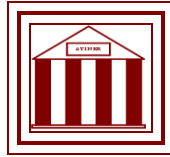


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ACC2014-1043

**The Rate of Adoption of Strategic
Marketing Planning (SMP) By The
Libyan Commercial Banks (LCBs).
An Exploratory Study**

Fthia Ramdan .M. Abusafrita

Staff Member

Al Zawia University

Libya

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**The Rate of Adoption of Strategic Marketing Planning (SMP)
by the Libyan Commercial Banks (LCBs).
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Abstract

The purpose of this paper is to explore the foundations of SMP process in the LCBs being adopted in 2007. An interpretive approach was chosen to address the research questions posed. In order to address the research objectives the survey strategy has chosen to answer the research questions. The triangulation of qualitative, quantitative techniques and archival data suggested by the interpretive philosophy and deductive approach is used for the reasons given above. The descriptive statistic analysis is used to analyse the structured questionnaires, and the pattern matching and coding analysis is utilised in order to analyse the semi-structured interviews.

The major findings in this research are : a comprehensive strategic plans are in place, but that the processes by which they are created have significant limitations. In addition, SMP in the LCBs is still evolving and that it is, currently, in growth. In terms of marketing lifecycle, marketing in LCBs is in its infancy stage, it was found, contrary to expectations that marketing departments have only been established recently. For this reason a number of barriers to SMP were found.

Keywords: SMP), (LCB), Strategic planning (SP)

Introduction

The result of Al-Shammari & Hussein's study indicated that firms that implement strategic planning outperform those that do not¹. SMP is not the same as marketing planning. Marketing planning deals with marketing mix, whereas, SMP is about planning for all of an organisation's strategy and market place². Brooksbank defends SMP as: "a management discipline which enables the firm to improve its competitiveness by becoming more responsive and adaptable to changing market conditions"³.

SMP can improve an organization's competitiveness by being responsive to the change in market conditions⁴. There is a strong relationship between environmental change and strategic planning intensity, which means that, in order to cope with a changeable environment, the organization should use strategic planning^{5,6}.

Research Questions

The aim of creating enterprises is to achieve long- and short-term objectives⁷. To achieve these goals most organisations use strategic planning, which allows them to choose the appropriate strategy and manage their resources to achieve competitive advantage in their way of dealing with environmental changes⁸.

The main aim of this study is to answer the question of: why and how SMP should be adopted by LCBs? What is impact of contextual factors on the current state of development of SMP approach in the LCBs. Finally, What are the potential benefits of an enhanced rate of FSMP adoption and how might this be achieved.

¹Al-Shammari, H. A., & Hussein, R. T. 2007. Strategic planning-firm performance linkage: empirical investigation from an emergent market, *Advances in Competitiveness Research alliances. Association Management*, 51, 86-92.

²Baker, J. Michael. 2007. *Marketing Strategy and Management* (4th ed). Palgrave Macmillan

³Brooksbank. 1999. The theory and practice of marketing planning in the smaller business. *Marketing Intelligence & planning*, 17 (2), 78-91

⁴Brooksbank, R. 1994. The Anatomy of Marketing Positioning Strategy. *Marketing Intelligence & Planning*, 12 (4), 10-14

⁵Ansoff, H. I. 1991. Critique of Henry Mintzberg's —The design school: Reconsidering the basic premises of strategic management. *Strategic Management Journal*, 12 (6), 449–461

⁶Miller, D., & Friesen, P. H. 1983. Strategy-making and the environment: The third link. *Strategic Management Journal*, 4 (3), 221–235

⁷Bradmore, D (1996), *Competitive Advantage: Concept and Cases*, Prentice Hall of Australia, Australia

⁸John, IM (1992), *Writers on Strategy and Strategic Management*, Penguin Books, London

Research Objectives

An organisation identifies its objectives in order to define itself in its environment and provide standards for measuring organisational performance¹. The current research aims to study, assess, and analyse SMP practice in the LCBs, to examine the effect of contextual factors (both internal and external) on the process of SMP, to investigate whether the SMP was/is managerially useful, and to provide a basic database for further research to examine the effect of SMP on performance in the LCBs.

Literature Review

Marketing Strategy & Marketing Planning

Marketing is precisely focused on what an organization wants to be by selling, advertising, and promoting. Marketing has a significant role for all organizational levels. For example, at the corporate level marketing influences the organizational culture, at the strategic business level marketing leads the organization to a competitive position and at the operational level marketing is responsible for developing the 5Ps mix².

In one hand, marketing strategy is the broad concept of how the 5Ps function as a co-ordinated way to meet marketing goals³. In addition, it is a plan which determines a firm's marketing aims; this usually includes product development; service quality; 5P strategies which include: promotions, producing, placing, people and a pricing strategy. Marketing strategy defines broad marketing activities for organizations, which takes a long time. In order to establish a competitive position, an organization has to respond to a changeable business environment. This requires analyzing, segmenting the market, evaluating the competitors' offers, and positioning products. As for tactical marketing, this concerns day-to-day marketing activities; it deals with marketing mix individually⁴.

In other hand, Marketing planning improves an organization's ability to cope with the complexities of the business environment⁵. McDonald remarked that marketing planning is a logical sequence and a series of activities leading

¹Coulthard. M , Howell. A , Clarke. G. 1996. *Business Planning: The Key to Success*. Macmillan Education Australia

²West, D., Ford, J., & Ibrahim, E. 2010. *Strategic marketing : creating competitive advantage* (2nd Edition ed.). Oxford; New York: Oxford University Press.

³O'Shaughnessy, J. 1995. *Competitive Marketing "A strategic approach"* (3rd ed). London: Clays Ltd, St Ives plc.

⁴Drummond, G., Ensor, G., & Ashford, R. (2008). *Strategic marketing planning and control* (3 ed). Elsevier Ltd.

⁵Dibb, S., Farhangmehr, M., & Simkin, L. 2001. The marketing planning experienceL a UK and Portuguese comparison. *Marketing Intelligence and Planning*, 19 (6), 409-417.

to the setting of marketing objectives and the formulation of plans for achieving them¹.

The benefits of marketing planning are undefined and take place within the whole context of an organization. Marketing strategy helps organizations to be clear about what it is and where it is going. In other words, an organization with a marketing strategy implemented, better anticipates change and is less vulnerable to the unexpected. Furthermore, it has proactive responses to environmental changes which can minimize the random decisions that can take a business by surprise, and thus create better communication. Marketing planning also can create greater inter-functional co-ordination and achieve minimum waste and duplication of resources

Marketing Department & Marketer Capabilities

Specialization is a degree of distribution of the tasks and activities in the organization. There is a link between the existence of specialists in the organization and the degree of specialization within the organization².

Marketing managers can use three ways to facilitate marketing; the first is by educating the employees about marketing concept, purposes, and applications. The second is by using effective sales training programmes and sales tools, and finally, by pushing marketing responsibility downward into the company to be closer to client³. Anderson, asserted that Marketing managers have the most significant role in providing strategic information and this is due to marketing managers' working towards satisfying long-term customer needs⁴.

Day and Song, Nason, & Benedetto, emphasise that the role of marketing capabilities is about achieving and sustaining competitive advantage^{5,6}. In service organizations, the marketing function is positively associated with marketers' ability to deliver service to the customer⁷. Therefore, staff need to be trained to deliver this level, and their performance should be monitored. In addition, marketing planners need to cover some areas, for instance, the perceptions and needs of customers, their willingness and ability to pay for this level; competitor approaches, the organization's ability to deliver this service at

¹McDonald, M. (2007). *Malcolm McDonald on Marketing Planning: Understanding Marketing Plans and Strategy*. Kogan Page; Reissue edition.

²Olson, E. M., Slater, S. F., & Hult, T. M. 2005. The Performance implications of Fit Among Business Strategy, Marketing Organisation Structure, and Strategic Behavior. *Journal of Marketing*, 69, 49-65.

³Akroush., M. N. 2003. *An Integrated Approach To Marketing Strategy Formulation and Implementation*. The University of Huddersfield

⁴Anderson, P. F. 1982. Marketing strategic Planning and the Theory of the Firm. *Journal of Marketing*, 46, 15-26.

⁵Day, G. S. 1994. The Capabilities of the Market-Driven Organisation. *Journal of the Marketing*, 58, 37-51.

⁶Song, M., Nason, R. W., & Benedetto, C. A. 2008. Distinctive marketing and information technology capabilities and strategic types: a cross-national investigation. *Journal International Marketing*, 16, 4-38.

⁷Moorman, C., & Rust, R. 1999. The role of marketing. *Journal of Marketing*, 63, 180-97.

this level including the cost of delivering and the results to be gained in the short and long term¹.

Strategic Marketing Planning (SMP)

Strategic planning is a process of deciding an organization's mission, long and short-term objectives, strategies, tactics and resources; these enable organizations to achieve their goals. "SMP is a similar process but within the marketing function of the firm"² p220. It is a plan of all aspects of an organization's strategy in the marketplace; it is concerned with long term issues³.

The main focus of SMP is to distinguish an organization from its competitors by using relative strengths to satisfy customer wishes⁴. In other words, SMP is about deciding what marketing strategies should be used to obtain sustainable competitive advantage.

McDonald identified five potential benefits of using SMP: firstly, that it enables better coordination between employees working together, bringing together all relevant facts and operating decisions in order to better anticipate development, a more positive attitude towards change, better allocation of resources in sales promotion and finally setting up a framework which can better quantify marketing accomplishments⁵. In general, SMP makes for better coordination of functions within the organization.

Business Environment & Competitive Strategies

The aim of any organization is success, and understanding the environment is the most important stage of success. To achieve this aim an organisation must fit its strategy with its environment. Several authors have stressed this^{6,7,8,9}.

They added that organizations use SMP to deal with increasing environmental turbulence, complexity, competitive pressures, the pace of technological change, organizational diversification and size, societal performance, demands on organizations, and more recently the disappearance of conventional marketing structures. Therefore, systematic scanning and analyzing macro/remote environment and micro/competitive environment is necessary¹⁰.

¹Wilson, R. S., & Gilligan, C. 1997. *Strategic marketing management: Planning, implementation, and control* (2nd ed). Oxford and Boston: Butterworth-Heinemann.

²Claycomb, C., Germain, R., & Dröge, C. 2000. The Effects of Formal Strategic Marketing Planning on the Industrial Firm's Configuration, Structure, Exchange Patterns and Performance. *Industrial Marketing Management*, 29 (3), 219-235.

³Baker, 2007

⁴Claycomb, et al 2000

⁵McDonald, 1996

⁶Homburg & Workman, 2000

⁷Hussey, 1979

⁸McDonald, 1992

⁹McDaniel & Kolari, 1987

¹⁰West et al, 2010

SWOT analysis is defined as a systematic way for a company to assess its overall structure and involves internal and external analyses in order to match what the organization offers with the environment between what the environment can provide and what an organization needs¹. After that, marketers can set their marketing objectives, and develop their marketing plans which include implementing, monitoring and evaluating marketing plans².

In a changeable environment, one of the strategies that companies should focus on is the creation of cross-functional committees³. In addition, the involvement of top management in strategic planning makes it effective. The manager's participation ensured that strategic planning matches the style of top management⁴. It appears that different studies suggest that participation by middle managers leads to better strategic plan formulation and the facilitation of their implementation^{5,6}; and a reduction in behavioural impediments to the effectiveness of strategic planning^{7,8,9}.

As for competitive strategies, identifying an organization's competitive position is important to the selection of competitive marketing strategies¹⁰. There is a link between competitive advantage and marketing strategy, the purpose of the competitive advantage is to identify an essential and sustainable basis from which to compete, while the aim of the marketing strategy is to deliver this advantage to the market place¹¹. In addition, competitive advantage is developed at the SBU. It involves four main dimensions: determination of mission statement, evaluation and selecting of generic strategies, objective setting and policy making. Marketing strategy is developed in the marketing department. It involves three dimensions: choosing the target market, assessing the competitors' strategies, and designing the marketing mix strategies¹².

¹ West et al, 2010

² McGivern, Y. 2009. *The practice of market research* (3rd ed). Harlow: Financial Times Prentice Hall.

³ Calantone, Garcia & Dröge, 2003

⁴ Obeng, K., & Ugboro, I. 2008. Effective Strategic Planning in Public Transit Systems. *Transportation Research Part E: Logistics and Transportation Review*, 44 (3), 420-439.

⁵ Bourgeois, L. J., & Brodwin, D. R. 1994. Strategic Implementation: Five Approaches Proaches to an Elusive Phenomenon. *Strategic Management Journal*, 5 (3), 241-264.

⁶ Hirschman, A. O. 1970. *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge: MA Harvard University Press

⁷ Elbanna, S. 2008. Planning and participation as determinants of strategic planning effectiveness evidence from the Arabic context. *Management Decision*, 46 (5), 779-796

⁸ Hart, S. 1992. An integrative framework for strategy-making processes. *Academy of Management Review*, 17 (2), 327-51

⁹ Lyles, M. A., & Lenz, R. T. 1982. Managing the planning process: a field study of the human side of planning. *Strategic Management Journal*, 3, 105-18

¹⁰ McDonald, 1996

¹¹ Drummond, Ensor & Ashford, 2008

¹² West et al, 2010

Design/Methodology/Approach

According to Falshaw, Glaister, & Tatoglu, most studies in strategic planning were found in developed countries¹, yet little is known about this issue in developing countries such as Libya. This study focuses on the SMP being used by the main state LCBs (the Gumhouria Bank, the Sahara Bank, the Wahda Bank and the National Commercial Bank). Due to insufficient data available in the LCBs about SMP, the current article applies an exploratory research design. An interpretive philosophy was seen to give an enriched understanding of the empirical situation.

It builds on a combination of qualitative and quantitative methods in order to achieve a full investigation into this issue. Creswell, suggested that triangulation is the easiest way of establishing validity². Because of the fact that, there is an insufficient knowledge of the phenomena the findings not representative of the whole population. The target population in this study will be Libyan banks.

In order to enhance the confident of a researcher's perceptions and to establish credibility of the research findings the researcher is also used other methods, for example: member-checking, rich description, clarification of biases and reporting of discrepant information.

The qualitative approach was achieved using semi-structured interviews with eight managers , two interviews per each bank. These interviewees were chosen directly from the websites of these bank . They were working in these banks between 16 of July and 7 of October 2009 (Director of Marketing , Director of Retail, Director of Operations ,Director of the branches). The interview is based on themes which are arrived at through reviewing the literature. Being interpretive, the analysis leans heavily on the content. Therefore, pattern matching and coding analysis was used as an appropriate approach in meeting the specific research objectives.

To enrich the breadth and depth of the findings, the quantitative approach has been used through a semi-structured questionnaire survey. The total number of respondents is forty one. They were chosen purposively by their job title. The descriptive statistic analysis was used to analyze the questionnaires. Close-ended questions constructed on a five point rating Likert scale format was used, and SPSS for windows version 21 was utilised for data analysis. The final survey instrument consisted of only one main questionnaire with approximately 111 questions. A reliability mean and standard deviation were used for each specific item.

The archival approach was also used to collect the required data.

This research was carried out prior to the events in Libya in February 2011.

¹Falshaw, J. R., Glaister, K. W., & Tatoglu, E. 2006. Evidence on formal strategic planning and company performance. *Management Decision*, 44 (1), 9-30

²Creswell, J. W. 2003. *Research Design-Qualitative, Quantitative, and Mixed Methods Approaches* (Second Edition ed.). Thousand Oaks, Calif, Sage Publications , (2003)

Results and Discussion

The findings reveal that, before 2007, LCBs did not follow any type of SMP process. The key drivers for introducing SMP into the field of the banking industry seem to be more externally driven, particularly by the demands of the market, customers and changes in marketing practices (Table 1, Items 1, 2, 3 & 4).

SMP facilities have yet to be introduced into LCBs (Table 1, Item 5). These facilities have been used in various Arab countries with varied degrees of success. Khan, & Alburki studied ten of the most common SMP tools in Bahrain, and found that planners had a very limited understanding of the use of strategic concepts and planning¹, this is similar to the current study's findings.

The Central Bank of Libya hired the Mckinsey Company to help the LCBs in the process of strategic planning (Table 1, Item 6). This is consistent with Calantone, Garcia & Dröge, who stated that organizations can use an external facilitator if their SMP experience is low, or there are insufficient facilitation skills². However, it is inconsistent with some Arab organizations practice. For example, Al-Shammari & Hussein) found that Jordanian Manufacturing Organisations rarely rely on external consultants for their planning activities³.

Since 2007, LCBs have formed committees consisting of the top-management levels of the banks in charge of SMP (Table 2, Item 1). This action is consistent with Calantone et al., and Efendioglu & Karabulut^{4,5}. This action is also similar to the Greek management policy, which involves only top management in the process of strategic planning⁶.

Before 2007, marketing activities were distributed amongst the departments in the banks in the way outlined by^{7,8,9,10,11}. However, in 2007, in order to achieve competitive advantage, marketing departments were established, as suggested by Day and Song, Nason & Benedetto^{12,1}.

¹Khan, G., & Alburki, E. 1992. Strategic planning in Bahrain. *Management Decision*, 30 (5), 3-9.

²Calantone, Garcia & Dröge, (2003)

³Al-Shammari & Hussein (2008)

⁴Calantone et al., (2003)

⁵Efendioglu, A. M., & Karabulut, A. T. (2010). Impact of Strategic Planning on Financial Performance of Companies in Turkey. *International Journal of Business and Management*, 5 (4).

⁶Koufopoulos, D. N., & Chryssochoidis, G. M. 2000. The effects of an uncertain country environment upon leadership and strategic planning practices. *Strategic Change*, 379-395.

⁷Day, G., Kerin, R., & Varadarajan, P. 1992. Marketing's contribution to strategy: the view from a different looking-glass. *Academy of Marketing Science Journal*, 20 (4), 323-43.

⁸Hooley, G., Lynch, J., & Shepherd, J. 1990. The marketing concept: putting the theory into practice. *European Journal of Marketing*, 24 (9), 7-25.

⁹Piercy, N. 1985. *Marketing Organisation: An Analysis of Information Processing, Power and Politics*. London: Allen & Unwin

¹⁰Thwaites, D., & Lynch, J. E. 1992. Adoption of the Marketing Concept by UK Building Societies. *The Service Industries Journal*, 12 (4), 437-462.

¹¹Workman, J. J., Homburg, C., & Gruner, K. 1998. Marketing organisation: an integrative framework of dimensions and determinants. *Journal of Marketing*, 62, 21-41.

¹²Day, (1994)

The current study has found that a few of the LCBs have recently realized the importance of marketing departments and concentrated on training employees, in order to contribute to the process of banking and financial renovation and development, to discover investment opportunities, to study new projects, and to keep abreast of the situation of the bank's competitors.

The majority of the managers interviewed were aware that a great many staff in the sales and marketing departments were highly qualified graduates, but, none of them had a professional marketing qualification, and most of them were not trained in marketing (Table 2, Item 2)

LCBs have developed their own comprehensive plans with flexible practices, i.e. SMP is in its infancy (Table 2, Items 3 & 4) , so implementation barriers are to be expected. Regarding SMP, the barriers, for example, are: lack of experience in marketing research; a lack of involvement by marketing managers (Table 2, Items 5 & 6); a lack of reliable, accurate, relevant and valid information; difficulty in anticipating changes in the business environment; a lack of required capability to implement the SMP (Table 1, Items 7 & 8) and achieve the banks goals; an absence of an accurate database; and fluctuating demand and supply of liquidity.

In relation to "Organizational Configuration", this study has found a block to information and decision-making participation between the 'layers' of the organization's managers; this could reduce the effectiveness of the SMP approach (Table 1, Items 9 , 10 & 11).

There are several factors influencing LCB's ability to implement SMP's process, for example, sources of information, the process of decision-making, relations between superiors and subordinates, functional competences and the work systems, marketing managers' abilities and the relationship between the LCBs and their customers.

Regarding the usage of information, in order to prepare periodical reports, measure the banks performance, detect problems and look for solutions, make prudent decisions., formulate and develops the banks strategies, the LCBs used two sources of information, internally and externally (Table 3 , Item 1).

Concerning relations between superiors and subordinates, the current research found the work environment within LCBs is characterized by friendliness and mutual respect. A good relationship between middle and senior managers enables middle managers to incorporate their ideas into the organization's personal strategy².

The banking work in the LCBs used to be conducted manually. Recently, in order to facilitate the work, save time and effort, and improve overall performance, LCBs have introduced new work systems (NPS and SWIFT), and have followed up with an intensive training programme to go with the new systems and with new functions. Training programs differ from one bank to another; some are keen to identify basic training needs for the new employees in order to help them to understand and accomplish their work. Special

¹Song , Nason & Benedetto, (2008

²Hoon, C. 2007. Committees as strategic practice: The role of strategic conversation in a public administration. *Human Relations*, 60 (6), 921-952

sessions are also required in special situations, e.g. for the NPS. However, it was found that training in marketing is not a major priority (Table 2 , Item 2).

Considering the managers abilities, it was found that LCBs marketing managers do not have the required abilities to develop the banks' future strategies and specifically their marketing strategies (Table 1 , Items 7 & 8). This can negatively affect the relationship with those who deal with the banks, because, for example, they do not have the required abilities to understand the customers' needs in order to satisfy them, as a result, they cannot fully integrate their relationship¹. Therefore, improving their abilities is necessary.

LCBs use different motivations or values to inspire people to purchase their services (Table 3, Items 2 & 3). For example, service quality^{2,3,4} speed of delivery, ease of procedures, the banks' reputation⁵, and offering easy access to banking services are the most common policies to attract customers, and depending on the strategic foreign partner to provide better services.

LCBs measure their performance financially and non-financially. This result supports Clark and Rust, AmblerTim, Gregory, Kumar & Rajendra^{6,7}. Financial measures and non-financial measures are equally important to LCBs. The most common financial measures used by the LCBs are balance sheets, income statements and cash flows, then market share and ROA. The most important non-financial indicators for the LCBs are a good reputation, customer complaints, training and development, rate of absenteeism and the number of new accounts opened.

With regard to the future of the Libyan banking industry, several factors have been identified which could possibly affect this industry in the future; for example, technology (which offers customers a huge amount of modern financial services)^{8,9}, the opening of the Libyan market to the world, changes in economic conditions (the financial crises and the factors of instability)¹⁰, and the configuration of political, social and demographic aspects of society.

As a result, although economic openness has a positive impact on the economy, LCBs are facing the danger of competition from foreign banks, because these are strong financially and non-financially^{11,12}.

¹(Vrontis , Kogetsidis & Stavrou, 2006

²Rice , Phillips & McFarlin et al, 1990

³Voss, Tsikriktsis, Funk, Yarrow & Owen, 2005

⁴Wille, 1992

⁵Anderson , Fornell & Lehmann , 1994

⁶Clark, B. H. 1999, Nov.15. Marketing Performance Measures: History and Interrelationships. *Journal of Marketing Management*, 711–33

⁷Rust, R. T., AmblerTim, Gregory, C. S., Kumar, V., & Rajendra, S. K. 2004. Measuring Marketing Productivity: Current Knowledge and Future Directions. *Journal of Marketing*, 68, 76–90

⁸Dickson, P. (1992). Toward a General Theory of Competitive Rationality. *Journal of Marketing*, 56, 69-83

⁹Kashani, K. 1996. A new future for brands, financial Times, Marketing Management.

¹⁰Gilligan & Wilson, 2003

¹¹Gilligan & Wilson, 2003

¹²Kashani, 1996

The Conclusion

The Major Findings

A comprehensive strategic plans are in place, but that the processes by which they are created have significant limitations. In addition, SMP in the LCBs is still evolving and that it is, currently, in growth. In terms of marketing lifecycle, marketing in LCBs is in its infancy stage, it was found, contrary to expectations that marketing departments have only been established recently. For this reason a number of barriers to SMP were found.

The Main Contributions

Understanding of the process of SMP that is being introduced into LCBs; determining the contextual factors that affect the implementation of SMP; identifying the major barriers to the success of the implementation of SMP and providing a practical framework for SMP in the LCBs in order to enhance its success.

Managerial Implication

The key implications of the study for improving the current implementation of SMP in the LCBs are summarized in the following actions:

The study has examined the SMP practice of the LCBs and provided a detailed description of LCBs goals and strategies, the Libyan business environment and some of the Libyan management styles. Therefore, this information can help Libyan managers in this industry to identify the critical factors that can affect their success. Based on an understanding of what others did in terms of their business practice, LCBs which are already implementing SMP may use this information for developing their strategies, and they will roll out SMP to the other banks in the field.

It should be noted, however, that establishing marketing departments is very important to success in a competitive environment. Success requires more effort and takes longer, therefore, when they delegate more authority to marketing managers their opinions and decisions would become achievable, effective and more acceptable to others.

The study provides some insights for the LCBs' top management who are interested in improving SMP. Employing specialists in marketing departments and training the current staff enables LCBs to complete what the Mckinsey Company started doing and enables the staff to develop the current strategy without help from anybody.

Care should be given to the type of organizational culture and behaviour when formulating and implementing SMP, because successful strategies will not be achieved if planners do not consider the cultural issues.

Limitations of the Study

This research did not examine the situation within all LCBs. It studied only four LCBs that were expected to have standard SMP practices, heavily

influenced by senior management. In addition, because of the researcher's time and information resource constraints.

Libya suffers from a problem of a lack of published data, and this has prevented comparisons between the findings of the current research and other research in Libya. Furthermore, because there is no longitudinal data ready to use, the correlation between SMP and the LCBs' performance could not be done. However, similar situations (strategic planning) have been examined in some other Arab countries and a comparison with these studies was drawn.

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Appendices

Table 1.

STA	S. DIS		DIS		UN		AG		S.AG		STD	M	PC
	PE %	FR	PE%	FR	PE	FR	PE%	FR	PE%	FR			
1	-	-	31	13	23.8	10	42.9	18	2.4	1	1.04	3.10	.674**
2	14.3	6	31	13	33.4	14	16.7	7	4.8	2	1.09	2.66	.366*
3	4.8	2	26.2	11	23.8	10	31	13	14.3	6	1.16	3.24	.573**
4	2.4	1	31	13	19.1	8	40.5	17	7.1	3	1.27	3.05	.361*
5	2.4	1	14.3	6	19.1	8	54.8	23	9.5	4	.95	3.56	.368*
6	-	-	4.8	2	7.2	3	28.6	12	59.5	25	.81	4.46	-
7	-	-	38.1	16	14.3	6	38.1	16	7.1	3	1.15	3.07	.451**
8	-	-	47.6	20	31	13	19	8	-	-	.89	2.63	.591**
9	47.6	20	28.6	12	7.2	3	16.7	7	-	-	1.14	1.83	-
10	4.8	2	14.3	6	23.8	10	28.6	12	28.6	12	1.20	3.63	-
11	9.5	4	21.4	9	31	13	28.6	12	9.5	4	1.15	3.07	.656**
12									40.5	17	.75	4.20	.454**

Key Table:

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency; Person Correlation between SMP and these items is : ** highly significant at 0.01; * significant at 0.01.

- 1** In our industry, demand was unpredictable.
- 2** Declining markets for services have been a major challenge in our industry.
- 3** Our bank has to change its marketing practices frequently.
- 4** In our bank, the modes of services have changed often and in many ways.
- 5** The bank uses a number of tools to encourage good planning
- 6** The bank uses external sources (e.g. consultants, agencies) for new ideas
- 7** CEOs and staff planners are responsible for the SMP function.
- 8** The planning department is responsible for the SMP function
- 9** Employees are allowed to make any decisions without checking with anybody else.
- 10** Any major decisions that employees make must have the approval of top managers.
- 11** The bank encourages participative decision-making processes in and between different organisational levels
- 12** Non-financial and financial measures are equally important

Table 2

QUE	NO. A		Yes		No		STD	M	PC
	PE%	FR	PE%	FR	PE%	FR			
1	4.8	2	40.5	17	54.8	23	.55	1.59	.509**
2	35.7	15	59.5	25	1	35.7	.55	1.54	.382*
3	9.5	4	81	34	9.5	4	.42	1.02	.487**
4	9.5	4	57.1	24	33.3	14	.60	1.27	.539**
5	21.4	9	35.7	15	42.9	18	.77	1.24	.591**
6	9.5	4	31	13	59.5	25	.50	1.27	.471**

Key Table:

QUE→ Question; NOA→ No Answer; PE→ Percentage; FR→ Frequency ; Person Correlation between SMP and these items is : ** highly significant at 0.01; * significant at 0.01.

1. Is there a SMP commission/committee in your bank?
2. Have you ever got training in marketing?
3. Does your bank prepare written strategic plans?
4. Does your bank prepare written strategic marketing plans?
5. Does this commission have access to senior management?
6. Do you ever participate in strategic plan formulation?

Table 3

STA	ANEV		NVO		SOM		OFT		AA		STD	M	PC
	PE	FR	PE	FR	PE	FR	PE	PE	FR	PE			
12	9.5	4	16.7	7	23.8	10	28.6	12	11.9	5	.64	1.54	.494**
13	4.8	2	4.8	2	9.5	4	42.9	18	38.1	16	.954	4.12	-
14	2.4	1	2.4	1	2.4	1	42.9	18	50	21	.673	4.44	.665**

Key Table:

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; MEA→ Mean; PE→ Percentage; FR→ Frequency; Person Correlation between SMP and these items is : ** highly significant at 0.01; * significant at 0.01.

- 1 How often does the bank collect information about external environment?
- 2 Customer satisfaction
- 3 Service quality