do NOT include switching money from one individual investment such as a stock or bond to another stock or bond within the same brokerage or investment company.) Please exclude assets in a 401(k), 403(b), 457, or similar defined contribution retirement accounts.

- 1 Yes
- 2 No

8. The following are some different approaches you and/or your household might take regarding advice and investment decision making. Please read each one and then answer the question below.

1. Using a variety of online or offline information sources, you make your own investment decisions without the assistance of an investment professional or advisor.
2. Using a variety of online or offline information sources, you make most of your own investment decisions but use an investment professional or advisor for specialized needs only (e.g., alternative investments or tax advice).
3. You regularly consult with an investment professional or advisor and you may also get additional information yourself, but you make most of the final decisions.
4. You rely upon an investment professional or advisor to make most or all your investment decisions.

For the majority of your assets, which ONE of the previous approaches (1-4) BEST describes your preferred approach? (Write in a number from 1-4.)

Number: _____

Your answers to the following questions will be used to help us interpret the information you have provided.

9. What is your age?
Age: _____ years

10. Are you...?
1 Male 2 Female

11. What is your current marital status? (X ONE Box)

1 <input type="checkbox"/> Now married	3 <input type="checkbox"/> Divorced	5 <input type="checkbox"/> Single, never married
2 <input type="checkbox"/> Widowed	4 <input type="checkbox"/> Separated	6 <input type="checkbox"/> Living together, not married

12. How many people in your household are dependent children? (Write In) # _____

13. How many other dependents are you supporting (e.g., parents, grandparents)? (Write In) # _____

14. For the following type of financial transaction, please indicate who is primarily responsible, or if the responsibilities are shared.
(X ONE Box for Each)

	Male Head of Household	Female Head of Household	Shared Equally	Other
Investment decision making	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>

15. What is the highest level of education you have completed? **(X ONE Box)**

- | | | | |
|-----------------------------|---|-----------------------------|--------------------------------|
| 01 <input type="checkbox"/> | Some high school | 06 <input type="checkbox"/> | Some graduate school |
| 02 <input type="checkbox"/> | High school graduate | 07 <input type="checkbox"/> | Master's degree |
| 03 <input type="checkbox"/> | Vocational or technical school/apprenticeship | 08 <input type="checkbox"/> | Law school graduate |
| 04 <input type="checkbox"/> | Some college | 09 <input type="checkbox"/> | Dental/medical school graduate |
| 05 <input type="checkbox"/> | College graduate | 10 <input type="checkbox"/> | Doctorate |

16. What is your retirement status? **(X ONE Box)**

- | | | | | | |
|----------------------------|---------|----------------------------|--------------|----------------------------|-------------|
| 1 <input type="checkbox"/> | Retired | 2 <input type="checkbox"/> | Semi-Retired | 3 <input type="checkbox"/> | Not Retired |
|----------------------------|---------|----------------------------|--------------|----------------------------|-------------|

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