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SWOT ALTERNATIVE STRATEGIES AS A MARKETING POLICY TOOL OF BANK ALLIANCE JSC

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Introduction. The banking market is one of the most important and integral components of a modern market economy. Therefore, there is growing interest in various aspects of banks' activities and methods of managing them. Banks have gradually become the main intermediaries in the redistribution of capital, in ensuring the continuity of the economic reproduction process. The conditions of increasing competition and commercialization of activity dictate the need for reorganization of structures, development of flexible market strategies, segmentation of the banking services market, development of new segments, services and methods of service.

Scientific research hypothesis. Negative external and internal factors have a significant impact on the formation of the banking environment. In order to gain competitive advantage, build an effective organizational and management structure, achieve high results of core business, meet customer needs, banks need to implement strategic management tools and methods. The relevance of the topic is related to the ability of a particular bank to use all its existing and potential benefits to build a model for further development.

The purpose of the article is to use the basic tools of banking marketing for a practical study of the activities of JSC Bank Alliance, namely: to analyze its status in the financial market and position among other banking institutions, identify its opportunities and threats, analyze the marketing environment, etc.

Research methods: formal-logical (comparison of analogies, modeling),

economic-statistical (grouping) and content-logical (analysis and synthesis).

Results. The article deals with the basic banking marketing tools that influence the efficiency of banking institutions. A situational analysis of the bank is conducted as one of the possible ways of researching and evaluating the activity of the bank and displaying links with the external environment. An internal analysis of the bank was conducted, including studies of financial and organizational aspects of operation, which highlighted the strengths that have a positive impact on the banking institution, and the weaknesses that are most vulnerable and need to respond quickly with the necessary measures to minimize their impact. A study of the bank's external environment made it possible to identify opportunities that the bank could use to achieve its goals and threats that the bank has no influence from, which are exerted by the negative environment. Possible combinations of indicators of each field of the SWOT matrix that affect the bank's competitiveness are investigated.

Conclusions. The proposed SWOT analysis matrix for Bank Alliance makes it possible to streamline the processing and analysis of information, facilitates management decisions to formulate the overall strategy of the bank, taking into account all the features.

Keywords: banking marketing; banking marketing tools; SWOT analysis; strategic planning; marketing strategies; competitive environment.

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АЛЬТЕРНАТИВНІ СТРАТЕГІЇ SWOT ЯК ІНСТРУМЕНТ МАРКЕТИНГОВОЇ ПОЛІТИКИ АТ «БАНК АЛЬЯНС»

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Вступ. Ринок банківських послуг є однією з найважливіших і невід'ємних складових сучасної ринкової економіки. Тому сьогодні зростає інтерес до різних аспектів діяльності банків та методів управління ними. Банки поступово перетворилися в основних посередників у перерозподілі капіталів, у забезпеченні безперервності процесу економічного відтворення. Умови зростаючої конкуренції і комерціалізації діяльності диктують необхідність реорганізації структур, розробки гнучких ринкових стратегій, проведення сегментації ринку банківських послуг, розвитку нових його сегментів, послуг та методів обслуговування.

Гіпотеза наукового дослідження. Негативні зовнішні та внутрішні фактори мають значний вплив на формування середовища функціонування банків. Задля отримання конкурентних переваг, побудови ефективної організаційної та управлінської структури, досягнення високих результатів основної діяльності, задоволення потреб клієнтів банкам необхідно впроваджувати інструменти та методи стратегічного менеджменту. Актуальність теми пов'язана з можливістю конкретного банку використати всі свої наявні та потенційні переваги для побудови моделі подальшого розвитку.

Метою статті є використання основних інструментів банківського маркетингу для практичного дослідження діяльності АТ «Банк Альянс», а саме для: аналізу його стану на фінансовому ринку та позиції серед інших банківських установ, виявлення його можливостей та загроз, аналізу маркетингового середовища тощо.

Методи дослідження: формально-логічні (порівняння аналогій, моделювання),

економічно-статистичні (групування) та змістовно-логічні (аналізу й синтезу).

Результати. Розглянуто основні інструменти банківського маркетингу, які впливають на ефективність діяльності банківських установ. Проведено ситуаційний аналіз банку як один з можливих способів дослідження та оцінювання діяльності банку й відображення зв'язків із зовнішнім середовищем. Проведено внутрішній аналіз банку, що включає дослідження фінансових та організаційних аспектів функціонування, на основі чого виділено сильні сторони, що позитивно впливають на банківську установу, та слабкі сторони, що є найбільш уразливими та потребують швидкого реагування зі збиттям необхідних заходів щодо мінімізації їхнього впливу. Дослідження зовнішнього середовища банку дало змогу виділити можливості, які банк може використати для досягнення поставлених цілей, та загрози, на які банк не має впливу, що проявляються дією зовнішнього середовища з негативними наслідками. Досліджено можливі комбінації показників кожного поля матриці SWOT-аналізу, що впливають на конкурентоспроможність банку.

Висновки. Використання запропонованої матриці SWOT-аналізу для АТ «Банк Альянс» дає змогу впорядкувати процес оброблення та аналізування інформації, сприяє прийняттю управлінських рішень задля формування загальної стратегії банку з урахуванням усіх особливостей.

Ключові слова: банківський маркетинг; інструменти банківського маркетингу; SWOT-аналіз; стратегічне планування; маркетингові стратегії; конкурентне середовище.

Formulation of the problem. Commercial banks are a major intermediary in the financial system. One of the basic conditions for the formation of a developed and efficient banking sector, focused on the real economy and customer satisfaction in quality banking services, is a high level of corporate governance. In a modern commercial bank, financial analysis and analysis of financial condition, as its component, is not just an element of financial management, but its basis, since financial activities are known to be dominant in the bank. Through the analysis, as a management function, and functions such as audit and control, the internal regulation of the bank's activities is carried out. The most important step in developing an effective banking institution strategy is a strategic analysis that gives a real assessment of its own resources and capabilities regarding the state and needs of the external environment in which the bank operates. Based on this analysis, a rational choice of strategies is made from a possible variety of options. Work on the strategy begins with a comprehensive study of the market situation in which the bank operates. One of the tools of regular strategic management is the qualitative strategic analysis matrix, or the SWOT analysis matrix.

Analysis of recent research and publications. The research of SWOT analysis as an element of strategic management is devoted to the works of such national scientists as T. Vasilyeva, L. Ditkovska, N. Yashkina, K. Redchenko, V. Kochetkov. Significant contribution to the study of the bank's work was made by L. Kleba, who proposed an organizational model of financial-investment supermarket based on JSC "Kredobank"; N. Drobot, who developed a summary matrix of SWOT analysis of indicators. At the same time, a significant number of publications on SWOT analysis indicate that there is a growing interest on the part of managers.

Outline of the main results and their justification. The main purpose of the SWOT analysis is to obtain reliable data on the capabilities of the bank and the threat of its promotion in the banking services market. Therefore, in order to achieve this goal, the following tasks are facing SWOT analysis: identifying marketing opportunities that match the bank's resources; identifying marketing threats and developing measures to mitigate their impact; identifying the strengths of the bank and comparing them with market opportunities; identifying weaknesses in the bank and developing strategic directions for overcoming them; identifying the competitive advantages of the bank and forming its strategic priorities.

The main stages of elaboration of strategies of JSC Bank Alliance based on SWOT analysis are shown in Figure 1.

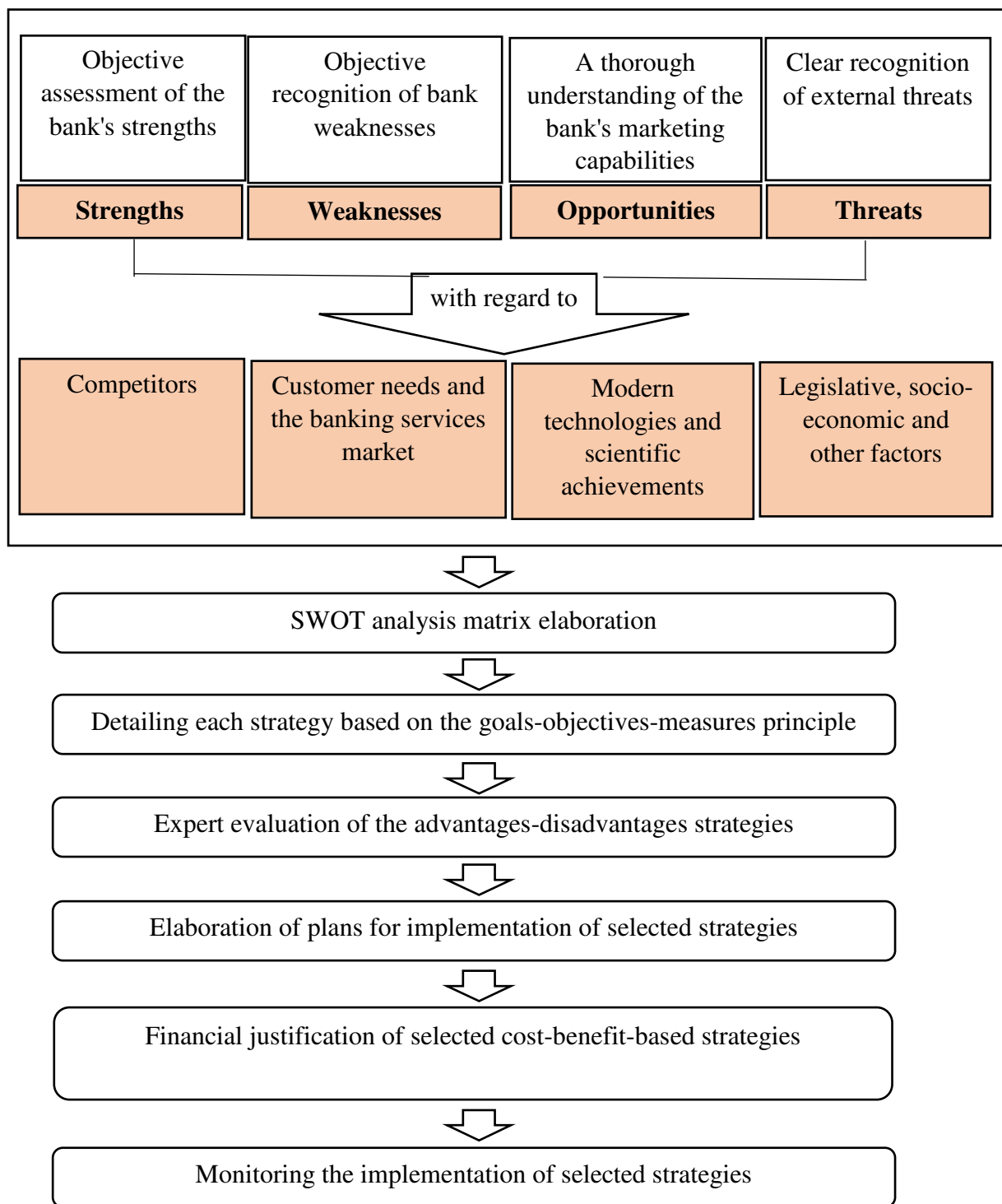


Figure 1. Stages of elaboration of strategies of Bank Alliance JSC based on SWOT analysis

The use of SWOT analysis in the management decision-making system, namely at the stage of information gathering and processing, is quite effective, because it allows to explore the strengths and weaknesses of the enterprise, i.e.

the internal environment, and the opportunities and threats, i.e. the external environment of the enterprise.

With this method, you can understand what exactly needs to be looked at in the management process in order to improve its competitive position in the market, which is one of the most necessary measures in times of crisis.

It is necessary to use this method in the management of the enterprise with additional refinement of opportunities and threats, i.e. creation of a matrix of opportunities and a matrix of threats, which will allow to evaluate their importance and degree of influence on the enterprise strategy.

The analysis of the factors of the internal and external environment and ranking them by the level of influence on the activity of the bank allows to form a concrete list of weaknesses and strengths of the bank, as well as threats and opportunities. Linking the bank's most influential weaknesses and strengths, threats and opportunities to the environment is the final step in the SWOT analysis process.

The analysis of factors affecting the activities of Bank Alliance JSC is estimated from 1 to 10 points. The factors characterizing the strengths and weaknesses of Bank Alliance are presented in Table 1.

Table 1

Strengths and weaknesses of Bank Alliance JSC

Strengths (S)	Marks	Weaknesses (W)	Marks
1. Bank stability and brand awareness.	7	1. The economic crisis.	8
2. Customer engagement and retention experience.	6	2. Operational risks.	5
3. Dynamic response to market changes.	4	3. The scale of the organizational structure.	6
4. Concentration on certain products and services.	6	4. Weak marketing.	6
5. Advanced information technology and high quality of service.	4	5. Loss of depth and flexibility of management.	7
6. Professional staff and highly professional management system.	7		
7. Low interest rates on loans.	5		
8. High quality customer service.	5		
9. Wide range of services offered.	7		
10. The reputation of the bank.	4		
11. Huge network of branches.	4		

The factors characterizing the opportunities and threats of Bank Alliance are presented in Table 2.

In order to construct a SWOT matrix, using the obtained estimates, it is necessary to compare the internal features (strengths and weaknesses) with the external aspects (opportunities and threats) of the bank under study, where

attention should be paid to the most significant combinations of factors and aspects of the entity (Table 3).

Table 2

Opportunities and Threats of Bank Alliance JSC

Opportunities (O)	Marks	Threats (T)	Marks
1	2	3	4
1. Improving the investment climate in the country and increasing the income level of the population.	6	1. Low economic growth, unstable political situation.	8
2. The spread of electronic payments or a sharp increase in demand for certain types of banking products and services.	7	2. Consequences of the global financial crisis, falling public confidence in financial institutions.	9
3. Development and optimization of Internet banking and other existing services.	5	3. Lack of quality borrowers.	7
4. Regional expansion.	4	4. Absence of real lending alternatives.	6
5. Deterioration of competitors' positions.	6	5. Complexity of repayment of overdue loans.	5
6. Increase in investment activity.	7	6. Entry into the market of new competitors or acquisition by a foreign bank.	8
7. Increasing market share.	8	7. Changing customer preferences.	5
8. Reducing the level of tax burden.	6	8. Low solvency of the population and rejection of mortgages.	7
9. A sharp increase in demand for lending.	8	9. Increase in inflation and interest rates (including refinancing rates).	4
10. Entering the world market	9	10. Decline in economic activity of consumers of banking services.	5
		11. Frame turnover.	4

From the above calculations in Table 3 we can draw the following conclusions. Strengths, together with opportunities, fully offset threats. In addition, strengths, together with opportunities, compensate for weaknesses. Strengths completely offset threats. Strengths, along with opportunities, fully offset the weaknesses with threats.

Table 3

Generalizing the SWOT matrix

Factors	Opportunities	Threats	Total
Strengths	$59 + 66 = 125$	$59 - 68 = -9$	116
Weak sides	$-32 + 66 = 34$	$-32 - 68 = -100$	-66
Total	159	-109	50

Therefore, we can characterize the status of Bank Alliance JSC as a "risk" business.

For a successful SWOT analysis, it is important not only to identify opportunities and threats, but also to evaluate them in terms of the importance and degree of impact on the strategy of the bank under study. To assess the

capabilities of Bank Alliance JSC, it is advisable to use the method of positioning each opportunity expertly in the opportunity matrix, the results of which are presented in Table 4.

Table 4

Generalization matrix of opportunities

Opportunities	Strong	Moderate	Insignificant	Sum
High	7 = 8 10 = 9	2 = 7 6 = 7		31 (47%)
Average	1 = 6 5 = 6	9 = 8	3 = 5	25 (38%)
Low		8 = 6	4 = 4	10 (15%)
Sum	29 (44%)	28 (42%)	9 (14%)	66 (100%)

44% of all opportunities can have a strong impact on a bank's performance or strategy. 42% of factors will have a moderate impact and 14% of factors will have a low impact. Factors such as increasing market share and entering the world market have a high opportunity, characterized by a 47% probability of their manifestation.

Equally important is the analysis of threats to the external environment of the bank, which is presented in Table 5.

Table 5

Generic threat matrix

Threats	Destruction	Critical state	Difficult condition	"Light slaughter"	Sum
High	2 = 9	1 = 8	6 = 8		25 (37%)
Average		8 = 7 10 = 5	3 = 7	4 = 6	25 (37%)
Low		7 = 5	5 = 5 9 = 4	11 = 4	18 (26%)
Sum	9 (13%)	25 (37%)	24 (35%)	10 (15%)	68 (100%)

Threats that hit the fields of "average probability of light strokes", "low probability of severe condition" and "low probability of light strokes" should not fall out of view of the management, which is obliged to carefully monitor their development.

Factors that hit the fields of "high probability – destruction", "high probability – critical condition" are the most dangerous for the further development of the bank and require immediate elimination. Factors that hit the "high probability – difficult condition", "average probability – critical condition" should also be supervised by management and should be eliminated as soon as possible. That is, bank management should pay attention to low economic growth, unstable political situation, the consequences of the global financial crisis, falling confidence in financial institutions, entering the market of new

competitors or absorption by a foreign bank. As you can see, 50% of the impact of the factors can lead to a critical or serious condition.

The calculation results demonstrate the following alternative options of Bank Alliance JSC strategy:

SO strategy

1. Improvement of the investment climate in the country will allow to establish long-term mutually beneficial relations with Western partners, attract long-term cheap cash from abroad and place them in high-yield projects of the bank's clients.

2. The Bank has significant advantages for expanding and improving the efficiency of the regional network. First, this is a well-known brand, using this advantage, the bank will be able to significantly reduce the cost of promotion of its own brand, and, most importantly, achieve popularity in the shortest possible time. Secondly, the use of advanced technologies will reduce operating costs and improve customer service, and high quality of service – a key to success in the market with rapidly increasing competition.

3. One of the most promising areas of development of the bank is consumer lending, as well as providing new banking products for the Ukrainian market. The key to successful consumer lending is a well-developed regional network and brand popularity, and the only thing that should be kept under constant control is the share of consumer loans in the bank's assets (over-growing it can lead to a decrease in the bank's stability, especially in post-crisis conditions). Owning new technologies will allow the bank to provide its customers with new products for Ukraine. These advantages will also help the bank to capture markets most quickly, with less developed competition.

4. Large network of branches, enables clients to use the services of the bank everywhere. The population with great desire is being credited with the bank and the customer is becoming more and more each time, not only because of the high quality of service and highly qualified staff, but also the growing demand for credit. After the financial crisis, many banks went bankrupt, and Bank Alliance did not lose its position, which increased its share in the banking market and thus aroused more confidence among the population and foreign investors. This can contribute to the global market.

ST strategies.

1. In a world of financial crisis, the bank must take full advantage of its competitive advantages. A major stabilizing factor should be a large portfolio of large clients.

2. Any bank that extends its lending activities must answer two key questions – how to select customers and how to secure the repayment of loans. Bank Alliance is constantly improving its customer solvency technologies – both through the continuous improvement of information technology and

through the involvement of highly qualified analysts and appraisers. The considerable experience in the sphere of crediting in Ukraine also allows to adjust the technologies most effectively in the conditions of the market.

3. The threats associated with the emergence of new competitors (including foreign banks) are covered by the high competitiveness of the bank at the expense of, on the one hand, its stability and scale of activity, and, on the other hand, a high degree of adaptability to the changing market situation through the use of efficient technology and highly qualified personnel.

4. The bank has many advantages – reputation, time to market, a huge network of branches, as well as government assistance. They can overcome new competitors, as well as the economic crisis. As for the decline in demand for banking services, a wide range of banking services and bank reliability will not allow the population to refuse banking services.

WO-strategies.

1. The main "opportunity" of "Bank Alliance" at the moment is the active expansion, both due to the development of the regional network and due to the expansion of the range of products offered. This expansion will improve the bank's competitive position and, at the same time, will largely unleash one of its most pressing weaknesses – non-performing assets will be directed towards bank growth.

2. Increasing the income of the population and increasing the inflow of funds from abroad, should increase the demand for new projects, but for this bank first, it is necessary to allocate additional forces and funds for the advertising of these projects, and, second, to make their attractiveness for clients one of the priorities of their activity.

3. Due to its scale, the bank may well enter the world market and continue to increase not only its share in the Russian banking market, but already in the world market. In the same way it will attract even more investors, which will increase the bank's capital, and thus the "capital of the country". Bank Alliance, one of the few, has stood in the midst of the economic crisis at the expense of its benefits.

WT-strategies.

1. By far, the bank's weakest point is inefficient use of assets. To date, the bank has no real alternative to lending – and if its money does not work, it will lose competitive advantages and positions.

2. In the case of new competitors – that is, the intensification of competition, the bank should actively allocate and develop the main business processes, as long as it has the time and money.

3. Increasing bank security in the area of risks from banking operations – extensive experience of bank employees, to create a broader information base of customers, as well as more effectively check customers. It will also help with

the economic crisis and the sharp decline in demand for banking services. Reducing staff turnover will allow the bank to improve its management system, thus overshadowing the bank's "sluggishness" at the expense of its scale. The basis of the modern commercial bank's activity as a financial intermediary in the competitive market is the development and application of a complex of banking marketing to position the attractiveness of the consumers of the financial and credit market services specifically and mainly this bank.

Conclusions and prospects for further research.

As a result of the researches the following conclusions are made:

1. In today's context, the activities of banks should be based on strategic management, on the basis of which each bank can determine its own competitive advantages or weaknesses and determine what segments of the market it can serve certain banking products.

2. When designing the bank's strategic management frameworks, it is necessary to consider the existence of different approaches and select those that can best ensure management effectiveness in the context of achieving the bank's strategic goals, fulfilling its functions in order to achieve long-term competitive advantages, taking into account risks and threats to the environment.

Thus, in general, the system of strategic management of bank activity should be aimed at the survival of the bank in the long run in the conditions of increased banking competition, and its formation should become a priority and responsible task of bank top management.

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