

# [Strategic players have increased significantly, the market is](https://assignbuster.com/strategic-players-have-increased-significantly-the-market-is/)

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Strategicmanagement is the art, science and craft of formulating, implementing andevaluating cross-functional decisions that will enable an organization toachieve its long-term objective (Pearce and Robinson 2003). The main reason ofstrategic planning is to increase the efficiency and effectiveness oforganizations. The strategic planning looks for taking advantages of newopportunities to achieve goals and long term objectivesThemature banking industry-comprised of different services ranges from takingdeposits, providing various loans and services-is faced with increased competition.

Since the number of players have increased significantly, the market issaturated. Attracting new customers within the limited cutthroat market spaceis more challenging and difficult than before. In addition, while the bankingbusiness and the needs of customers are changing, it is imperative for banks todifferentiate their service. While private commercial banks are leap in valuecreating for their loyal customers base, public commercial banks losing theircustomers.

Banks business are evolved somuch, customers are more conscious and want better services, and this poorquality services provided by Agrani Bank or other private banks will experiencea huge downfall threat in future. It is evident that this bank is unable todifferentiate this business. Itis always an issue that government have resource constraints in terms of manpowerand budget allocation.

It makes difficult to differentiate the business to findan attractive base of profitable base of customers. Mostly the customers ingovernment banks take the basic services. And the branches outside Dhaka aredispersed to ensure services to less affluent people so equality in receivingservices is ensured. So it is quite clear that this bank adopts low cost providingstrategy.

In some instances the customers who are in the bottom of the pyramidprice matters a little. Based on thesocio-economic consideration, the government formulated the credit expansionpolicy and banks were directed to sanction credits to public sector enterprisesand priority sectors. Banks were bound to provide funds to the priority sectorswith low interest rates. This enabled to gain competitiveadvantages by lowering overall cost compared to that of competitorsespecially the private banks which is entitled with heavy charges. Agrani Bank Limited is operating with its existing productlines efficiently across the country throughout its branches. It is importantfor service industry to provide a satisfactory service.

Nevertheless, setting astandard is very difficult while there are resource constraint. Compare toother private banks the services Agrani bank renders are quicker and qualityone.