

Chapter 8

Preparing Strategy for Emerging Bankers in Iran Banking Industries Using Blue Ocean Strategy: A Case Study in Pasargad Bank of Iran

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ABSTRACT

Banking industries in Iran is recently more competitive than last decade which may result of Private bankers' presence as well as modification performed in governmental bankers' plan. In fact the philosophy of these new strategies it is seeking for value creation in organization which obviously associate with innovation. The main aim of present research is to provide banker's emerging strategy using Blue ocean solution within Pasargad Bank of Iran. The current study is accomplished based on descriptive – analytical method and collection of required data has been implemented through designed questionnaire. Then, utilizing QSPM matrix, most attractive strategies prioritized (such as creation variety of services providing travelling banking services and enhance productivity, as well as to offer CCDM [CHECK/CASH DEPOSIT MODULE], increase in security and reduce misuse of related information, implement of updated software, establish a system to update expiration date of credit cards, and online payment of other currencies).

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1. INTRODUCTION

From past decade up to now main focus of strategic thought has been concentrated to competitive strategies and matter of competition is located in core of consideration of model those are involved providing of strategies. There is no wonder if mentioned approach cause organization to learn competition method to each other tactically and construct their economic structure same as to what structure are currently in use. Today, we are living in a world that all people put their effort to increasing develop and compete each other in this way. With presence of private banking in Iran, banking industries have been looker of drastic variation which implemented aiming to qualitative and quantitative development of banking services considering social requirements to those services. Most of bankers are focused on proceeding with sales services and other factors, those are incorporated with improvement have not been paid high attention. So, the bankers to reach their objectives for improvement and hold more market share should apply particular strategies (Mohammad; 2013). Though, banking industry like every other industries is not lacking of competition. So, considering current competition space and presence of powerful competitors, our question is what solution the bankers and financial institutions should provide to resolve the problem they face in this respect? The Blue Ocean Strategy could develop proper solution this question. With implementing this strategy you are drawing one step than others (Shiri Ardeshir, 2014). The blue ocean strategy because of creation of unknown markets it made, recall the organization to exhaust from bloody ocean of competition to place where the term of competition is meaningless. A dominant concept of this strategy laying in creation of original markets through which they will involve with development of profit making opportunities. Within mentioned strategy, the new markets and industries in which demand is challenge substituted with demand and is not related to competition regulations. (Kim ; 2014, W.C.M. Kim R ; 2005). Prof. Hill for the first time proposed the concept of Blue Ocean in Michigan State University. He acclaimed that Porter concept is incomplete; since discrimination could interpreted as cost leadership and the company who provide his products in lower price than others, in fact implemented one aspect of discrimination strategy. He added that the companies to achieve sustainable competitive advantages, should employ a complex of both cost leadership and discrimination strategies in same time (WL Hill; 1988). Similarity of provided banking services and tight competition governing through, made situation more rigorous to them in view of marketing. Exclusiveness and limitation in banking services in Iran within long time interval and on the other hand, obligatory adopting of these services by client of what bankers serving, made a sever situation called vendor market. In this situation, normally the bankers dictated the services to customers and neglected many competitive tools and behaviors (MusaKhani;2012). Considering that present

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