

Causal Relationship Modeling Between Blue Ocean Strategy and Competitive Advantage

A field study of banking institutions in the state of Tamanrasset-Algeria

نمذجة العلاقة السببية بين استراتيجية المحيط الأزرق والميزة التنافسية،

دراسة ميدانية للمؤسسات المصرفية بولاية تامنغست-الجزائر

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Financial technology laboratories and their role and

support for financial and banking stability

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Abstract:

This study aims at identifying the impact of the blue ocean strategy with its dimensions (innovation, increase, reduction, and exclusion) on the competitive advantage at the level of banking institutions in the state of Tamanrasset, as well as modeling the causal relationship between them. In order to achieve the study objectives, a questionnaire was designed and distributed to all employees of the five banking institutions in the state of Tamanghasset. Besides, 82 valid questionnaires were retrieved for analysis out of 100 ones. As for data analysis we relied on structural modeling using the Smart PLS program. The study concluded that there is a direct effect relationship between the dimensions of the blue ocean strategy (increase, innovation, reduction, exclusion) and the competitive advantage at a significance level less than 0.05, where the strength of the relationship reached ($R = 0.858$), which is a value close to one, thus it is a good explanatory value.

Key words: Blue ocean strategy, Competitive advantage, Banking institutions, Relationship modeling, Smart PLS program.

ملخص:

تهدف هاته الدراسة لمعرفة أثر استراتيجية المحيط الأزرق بأبعادها (الابتكار، الزيادة، التقليل، الاستبعاد) على الميزة التنافسية على مستوى المؤسسات المصرفية بولاية تامنغست، ونمذجة العلاقة السببية بينهما، ولتحقيق أهداف الدراسة تم تصميم استبيان وتوزيعه على جميع موظفي المؤسسات المصرفية بولاية تامنغست والبالغ عددها خمس مؤسسات، وتم استرجاع 82 استبانة صالحة للتحليل من بين 100 استبانة، ولتحليل البيانات اعتمدنا على النمذجة الهيكلية باستخدام برنامج Smart PLS، وتوصلت الدراسة الى وجود علاقة تأثير مباشر بين أبعاد استراتيجية المحيط الأزرق (الزيادة، الابتكار، التقليل، الاستبعاد) والميزة التنافسية عند مستوى دلالة أقل من 0.05 حيث بلغت قوة العلاقة ($R = 0.858$) وهي قيمة تقترب من الواحد اذن هي قيمة تفسيرية جيدة.

الكلمات المفتاحية: استراتيجية المحيط الأزرق، الميزة التنافسية، مؤسسات مصرفية، نمذجة العلاقة، برنامج Smart PLS.

Introduction :

The world is experiencing rapid developments in all areas , as volatility and speedy change have become the dominant feature of the work environment , as well as the progress and advancement of nations depending on the developed scientific and technological stock they possess. However, the service sectors in general and the banking sector in particular were not aloof from the developments taking place in their surroundings, as they also witnessed a huge acceleration recently in the field of applying modern technology in designing their operations and planning their activities according to the nature of the market and the surrounding environment.

As it became very challenging to maintain market share and competitive advantage, resulting in the reluctance of many institutions to engage in direct competition due to the concern of affecting their economic entities, therefore this led many institutions to endeavour to adopt philosophical contents that contribute to reaching a state of emancipation from competition. This is what was stated by Kim & Mauborgne, 2005, who called on institutions to get out of the red ocean of bloody competitiveness, which is represented in the traditional competition and avoid the intense one in this market by creating an indisputable market space that makes it irrelevant, instead of dividing the current demand– that is often reducing , as this new strategic approach was called Blue Ocean Strategy-BOS, which later turned into a scientific theory and then to a scientific institute at INSEAD in France. Thus ,the idea of creating solid foundation value is from a blue ocean strategy.

The study problematic :

In front of the developments occurred in the banking sector in the world and the basic changes which has brought about in the nature of banking services, it was inevitable for Algerian banks in general and banks in the state of Tamanghasset in particular, especially with the emergence of international classifications and indicators such as the service quality indicator , the business quality indicator, and others. Where countries are arranged annually according to each classification. In this perspective, it has become necessary for institutions to work from the point of value innovation as well as to add new value to the industry and gain a competitive advantage by applying the dimensions of the blue ocean strategy (increase, innovation, exclusion and reduction).

In light of the above , the research problematic can be raised in the following question:

What is the impact of the blue ocean strategy on the competitive advantage in banking institutions in the state of Tamanghasset ?

The following sub-questions are emerged from the problematic :

- ✓ Is there a statistically significant effect of the increase strategy on the competitive advantage of banking institutions in the state of Tamanghasset ?
- ✓ Is there a statistically significant effect of the innovation strategy on the competitive advantage of banking institutions in the state of Tamanghasset ?
- ✓ Is there a statistically significant effect of the reduction strategy on the competitive advantage of banking institutions in the state of Tamanghasset ?

- ✓ Is there a statistically significant effect of the exclusion strategy on the competitive advantage of banking institutions in the state of Tamanghasset ?

The study hypotheses:

The main hypothesis and its sub-hypotheses are formulated as follows:

The main hypothesis: H05: There is a direct and statistically significant effect of the Blue Ocean Strategy on the competitive advantage of banking institutions in the state of Tamanrasset.

The following sub-hypotheses are derived from the main hypothesis:

H01: There is a direct statistically significant effect of the increase strategy on the competitive advantage of banking institutions in the state of Tamanrasset.

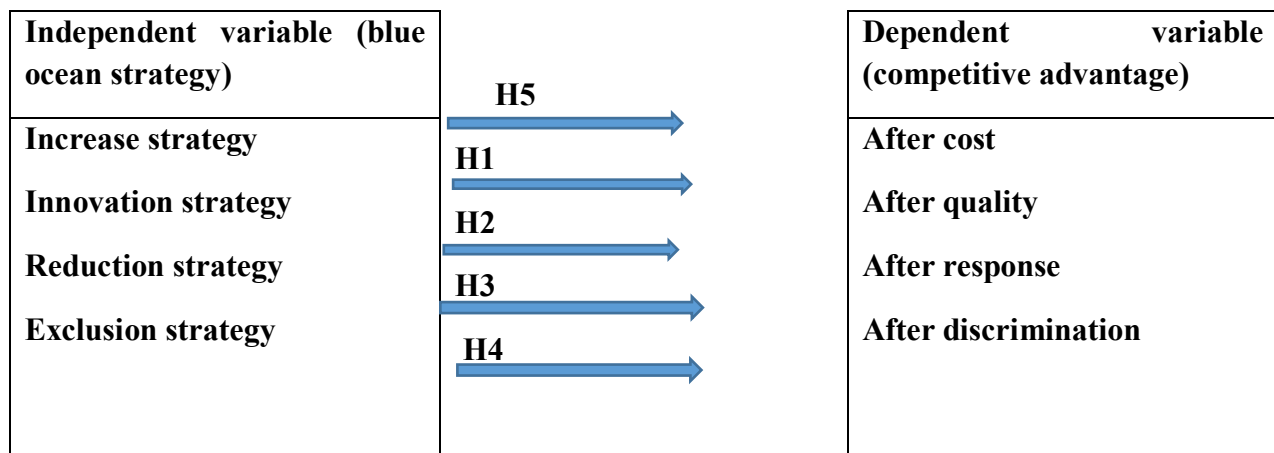
H02: There is a direct statistically significant effect of the innovation strategy on the competitive advantage of banking institutions in the state of Tamanrasset.

H03: There is a direct and statistically significant effect of the reduction strategy on the competitive advantage of banking institutions in the state of Tamanrasset.

H04: There is a direct statistically significant effect of the exclusion strategy on the competitive advantage of banking institutions in the state of Tamanrasset.

In order to clarify the study’s aim, as well as to establish the statistical hypotheses on the other hand, Figure 1 was designed to present the effect relationships paths between the study variables as follows;

Figure 1: The hypothetical study form



Source: prepared by the researcher

The study importance :

The significance of the study lies in the fact that it is one of the few studies that linked the blue ocean strategy to competitive advantage and modeling the causal relationship between the two

variables. Furthermore, the application of this strategy enables the organization to create value for itself and customers, that gives a good reputation and status in the mind of the customer.

Research objectives :

The study attempts to achieve the following:

- ✓ Identifying the most significant philosophical and conceptual foundations on that both blue ocean strategy and competitive advantage are based;
- ✓ Determining the relationship between the dimensions of both the blue ocean strategy and competitive advantage in banking institutions in the state of Tamanrasset;
- ✓ Modeling the causal relationship between blue ocean strategy and competitive advantage.

The study methodology and community :

To answer the study questions, as well as validate the hypotheses, the analytical descriptive approach was adopted as one of the most significant and used scientific research methods, as well as its suitability to the study nature . Where the different concepts were presented and analyzed on the theoretical side. However, on the applied side , information was collected by means of a questionnaire that was distributed to 82 employees of banking institutions in Tamanrasset. Besides, the validity of the questionnaire was verified by the arbitration of specialized professors. As for the study community, the number of banks in the state of Tamanrasset is Five, and since they were few in number, they were all targeted.

Previous studies :

Some studies related to the subject of the study were reviewed as follows:

Mukhlis Yunus, Ferdi Nazirun Sijabat, A Review on Blue Ocean Strategy Effect on Competitive Advantage and Firm Performance, Academy of Strategic Management Journal, Vol 20, Issue 1, 2021².

In this study, the researchers attempted to study the theoretical approaches that linked the impact of the blue ocean strategy on the competitive advantage of the institution and its performance, as well as to search for related words using the keywords of the research strategy, namely: "blue ocean strategy", "blue ocean strategy and competitive advantage", "blue ocean strategy and performance" and "value innovation". This study aimed at suggesting a theoretical foundation linking the impact of the blue ocean strategy on the performance of the institution and the role of competitive advantage as a mediator variable.

Hany Aly Shared, The Role of the Blue Ocean Strategy in Achieving a Competitive Advantage: An Empirical Study on Al - Rajhi Bank – KSA, International Review of Management and Business Research, Vol 8, Issue 2, 2019³

This study aimed at identifying the extent to which the banking sector in the Kingdom of Saudi Arabia relied on the blue ocean strategy in promoting the competitive advantage. A total of 96

questionnaires were distributed to the employees of Al-Rajhi Bank in Riyadh. The results of the analysis showed that there is a significant correlation between the dimensions of the blue ocean strategy and the competitive advantage.

Idris, W.M.S., Al-Rubaiee, L., Joma, M.H.M.A., & Al-Nabulsi, N., Investigating the measurement scale of blue ocean strategy: a structural equation modeling, International Review of Management and Business Research, Vol 8, Issue1, 2019⁴

This study aims at determining the building validity to measure the dimensions of the blue ocean strategy within the telecommunications market in the Hashemite Kingdom of Jordan. The study included a quantitative analysis approach through a questionnaire directed to all individuals working in the telecommunications market, whose number is about (1000) individuals. Besides, structural equation modeling was used through exploratory and confirmatory factor analysis using the statistical package for social sciences and Amos Ver. 22 to evaluate the study building validity , the results of the study concluded that the scale is comprehensive and reliable and takes into account the value of developing the dimensions of the blue ocean strategy in organizations, as well as narrowing the gap between the theoretical literature of business strategy related to the development of the scale of the dimensions of the blue ocean strategy.

Abdullah M Hersh, Khalil S Abusaleem, Blue ocean strategy in Saudi Arabia telecommunication companies and its impact on the competitive advantage, Journal of Accounting & Marketing, Vol 5, Issue 3, 2016.⁵

This study aimed at highlighting the application of the blue ocean strategy in the Saudi Telecom companies and its role in achieving a competitive advantage, as well as the extent to which this strategy was adopted by them representing the study community. Furthermore, determining the relationship and influence between (this strategy with its principles and dimensions) and (competitive advantage with its indicators), by surveying a sample of workers in these institutions. The study reached a set of results, the most significant are: applying the principles of the blue ocean strategy will contribute significantly to achieving a competitive advantage for the organization over its competitors in the market, as it was found that there is a strong positive relationship between the competitive advantage variable and each of the principles of the blue ocean strategy. Thus, the strongest relationship came to (rebuild the market boundaries, and access beyond the current demand), and the least came to the principle of (building execution into the strategy). Therefore, the study concluded that the dimensions of the blue ocean strategy had a strong impact on value creation, and value creation resulting from the blue ocean strategy. Moreover, the dimensions of the blue ocean strategy achieved a strong impact on all indicators of the competitive advantage of the telecommunications corporation.

Miano, Edwin Maina, Determinants of Implementation of Blue Ocean Strategy in Commercial Banks in Kenya, Master of Business Administration, School of Business, University of Nairobi, October 2013⁶

The study aimed at identifying the factors affecting the implementation of the blue ocean strategy in commercial banks in Kenya. A questionnaire was directed to 25 commercial banks out of 43 ones

located in Kenya. It was analyzed by means, standard deviations, and frequencies. The study concluded that most banks are aware of the concept of blue ocean strategy. Furthermore, the factors affecting the implementation of the blue ocean strategy in banks are the creation and capture of new requests, the cost-of-value substitution break, and the integration of the overall system activities of the organization. Thus, these factors have an important impact on applying the blue ocean strategy in banks.

What distinguishes the current study from previous ones :

Previous studies have contributed to building the theoretical background of the research by identifying the approved research references as they intersect with our study. Moreover, we benefited through them in forming a conceptual framework for the variables of the study and drawing a clear picture of how to complete the research, as this study differed from the first study which was conducted by Kim & Mauborgne, 2005. Where the blue ocean strategy was linked with another variable, that is the competitive advantage. Furthermore, the dimensions of the blue ocean strategy (increase, innovation, exclusion, and reduction) were quantitatively developed and narrowed the gap between the theoretical literature and the actual application of these dimensions.

The first section : The study of theoretical framework :

The two scientists Chan Kim and Renée Mauborgne were working on value creation (how to create a new value for the consumer that does not exist in the markets), they studied a group of institutions during the period (1880-2000), and 150 strategic moves from 30 sectors of various industries. Therefore, they found that there is something in common between these companies, which is the existence of consumer value, known as the blue ocean. Thus, a book on the blue ocean strategy was published in 2005, which relies on previous studies to create value.

First: The definition of the blue ocean strategy:

"**Kim & Mauborgne, 2005**" indicated that the blue ocean strategy is all market spaces which are untapped and industries do not exist today, that creates demand and provides opportunities for achieving profitable growth, and competition is unaddressed⁷.

(**Layton, 2009**) defined that the blue ocean strategy presents an ambitious message, that success does not depend on fierce competition or expensive marketing for research and development budgets, but on smart strategic moves that organizations use to create value innovation systematically⁸.

The blue ocean is not required to be something completely new, however it can be an extension of the red ocean, as the blue color represents innovation, which is followed by a change in the shape of the market, and later its evolution⁹.

Therefore, through the previous definitions, we conclude that the blue ocean is unexplored which has the ability to create new demand in a non-competitive market (the so-called blue ocean). Here, profit is much easier than fierce and costly competition on existing markets. Moreover, the blue ocean can be an extension of the red ocean, where competition is non-existent.

It is also a collection of applied tools that can help organizations go beyond traditional competitive strategies and facilitate innovation.

The blue ocean strategy is based on six principles:

- Reconstruction of market boundaries.
- Not focusing on numbers but on the overall view.
- Building implementation into the strategy
- Determining the levels of quality attributed to each activity along the value chain.
- Reaching beyond the current request .
- Overcoming major obstacles and get the right strategic sequence using leadership style¹⁰.

1- Dimensions of the blue ocean strategy:

The blue ocean strategy matrix consists of four dimensions and indicators. It is also called the four operations network (exclusion, reduction, increase, innovation). These operations are considered the main pillar for building a BOS blue ocean strategy. We summarize them in the following figure:

- **Exclusion:** is the exclusion of unnecessary operations that would reduce expenses and raise the efficiency and effectiveness of the organization while maintaining the same volume of sales and profits. Thus, the question that must be taken into account, what are the elements that can be deleted and that the organization considers necessary at the present time ?
- **Reduction:** means reducing some of the work procedures that the institution considers unnecessary or unjustified, which contributes to reducing the volume of costs with the stability of profitability, such as changing some services provided by several people by the machine, as this minimizes the volume of expenses, such as labor wages. The question in this part is, what are the elements that can be reduced to minimize the cost at the present time ?
- **Increase:** the institution focuses on certain factors more than others in the field of production or marketing, in which they distinguish the institution from others, and that would achieve rapid growth and realize profits and financial returns. The question is, what are the elements that can be increased to improve the current level at which the institution operates ?
- **Innovation:** in which the institution finds new factors of value that would create value for the customer, as this is by adding a new demand. The question is: What are the elements that can be innovated that do not exist in the institution at present time ?

Second: Competitive advantage

Competitive advantage is not viewed as a tangible or intangible thing that the institution owns or obtains through purchase. Rather, it is a mixture of all of that, as well as adapting it in line with the institution's strategic direction and the goals to be achieved. Therefore, it expresses the state of exclusivity in which it is compared to other competitors. This leads us to say that any institution,

small or large, can have a competitive advantage, provided that it harnesses its possibilities and capabilities in the correct investment of the opportunities available in the market compared to other competitors. Therefore, the interest in environmental monitoring and surveying has formed a great interest from the institutions' departments to identify the challenges they face from competitors and how to deal with them, in a way that achieves them the field of excellence or exclusivity by being different¹¹.

As for ANSOFF, the competitive advantage is defined as a product / market advantage that will give the organization a strong competitive position.¹²

Concerning PORTER, who believes that the judgment on the competitive advantage is by the customer, and is related to the value that the customer obtains as a result of consuming the product. Furthermore, there are two basic dimensions to the competitive advantage, namely low cost and differentiation, as this definition is derived from his competitive strategy¹³.

Therefore, we conclude that the concept of competitive advantage refers to the ability of the institution to formulate and implement strategies that make a better position in relation to other institutions working in the same activity, as this is achieved through the best use of the technical, material, financial and organizational capabilities and resources. In addition to the capabilities, competencies, knowledge and other potentials enjoyed by the institution, which enable to design and implement its competitive strategies.

1. Dimensions of competitive advantage: Institutions exist in a dynamic and highly changing environment, therefore they must be adapted by choosing the competitive dimension that achieves a competitive advantage in the market. However, there is no doubt that the process of selecting the competitive dimension depends on two main factors: the first is represented by the institution's resources in building the competitive advantage; The second is the market and the customers' needs. The dimensions of competitive advantage are represented in four dimensions, as follows:

- **Cost dimension:** The least cost is the oldest competitive dimension that many institutions have endeavoured to adopt, as it means the ability of the institution to provide products at the lowest costs, which allows to achieve the lowest cost advantage and then sell its products at lower prices than competitors' ones and realize a price competitive advantage, so that it can outperform competitors and new entrants to the industry.
- **Differentiation dimension :** Thinking about the weaknesses of other institutions and innovating a new different feature to attract customers who complain about the defects of other competing products. Besides, it is possible to distinguish the existence of a new or unique service for the institution such as watermarks or increasing the network of distributors. Furthermore, it often entails a high cost for the institution as a result of adopting this dimension, taking into account the cost of the product, which is close to the cost of competitors.
- **Quality dimension :** is considered as one of the most significant dimensions of competitive advantage, given that quality products are those that can be relied upon and trusted to

accomplish the functions designed to perform. It also enables quality in its dimensions (design quality, conformity quality, service quality) to provide products that fulfill the customer's aspirations and satisfaction.

- **Response dimension:** it came as a result of the state of technological development, as the cost and quality dimensions became traditional dimensions. It is the ability of the organization to respond and adapt quickly to meet market demands in quantity and quality, and this is according to the needs and desires of the customer, as well as reducing the delivery time.

The response appears in two main areas:

- Responding to designing products according to customers' preferences, thus the product does not remain the same for a long period of time.
- Responding to the change in the volume of production by increase or decrease, according to the levels of demand

The second section : the study applied framework

In our study, the analytical descriptive approach was used, which depends on simulating reality and relying on the field study to obtain information from its main sources by adopting the structural equations modeling (SEM) approach using the Smart PLS program to study the causal relationship between the direct and indirect variables and analyze the paths of the interrelationships between the study variables.

Presentation and analysis of the study tool:

To test the causal relationships between the variables of the study and build a standard model that includes all its dimensions, a questionnaire was prepared for the purpose of the study and included 35 questions divided into two axes, where the first axis included dimensions of the blue ocean strategy, while the second contained dimensions of competitive advantage, distributed to a sample of 82 employees from five banks located in the state of Tamanrasset, as shown in Table 1

Table No. 1: Measuring items of the study variables dimensions

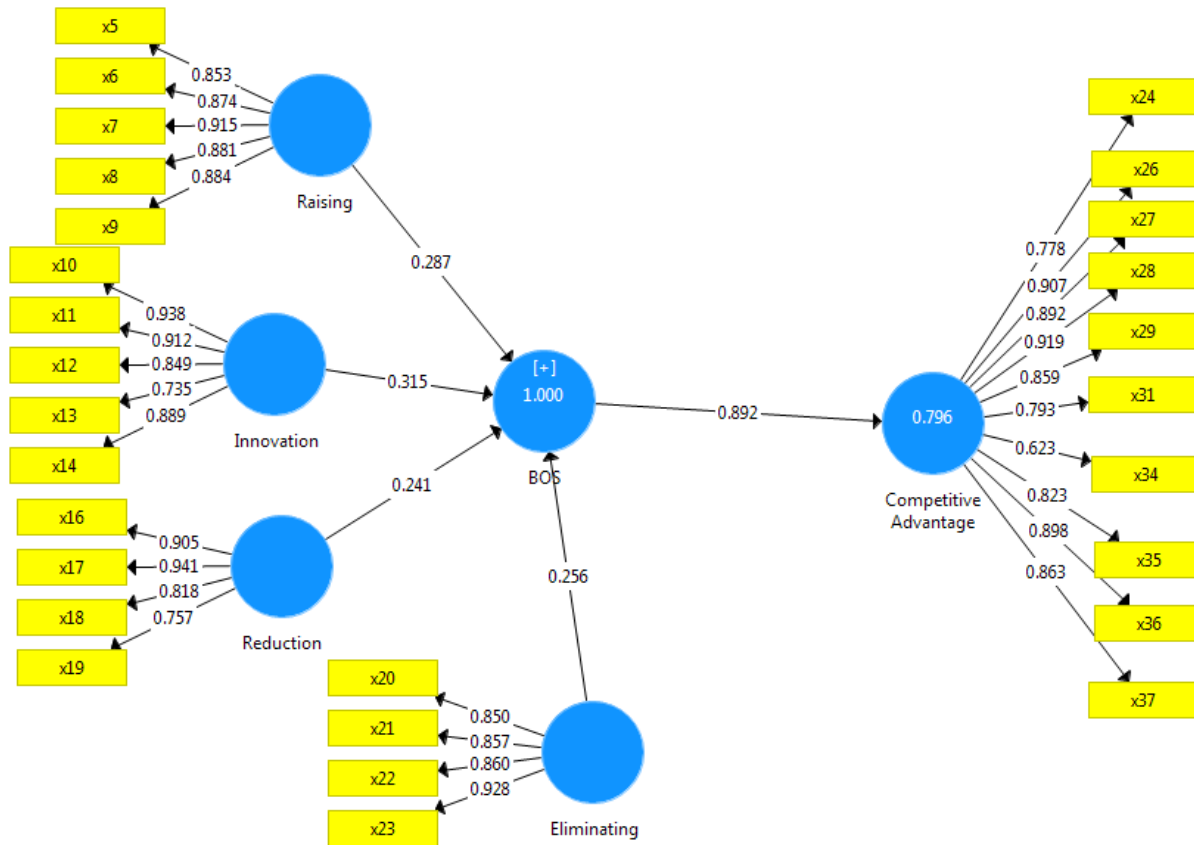
Variable		Items	Sample
Blue ocean strategy	Increase dimension	5-9	82 Individuals
	Innovation dimension	10-14	
	Reduction dimension	16-19	
	Exclusion dimension	20-23	
Competitive Advantage		24-39	

Source: prepared by the researcher

In order to represent the items of the study model variables that combines the latent and measured

variables, so as to examine the ramifications, that is, the extent to which the questions can express and measure the real variable, as it was found that there are expressions that do not achieve the required minimum of 70%, with regard to the expression X15 in relation to the dimension of reduction of the first axis, as for the second axis, X39.X38.X33.X32.X30.X25 was excluded, so that the study model takes the final form as shown in the following figure

Figure 2: The modified model to study the relationship between blue ocean strategy and competitive advantage.



Source: prepared by the researcher based on Smart PLS.3

1. Reliability evaluation:

By measuring the reliability of the study tool, each of the Cronbach's alpha indicator was relied upon and enhanced by the CR composite reliability indicator, the results were as shown in the table below:

Table No. 02: Measuring the reliability of the study tool

Variables		Alpha Cronbach	RHO indicator	CR composite reliability
	Increase	0.929	0.939	0.946
	Innovation	0.916	0.927	0.938
	Reduction	0.880	0.904	0.918
	Exclusion	0.897	0.899	0.928
Blue ocean strategy		0.963	0.969	0.967
Competitive Advantage		0.952	0.955	0.959

Source: Prepared by researchers based on Smart PLS.3 program

From the table, it is clear that all the indicators are good for all the study variables, where the results were for: the Alpha Cronbach indicator is greater than 0.6 as it is possible to rely on the established questionnaire, in addition to the CR indicator which is greater than 0.7 in all dimensions, therefore it can be said that the study tool is characterized by reliability.

1. Measuring the convergent and discriminant validity

The model has convergent validity if the AVE value is greater than 0.5, and the following table indicates the obtained AVE value:

Table No. 03: Convergent validity measurement of the model

Variables		Average variance extracted AVE
Blue ocean strategy	Increase	0.777
	Innovation	0.753
	Reduction	0.737
	Exclusion	0.764
Blue ocean strategy		0.623
Competitive Advantage		0.705

Source: Prepared by researchers based on smart PLS.3 program

As for the discriminant validity, it expresses the validity of the tool to measure only this phenomenon, without any others, as this is based on the most widespread standard of Fornell and Fornell-Larck.

It is required that the average of the extracted variance (AVE) be greater than the combined variance for each study variable, as the following table shows the results obtained:

Table 04: Discriminant validity according to the Fornell-Larcker standard

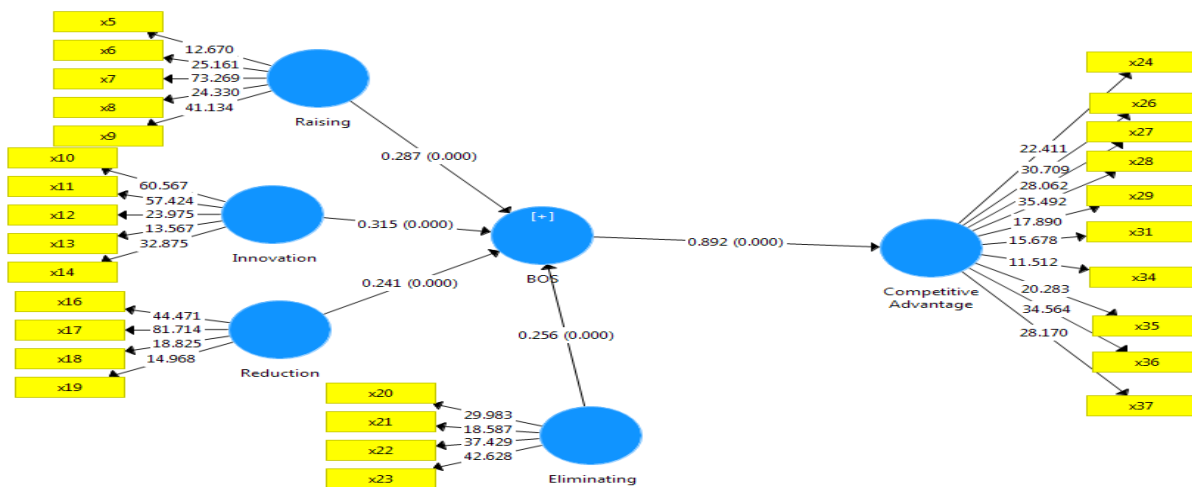
	Exclusion	Bos	Innovation	Competitive Advantage	Reduction	Increase
Exclusion	0.874					
Bos	0.887	0.790				
Innovation	0.758	0.953	0.868			
Competitive Advantage	0.872	0.892	0.835	0.840		
Reduction	0.879	0.895	0.759	0.843	0.859	
Increase	0.626	0.893	0.906	0.695	0.661	0.882

Source: Prepared by the researchers based on the smart PLS.3 program

It is clear from the table above that the standard is achieved, which proves the discriminant validity of the scale, where the maximum square of the common variance is smaller than the average variance extracted VAE according to the Fornell-Larcker Criterion

1. Hypothesis testing: The extent of the paths significance is confirmed by relying on the BootStraping technique by generating 500 partial samples. The results were as shown in the following figure:

Figure 03: Statistical significance of the paths of the structural model



Source: Prepared by the researchers based on the smart PLS.3 program

The following table shows the results obtained from analyzing the paths of the relationship between the variables of the model, through which the hypotheses are confirmed through BootStraping and then the relationship between the variables is studied through the P-value, which determines the probability of error in the relationship between the two variables. If the relationship is found, it should be significant less than 0.05 Also, the Beta coefficient is extracted from the value of the Originale Sample. If it is positive or negative, the relationship is positive or inverse. The following table shows that:

Table No. 05: Results of the model paths analysis

Paths	Beta	Std. Dev	T-value	P-value	Decision
Increase strategy → Competitive advantage	0.256	0.016	15.721	0.000	Accepted hypothesis
Innovation strategy → Competitive advantage	0.281	0.010	28.928	0.000	Accepted hypothesis
Reduction strategy → Competitive advantage	0.215	0.011	19.988	0.000	Accepted hypothesis
Exclusion strategy → Competitive advantage	0.228	0.013	17.659	0.000	Accepted hypothesis
Blue ocean strategy ← Competitive advantage	0.892	0.031	28.570	0.000	Accepted hypothesis

Source: prepared by the researcher based on smart PLS.3 program

From the results of the table, we conclude that there is a relationship between the dimensions of the blue ocean strategy with its dimensions (increase, innovation, reduction, exclusion) and the competitive advantage, which proves the quality of conformity and the validity of the scale, as all the relationships were statistically significant, in addition to that the innovation dimension was more related than the rest of the dimensions with a regression coefficient of 0.281, while it was weaker after the reduction, this is due to the fact that banking institutions do not focus much on this blue ocean strategy.

The paths relationship also showed the existence of a direct effect relationship between the dimension of increase and the competitive advantage, which confirms the validity of the first hypothesis, H01;

As well as there is a direct effect relationship between the dimension of innovation and competitive advantage, which proves the validity of the second hypothesis H02;

Also, there is a direct relationship between the dimension of reduction and the competitive advantage, which proves the validity of the third hypothesis, H03;

Furthermore, there is a direct relationship between the dimension of exclusion and competitive advantage, which proves the validity of the fourth hypothesis, H04;

Besides , there is a direct effect relationship between the dimensions of the blue ocean strategy (increase, innovation, reduction, exclusion) and the competitive advantage. H05

This is what all previous studies agreed upon.

R²: represents all the independent variables combined with each other in the interpretation of the dependent variable. This is explained in the following table with the explanation:

Table 06: R²

Variable	R²	Observation
Competitive advantage	0.858	Good

Source: prepared by the researcher based on smart PLS.3

The four independent latent variables represented in the dimensions of the blue ocean strategy (increase, innovation, reduction, and exclusion) together participate in the interpretation of the competitive advantage with a value of 0.858, which is a value close to one, thus it is a good explanatory value.

Conclusion: This study modeled the causal relationship between the blue ocean strategy and the competitive advantage, as it attempted to reconcile the various previous studies in order to build a theoretical model which explains the causal relationships of the variables of the study using the smart PLS program. The study reached a set of results, most notably:

There is a direct effect relationship between the dimension of increase and the competitive advantage at a significance level less than 0.05;

There is a direct effect relationship between the dimension of innovation and competitive advantage at a significance level of less than 0.05;

There is a direct effect relationship between the dimension of reduction and the competitive advantage at a significance level less than 0.05;

There is a direct effect relationship between the dimension of exclusion and the competitive advantage at a significance level less than 0.05;

There is a direct effect relationship between the dimensions of the blue ocean strategy (increase, innovation, reduction, exclusion) and competitive advantage at a significance level of less than 0.05.

The study suggests to those in charge of banks in the state of Tamanrasset the following:

The banks' responsables should realize the blue ocean strategy, as a contemporary strategic approach that can be adopted to increase competitiveness and move away from the traditional philosophy of competition;

Banks ought to keep pace with all the rapid changes, according to the paths of the blue ocean strategy, and in a way that serves the strategic direction of the bank, and serves the beneficiaries of

the bank's services in the first place;

Banks enhance the two dimensions of reduction and exclusion, by providing all data about all their resources, activities and data, excluding and reducing unnecessary activities as well as routine complications during the provision of services, and minimizing their costs to a minimum without compromising the quality of service, in addition to excluding everything that is not necessary for the banking process.

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