

## **Strategic Marketing Plan For Aman Bank in Libya**

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**Abstract:** *Strategy is a bridge that connects a firm's internal environment with its external environment, leveraging its resources to adapt to, and benefit from, changes occurring in its external environment. Strategy is also a decision-making process that transfers a longterm vision into day-to-day tactics to effect the long-term plan. Marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. In this research will focused on making strategic marketing plan for Aman Bank in Libya.*

*The competition among the banks in around the world, especially in Libya make that strategic marketing plan play important role. Therefore, this research attempts to examine the marketing strategy planning for Aman Bank in Libya. Method analysis data used in this research is descriptive qualitative to make the SWOT analysis of Aman Bank. Based on the analysis and result the conclusion in this research are as follows: (1) SO Strategies: Maintain professional culture to fulfill the potential demand from cutomers, Explore more variety products and services to increase the good performance, Use the large support from government to increase the performance. (2) ST Strategies: Use the good employee skill and knowledge to overcome the competitiveness among the banks, Add more variety products and service to overcome the changes in macro financial situations. (3) WO Strategies: Overcome the high risk of customer's loan with good macro environment around, Increase the limited capital with increase the potential customers. (4) WT Strategies: Overcome the competitiveness with increase the limited capital, Overcome the changes in macro financial situation with new strategies.*

**Keywords:** *strategic marketing plan, Aman Bank, SWOT analysis.*

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### **I. Introduction**

In recent years, concept of competitive advantage has taken center stage in discussions of business strategy especially banking industries. Statements about competitive advantage abound, but a precise definition is elusive. In reviewing the use of the term competitive advantage in the strategy literature, the common theme is value creation. The term of competitive advantage is often used to refer to the purpose of management strategy. It can be defined as 'the ability of an organization to out-perform its competitors' (Campbell, Stone house and Houston, 2000, p. 324). Measurement is possible in terms of superior profitability, increase in market share, return on investment, etc. (Stone house et al., 2000). However, it is an important aim of business strategy to maintain competitive advantage over a certain period of time, which is called sustained competitive advantage (SCA). Johnson and Scholes (1999) suggest low-price, differentiation or switching cost strategies to build up competitive advantage and hold it over time.

Successful marketing strategies emerge from a comprehensive situation audit (Menon et al, 1999). The marketing strategies are evaluated from both external factors i.e. opportunities & threats and internal factors i.e. firm's strength & weakness. On the other hand, the information on competitive activities and customers collected through market intelligence which helps to maximize the fit between the organization's capabilities & future opportunities (Day & Nedungadi, 1994). Firms which successfully evaluate market intelligence will enjoy sound financial performance (Jaworski & Kohli, 1993).

SWOT has been used to evaluate the firm's strategic situation in the competitive marketplace (Porter, 1981). The SWOT analysis on firm's marketing situation is determined through internal & external strategic analysis which covers the firm's traits (strengths & weakness) and competitive factors (opportunities & threats). Therefore, a SWOT analysis is essential for effective strategic marketing. The environmental factors i.e. opportunities & threats are uncontrollable whereas the internal factors i.e. strength & weakness are seen as controllable for the organization. The comprehensive SWOT profile will provides an in-depth strategic analysis of the bank's business and operations. To reach the competitive advantage, a bussiness have to implement the main marketing strategy. One of the marketing strategy is SWOT.

In this research will focused on making strategic marketing plan for Aman Bank in Libya. Previous study done by Yani (2010) make strategic marketing plan for Huishang Bank Corporation Limited Company through SWOT analysis. The annual report was very useful for the SWOT analysis from the real data, and it can be the best evidence of the bank real situation. Unfortunately, the annual reports were available only from 2006 to 2008, as the situation always keeps changing, if the data of 2009 and this year were to be available, the strategies could be even more reliable and useful. So because the competitiveness nowadays, this research will make strategic marketing plan for Aman Bank in Libya.

## **II. Research Problem**

The competition among the banks in around the world, especially in Libya make that strategic marketing plan play important role. Therefore, this research attempts to examine the marketing strategy planning for Aman Bank in Libya.

Based on this, the main question of the research can be stated as follows:

### **How is the marketing strategic planning for Aman Bank in Libya?**

From this question, a set of sub-questions can be raised:

1. How is the marketing strategic planning for Aman Bank in Libya for SO (Strength-Opportunity) strategies?
2. How is the marketing strategic planning for Aman Bank in Libya for ST (Strength-Threat) strategies?
3. How is the marketing strategic planning for Aman Bank in Libya for WO (Weakness-Opportunity) strategies?
4. How is the marketing strategic planning for Aman Bank in Libya for WT (Weakness-Threat) strategies?

### **Research Objectives**

The main objective of the study is to make the marketing strategy for Aman Bank in Libya by analyze SWOT components. The study aims to achieve the following objectives as well:

1. To make marketing strategic planning for Aman Bank in Libya for SO (Strength-Opportunity) strategies.
2. To make marketing strategic planning for Aman Bank in Libya for ST (Strength-Threat) strategies.
3. To make marketing strategic planning for Aman Bank in Libya for WO (Weakness-Opportunity) strategies.
4. To make marketing strategic planning for Aman Bank in Libya for WT (Weakness-Threat) strategies.

## **III. Literature Review**

### **Definition of Marketing**

Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler, 2010).

### **Marketing Mix**

The scope of marketing activities is determined by the marketing concept called the marketing mix, whereby all existing variables can be controlled by a company and mutually influence each other, so that if one element is not exactly organised, it will affect the overall marketing strategy. The marketing mix consists of product, place, price, promotion, people, process, and customer service. The product is a result of the work, in the form of equipment components that meet consumers' expectations, with reliable lifetime quality and easily operated. Product mix is a series of all products offered by a particular seller, which allows a company to have its width, length, depth and consistency. Wide product mix refers to the extent of the company's product lines. The length of the product mix refers to the number of units in its product mix. The depth of product mix refers to the variance offered to every product in the line, whereas the consistency of product mix refers to an extent of relationship among various product lines in the end use, production requirements, and distribution channels.

Place is also known as a location in doing business, management, transportation, product storage, order processing and stock recording. It is the central part of production. Next is Price, an important factor of business, because it provides income. Price gives the perception of quality goods. Price is the only factor in the marketing mix that generates revenue, while all other factors incur cost. Price is also considered as one of the most flexible factors in the marketing mix, and it undergoes quick changes. Several factors are involved in setting prices such as internal factor, which includes target marketing, cost and organisational considerations, and external factor, which includes supply and demand, competition, regulation and environment.

### **Competitive Advantage and Competitive Strategy**

In recent years the concept of competitive advantage has taken centre stage in discussions of business strategy. Statements about competitive advantage abound, but a precise definition is elusive. In reviewing the use of the term competitive advantage in the strategy literature, the common theme is value creation. However, there is not much agreement on value to who, and when To illustrate various approaches to these issues, the summarize below a variety of thoughts on the subject by important contributors.

Porter says "competitive advantage is at the heart of a firm's performance in competitive markets" and goes on to say that purpose of his book on the subject is to show "how a firm can actually create and sustain a competitive advantage in an industry—how it can implement the broad generic strategies." Thus, competitive advantage means having low costs, differentiation advantage, or a successful focus strategy. In addition, Porter argues that "competitive advantage grows fundamentally out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it."

Competitive advantage is at the heart of a firm's performance in competitive markets. After several decades of vigorous expansion and prosperity, however, many firms lost sight of competitive advantage in their scramble for growth and pursuit of diversification. Today the importance of competitive advantage could hardly be greater. Firms throughout the world face slower growth as well as domestic and global competitors that are no longer acting as if the expanding pie were big enough for all.'

Competitive strategy refers to how a company competes in a particular business (overall strategy for diversified firms is referred to as corporate strategy). Competitive strategy is concerned with how a company can gain a competitive advantage through a distinctive way of competing.

Based on the description above, so it can be concluded that competitive advantage is a firm can produce some service or product that its customers value than those produced by competitors or that it can produce its service or product at a lower cost than its competitors. Meanwhile competitive strategy is how the company can compete in particular business with its competitive advantage.

### **Definition of Strategy**

In short, strategy is a bridge that connects a firm's internal environment with its external environment, leveraging its resources to adapt to, and benefit from, changes occurring in its external environment. Strategy is also a decision-making process that transfers a longterm vision into day-to-day tactics to effect the long-term plan. Although often thought of only as something reflected in a business plan, strategy is rather a continual process of assessment, reassessment, and analysis, which constantly provides direction to the firm.

Strategy can be compared to the captain on the bridge of a ship, who is constantly scanning both the horizon and the immediate surroundings and adjusting the course, possibly taking the ship in another direction if a storm appears on the horizon or if an object appears to obstruct the path.

### **Marketing Strategy**

According to Philip Kotler et al (1999) marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It is an endeavour by a corporation (or any organization) to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting. For an organization, target consumers are at the centre of the marketing strategy. The company identifies the total market it wants to serve and divides it into smaller segments. It then selects the most promising segments and focuses on serving them. It designs a marketing mix using mechanisms under its control: product, price, place and promotion. It also engages in marketing analysis, planning, implementation and control in order to find the best marketing mix and to take action. The company uses these activities to enable it to watch and adapt to the marketing environment.

## **IV. SWOT**

Once the competition and the industry have been assessed, a firm may wish to perform a SWOT analysis. SWOT stands for strengths, weaknesses, opportunities, and threats. The strengths and weaknesses are internal factors, whereas opportunities and threats are external factors. A SWOT analysis can be as high-level or detailed as necessary to understand and bring to light the challenges and next steps for the firm in creating strategic initiatives. To fully understand the firm's competitors and the competitive environment, it is imperative that the firm compare its SWOT to its competition's SWOT. Most business leaders will want to ensure that a SWOT analysis is performed on the firm at regular intervals and that input on the SWOT is gathered from many areas of the organization, as well as from the customer.

After analyzing the internal and external situation from a company, to reach the competitive advantage, it can be use the SWOT analysis. SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats involved in a project or company. This technique is credited to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies.<sup>[1][2]</sup>The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit. Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

## **V. Methodology**

### **Research Design**

Research design is considered as a "blueprint" for research, dealing with at least four problems: which questions to study, which data are relevant, what data to collect, and how to analyze the results. The best design depends on the research question as well as the orientation of the researcher. Every design has its positive and negative sides. The current research is a descriptive analytical research that describes and analyses the

marketing strategy components in Aman Bank. The research design constructed here is based on the questions formulated. These questions were raised from the researcher's observation and from the literature.

### **Type of Research**

Type of this research is qualitative methods and quantitative. Qualitative methods of assessment are ways of gathering information that yield results that can't easily be measured by or translated into numbers. They are often used when you need the subtleties behind the numbers, the feelings, small actions, or pieces of community history that affect the current situation. They acknowledge the fact that experience is subjective, that it is filtered through the perceptions and world views of the people undergoing it, and that it's important to understand those perceptions and world views. Meanwhile the quantitative method used to know the respondent perception on the questionnaires distributed.

### **Population and Sample**

The main research instrument employed for this study was questionnaires administered to around 100 respondents. The sampling location varies from the customers of Amman Bank.

### **Data Collection Tools**

Two data collection methods were used in this research. These methods are secondary data and primary data. The secondary data collection methods used in this research are:

1. Library sources; recent and previous related journal articles, books and reports.
2. Electronic sources represented by databases and web pages.
3. Reports from Aman Bank.

Meanwhile, the primary data got is from the questionnaires.

### **Validity and Reliability Testing**

Validity is an important issue in both qualitative and quantitative research. The writer can get a certainty that the question was valid or not, it was based on the test of validity. The validity in this research uses the types of validity-supporting evidence (Popham, 2008). The writer tested the validity of each questionnaire based on the result of the respondents' answers. According to Ghazali (2005:45) the test of validity is used to measure how valid a questionnaire is. A questionnaire can be said valid if the questions can reveal something which will be measure. He also state that the test of validity can be counted from correlated coefficients of each item with total score variable.

Reliability is also an important issue in both qualitative and quantitative research. The writer got a certainty that the questions were reliable or not, it was based on the reliability testing. Ghazali (2005: 41) says that the questions are reliable if the respondents' answers are consistence or stabilize from time to time.

### **Method Analysis Data**

Method analysis data used in this research is descriptive qualitative to make the SWOT analysis of Aman Bank.

## **VI. Research Results And Analysis**

### **Results of Validity testing**

Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure (Robson, 1993). While reliability is concerned with the accuracy of the actual measuring instrument or procedure, validity is concerned with the study's success at measuring what the researchers set out to measure. The result are that  $r$  counted (corrected item total correlation)  $>$   $r$  table (0.195) so the six questions of Strengths, Weakness, Opportunity, Threats variable can be said valid. Meanwhilr, the result of Reliability testing showed that ronbach's Alpha coefficients were calculated for each section in the questionnaire and these coefficients are acceptable as the questionnaire is used for the first time because higher than 0,6. The questionnaire is then considered a reliable tool.

### **Results of the Research Questions**

To achieve the study goals, the researcher examined the components of the marketing strategy in Aman bank. The below part presents the responses of the participants on each of the investigated component of marketing strategy.

### **Responses related to the Strengths**

The average from six questions are 3,84 and this include good category. The participants' responses for each item are mentioned as follows:

- **The bank management sets clear vision and mission of the bank policy.** The mean score for this statement was (4.15) and this means that the respondents agree on this statement and see that it is available in the bank.
- **The bank aware about customers' orientations and needs.** The mean score for this statement was (4.17) and this means that the respondents agree on this statement and the bank care about customers' orientations and needs.
- **Large support from government.** The mean score for this statement was (4.03) and this means that the respondents agree on this statement and there are large support from government.
- **The bank has variety services and products.** The mean score for this statement was (3.81) and this means that the respondents agree on this statement and the bank has variety services and products.
- **The bank has professional culture.** The mean score for this statement was (3.26) and this means that the respondents agree on this statement and the bank has professional culture.
- **The employee of bank has good skill and knowledge.** The mean score for this statement was (3.64) and this means that the respondents agree on this statement and the employee of bank has good skill and knowledge.

#### Responses related to the Weakness

The average from five questions are 3,65 and this include good category. The participants' responses for each item are mentioned as follows:

- **Variety strategies thought of another commercial banks.** The mean score for this statement was (3.64) and this means that the respondents agree on this statement and see that it is variety strategies thought of another commercial banks.
- **High risk of customers' loan.** The mean score for this statement was (3.47) and this means that the respondents agree on this statement and see that it is high risk of customers' loan.
- **The capital is limited.** The mean score for this statement was (3.82) and this means that the respondents agree on this statement and see that it is the capital is limited.
- **Another banks have more interesting promotion.** The mean score for this statement was (3.79) and this means that the respondents agree on this statement and see that it is another banks have more interesting promotion.
- **Slow response of customer's complain.** The mean score for this statement was (3.54) and this means that the respondents agree on this statement and see that it is slow response of customer's complain.

#### Responses related to the Opportuniy

The average from five questions are 4,39 and this include good category. The participants' responses for each item are mentioned as follows:

- **There are still a lot potential customers.** The mean score for this statement was (4.39) and this means that the respondents agree on this statement and see there are still a lot potential customers.
- **Good macro environment around.** The mean score for this statement was (4.14) and this means that the respondents agree on this statement and see there is good macro environment around.
- **Positive effect from the good performance of last five years.** The mean score for this statement was (4.39) and this means that the respondents agree on this statement and there is positive effect from the good performance of last five years.

#### Responses related to the Threats

The average from two questions are 4,39 and this include good category. The participants' responses for each item are mentioned as follows:

- **There are a lot of competitiveness among the banks.** The mean score for this statement was (4.37) and this means that the respondents agree on this statement and see there are a lot of competitiveness among the banks.
- **The changes in macro financial situation.** The mean score for this statement was (4.40) and this means that the respondents agree on this statement and see the changes in macro financial situation.

#### SWOT Analysis

Based on the analysis, SWOT can be created the combination of strenghs, weakness, opportunity and threats as follows:

**Table 1. SWOT Analysis of Aman Bank Libya**

	<b>Strength (S):</b> - The bank management sets clear vision and mission of the bank policy - The bank aware about customers' orientations and needs - Large support from government - The bank has variety services and products - The bank has professional culture - The employee of bank has good skill and knowledge	<b>Weakness (W):</b> - Variety strategies throught of another commercial banks - High risk of customers' loan - The capital is limited - Another banks have more interesting promotion - Slow response of customer's complain
<b>Opportunities (O):</b> - There are still a lot potential customers - Good macro environment around - Positive effect from the good performance of last five years	<b>SO Strategies:</b> 1. Maintain professional culture to fullfill the potential demand from cutomers 2. Explore more variety products and services to increase the good performance 3. Use the large support from government to increase the performance	<b>WO Strategies:</b> 1. Overcome the high risk of customer's loan with good macro environment around 2. Increase the limited capital with increase the potential customers
<b>Threats (T):</b> - There are a lot of competitiveness among the banks - The changes in macro financial situation	<b>ST Strategies:</b> 1. Use the good employee skill and knowledge to overcome the competitiveness among the banks 2. Add more variety products and service to overcome the changes in macro financial situations	<b>WT Strategies:</b> 1. Overcome the competitiveness with increase the limited capital 2. Overcome the changes in macro financial situation with new strategies

According to the table above, so the SWOT analysis for Aman Bank are:

1. SO Strategies:
  - a. Maintain professional culture to fullfill the potential demand from cutomers
  - b. Explore more variety products and services to increase the good performance
  - c. Use the large support from government to increase the performance
2. ST Strategies:
  - a. Use the good employee skill and knowledge to overcome the competitiveness among the banks
  - b. Add more variety products and service to overcome the changes in macro financial situations
3. WO Strategies:
  - a. Overcome the high risk of customer's loan with good macro environment around
  - b. Increase the limited capital with increase the potential customers
4. WT Strategies:
  - a. Overcome the competitiveness with increase the limited capital
  - b. Overcome the changes in macro financial situation with new strategies

## VII. Conclusion

Based on the analysis and result the conclusion in this research are as follows:

1. SO Strategies:
  - a. Maintain professional culture to fullfill the potential demand from cutomers
  - b. Explore more variety products and services to increase the good performance
  - c. Use the large support from government to increase the performance
2. ST Strategies:
  - a. Use the good employee skill and knowledge to overcome the competitiveness among the banks
  - b. Add more variety products and service to overcome the changes in macro financial situations
3. WO Strategies:
  - a. Overcome the high risk of customer's loan with good macro environment around
  - b. Increase the limited capital with increase the potential customers
4. WT Strategies:
  - a. Overcome the competitiveness with increase the limited capital
  - b. Overcome the changes in macro financial situation with new strategies

## VIII. Recommendation

The recommendation of this research are: For the Aman Bank Libya can implement the SWOT strategies as well to make the higher and increase the performance. In the future research can be implemented in the different banks.

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