Research on Development Strategy of DYLS Bank Based on DELPHI-SWOT Hybrid Analysis Model

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Abstract. In recent years, the competition in the banking industry has intensified. How to choose an effective development strategy in an increasingly competitive environment is an urgent problem. Taking DYLS Bank as the object, according to the external macro environment of PEST model, the industry competition environment of Porter's five-force model and its own development status, the DELPHI-SWOT hybrid analysis model is used to sort out the internal and external factors affecting the development strategy of DYLS Bank. The study concluded that DYLS Bank should choose a differentiated strategy and segment it from product differentiation, service differentiation and image differentiation to lay the foundation for pointing out the development strategy of DYLS Bank.

1. Introduction

As a new type of financial institution, DYLS Bank has been insisting on serving DY's small and medium-sized enterprises since its inception, and insists on the small market positioning of supporting agriculture. DYLS Bank is committed to cultivating its own unique corporate culture and implanting a new financial service concept for DY SMEs and the “Three Rural” economy. In order to achieve better and faster development, DYLS Bank needs to combine its internal and external environment and resources, clarify its own positioning, and rationally formulate its own development strategy. Based on the traditional PEST analysis and Porter's five-force model analysis, the article introduces the DELPHI-SWOT hybrid analysis model to strategically select it, which is of great significance to itself and other banks in the same industry.

2. Model Description

2.1 Environmental analysis model

An important tool for macroeconomic theory and analysis is the PEST model. In this paper, ‘P’ refers to the state's treatment of financial openness and the country's financial security; ‘E’ refers to the competition, industrial environment that banks faced in the world economy and China's economic form and overall development trend; Social and cultural environment, such as customs, culture and education; T refers to the bank financial services and products need the support of computer technology and information technology, the development of the banking industry is inseparable from the support of information technology.

The five-force model proposed by Michael Porter in the "Competitive Strategy" is a powerful tool for the academic community to conduct competitive environmental analysis, mainly from the bargaining power of suppliers, the bargaining power of buyers, the threat of existing competitors, potential competition. The threats and threats of alternatives are discussed in five aspects [1].

2.2 DELPHI-SWOT hybrid analysis model

The DELPHI-SWOT model combines the Delphi method with the SWOT model to solve the

weakness of the re-characterization of the SWOT model by Delphi's quantitative scoring, achieving a combination of qualitative and quantitative. The evaluation steps of the DELPHI-SWOT hybrid analysis model are firstly to conduct sufficient macro, micro-environmental analysis of the evaluation objects, and secondly to the elements of environmental analysis under the four advantages, disadvantages, opportunities and threats of the traditional SWOT model. The summary is combed. The third is to use the Delphi method to score the weights of each element, and use the statistical analysis method and European distance to make strategic choices.

3. Selection and development strategies of the Bank DYLS

This paper uses the PEST model and Porter's five-force model to analyze the development environment of DYLS Bank. The specific factors are reflected in Table 1, and the analysis process will not be repeated.

3.1 Strategic factors

Based on the analysis of the development environment of DYLS Bank in Table 1, the factors can be classified into six categories, including political factors, economic factors, social factors, technical factors, legal factors and geographical factors, a total of 26 [2]. As shown in Table 1.

Table 1. Details of influencing factors and expert empowerment.

Primary factor	Secondary factor	Variable number	Attribute	Secondary factor weighting					Average weight
				DM1	DM2	DM3	DM4	DM5	
Political factors	Affected by the government's monetary policy	POL01	T	0.6	0.5	0.7	0.4	0.5	0.54
	Domestic unstable financial economy	POL02	T	0.8	0.6	0.5	0.6	0.6	0.62
	Domestic political stability	POL03	O	0.5	0.6	0.5	0.5	0.6	0.54
	Government policy support	POL04	O	0.6	0.7	0.6	0.5	0.5	0.58
	Bank special fund support	POL05	O	0.7	0.6	0.8	0.7	0.6	0.66
	Financial policy support	POL06	O	0.6	0.8	0.5	0.7	0.6	0.64
Economic factors	Stable and reliable source of deposit	ECN01	S	0.7	0.6	0.9	0.6	0.7	0.7
	Intensified competition in the banking industry	ECN02	T	0.6	0.5	0.5	0.7	0.5	0.56
	Regional financial market development imbalance	ECN03	T	0.5	0.6	0.5	0.5	0.6	0.54
	Stable economic development	ECN04	O	0.5	0.6	0.6	0.7	0.5	0.58
	Alternative threats	ECN05	O	0.6	0.7	0.6	0.9	0.5	0.66
	Local banking market is stable	ECN06	T	0.5	0.6	0.5	0.5	0.6	0.54
	Internet bank potential entrants appear	ECN07	T	0.6	0.4	0.5	0.5	0.6	0.52
Social factors	Residents have strong storage capacity	CUL01	S	0.5	0.6	0.6	0.7	0.5	0.58
	Diversified investment methods of residents	CUL02	W	0.6	0.7	0.6	0.5	0.6	0.6
	High quality of bank employees	CUL03	S	0.6	0.6	0.5	0.4	0.6	0.54
Technological factors	Bank information management technology	TEC01	S	0.5	0.6	0.6	0.7	0.5	0.58
	Did not introduce international leading technology	TEC02	W	0.6	0.5	0.5	0.6	0.5	0.54
	Existing technology is not independent development	TEC03	W	0.6	0.7	0.6	0.8	0.6	0.66
Legal factors	Strict legal environment	LEG01	W	0.6	0.5	0.6	0.5	0.6	0.56
	Strict interest rate management system	LEG02	W	0.7	0.6	0.6	0.5	0.6	0.6
	Loose currency environment	LEG03	O	0.6	0.5	0.8	0.6	0.5	0.6
	Foreign bank preferential policies	LEG04	T	0.6	0.5	0.7	0.6	0.5	0.58
Geographical factor	Less distribution points	GEO01	W	0.6	0.5	0.5	0.4	0.6	0.52
	Located in the area of Shengli Oilfield	GEO02	S	0.6	0.5	0.5	0.7	0.6	0.58
	Located in the Blue and Yellow Economic Zone	GEO03	S	0.7	0.5	0.5	0.6	0.5	0.56

3.2 Strategic factor score data processing

After sorting out the strategic factors, we quantify and standardize the strategic factors. First, experts are invited to score the influence of various strategic factors on strategic choices, ranging from 0 to 1. Because of the different backgrounds of experts, in order to eliminate the subjective impact of

strategic scores, use formula (1) and formula (2) to score data. Standardize the positive and negative impacts on strategic choices [2]. As shown in Table 2.

$$X_i = \frac{x_i}{\sum_{i=1}^{m} x_i}, i = 1,2,...,m \tag{1}$$

$$Y_j = \frac{y_i}{\sum_{j=1}^{n} y_i}, j = 1,2,...,n \tag{2}$$

m and *n* are the number of positive and negative factors respectively.

Table 2. Variables and their standardization weight.

Attribute	Variable number	Average weight	Standardization weight	Attribute	Variable number	Average weight	Standardization weight
S	ECN01	0.70	0.0827	W	CUL02	0.60	0.0877
	CUL01	0.58	0.0686		TEC03	0.66	0.0965
	CUL03	0.54	0.0638		LEG01	0.56	0.0819
	TEC01	0.58	0.0686		LEG02	0.60	0.0877
	TEC02	0.66	0.0780		GEO01	0.52	0.0760
O	POL03	0.54	0.0638	T	POL01	0.54	0.0789
	POL04	0.58	0.0686		POL02	0.62	0.0906
	POL05	0.66	0.0780		ECN02	0.56	0.0819
	POL06	0.64	0.0757		ECN03	0.54	0.0789
	ECN04	0.58	0.0686		ECN06	0.54	0.0789
	ECN05	0.66	0.0780		ECN07	0.52	0.0760
	LEG03	0.60	0.0709		LEG04	0.58	0.0848
	GEO02	0.58	0.0686				
	GEO03	0.56	0.0662	TOTAL		6.84	1.0000
TOTAL		8.46	1.0000				

3.3 Strategic program evaluation

The enterprise development strategy can be selected from the stability strategy, the centralized strategy, the differentiated strategy, the low-cost strategy and the exploratory strategy. In order to ensure the scientific nature of the strategic choice, experts are invited again to evaluate each strategy, and the division is divided [0, 5]. The specific results are shown in Table 3.

Table 3. Score and ideal score for five alternatives.

Attribute	Variable number	Alternatives					Variable number	Alternatives					ideal score
		Stable	Integration	Differentiation	Cost leadership	Exploratory		Stable	Integration	Differentiation	Cost leadership	Exploratory	
S	ECN01	3.8	2.6	3.2	2.9	2.5	TEC01	2.3	2.6	3.3	2.8	2.5	5
	CUL01	3.0	2.8	2.7	2.5	2.6	TEC02	2.7	2.9	2.9	2.6	2.7	5
	CUL03	2.5	2.7	3.5	2.2	2.5							
O	POL03	2.2	2.1	2.3	2.2	2.0	ECN05	2.6	2.2	2.7	2.8	2.4	5
	POL04	2.3	2.3	2.4	2.1	2.2	LEG03	2.3	2.2	2.4	2.3	2.2	5
	POL05	2.6	2.4	2.9	2.3	2.4	GEO02	1.9	1.8	1.8	1.6	1.5	5
	POL06	2.7	2.3	2.8	2.3	2.3	GEO03	2.2	2.3	2.6	2.3	2.2	5
	ECN04	2.8	2.4	2.8	2.4	2.3							
W	CUL02	2.8	2.6	2.9	2.2	2.3	LEG02	2.3	2.2	2.1	2.0	2.6	0
	TEC03	2.4	2.3	2.5	2.2	2.3	GEO01	2.2	2.3	2.2	2.3	2.2	0
	LEG01	2.6	2.6	2.1	2.5	2.4							
T	POL01	2.3	2.4	2.2	2.3	2.3	ECN06	2.4	2.5	2.2	2.3	2.3	0
	POL02	2.2	2.3	2.1	2.0	2.2	ECN07	2.2	2.3	2.4	2.2	2.3	0
	ECN02	2.4	2.5	2.1	2.2	2.3	LEG04	2.3	2.3	2.4	2.4	2.3	0
	ECN03	2.2	2.1	2.4	2.3	2.2							

3.4 Selection of preselection options

After the experts evaluate the strategic pre-selection plan, the expert evaluation data is processed, mainly from the opportunity advantage score and the threat disadvantage score, and then the European distance is introduced to measure the strategic pre-selection plan. The smaller European-style remarks are closer to the ideal solution and become the target of DYLS's development strategy.

$$W_{os} = \sum_{i=1}^{m} X_i \times K_i \tag{3}$$

$$W_{tw} = \sum_{j=1}^{n} Y_j \times L_j \tag{4}$$

$$D = \sqrt{(W_{os} - 5)^2 + (W_{tw} - 0)^2} \tag{5}$$

K_i and L_j represent the average scores of positive and negative factors.

Table 4. Program evaluation result.

Alternatives	W_{os}	W_{wt}	D	Rank
Stable	2.586997635	2.361988	3.376620755	2
Integration	2.404728132	2.366374	3.512144925	4
Differentiation	2.743498818	2.304093	3.225002657	1
Cost leadership	2.392434988	2.237134	3.435718822	3
Exploratory	2.315839243	2.309941	3.541263389	5

3.5 Development strategy selection

According to the above table, the differentiated development strategy is the most suitable development strategy for DYLS banks. The differentiation strategy is to develop a development strategy that is different from the same industry and differentiates itself. However, the differentiation strategy does not mean that the enterprise can ignore the cost, but emphasizes that the strategic goal at this time is not a cost issue [3]. Differentiation strategies are not only about the differentiation of products in form, but also the problem of differentiated strategies that enterprise strategies need to solve. Product differentiation, service differentiation and image differentiation constitute the differentiated development strategy of DYLS Bank.

3.6 Formulation and implementation of DYLS Bank's development strategy

The differentiated development strategy will enable DYLS Bank to continue to grow and develop healthily. The development of differentiated development strategies requires tailor-made credit products for customers, as well as DYLS Bank in terms of credit distribution efficiency, guarantee methods and technology services. Differentiated and characterized, from the customer's point of view, DYLS Bank will be in a more favorable position if customers reduce the sensitivity to price and improve the loyalty to DYLS bank brand.

3.6.1 Product differentiation

DYLS Bank should build deposit- and loan-based products. The intermediary business is an auxiliary platform. Multi-faceted and multi-level products and services are available for customers to choose. DYLS Bank should firmly serve the market positioning of three rural policy and small and medium-sized enterprises. DYLS Bank needs to define its own market positioning, choose a small and precise development strategy, serve the three rural, small and medium-sized enterprises, and constantly improve the system innovation and technological innovation to survive. DYLS Bank should put economic benefits first, develop small and medium-sized enterprises to suit their own credit products, and ensure the stable development of various businesses, thus demonstrating the advantages of DYLS Bank in the region and the comparative advantages of deposit and loan business. The differentiated operation of DYLS Bank's financial products requires the support of financial product innovation and the introduction of new products.

3.6.2 Service Differentiation

To realize service differentiation, DYLS Bank needs to focus on customer requirements, innovating service forms expanding the scope of intermediary business, increasing the intermediary business volume of banks, and use the new capital market operation mode to improve the efficiency of capital use.

Market segmentation by DYLS Bank is the main way to achieve service differentiation. According to the current financial market conditions of DY, considering the resources and advantages of DYLS Bank, the market segmentation is mainly divided into segments according to business scope standards, segmented according to customer attitudes and preferences, and segmented according to customer basic types. Three aspects are carried out. Finding target customers in the market segments, and

providing them with different service content according to the characteristics of these target customers, thus achieving differentiation of financial services.

3.6.3 Image differentiation

The image of DYLS Bank has always been a small branch of agriculture. It relies on accumulated word-of-mouth and media to moderately promote this image, forming a series of elements integration of banks, services, markets and ideas.

4. Summary

Through the analysis of the development environment of DYLS Bank, there are 14 positive factors (opportunity factors and dominant factors) affecting its development, and 12 negative factors (threat factors and inferior factors), indicating that internal and external factors are combined. DYLS Bank has a good development environment. Through environmental analysis and quantitative measurement of DELPHI-SWOT hybrid analysis model, DYLS Bank should choose differentiated development strategy, implement it from three aspects: product differentiation, service differentiation and image differentiation.

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