

Unit Code and Title:

BMMB7006D Global Business Challenges

Tutor's Name: Anthony Burns

Report Title and Purpose:

An assessment of Scotiabank's business
landscape

Student Name: Kevin A Williams

Student Number: 2306998

Table of Contents

Executive Summary	3
Introduction	4
Background.....	5
Enviromental Assessment.....	5
PESTLE framework	6
SWOT Analysis	9
Porter's Five Forces.....	12
Porter's Diamond model.....	17

Executive Summary

Scotiabank is a highly respected brand and one of the dominant players of the financial services industry globally. The bank boasts a solid asset base of \$1.4 trillion (as at January 2023) and 90,000 members of staff. The bank is also keen on its commitment to mitigate the impacts of climate change related issues in its

Although the financial institution is relatively successful globally, Scotiabank faces operational challenges derived from regulatory differences, technological development and market-induced factors. In response, an in-depth environmental analysis with the aid of the frameworks below:

- the PESTLE framework
- SWOT analysis
- Porter's Five Forces
- Porter's Diamond Model

The primary objective of this document is to provide a comprehensive understanding of the environmental factors that affect the bank's operations from the lenses of the aforementioned models.

Introduction

Banking forms a part of all of our lives. Most of us utilize the products and service offerings of financial institutions on a daily basis. From the simple act of swiping a debit or credit card for a

delightful coffee ritual to major life decisions, such as purchasing a home for our family or making strategic investments, our chosen financial partner plays a pivotal role in realizing our financial aspirations. Therefore, when choosing a financial with which to do business, there are a lot of factors consumers consider. These may include:

- Convenience in terms of location or touchpoints available
- Types of services and products offered compared to unique needs of the consumer
- Accessibility to funds
- Cost of doing business with the institution, in terms of fees
- Technology capabilities
- Social responsibility initiatives of the institution
- Customer service
- Reputation built on a foundation of trust and reliability

1.0 Background of Scotiabank

At the beginning of 2023, Scotiabank was ranked in the top four percent (4%) of global financial institutions. With an asset base of 1.4 trillion and a staff complement of 90,000 as of July 31,

2023, the bank continues to be a dominant player in the global financial service landscape. (Scotiabank, 2023).

The bank has a global presence spanning North America, Latin America and the Caribbean, South America, Europe and East Asia. Scotiabank has a well-developed corporate social responsibility strategy, as it encompasses environmental and climate justice.

The bank boasts a vibrant red hue as its primary brand colour, accompanied by its slightly elongated “S”, highlighting its commanding presence. Scotiabank, also known in some territories as The Bank of Nova Scotia, “is a leading international bank with a strong presence in the Americas, offering a wide range of financial services. According to the bank’s corporate website, the bank is “guided by its purpose: ‘for every future.’” The bank prides itself by helping its “customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets (Scotiabank, 2023).

Despite its strong financial performance and global reach, the company still faces barriers and challenges to its operations - jurisdictional and regulatory. These barriers and challenges will be discussed in the following environmental analysis.

2.2 Environment Analysis

In conducting the environment analysis, the PESTLE matrix, SWOT analysis and Porter's five forces were employed to ascertain the factors that are likely to impact Scotiabank's success in today's increasingly competitive landscape.

2.2.1 PESTLE Framework

PESTLE incorporates politics, economic, social, technological, legal and environmental factors that affect the bank's operations. This analysis studies the key external variables that impact the organization and includes “nonmarket” factors (XXXX).

Advantages of utilizing PESTLE include:

- Provides an understanding of the wider business environment
- May reveal threats to a new or existing project
- Can assist organizations to anticipate future problems, allowing them to devise strategies to minimize these risks

However, there are some limitations associated with using the PESTLE framework, such as:

- The pace of change (technology or otherwise) can make it difficult to preempt all possible factors that may affect the organization in the future.
- The information used in the analysis may be based on assumptions as opposed to up-to-date facts
- Gathering information for each factor of the analysis might be time consuming and may also result in information overload, especially for businesses like Scotiabank that operate in varied markets.

The PESTLE diagram illustrated in **Figure 1** below, delves into some of the factors that can be used to guide Scotiabank's strategic decisions.

Political

As indicated therein, from the political perspective within this framework, for the reason that Scotiabank operates in various markets around the world, the company is prone to instances of political unrest and instability. Inevitably, some markets may be more stable than others. Traditionally, the developed countries tend to be more politically stable than the developing countries. An example of this type of instability is currently unfolding in front our eyes in Peru. Recently elected President of Argentina, Javier Milei, promised in his election bid to close the central bank in Argentina and change the country's currency to the U.S. dollar, moving away from the use of the peso (Harring, 2023). This change will undoubtedly encourage a new regulation framework, affect inflation rates and ultimately cost of living and have many other macro-economic impacts.

Brexit is another instance that created political instability in a country where Scotiabank has a presence, as we witnessed the United Kingdom take an unprecedented departure from the European Union in 2020. "A recent study by the London School of Economics found that Brexit was responsible for about a third of UK food price inflation since 2019, adding nearly £7 billion (\$8.8 billion) to Britain's grocery bill." (Ziady, 2023).

Economic

From an economic standpoint, interest rates influence the cost of borrowing for both consumers and businesses. The higher the interest rate, the more the cost to borrow funds from Scotiabank will be. When the cost of borrowing increases, this has an inverse effect on the volume of loans and investments undertaken.

The unemployment rate is also a critical economic factor to be considered, as it affects consumers' ability to meet their financial obligations. If the country in which the company operates is experiencing high unemployment, Scotiabank will be forced to write off a high volume of loans, affecting the company's bottom line. This will also result in a reduction in consumer spending, limiting spending to mostly necessities.

Social

We will now take a look at some social factors of the PESTLE framework. Understanding the demographic trends in each county of the company's operation will help Scotiabank offer appropriate products, influenced by consumer demands. For example, if the population is young professional dominant, services such as small business loans and financial advice services may be more appropriate to place emphasis on in the marketplace.

Technical

Regarding technical elements, Scotiabank continues to invest in technological capabilities to increase customer satisfaction, remain competitive and improve the bank's efficiency. Many banking services are now available to customers from their handheld mobile devices, accessible at their convenience. In the Caribbean region, particularly in Antigua, Scotiabank was the first financial institution to launch Visa Debit cards and online banking. This cemented the bank as an industry leader, highlighting its dominance of market share. In fact, in 2010, Scotiabank was the third bank globally to launch mobile banking, allowing customers to conveniently conduct banking transactions from anywhere, at any time. This increased consumers' satisfaction and reduced the need to physically visit the bank for routine transactions such as the transferring of funds between accounts and bill payments (Scotiabank, 2023).

However, cybercrime and fraudulent activities are becoming an increasing concern for everyone and particularly for banks. Fraudsters are sharpening their skills and creating innovative ways to penetrate the bank's security systems. Consumers entrust Scotiabank with extremely sensitive and confidential information. It is therefore critical for the bank to put mechanisms in place to mitigate fraudulent activities and unauthorized transactions.

When it comes to the legal standpoint, the bank adheres to regulatory frameworks to remain compliant with local and international laws. This encompasses privacy laws, anti-money laundering (AML), know your customer compliance (KYC), financial reporting, etc. Adhering to established standards and regulations are integral to the bank's successful operations. Compliance is not only a legal requirement but also ensures the stability of the financial markets, keeps customers' information safe and enhances consumers' confidence in their financial institute of choice.

While today's society grows busier and our lifestyles become more hectic each day, the way we communicate with each other, and our professional partners continue to evolve. However, banks like Scotiabank must remain professional and appropriate in their chosen medium of communication with their colleagues and customers, irrespective of changes in the communication landscape. This adherence is highlighted by a recent case of Scotiabank employing inappropriate communication channels. Earlier this year, Scotiabank was hit with a US\$22.5 million penalty from two U.S. agencies - the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC), as a result of a breach regarding the use of unauthorized communication medium, such as WhatsApp and text message by employees. "The CFTC said the use of the communication channels violated Scotiabank's own policies, and that some of those tasked with supervising these policies themselves used non-approved methods of communications" (The Canadian Press, 2023).

Environmental

From an environmental point of view, Scotiabank is mindful that consumers, to an increasing extent, are displaying a growing awareness of issues negatively affecting our environment and are committing in their own ways to reduce their carbon footprint. "Scotiabank, through its Climate Commitments and Net-Zero Pathways, strives to contribute to the shift toward a low-

carbon economy within our operational reach. Furthermore, the bank actively seeks collaboration in collective initiatives to combat climate change” (Scotiabank, 2023).

Figure 1: PESTLE Diagram

Political	Economical
• Political Stability: Political stability in each country of Scotiabank’s operations may be different. It may be more stable in developed countries, such as the United States and Canada and less stable in countries such as Peru. • Changes in the political leadership of a country can lead to operational uncertainties, such as taxation rates and the cost of doing business.	• Inflation Rate and Interest Rates: These can impact both consumers’ disposable income and their ability to access Scotiabank’s products and services such as personal loans and mortgages. • Unemployment Rates: fewer jobs in the economy will result in reduced consumer spending. • Consumer Spending Trends: Changes or new trends in consumer spending habits would determine the priority areas on which consumers spend the disposal income and what aspects will be allocated a particular share of wallet.
Social	Technical
• Demographics: Understanding the demographic trends in each county of the company’s operation will help Scotiabank offer appropriate products, influenced by consumer demands. • Cultural Considerations: Adopting to the unique cultural preferences and nuances of the individual country of operation will prove beneficial to the company’s success.	• Digital Capabilities: Scotiabank continues to invest in technological capabilities to increase customer satisfaction, remain competitive and improve the bank’s efficiency. • Electronic Information Security – Scotiabank Digital attack
Environmental	Legal
• Sustainability: ○ The bank offers many financing options for many sustainability initiatives	• Regulations: Scotiabank currently operates in a host of countries worldwide. There is not a consistent

○ Scotiabank, through its Climate Commitments and Net-Zero Pathways, aims to address climate change.	regulatory framework that can be applied across all countries.
--	--

As indicated earlier, the PESTLE framework is not without its shortcomings and limitations

2.3 SWOT Analysis

To minimize the limitations of the PESTLE framework, the SWOT technique is also used. The SWOT analysis takes into account the company's internal strengths and weaknesses, as well as its external opportunities and threats.

Some key advantages of utilizing the SWOT analysis are:

- A holistic tool used to assess both the external and internal factors affecting the company, making this approach more comprehensive approach
- Fairly straightforward and easy to use

The SWOT analysis also has some limitations, and they are as follows:

- It is subject to biases of the composer(s)
- The analysis' quality is primarily determined by the accuracy, relevance, etc. of the information gathered.

Strengths

Scotiabank has been in operation since 1832, when it first opens its doors in Halifax, Nova Scotia (Canada). The country has positive international brand recognition and also possesses favourable brand reputation in the markets it operates. The bank has maintained its market share by offering a wide range of products and service and has always been a forerunner with technology, offering a wide range of digital products, such mobile banking, electronic bill payment services, account management services, etc.

Scotiabank prides itself in its community engagement and corporate social responsibility (CSR) initiatives and places a lot of emphasis on CSR initiatives to reduce its carbon footprint.

Weaknesses

Scotiabank, like most financial institutions, has been exposed to instances of cybercrimes, where its customers have been victims of ID theft, resulting in unauthorized transactions on their account. It is therefore imperative that Scotiabank continues to invest heavily in cybersecurity mechanisms to mitigate these and similar occurrences.

Additionally, in some territories the bank trades as the Bank of Nova Scotia, while in others it trades as Scotiabank. Therefore, the brand name is not consistent throughout its global operations.

Opportunities

Consumers are becoming more environmentally conscience and therefore seek financial institutions and other companies that reflect their values. The bank is therefore poised to highlight its corporate social responsibility initiatives as a competitive advantage in its pursuit to attract like-minded customers as it continues its work in sustainable markets.

Threats

Unemployment and inflation rates are currently affecting economies around the world. The cost of doing business is increasing globally, and this is eroding consumers' disposable income. Interest rate increases also impact on the cost of borrowing. When consumers borrow less and are unable to repay their existing financial obligations, this negatively impacts the bank's performance.

New non-traditional payment platforms, such as Cash App and Vemo are not only offering customers a medium to transfer funds between each but are now offering services such as debit cards for teenagers.

In addition, because of the bank's global reach, it is prone to global instability. For example, the ongoing conflicts in Ukraine, Palestine and South America continues to negatively impact global trade.

Figure 2: SWOT Analysis

Strengths	Weaknesses
• The company has a positive international brand reputation and international brand recognition • Wide range of product and service offerings • Employees Diverse and inclusive workforce • Community engagement • Actively participates in corporate social responsibility initiatives • Strong governance structure • Among the top global financial institutions with a strong financial position • Strong, innovative and interactive social media presence worldwide • Digital footprint •	• Cybersecurity: As hackers and fraudsters become more technological savvy, there has been an increase in cybercrime and fraudulent activities which have negatively impacted the company's bottom line. • The loan requirement process is typically a little more relaxed than other global financial institutions, resulting in a relatively high volume of non-performing loans. • Inconsistent brand name in territories

Opportunities	Threats
• Consumers are becoming more environmentally conscience and therefore seek financial institutions and other companies that reflect their values. • Potential to expand further into more international markets • New consumer preferences and trends can influence and dictate new markets/ product offerings • Increase automation and incorporate the use of artificial intelligence (AI) technology to assist services such as lending processes and account open processes.	• The company is prone to costly currency fluctuations as it operates in many countries worldwide. • The increase of non-traditional financial service providers, such as “payday loan” companies, etc. has increased competition in the already competitive landscape. • New non-traditional payment platforms, such as CashApp, Vemo are offering financial services. • Increase occurrences of coordinated global cyber-attacks. • Global inflation which reduces consumers’ spending power, ultimately impacting the economic performance of businesses • Prone to global instability:

2.4 Porters Five Forces Model

The Porters Five Competitive Force’s model was developed by renowned Harvard professor, Michael Porter in 1981. The model allows for a systematic and structured analysis of market and competitive situations (Porter, 1981). This model has been regarded as one of the foremost leading assessment models in business strategy, and we will now be examining Scotiabank’s operations through the lens of this model to assess their competitive advantages within the banking industry in globally.

Porter’s Five Forces Framework assist with industry analysis and helps to identify industry attractiveness in terms of five competitive forces: extend of rivalry between competitors, threat of entry, threat of substitutes, power of buyers and power of suppliers. These five forces together determine an industry’s structure and its attractiveness (Whittington et al., 2019).

When accessing the bank using Porters Five Forces Model, we have identified some of the bank's strengths. Scotiabank strengths through the lens of this model revealed that the bank was undoubtedly its well-established brand within the industry along with its well diverse global operations that allows for them to have a strategic advantage. This strategic advantage allows Scotiabank to maintain their dominance in the industry while minimizing the impact of threat of new entrants and substitute, bargaining power of supplier and buyer, and the competitive rivalry.

However, one weakness that was identified is the bank's inability to differentiate their products and services from competing financial institutions. The products and service offerings of banks are homogeneous in their nature and the only differentiator is the level of customer service provided. Additionally, the threat of new entrants is real as fintech companies and other non-bank financial institutions continue to find innovative ways that adapt to customers' ever

evolving expectations which creates a window to enter the market. As a result, Scotiabank is compelled to be innovative with their products and service while curtailing and combatting cyber-attacks due to digitization which in turn comes at a significant cost to operate business and stave-off new entrants.

We have illustrated in **Figure 3**, the main components of Porter's Five Forces model which will be assessed for Scotiabank global operations.

Michael Porter's Five Forces Framework

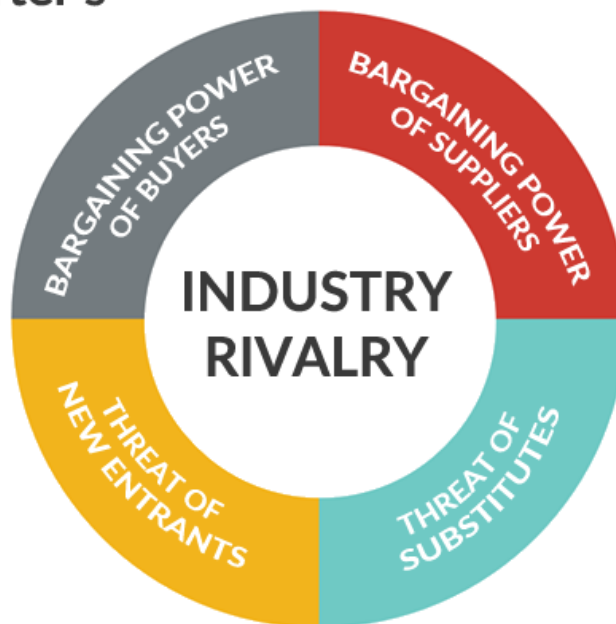


Figure 3: Porter's Five Forces Framework

Source: Fern Fort University

Defining the Industry

To accurately assess Scotiabank using the Porter's five forces model, we will first define the industry in which the bank operates. Scotiabank operates within the global banking market and has operations in over 40 countries across the globe. The banking industry, like any other industry in today's competitive environment, is susceptible to several shocks, such as interest rates, economic stability, compliance and regulatory oversight from the regulatory bodies. Most importantly, Scotiabank's international operations are subject to systemic disruptions because of the interconnectedness of the financial services industry.

Scotiabank's operations are headquartered in Toronto, Canada. The Canadian economy is considerably stable, with moderate interest and inflationary measures. While the regulatory environment is known for its prudence, with strong regulatory oversight, for the most part, it has a conservative banking culture. It should be noted that the Canadian banking industry is

extremely competitive as Canada is home to some of the most dominant players in the global banking landscape. The major players in the banking industry in Canada are Royal Bank of Canada (RBC), Toronto Dominion (TD), Bank of Montreal (BMO), Canadian Imperial Banking Corporation (CIBC) National Bank.

Innovation continues to lead technology at lightning speed and fosters changes within the global markets. The banking industry is no different, with customers who have ever evolving changes in customer preferences that are demanding digital services through omni products that are real time.

Scotiabank has demonstrated strong financial performance over the past five years, with positive returns on assets (ROA) and returns on equity (ROE). There has been solid growth in the bank's key performance metrics, such as revenue, net income and balance sheet positions. Technological advancements continue to transform the way we do business and with advances in new products and services, such as fintech and other digital solutions.

As previously indicated, Scotiabank brand is well established with an extensive portfolio encompassing retail banking, investments and commercial banking. Within the industry, Scotiabank continues to be a trailblazer in community engagement initiatives in Canada and throughout its global operations. One notable initiative that sets Scotiabank apart from the other financial institutions is ScotiaRise, which was established to promote economic resilience among disadvantaged and volunteer groups of people.

Bargaining Power of Buyers:

The Bargaining Power of Buyers element was assessed, and this was deemed to be high, as customers have a host of financial service providers to choose from in the marketplace and there is virtually no or very minimal cost to switch institutions. There is also the advent of non-traditional digital (fintech) financial institutions offering similar services, creating more competition and increasing consumers' options.

However, Scotiabank remains at the forefront of innovation within the industry with the acquisition of Tangerine in 2012, an online bank. Scotiabank also launched cashless branches within their branch network, responding to consumer trends. The acquisition of MD Financial in 2018 to further strengthen their product offerings and market share within the industry. They have also acquired BBVA Chile in 2023 to further strengthen their global footprint and increase profitability. As a result, Scotiabank has been able to maintain a large and diversified client base which is inclined to continue banking with them, especially since moving to another institution would require high switching costs and associated fees.

The Bargaining Power of Suppliers

The Bargaining Power of Suppliers was assessed and to be moderate since Scotiabank relies heavily on consumers and businesses for funding (money) that is placed in deposits accounts and in turn issued through loans to their customers. Scotiabank also generates money from the Toronto Stock Exchange (TSX) through the sale of equity shares for capital to fund its operations and to increase its deposit base.

As Scotiabank's relationship with their suppliers is critical to their continued success as they can have an impact on their efficiency, sustainability and cost of funding. Consumer suppliers such as personal deposits are usually one of the cheapest sources of supply for money, while business suppliers, such as stocks and bonds tend to be a bit more costly. Scotiabank relationships with their suppliers is underpinned through their economic, social and governance principles. They do this through the economic, social and governance report that is produced annually and it is the catalyst for good supplier relationship which can influence the efficiency source of funding for the bank's operations.

Threats of new entrants

When we considered the threats of new entrants' factor, we found this was moderate. Scotiabank is one of the biggest banks globally and has been in operation for over 190 years with a market capitalization of over 73 billion dollars (TSX.com, 2023).

The bank's acquisition of Roynat Capital, a venture capitalist firm that offers financing and invests in start-ups and medium-sized firms, positions Scotiabank with a competitive advantage in the banking industry. Entering the financial services market typically requires a large capital investment making it difficult for new entrants to enter the banking industry. Furthermore, banking is a highly regulated industry which requires new entrants to the market to obtain a banking license prior to beginning its operations. It should be noted that there has been increased pressure from credit unions, non-bank institutions and other fintech companies that pose a real threat in penetrating the banking industry, as they continue to find niches in the financial services market.

Threats from the substitute products

Threats from the substitute products were assessed and thought to be high, since the banking industry is highly competitive with intense rivalry and competition among other banks within the industry and the increased presence of alternate money lenders. The industry has experienced a stark increase in competition from non-bank financial institutions such credit unions, finance companies, fintech companies, insurance companies, and other similar institutions in the marketplace. Although there is evidence of this increased presence in the industry, particularly in Canada, the financial services landscape is still dominated by six big banks (Scotiabank, Royal Bank of Canada, Toronto Dominion (TD), Bank of Montreal (BMO), National Bank of Canada, Canadian Imperial Bank of Commerce (CIBC)). There has also been a surge of cryptocurrencies and other forms of digital currencies in recent years. However, they have only been able to penetrate the payment solutions platform, while the core banking services and products, such as deposits and lending facilities remain within the grasp of Scotiabank and other banks.

Extend of rivalry between existing players

Extend of rivalry between existing players in the Canadian banking industry was assessed to be high since the market has several players, and of different size. Scotiabank changes in market rates on mortgages or guarantee investment certificates (GIC) will have an impact on the current prices in the market due to the size of Scotiabank in the industry. The competitive rivalry among Canadian banks is so intense that Scotiabank continues to expand operations globally to increase profitability due to limited growth industry rates.

2.5 Porter's Diamond

The final evaluation framework we employed when conducting Scotiabank's environmental analysis is the Diamond model, also known as the Diamond of National Advantage. The model was also developed by distinguished Harvard professor, Michael Porter. The model examines the competitive advantage that some companies enjoy by operating in some countries or regions compared to other countries. Here, we will exam Scotiabank through this model to assess their competitive advantage within specific markets in the global marketplace.

Michael Porter “proposed a four-pointed ‘diamond’ that suggested explaining why some locations tend to produce firms with competitive advantages in some industries more than others. Specifically, Porter’s Diamond suggests that locational advantages may stem from local factor conditions; local demand conditions, local related and supporting industries, and from local firm's strategy structure and rivalry” (Whittington et al., 2019). The model therefore helps companies develop effective strategies when operating in different markets around the world.

One main advantage of employing this model is the perspective that countries have the ability to create new national advantages for themselves, such as advancement in technology and developing a more skilled labour force. Conversely, this model only applies to developed nations.

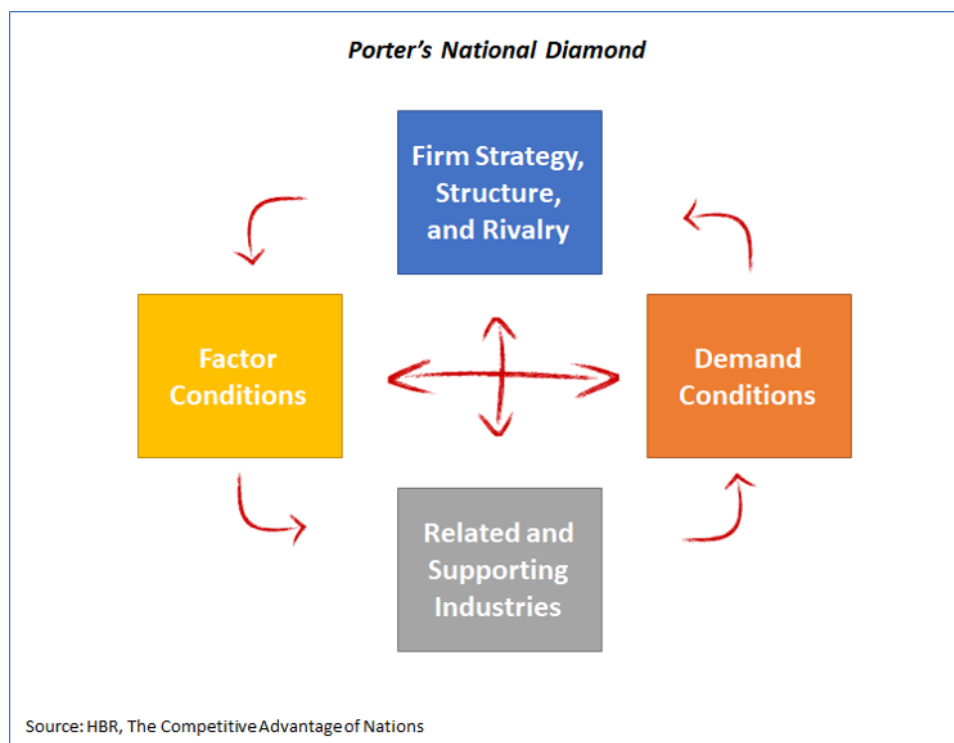


Figure 3: Illustration of Porter's National Diamond

Firm strategy, structure and rivalry

As previously mentioned, the banking industry in Canada is dominated by six major domestic banks - Toronto Dominion (TD), Royal Bank of Canada (RBC), Scotiabank, Canadian Imperial Banking Corporation (CIBC), Bank of Montreal (BMO) and National Bank of Canada. The banking industry is highly competitive, and competitive rivalry drives innovation as companies seek to outperform their rivals for their customer's attention and maintain their competitive advantage. Inflationary occurrences, fluctuating interest rates, limited growth potential and changing customer preferences help to guide the company's strategy. Scotiabank's ability to diversify and expand their operations across the globe, dictated by the bank's strategic direction, has underscored the bank's competitive advantage.

Scotiabank's global footprint has allowed the company to maintain a strong presence in the financial services industry and has allowed it to position itself as a market leader. This global footprint, which is interconnected across Scotiabank's operations, as the bank has leveraged its ability to share innovative technology, human resources, expertise, etc., amplifying its competitive advantage further allowing it to expand into markets such as the Caribbean and South American. It should be noted that in 2022, the Digital Banker recognized Scotiabank for the "Best Use of Technology" award for the overall customer experience in that year (Scotiabank, 2023).

Home Demand Conditions

Being headquartered in Canada has allowed Scotiabank to ascertain firsthand what consumers in its home country demands from their financial services provider before rivals from other countries are able to do so. Market factors such as constantly changing consumer preferences and trends, fluctuating interest rates and economic uncertainty play a role in the products and services demanded by consumers. With increased demand for Scotiabank's products, the company is propelled to perform better in the market in order to maintain its market share. Equipped with the knowledge gained in its home country regarding what consumers want, will allow Scotiabank to better penetrate its home market. This leads to making the bank poised to take lessons learnt from its operations and transfer the offerings of its products and services to other countries and compete in global markets – with the necessary customizations required for the specific markets.

Scotiabank has operated successfully in Latin America and the Caribbean for many decades but has recently divested most of those investments. Financial post stated that "Scotiabank is cutting about three per cent of its global workforce because of changes to its operations and customers' preferences, as well as ongoing efforts to streamline operations (Paglinawan, 2023). Recently, the bank also divested some of their Caribbean-based operations, exiting from those markets while expanding its presence in other markets. "Bank of Nova Scotia plans to go after a larger share of customers' wallets as it refocuses its business on North America, shifting capital away from operations in Latin America that have delivered poor returns" (Dobby, 2023).

However, the bank continues to be a leader with innovative offerings like the digital bank Tangerine, which is a fully digital bank with no branches and offers full-service banking online. In addition, they have introduced cashless branches within their branch network to focus on

customer preference that demands convenience, efficiency and shift towards digitization. With operations across the globe this created another inherent competitive advantage for Scotiabank which is a diverse work force within the workplace that allowed for sharing of perspectives to better understand local markets and cultural sensitivity that will drive local strategy to increase market share.

Factor Conditions

Factor Conditions are the factors that influence Scotiabank competitive advantages, such as natural resources, infrastructure, skilled labour force, specialized knowledge, etc. These factors conditions are present in Scotiabank's home base country of Canada, with a highly educated and widely diverse work force. Scotiabank's success is underpinned by their dedicated, experienced and talented labor force, who have been the pillar to their success in the industry. The regulators have placed some increasing demands on bank representatives to be certified and licensed in financial management principles. In light of this, Scotiabank continues to invest in their workforce in training and development to ensure they are best in class. The recent regulatory changes "Financial Consumer Protection Framework" introduced in 2022, established higher standards for bank sales practices designed to further protect consumers. These changes dictate standards and a framework on how bank staff resolve customers' complaints and foster ethical sales practices. Scotiabank financial advisors recently underwent client focus reform to ensure they had proper training, skills and expertise for their respective roles. The bank continues to invest heavily also in technology to improve customer experience and service.

Related and Supporting Industries

Forging successful partnerships and alliances with supporting industries has assisted Scotiabank in creating more value for its customers. The banking industry ecosystem is supported by many other industries, with companies such as legal, real estate, insurance and marketing companies joining forces and providing support for financial institutions. Establishing partnerships with related service providers creates a mutually beneficial relationship, as they help each other to succeed. It is interesting to note the synergy that exists between Scotiabank and one of its subsidiaries Tangerine, which operates in the FinTech digital banking space, along with MD Financial, that operates within the medical realm. The bank also has also established a partnership with Canadian Medical Association, enhancing its overall competitiveness by being one of the main financers of medical services in Canada.

Recommendation

After completing the comprehensive analysis of Scotiabank's business landscape, the proposed recommendation are as follows:

- Continue to recruit skilled talent, who are innovators, culturally competent and able to adapt the changing competitive landscape
- Offer products and services specifically tailored to emerging demographics such as teenagers. This could include financial literacy advice and debit card products.
- The bank's global footprint will continue to expand as it enters new markets. However, strong monitoring capabilities with regards to economic stagnation need to be developed on an ongoing basis.
- Invest further in digital solutions to take advantage of any opportunities within the industry, such as incorporating the use of artificial intelligence (AI) to improve decision making.
- Continue to invest in tools and procedures that further strengthen and enhance the bank's cybersecurity capabilities.

Conclusion

Scotiabank's strategic landscape is marked by global success, underpinned by its financial prowess and expansive service offerings. However, operational challenges persist due to varying regulatory frameworks and emerging threats, notably in cybersecurity and communication compliance. The comprehensive analyses conducted provide a nuanced understanding of external influences and internal dynamics, offering a foundation for strategic decision-making in the ever-evolving financial landscape.

Bibliography

New . *Techniques for Analyzing Industries and Competitors* . *Competitive Strategy* . (1980) . M.E , Porter
Free Press. : York

<https://www.tangerine.ca/en/about-usespecially>

<https://www.tsx.com/> . [online] Available at] . *TMX Group* . 2023) . TSX.com

. Scotiabank 2022 ESG Report . (2022) . Scotiabank

https://www.scotiabank.com/content/dam/scotiabank/corporate/Documents/Scotiabank_2022_ESG_Report_Final.pdf

<https://www.scotiabank.com/corporate/en/home/media-centre/media-centre/news-release.html?id=4066&language=en>

The Bank of Nova Scotia Porter Five (5) Forces & Industry Analysis . (n.d) . Fern Fort University
<http://fernfortuniversity.com/term-papers/porter5/analysis/1033-the-bank-of-nova-scotia.php> . [online] Available at] . *Strategy*

<https://www.scotiabank.com/ca/en/about/investors-shareholders/acquisition-history.html>

<https://financialpost.com/fp-finance/banking/scotiabank-to-cut-3-per-cent-global-workforce>

SCOTIABANK WINS BEST USE OF TECHNOLOGY FOR OVERALL CUSTOMER . (Scotiabank (n.d
: Available at . [online] www.newswire.ca] . *EXPERIENCE BY THE DIGITAL BANKER*
<https://www.newswire.ca/news-releases/scotiabank-wins-best-use-of-technology-for-overall-customer-experience-by-the-digital-banker-827375895.html>.

12th . *Exploring Strategy* . (2019) . K , and Scholes . G , D. , Johnson , P. , Angwin , R. , Regner , Whittington
Pearson. : Hoboken . ed

<https://www.canada.ca/en/financial-consumer-agency/services/banking/rights-new-protections/consumer-protection-framework.html>

<https://www.cnn.com/2023/10/14/javier-milei-argentine-presidential-candidate-wants-to-abolish-central-bank.html>

<https://www.cnn.com/2023/08/29/economy/uk-food-imports-safety-brexite/index.html>

<https://www.scotiabank.com/ca/en/about/historic-timeline.21.all.all.all.html> (launch mobile banking)

.2022). *Here are the credit card networks and payment networks you need to know* .I ,Intelligence
<https://www.insiderintelligence.com/insights/credit-card-networks-payment-list/> :Available at .online] Insider Intelligence]