

STRATEGIC COMPETITIVE ANALYSIS OF A BANKING ORGANIZATION IN UAE: A STUDY ON DUBAI ISLAMIC BANK, UAE

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Abstract:

The Purpose of the present study is to classify the Strategic potential and evaluate the strategic positions and business level strategies of Dubai Islamic Bank. In the present study, the foremost purpose is to analyze and identify the business level strategies and strategic management of DIB. The key factor of Strategic analysis of Dubai Islamic Bank is to demonstrate by using diverse methods strategic concept and approaches by concentrating in Internal and external environment of the organization. Furthermore, to Evaluate Internal Environment is conducted through different tools such as SWOT, (OCP) Organization capacity profile and (SAP) Strategic Advantage profile in order to highlight the potential strengths and weakness within the organization and how to overcome those raised concerns prior to approaching to any strategies. Also, BCG Matrix framework to analyze internal factor of the organization and address the diverse strategic issues that are critical to identify and addressed as "Stars" under BCG Matrix. The External Environment analysis is carried out by Porter's five forces model to evaluate Microenvironment and also to analyze the macro Environment PESTLE method has been conducted. Concluded this analysis, it helps to define and identify the best-suited strategy and certainly to improve organization potential profit and sustain competitive business environment it is beneficial to apprehend ongoing strategy approach. Having said that, as being the Consultant to provide with efficient strategic solutions to Dubai Islamic bank Management. Being a global banking industry, it is significant for Dubai Islamic Bank to sustain the competitive advantage by implementing right strategy of acquiring 100% of Noor Bank to become market leader and increase its financial background as well.

Key words: Strategic analysis, SWOT, OCP, Strategic Advantage profile, BCG Matrix, Dubai Islamic Bank

JEL classification: M16, M19

1. INTRODUCTION

Strategy and Strategic Management is essentially similar but however these two terms are not the similar in the management view. Johnson et al (2017) Defines strategy as the continuing direction of an organization suggests a further comprehensive vision than some significant classifications. According to Barney and Hesterly (2008) Strategy is defined as the concept about how to attain competitive advantage. The Strategy within an organization ultimately defines to create a plan for success in competing with other organization (Hoskisson et al, 2008). Barney et al (2008) Stated that Strategic management is important for an organization to ensure maintaining commitments, decisions and actions that are required to achieve strategic competitiveness. Generally, it is difficult to predict how the firm will face competition and perform against the competitors, hence it is infrequently to predict the right strategy that has been implemented by the organization.

In This report, the foremost purpose is to analyze and identify the business level strategies and strategic management of DIB. The key factor of Strategic analysis of Dubai Islamic Bank is to demonstrate by using diverse methods strategic concept and approaches by concentrating in Internal and external environment of the organization. Furthermore, to Evaluate Internal Environment is conducted through different tools such as (OCP) Organization capacity profile and (SAP) Strategic Advantage profile in order to highlight the potential strengths and weakness within the organization and how to overcome those raised concerns prior to approaching to any strategies. Also, SWOT and VRIO and BCG Matrix framework applied to analyze internal factor of the organization and address the diverse strategic issues that are critical to identify. The External Environment analysis is carried out by Porter's five forces model to evaluate Microenvironment and also to analyze the macro Environment PESTLE method has been conducted. Certainly, to improve organization

potential profit and sustain competitive business environment it is beneficial to apprehend ongoing strategy approach and also help to define and identify the best-suited strategy and seeks to comprehend right strategy in order to grow and succeed amongst its competitors. Moreover, it is also critical for organization to sustain Competitive advantage and being a market leader in congested marketplace.

2. STRATEGIC MANAGEMENT AND ITS SIGNIFICANCE

According to Martinet. A, (2010) The furthestmost significant factor of strategic management is to incorporate classified functional extents of the entire organization, and to ensure these serviceable operation areas are mutually functioning efficiently. In a Dynamic diverse market Environment, the competitiveness and sustainable of the business environment has been dramatically significance to initiate the Appropriate strategic plan and implement the right decision and implementation (Martinet. A, 2010). In Strategic Management the organization undertakes constantly and ensure the organization practice steady approaches to synchronize and connect the resources and activities with mission, vision and strategy of an organization to attain more positive outcome. In the View of Ambrosini et al (2009) Strategic Management is an essential component of organization that refers to the formulation and implementation of the future objectives and ambitions involved in the strategy process, laid out by the organization stakeholders. Harry and John cited in Jemison. D (2006) Looking at the significance of strategic management it generally helps to plan or design an applicable strategy approach that could contain excessive compact threat and resource valuation, and also demonstrate potential methods to overcome risk factor, and efficiency consumption of available resources while trying to attain a substantial persistence.

3. ORGANIZATION INTRODUCTION AND BACKGROUND

The Critical factor and significance of developing appropriate strategic management plays a dynamic factor for “Dubai Islamic Bank”. The chosen organization for this strategic report is (DIB) and which is the best evolving Islamic bank in the United Arab Emirates established in 1975. Dubai Islamic bank is Semi-government banking corporation with banking operation internationally in countries such as Pakistan, Kenya and Africa continental. It has More than 85 operational branches and providing wide range of banking products and services under Islamic regulations. Being the oldest Islamic banks and maintaining a position of 2nd biggest Islamic Bank globally. Despite having better banking performance, the organization do require a strategy to follow and ensure to meet its strategic approach to sustain the competitive advantage. They have advanced form of technology that allows customers to use their banking services through digital platform.

4. STRATEGIC MANAGEMENT PROCESS

The strategic management is a deep-thinking approach to an organization and considering it as more than just a rule to follow. Since appropriate strategy could eventually decide the business fate how well it can function under certain circumstances (Rothaermel. F, 2013). The strategic management process means defining the organizations strategy in a broader picture. At initial stage top management need to ensure of thinking deliberately prior to apply any strategies within the business. Prior to implementing suitable strategic management practice the administration must agree on the best strategy and apply the suitable strategy to process. According to Burgelman et al (2006), the best way to implement strategic management process is when both parties either internal or external within the organization have a clear view and understand the applied strategy. The Foremost persistence objective of this process is to make clear vision and aim of your organization. in order to implement the strategy, the same need to be communicated with the stakeholders and employees to have everyone in same page (David. F, 2013). The first initial stage of strategic management process is analyzing a key stage because the information obtained at this level will

eventually build stronger position. At this stage need to gather as much data and information to accomplish the vision and required environmental scanning process collecting, analyzing and providing information for strategic purpose (David. F, 2013).

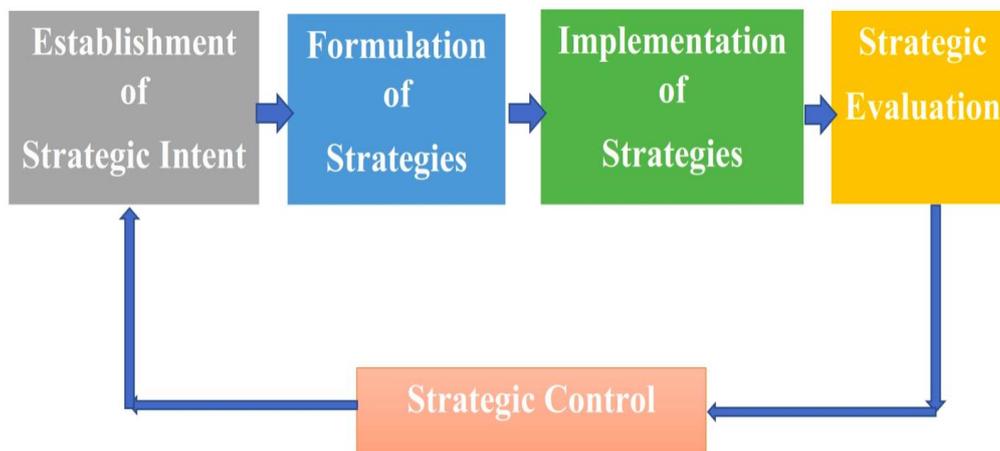


Figure 1. Strategic Management Process, 2019

The next stage is strategic formulation phase of strategic management process in which the organization are bound to decide and evaluate the suitable approach to accomplish their objectives. With the help of strategic formulation, the organization can identify its available existing resources, strengths and weakness associated with it which will eventually improvise organization capabilities in achieving appropriate yield of investment with their desired approach of strategy (Burgelman et al, 2006). The strategy formulation helps the organization to observe the changes that have been impacted due to modification applied following a new strategic approach. If an organization do not have planned strategic Approach and same shall not be able to provide clear image or direction to their Employees to reach its key objectives.

Next stage is Strategy Implementation through which the activities within a workplace or designed to manage the activities that are associated with the delivery of a strategic plan (Shuen et al, 2017). Generally, in this step a process that puts strategies and plan into action to sustain anticipated objective. The strategic plan elaborates the steps and procedures into detailed information that is required to reach planned objective, which includes feedback and progress reports to ensure the strategy approach is on track. According to Rothaermel, F. (2013) Strategy evaluation is an evaluation process of determining the efficiency of the initiated strategy in accomplishing the organizational intentions and captivating corrective action wherever essential. Continuing the strategic process, strategy evaluation is the preceding method for collecting the required information in evaluating and classifying how well the strategic approach is developing as per planned strategy.

5. STRATEGIC ANALYSIS

According to Piercy, N. (2009), the crucial role in strategic decision-making process has strategic analysis. It often brings the important information about evaluation and development of environment inside and outside the company and reveals possible opportunities and threats that need to be consider in strategic decision-making. According to Griffin, R. (2015) Strategic analysis is essential element as it determines the significance information for evaluation and environmental progression either could be external or internal of the organization and discloses possible threats and risks that can be encounter accordingly. Griffin, R. (2015) explained further that scrutinizing internal and external concerns will also facilitate to counter for any considerable modification within the business environment Because internal and external issues are constantly evolving, any

data gained in this stage should be retained to help with any future strategies. There are two types of strategic analysis likewise, Internal and external analysis. Strategic Analysis is an element of process to investigate the status of Business Environment where the organization operates and having external factor impact and also internal analysis within the organization itself in order to articulate strategy.

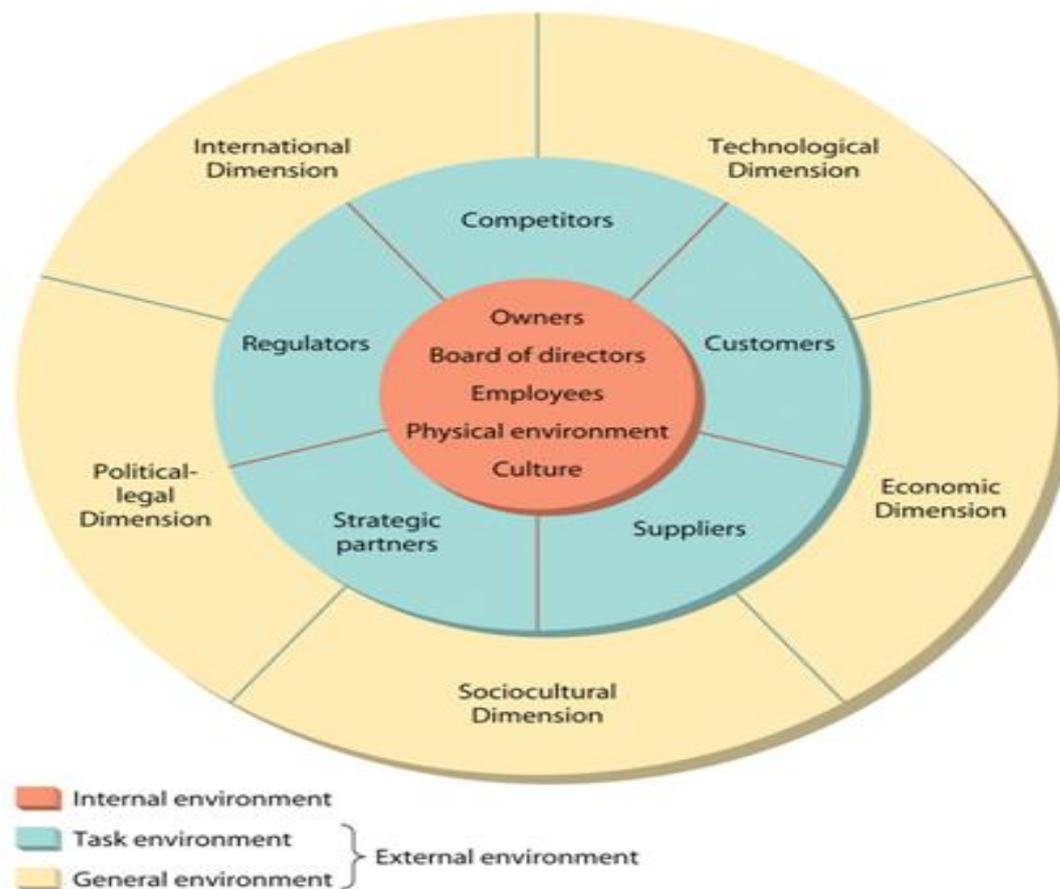


Figure 2. Organization Macro and Micro Environment, 2019

Internal Analysis

According to Piercy. N (2009) Internal analysis is a comprehensive observation and overview of the organization's background, proficiency and economical position in the market. Through internal analysis the Management are aware of the strength and weakness by exploring various functional and operational departments. It states the behavior of an organization that comprises the Inner stakeholders in organization i.e. Workforces, managements, board of directors, etc. Internal Analysis is vital to ensure the operations at Functional level are well executed in order to have stability within the organization (Piercy, N. 2009). The analysis of internal environment has been carried out with the more than a few tools such as SWOT, VRIO, and OCP & SAP.

SWOT Analysis (Dubai Islamic Bank)

According to Singh et al (2004) SWOT analysis framework is a strategic formation and a substantial method to categorize and apprehend the internal background of the organization. Likewise, it benefits to distinguish the possible strengths, weakness, prospects and diminishing the threats that can be risky in the future.

Table 1. SWOT Analysis Framework, 2019

SWOT Analysis Framework			
Strength	Weakness	Opportunities	Threats
1. One of the most strongest and leading Islamic Bank in the UAE.	1. Dependable on the local market.	1. Expansion to International Market.	1. Competitor rivalry and intense competition
2. Strong Business Network and Financial Stability.	2. Lack of varieties of product and services line.	2. Launch Advanced method of Services.	2. Regulatory Changes
4. Highly focused on markets with diverse Revenue	3. Brand Awareness.	3. Investment on the Government projects.	3. Economic Recession, Rising threat of recession, on a global scale.
5. Pioneered in Digital innovation banking initiatives in UAE.	4. Customer complaints due to higher Profit rate on their services.	4. To Encourage and empower workforces.	
6. Governed and compliance with Islamic Values.	5. less number of Branches.	5. Digitalizing banking services.	
7. Has been awarded for several Banking services and on strong platform.		6. Ease way of banking by acquiring higher technology.	
8. Higher customer satisfaction.			
9. Qualified and experienced staff			

VRIO Framework Analysis

According to Kiang et al (2012) VRIO Framework can be used for analyzing if the organization has enough possessions and competences to accomplish and withstand competitive portfolio. Kiang et al (2012) argued further Constraining the VRIO process and progressing business analysis over the period of time will protect from competitive advantages and also used by Organization to distinguish the resources that are competitive advantages. Kiang et al (2012) Stated that VRIO Context is efficient method of strategic Analysis that provides organization with precise competitive lead over its opponents. This Framework can be applied and implemented across the organization or to individual departments for a comprehensive view of how each segment of the business must be positioned in the marketplace.

V VALUABLE	R RARE	I INIMITABLE	O ORGANIZED	
NO				COMPETITIVE DISADVANTAGE
YES	NO			COMPETITIVE PARITY
YES	YES	NO		TEMPORARY COMPETITIVE ADVANTAGE
YES	YES	YES	NO	UNUSED COMPETITIVE ADVANTAGE
YES	YES	YES	YES	SUSTAINABLE COMPETITIVE ADVANTAGE

Figure 3. VRIO Framework, 2019

(OCP) Organizational Capability Profile (Internal Analysis)

(OCP) Organizational capability factors helps to identify the strengths and weaknesses of different operational level in functional department within an organization that are crucial for business to strategy formulation and implementation (Piercy, N. 2009). Organization Capacity Profile method is used by the management to assess the comprehensive weakness and strength of its serviceable and operational departments which can imitate the forthcoming functions in business. Organization capability profile describes the knowledge, resources and skills that enable business to improve its capabilities (Piercy, N. 2009).

Table 2. Organization Capability Profile, 2019

OCP Factors	Analysis (Dubai Islamic Bank)	Favorable / Unfavorable
Financial	<ol style="list-style-type: none"> 1. Robust Financial growth. 2. Strong growth financially and effective budget. 3. Strong Market Share and cash flow. 4. Higher profitability and effective usage of finance. 	HIGH
Marketing	<ol style="list-style-type: none"> 1. High quality services and attractive products. 2. Selections of products and services available. 3. Promotion is at moderate level. 4. Available in most of the locations and ease accessible. 	MEDIUM
Operations	<ol style="list-style-type: none"> 1. Smoother Operations with advanced technology. 2. Organized Operation management. 3. Better R&D progression and development. 	HIGH
Personnel	<ol style="list-style-type: none"> 1. Appropriate and organized employee structure. 2. Employees are motivated through social and gaming activities. 3. Employees are well trained and progress of self-development. 4. Minimal absenteeism. 5. Good HR management and practices. 	HIGH
Information	<ol style="list-style-type: none"> 1. Accessible of Banking products and services information Online. 2. Digitalized Banking services for ease operation. 3. Strong IT Support and background. 4. Capability of information storage system efficiently. 	HIGH
General Management	<ol style="list-style-type: none"> 1. Highly proficient and qualified Top management. 2. Strategic corporate planning. 3. Maintain Corporate social responsibilities for outdoor events. 4. External relations are at moderate level. 	MEDIUM

(SAP) Strategic Advantage Profile (Internal Analysis)

According to Pisano et al (2017) Strategic Advantage Profile (SAP) provides information of existing market position of the organization which benefits to identify what functional department are executing decent or worst. It provides the organization the history of achievement comparing to its rivalries in order to attain and sustain competitive advantage. (SAP) stipulates an impression of

the benefits and drawbacks in crucial functional areas prospective to affect forthcoming operations. It's a evaluation of strategic advantage factors that are substantial for the business. The Factor involves serviceable areas like Operations, Financial, marketing, Research and development.

Table 3. Strategy Advantage Profile Framework, 2019

Capability Factors	Weakness (-5)	Normal (0)	Strength (+5)
financial Capability Factors A) Sources of Funds B) Usage of Funds C) Management of Funds		0	(+5) (+4)
Marketing Capability Factors A) Product related B) Place related C) Price Related D) Promotion Related E) Integrated and Systematic	(-4)		(+5) (+4) (+4) (+4)
Operations Capability Factors A) Product System B) Operations and Control System C) R&D Process			(+4) (+3) (+5)
Personnel Capability Factors A) Personnel System B) Organizational and employee personalities C) Business relations			(+5) (+5) (+4)
Information Capability Factor A) Acquisition and related information B) Retrieval and usage of information C) Processing and usage of information D) Transmission and Dissemination of information E) Integrative, Systematic and Supportive			(+5) (+4) (+4) (+2) (+4)
General Management Capability Factor A) General management system B) External relations C) Organizational Climate		0	(+4) (+5)

Dubai Islamic Bank is one of the strongest Islamic Bank in the unites Arab Emirates with International Banking Operation in Countries like, Pakistan, Kenya and Indonesia. There is a Strategy plan to Acquire 100% of Noor Bank to become the largest Islamic Bank and become a leading Banking industry in the market. Having said that, DIB is having strong financial background considering strong cash flow with huge balance sheet which demonstrate Dubai Islamic Bank is having robust financial growth which allows them to expand their Operation more proficiently hence Finance factor is very much favorable. Looking at the Marketing aspect based on above table it has better attractive product and services within many remote locations to ensure the customers are able to reach for required banking services. Considering to pricing of products and services are relatively reasonable comparing to competitors pricing variance. In terms of Promotion strategy, it has rated low and negative which shows they are lacking in promotion of their products and services which could be a threat and possibly negative impact on Dubai Islamic Bank and promotion is considerably moderate level.

Table 4. Strategic Advantage Profile (SAP) Based on OCP Factor

Capability Factor	Nature of Impact	Competitive Strength / Weakness
Finance	↑	Strong Financial Background, Strong Cash flow and Capital, Strong market Growth
Marketing	→	Better product and services, Availability within remote locations, Price variance is good, Promotion is low and need to improve.
Operations	↑	Advanced Technology and system, Strong R&D Development, Digitalized system for innovative operations.
Human resource	↑	Well Organized HR Functions, Training Opportunities for Self-Development, Higher Motivation At workplace
Information	↑	Retrieval of Data is simple, Strong information resources, Strong Management information system
General Management	→	Great Management Skills, Moderate External Relations, Excellent Organization atmosphere.

Looking at Operational level it's a significant factor which favors Dubai Islamic Bank to be in a competitive advantage. Moreover, the proper use of advanced technology which helps to reduce the processing time and ensure the customers are experiencing digital platform for ease access. It also spends huge number of amounts in carrying out Research and development in order to improve its Organization image. Better Technology factor shows the customers are able to access all the information and service access to all banking services that shows the strong technology infrastructure of DIB to withstand against its competitors. However, DIB is committed to provide the best available training resources for employee self-development and enhance workforce knowledge that will improve their motivation level. DIB Human resource Ensure of providing with all required learning resources and develop their competencies in order to meet the Bank's current and future needs. Also, recently the management has provided social activities and gaming events in order to motivate the employees and ensure they are happy being at workplace and encouraged. The information management capability factor is in favorable to DIB. Being a banking industry DIB has strong Information system that shows the reliability of information is secure and well-maintained information system. Similarly, the Higher management has invested in implementation of advanced information system that will be reliable and quick to respond that will improve the IT systems and enable to address the Enquiries at reasonable time period. Lastly. the general management is favorable due to their smart decisions and effective leadership DIB has reach to a profitable position and became a challenging brand.

External Analysis

External Factors helps in classifying and understanding the macro Environment of the organization to explore the possible threats and opportunities that can be due to impact of external environment. According to Winter, S. (2013) Management need to intermittently make alterations to numerous available strategies with regards to Macro Environment analysis to ensure the organization operations are effectively functioning. Contrary, if the organization has not concluded the external Analysis as an important factor it can immensely affect and impact negatively on business operations and loose the stability of the organization. Adding to that point, the analysis of External environment has been carried out with various tools such as PESTLE and Porter's Five Forces Model.

PESTEL Factor (Macro Analysis)

The PESTLE Analysis is used in classify and scrutinize the important drivers of change in the strategic or business environment. It is one of the significance element and framework used to analyze and monitor the external environment and also helps to analyze the possible opportunities and threats due to external factors (Meyer, R. 2004).

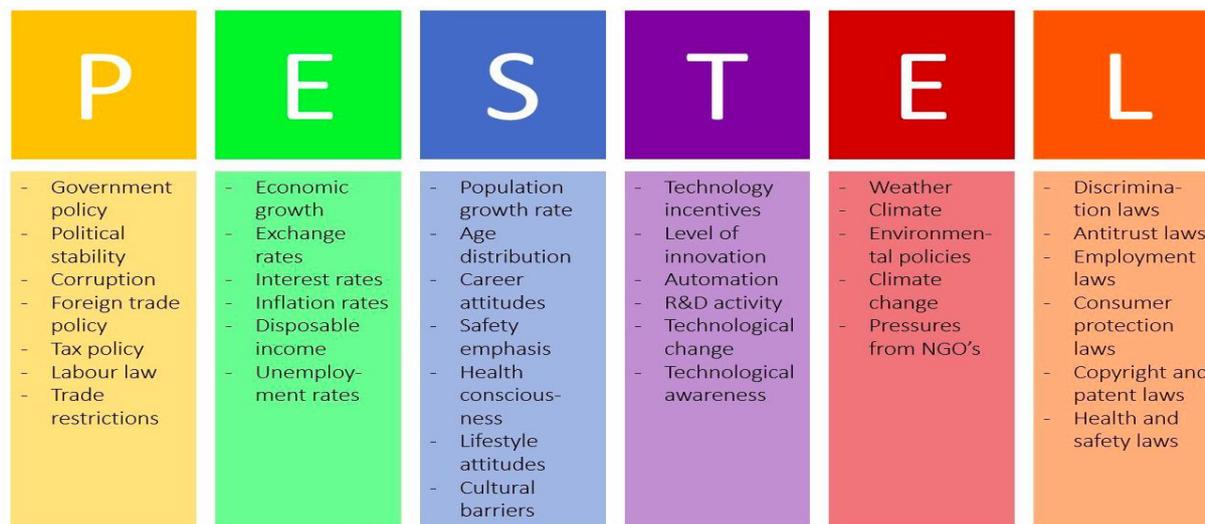


Figure 4. Pestle Framework Concept, 2019

The Pestle framework evaluates the external factor likewise, Political, Economic, social, technological, Legal and environmental and all the elements are favorable to DIB despite the economic factor which seems to be unfavorable based on the analysis. UAE is one of the global hub for business and investors and the political system is well organized that allows any organization to run their business functions smoothly. Whereas the UAE Government has withdrawn several service charges related to corporate service charges which also a favorable for the business to benefit out of this. Looking at the economic factor is quite miserably unfavorable due to new taxation policy that has impacted the customers and business with high expenses and business tend to lose customers due to hike in prices. Despite several taxation policy the banking industry are still performing well. Whereas, they are developing their economic plan and making the investment policies more efficient and ease for businesses. Moreover, Major projects are yet to come one of them is global event "Dubai Expo 2020" which will eventually enhance the economic condition of UAE. Adding to that point, DIB can take opportunities to invest and provide banking needs to the investors and that could boost the organization profitability.

With considerations to Social factor of UAE and how it can affect DIB, as per analysis social environment is favorable. Since, equal rights and opportunities are provided, women are empowered which shows no discrimination and also literacy level is high. In this scenario it will surely benefit the organization to employ the skilled and professional workforce that can help in increasing their revenue. The Government is passionately investing and working to have most advanced technology across the government entities and businesses which will increase the productivity and enhance customer satisfaction. IT infrastructure has vastly enhanced within short period of time which allows the business and consumers to attain services online and through E-channels. Environmental factor is also important, Since UAE Govt ensuring to go green and reduce waste whereas DIB can make most out of the environment by promoting to go green by introducing paper less service which will also increase the corporate responsibility towards the UAE Government and customers. Adding to that point, The Business can take benefit from advanced technology that is available and enhancing the services into digital way which will allows customers to experience digitalized banking and that may increase customer loyalty and retain its brand image.

at the marketplace. Furthermore, the Legal system is very much favorable to DIB due to strong legal practice, constant law and regulations. The labor and employment laws are clear and transparent which ensure the safety of both the parties without any hassle or concerns.

Table 5. PESTLE Framework (Macro Analysis)

PESTLE Factor (Macro)	Analysis	Results
Political	<ol style="list-style-type: none"> 1. UAE market is strongly stable and safe in terms of its political factor. 2. UAE Government has strong operating system which restrict from any mislead information and ensure safety of any entities or individuals. 3. Trade relations of UAE is immensely positive with many countries across the globe. 5. Whereas the UAE Govt has initiated to Omit tax charges on its all government service charges. 6. International businesses are warmly welcome to operate within UAE without any hassle. 	HIGH
Economic	<ol style="list-style-type: none"> 1. UAE has Exceptionally highest GDP as per Capita 2. It also has very low unemployment rate which shows economically strong. 3. Real estate market is in recession. 4. Increase in oil prices effecting the residents in the country due to huge expenses. 5. Mega projects under progress that will boom the UAE economy and make stronger economy in coming decades. 	MEDIUM
Social	<ol style="list-style-type: none"> 1. Diverse nationalities of people coming from almost 150+ different nationalities and bring along with different culture and background which makes UAE a Diverse culture. 2. High level of literacy, working professionals and healthy lifestyle. 3. Women are empowered and provided equal opportunities as Men. 4. People in UAE spends 50% of their income on basic necessities as an average. 	HIGH
Technology	<ol style="list-style-type: none"> 1. UAE has hugely invested in Technology sector, research and development to improve the efficiency of government services. 2. UAE is planning to become digitalized in every sector and ensure of becoming paper less by attaining higher technology. 3. Implementation of newer technology to ensure roads safety which will eventually reduce Accidents and hazards. 	HIGH
Legal	<ol style="list-style-type: none"> 1. The Law under UAE Government is equal to everyone. 2. Rules and regulations are well justified in fact basis and very strong judicial department. 3. UAE government Supports private and public organization and assure of simple policy. 4. The Government assure the organization should provide basic needs and required insurance to its employees. 5. Labor law is well maintained in favor of labor to prevent from any unfairness. 	HIGH
Environmental	<ol style="list-style-type: none"> 1. The Main Aim is to become fully digitalized country and become eco-friendly environment to prevent environment hazard. 2. UAE is peaceful country without any political issues, war and so on. 3. This country has quite a hot, dry climate, which can result in many different things. 	HIGH

Porter's Five Forces model (Micro Analysis)

According to Henry A. (2011) Porter's five forces framework provides and helps in analyzing the Competitive rivalry of the organization. The five forces model, developed by Michael Porter, to allow organization to evaluate the probable strength of external forces in your environment that can be possibly threat and can affect potential growth, and simultaneously the business can adjust the right strategy accordingly.

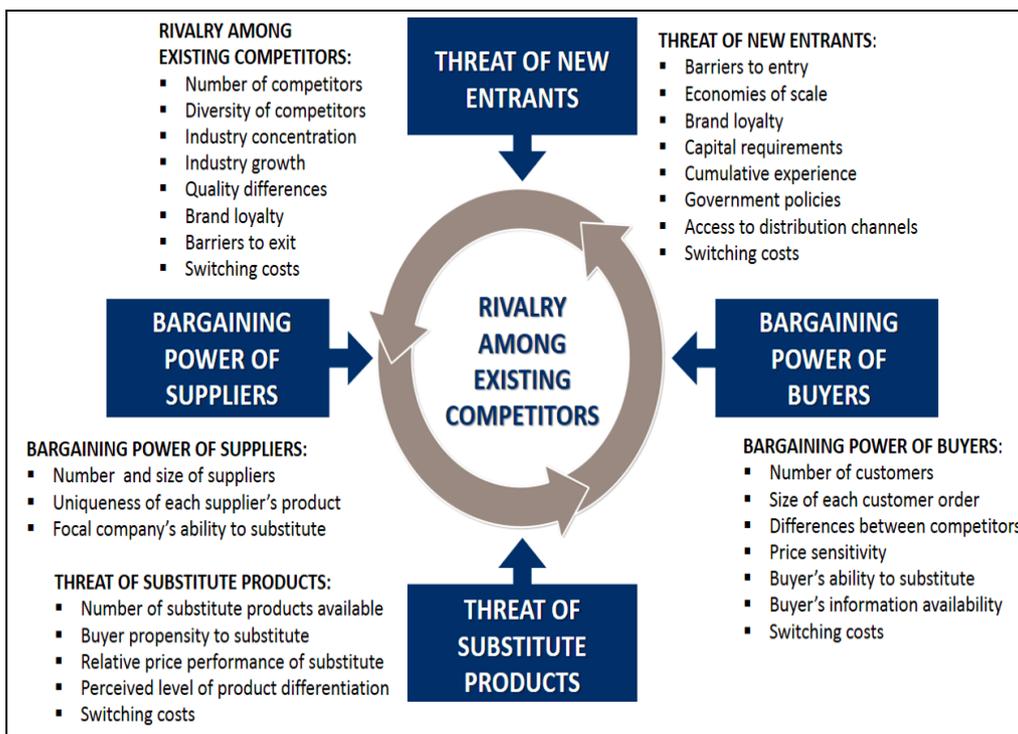


Figure 5. Concept of Porter's five forces Model

Table 6. Porter's Five Forces analysis (Microenvironment)

Porter's Five Forces Model	Analysis (Dubai Islamic Bank)	Favorable / Unfavorable
Threats of New Entrants	1. Due to many regulations to operate a banking industry newly is quite complicated. 2. Government laws are supportive. 3. New Rivals Could be threat if entering into UAE market. 3. new entrants will be moderately low.	HIGH
Bargaining power of Buyer	1. Offering attractive banking offers to clients, customers. 2. Ensure good quality of services.	HIGH
Bargaining power of Supplier	1. Customer deposits. 2. Mortgages and loans. 3. Loans from other financial sources. 4. Software and hardware Suppliers.	MEDIUM
Threats of Substitutes	1. Implement Digitalize banking systems. 2. Products with unique features and benefits.	MEDIUM
Threats of Rivalry Competitors	1. Retaining Brand Image and Loyalty is significance. 2. Innovative way of reaching to customers to enhance customer satisfaction. 3. Big banks in the industry as an alternative.	Unfavorable

The Banking industry is quite aggressive and competitive in the UAE Market as the financial sector has huge role to play in every individual and at corporate level. It is always significance to be aware of new entrants of rivalries and their products and services. Hence always need to be caution in terms of new competitors to diminish the risk factor that can cause due to the new entrants into market. To open and start up a new banking industry required huge amount of investment and financial information and better management advise. Since Customers will rely on the big banks that are already existing in the market and will not give much preferable to new entrants. a new bank, huge capital investment is required. Moreover, there are lots of regulatory issues like government regulations for licensing, etc. Despite of these obstacles, a large number of banks are entering the market so the threat of new entrants should be high. Bargaining power of buyers would considerably high for Dubai Islamic Bank by demanding better services and attractive banking products. In Banking industry, Capital is vital element through which the Banking industry can meet its requirements likewise, Loans and Mortgages, mortgage securities and also ensuring to have enough capital to fulfill customer demands as and when required. In banking industry, Suppliers are significant element through which bank can meet the customer requirements by ensuring to maintain enough capital to fulfill withdrawal requirements of customers. In banking, several services and system softwares are supplied by the supplier in order to ensure smooth functioning and competent business operations. Due to high demand of suppliers there are several vendors that are coming forward to offer better pricing skims for their services provided for bank. Buyers (Customers) could be demanding regarding the product and services pricing since they have several alternative to obtain the similar services. Hence to retain customers it needs to provide better innovative products with attractive benefits and services with low charges. In this way DIB can entertain the customers and maintain the brand loyalty respectively. Considering to Biggest threat is due to substitution which is not necessarily required to be from rival banks, but it could be from other non-banking sectors as well. Since there are many non-financial organizations that are providing the similar products that banks are offering to their customers. Since this does not really affect the banking operations but could be threat due to substitute of products and services, Such as Insurance, Credit cards, Personal and Auto loans and so on. Since UAE banking industry is very huge and the competitors are positioned at very strong level and as every individual, corporate that needs banking services already has them. Contrary, in this scenario Dubai Islamic Bank need to ensure of retaining its competitors to assure they do not choose their rivalries for banking products and services. Many Banks offers attractive promotion offers, making their products more reliable and hassle free, also by reducing the service charges to sustain the greater competitive against the rivals. Concluding the porter five porter framework determine financial services strategies can attain broader picture of how this factor can impact the organization profitability and growth.

6. CHOICES AND CORPORATE PORTFOLIO ANALYSIS

Doole et al (2008) stated that potential strategy on corporate level basically integrates in preparation for future opportunities, observe market trends and diminish risks. It is an organized way to execute a company's initiatives and aims under the supervision of its top management. A good strategy helps management to evaluate how well the resources are utilized and to prioritize undertakings within the organization to maintain prospective approach flow (Rothaermel, F, 2013). In an organization it is significance to choose effective business strategy to analyze appropriate corporate level strategy with help of corporate portfolio analysis (CPA). It is generally a portfolio analysis which are applied to classify competitive analysis and strategic planning. The Key purpose of Corporate portfolio analysis is to identify opportunities and make strategic direction towards potential growth. This type of analysis helps the management to identify the strengths and weakness of various constraints out of which clear view of threats are identified. CPA Analysis of Dubai Islamic Bank is carried out using the (BCG) Boston consulting group matrix and with the help of this technique the management can position the organization where precisely they stand at

marketplace. The BCG matrix can be utilized to categorize how diverse strategic functional unit of business are contributing towards the organization goals.

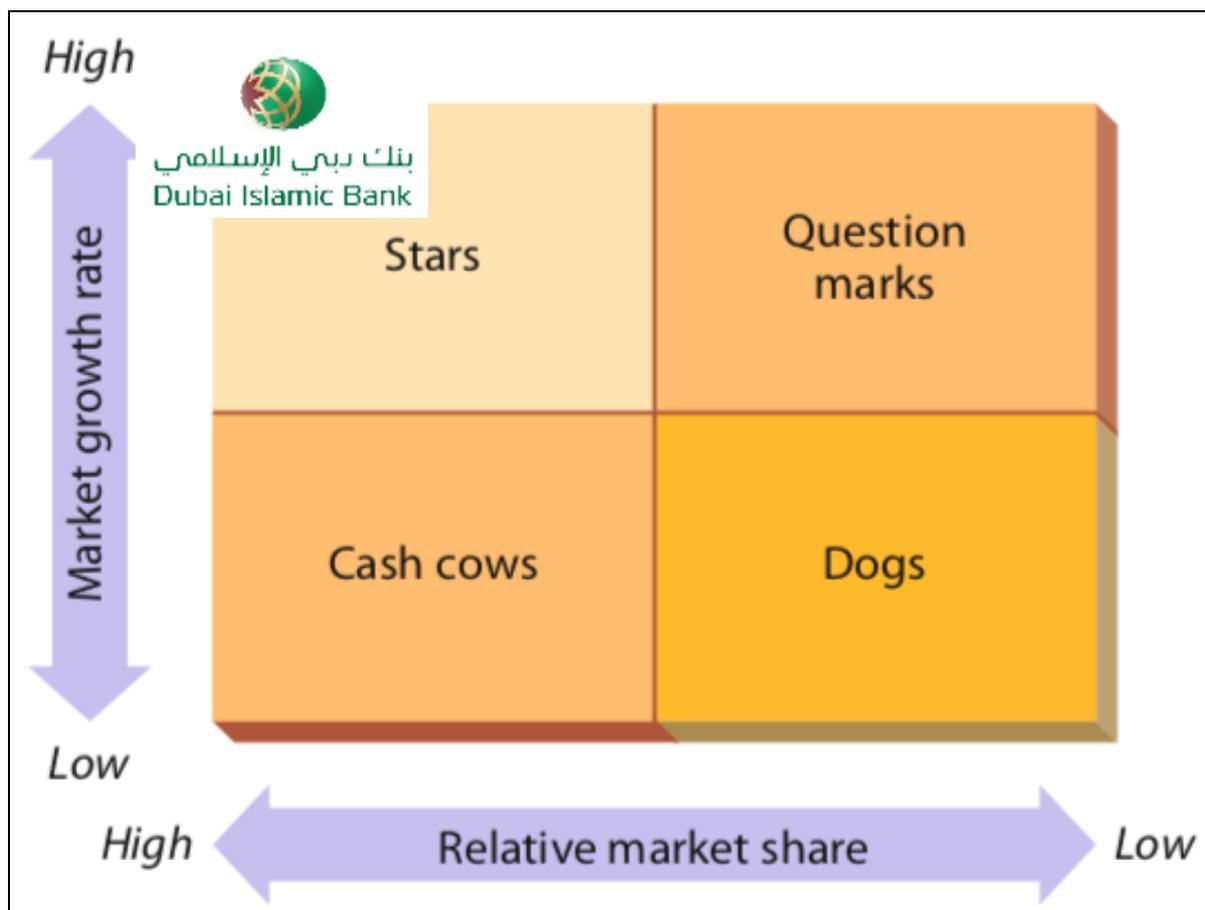


Figure 5. BCG Matrix (Griffin, 2015)

As shown in above figure Dubai Islamic Bank has placed under “Stars” in BCG matrix which visualize that DIB having a high market growth and market share. Despite to slow growth earlier in 2012 the management has immensely work on their strategies to becoming more challenging brand. As a result, Dubai Islamic Bank is now holding a strong position in the market and leading in the banking industry by holding sustainable competitive advantage. Being a market leader is not only the way to sustain the competitive advantage or maintaining the position. Hence the organization need to implement various strategy and constantly work on effective strategies to ensure the same momentum of being successful. Having said that, Due to robust financial position and immensely growth the Management of DIB has decided to Acquire 100% of its rival ‘Noor Bank’ that will eventually increase further market share and will lead to maintain and retain the strongest position in the banking industry across the region.

7. CORPORATE LEVEL STRATEGY

According to Johnson et al (2008) A corporate-level strategy is when a business constructs an evaluation that affects the organization overall. A corporate-level strategy is a strategy that could be utilized to attain competitive advantage through selecting the right corporate strategy. Adding to that point, to ensure wise decision-making process, it is vital that corporate level strategies are in place to support the business operations and functions (Ambrosini et al, 2009). Based on the internal and external evaluation Dubai Islamic bank positioned in BCG Matrix under “Stars” quadrant which displays that they have strong market share and immense growth in the market.

Rothaermel. F, (2013) explained further In order to sustain competitive advantage, firm need to assure that their rivals are not able to apply the similar strategy and maintaining unique strategy will eventually enhance the organization strategy value. Adding to this statement, to maintain the competitive advantage DIB needs to study the market for possible growth in order to sustain the competitive advantage in future as well. A market penetration strategy could also be positive factor to allow their existing products or services into existing markets to gain a higher market share. This is the primary strategy DIB will consider because it conveys the lowermost risk. With regards to Acquisition strategy it gives many probable opportunities when an organization acquire with another business. The key element is the potential growth of business which will eventually allow the organization to increase its market share and become strongest.

8. CONCLUSION

At Conclusion, This Report generally evaluates the significance of how the strategy and Strategic Management plays a dynamic role related to persistence and success of organization in the competitive market environment to be more proactive and innovative in their product and services. Many analyses have applied to classify the Internal and external factor to overcome possible threat and to sustain the competitive opportunities to be a market leader. In order to identify the key element of internal analysis, the OCP and SAP methods has been utilized that shows required development and progression required in operational and functional level and it will help Dubai Islamic Bank to develop further to attain success. With the Significance of having a Sufficient Strategy for External environment is to recognize and comprehend future concerns by alerting at initial stage and can face difficulties without any hassle. The Macro analysis clearly demonstrate how the Political factor is supporting whereas the Economic environment is seeming to be unconsidered due to unsteady economic condition currently. Due to new taxation policy and certain upcoming regulations that is affecting the individuals and business simultaneously. Contrary, it is affecting the business as it's been difficult for DIB to retain its customers and maintain the potential sales of their products and services. The External analysis provides a sufficient understanding and broader picture of the opportunities and threats that may arise through external environment. Also Porter five forces has been used to identify the market condition to evaluate its competitors, Possible threats and new entrants and eventually preparing DIB to face such unpredicted scenarios without any failure. Adding to that, Also Micro analysis Porter's five forces model used to understand how the micro functional are operating. Applying the External and internal Strategic analysis, Dubai Islamic Bank has been recommended in "Stars" Zone in BCG matrix. Basically having an appropriate strategy analysis of internal and external environment is to find the fundamental complications that could arise in the future and could be threats to the organization. Adding to that conclusion, it is significant for Dubai Islamic Bank to Acquire 100% of Noor Bank after consideration of all evaluation and analysis it shows this proactive strategy would further increase the stability of the organization and enhance their brand image and sustain competitive advantage accordingly.

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