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Word count: 7504

Character count: 43610

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**OPERATIONAL AND MARKETING STRATEGIC FOR INTEGRATED DIGITAL
SERVICE ATTRACTIVENESS: A STUDY ON "MADINA" FROM
BANK MUAMALAT INDONESIA**

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Abstract

Technological developments are forcing the banking sector to adapt to the digital era. Bank Muamalat Indonesia focuses on e-Banking services for non-individual customers. 24/7 service, including the MADINA feature for real-time transactions, makes things easier for customers. MADINA, a CMS application, makes cash management easier for corporate customers. Through SWOT and QSPM analysis, the bank formulates a digital marketing strategy to improve business performance. This research uses mixed methods, combining quantitative and qualitative data to produce a narrative description. This approach emphasizes the nature of data, process rather than results. Descriptive analysis was carried out using a financial ratio approach. The focus is on converting qualitative data into quantitative data from interviews as a data collection technique. Bank Muamalat Indonesia will implement a collaboration strategy with third parties as a top priority, with the highest TAS of 4,143. The second alternative is to utilize brand image, with TAS 4,068. Utilization of technology in promotions was the third highest strategy, with TAS 4,031, followed by sustainable satisfaction for partners with TAS 4,003. Training to improve the quality of human resources is the final strategy with a TAS weight of 4.031.

Keywords: *Digital Service Attractiveness, Cash Management System Apps, Mix Method, SWOT Analysis, QSPM.*

I. Introduction

The development of information technology has triggered major changes in the banking sector, driving the transition to the digital era. In the midst of the rapid pace of technological development, traditional financial institutions must adapt to the needs of the times with appropriate innovation and digitalization strategies. This aims to address the challenges faced and ensure more focus on customer needs, speed and ease of access, not just on the products offered. The development of information technology has triggered major changes in the banking

sector, driving the transition to the digital era. Amid the rapid pace of technological development, traditional financial institutions must adapt to the needs of the times with appropriate innovation and digitalization strategies. This aims to address the challenges faced and ensure more focus on customer needs, speed and ease of access, not just on the products offered.

The banking system, especially Core Banking, is a key element in the banking information technology framework. Core Banking is used to provide various services to customers in all banking branches. The following is an overview of the Core Banking application, as well as the functions and facilities provided by the banking system. The use of Information Technology in financial institutions aims to increase effectiveness and efficiency in managing banking business activity data. This is intended to provide accurate, timely results and maintain the confidentiality of information. The use of the Core Banking System (CBS) must fulfill two aspects, namely operational aspects and compliance/reporting aspects.

Bank Muamalat is undergoing a digital platform-based business transformation. Currently, Bank Muamalat's main focus is on developing e-Banking services aimed at non-individual customers. This is a response to growth and increasing demand, as well as a step to increase efficiency and ease in transaction activities. Currently, Muamalat e-Banking provides five main services, namely Muamalat QRIS, H2H Web Service, Muamalat DIN (Digital Islamic Network), Muamalat ATM, and Muamalat Internet Banking.

Muamalat Internet Banking is an electronic banking service available 24 hours a day and 7 days a week via the internet, designed to provide easy and safe access for customers. Through this service, customers can carry out various transactions on all accounts held at Bank Muamalat. One of the features in Internet Banking Muamalat is MADINA (Muamalat Digital Integrated Access), an internet banking service aimed at supporting the business needs of Bank Muamalat customers. The launch of this digital product is an innovative initiative from Bank Muamalat as a service to attract new customers and speed up and simplify banking transactions, especially for corporations.

The "MADINA" product is a Cash Management System (CMS) based application. CMS is a method or process used by companies or organizations to manage their cash flow efficiently. The main objective of this CMS is to ensure that companies have sufficient funds to meet their financial obligations, while optimizing the use of available cash. CMS covers a number of activities, including: (1) daily cash flow monitoring; (2) short-term and long-term cash planning; (3) cash investment; (4) liquidity risk management; and (5) selection of appropriate financial instruments. As a CMS product, MADINA offers three main features that stand out for their ease of use and security: cash, e-trade, and financial supply chain. This is an online banking service platform designed specifically for corporate customers, enabling them to monitor and carry out real-time transactions on all their accounts at Bank Muamalat without using cash. MADINA provides convenience to customers with various transaction options, including employee salary payments, BPJS Employment bills, tax payments, as well as *zakat*, *infaq* and alms (ZIS) donations. This platform is also connected to virtual account services, allowing customers to manage billing data and download payment reports through this feature.

The impact of digital transformation is very significant and requires financial services throughout the world, including Indonesia, to adapt. This encourages Bank Muamalat to improve digital services and provide a simple, fast, safe and comfortable system for all customers. To maintain and improve its position in the competitive Asian regional market, as well as to overcome the decline in transactions due to customer dissatisfaction, the company seeks to face

various challenges by designing and implementing appropriate strategies. In its marketing strategy, Bank Muamalat Indonesia must consider influential internal and external environmental factors. SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis reflects internal strengths and weaknesses such as superior management and potential marketing risks. Meanwhile, external factors involve opportunities from new competitors with strong management, effective negotiations with suppliers, and the influence of buyers on prices and interest rates. The threat comes from similar sharia banking products which increase competition, trigger product innovation, and require intensive promotion to meet customer expectations and pay attention to people's cultural tendencies towards these products.

After identifying internal and external factors, analysis was carried out using the EFI (Internal Factor Evaluation) and EFE (External Factor Evaluation) matrices as a guide in compiling a SWOT analysis. External Factor Analysis (EFE) is intended to explore issues outside an organization's control that may influence its impact, and although it cannot be controlled by the organization, actions can be taken to reduce or increase that impact. Meanwhile, Internal Factor Analysis (EFI) is a strategic management tool used to assess strengths and weaknesses in various organizational functions. EFI, together with EFE, is a holistic organizational performance evaluation instrument (Janah & Erowati, 2019). From this IFE and EFE matrix, an IE (Internal-External) matrix was formed to show the business conditions of Bank Muamalat Indonesia.

The EI matrix is formed by referring to two main dimensions, namely the weighted total assessment from External Factor Analysis (EFE) on the y-axis, and the weighted total value from Internal Factor Analysis (EFI) on the x-axis (Janah & Erowati, 2019). The importance of obtaining comprehensive information also needs to be fulfilled through the research process so that companies can take the right strategic steps in facing digitalization challenges and improving business performance.

Research on the application of financial technology using the SWOT approach has proven to provide an overview of the current status of financial technology implementation. However, the use of SWOT cannot produce decisions regarding further strategies that must be taken, so other methods are needed that can help in making more appropriate strategic decisions. In research conducted by Budiman et al., (2020), they used a combination of SWOT and QSPM. QSPM (Quantitative Strategy Planning Matrix) is a recommended tool for carrying out objective evaluations of alternative strategy options, taking into account key success factors from both internal and external sources. QSPM is considered capable of formulating accurate formulas for strategy implementation.

Furthermore, QSPM can provide insight that supports decision making to determine the most appropriate strategy for a goal. In explaining the problems that have been mentioned, it is important to provide a more detailed and detailed explanation regarding Islamic bank marketing strategies. This can be done by using the EFI and EFE matrix tools as an approach to analyzing the strengths and weaknesses of a marketing strategy, with the aim of achieving competitive advantage. This approach is strengthened by the SWOT method, and supported by the QSPM method to obtain a more in-depth and structured understanding of Islamic bank marketing strategies. Therefore, the researcher attempts to describe it in the title: "Strategic Operational Marketing Management of Integrated Digital Service Innovation: A Study on "MADINA" from Bank Muamalat Indonesia."

II. Literature Study

Strategic Management Concept

Strategic management is the process of planning, implementing and monitoring a series of decisions and activities designed to achieve the long-term goals of an organization or company. The concept of strategic management involves developing strategic plans, implementing strategies, and evaluating the results. The strategic management concept is divided into two parts, namely:

a) External Strategy

External strategy is a series of steps and decisions taken by an organization to adapt to and exploit opportunities and overcome challenges originating from its surrounding environment. This external environment consists of factors outside the organization's direct control, such as changes in market trends, government regulations, the level of competition in the industry, as well as social and technological aspects (Alaslan, *et al.*, 2023).

External strategy is about identifying opportunities and confronting threats from the environment around an organization, with the aim of creating competitive advantage, anticipating market changes, and responding to business dynamics. This involves a variety of approaches such as product diversification, market penetration, strategic collaboration, and response to regulatory changes. External strategies are important to help organizations remain relevant and sustainable in facing challenges and opportunities that continue to develop outside the organization (Alaslan, *et al.*, 2023).

b) Internal Strategy

Internal strategy includes the steps and policies taken by an organization to manage its internal aspects, including optimizing resources, operational efficiency, and strengthening capabilities to achieve goals. It involves HR management, innovation and internal risk management, aiming to increase the competitiveness and sustainability of the organization by making maximum use of resources and capabilities. Evaluation of internal strengths and weaknesses and action plans are an important part of this strategy to achieve competitive advantage and better overall performance (Alaslan, *et al.*, 2023).

External Factor Evaluation Matrix (EFE) and Internal Factor Evaluation (EFI)

The EFE matrix (External Factor Evaluation) and EFI matrix (Internal Factor Evaluation) are analytical tools generally used by companies to evaluate external and internal environmental factors. The EFE Matrix helps in understanding the opportunities and threats faced by a company, by weighing and rating these factors. Meanwhile, the EFI matrix aims to identify the company's internal strengths and weaknesses, by evaluating the weight and rating of internal factors. These two matrices provide a comprehensive picture of external conditions; And

Matriks Internal-Eksternal (IE)

The IE matrix is a combination of the Internal-External matrix created from the results of the EFI and EFE matrices, aimed at determining the company's position and formulating an overall strategy. The IE Matrix uses the total weighted score of EFI and EFE to indicate the company's internal and external position. The resulting total weight score forms an IE Matrix at the company level, with a range of scores indicating internal strengths or weaknesses as well as

external opportunities or threats (Pratomo, *et al.*, 2019). According to Atikah (2021), the IE Matrix has three strategic elements, namely "grow and develop," "guard and maintain," and "harvest or divest." This helps companies determine strategic steps that suit their internal and external conditions.

SWOT Analysis

SWOT analysis is a strategic evaluation process that helps in formulating company strategy by identifying factors related to the company's environmental conditions in a comprehensive and structured manner. Consisting of strengths, weaknesses, opportunities and threats, this analysis aims to optimize strengths and opportunities, while minimizing weaknesses and threats simultaneously (Febriansyah *et al.*, 2021).

The SO strategy in the SWOT matrix is used by companies to utilize their strengths to take advantage of existing opportunities. Meanwhile, the WO strategy is an approach to reduce weaknesses and at the same time take advantage of opportunities. ST is a strategy that relies on company strengths to face and reduce emerging threats, while WT is a step to overcome weaknesses and minimize the impact of emerging threats (Arif *et al.*, 2020). According to (Istiqomah and Andriyanto, 2017), there are several things that need to be considered when making a SWOT analysis, they are:

- a) SWOT analysis can be very subjective, so two individuals conducting an analysis of the same company may produce different SWOT results.
- b) Analysis makers must be realistic in describing internal strengths and weaknesses. Ignoring weaknesses or hiding strengths can lead to creating ineffective strategies.
- c) Analysis must be based on actual conditions that are taking place, not on ideal conditions that should occur.



Source: Harisudin (2019)

Figure 1 SWOT Analysis

QSPM/Quantitative Strategic Planning Matrix

The Quantitative Strategic Planning Matrix (QSPM) is a tool that allows strategists to evaluate alternative strategies objectively based on predetermined internal and external key success factors (Fahmi, 2022). The QSPM technique is designed to determine the relative attractiveness and evaluate alternative strategy options objectively, based on the internal and external success factors that have been identified in the EFE and IFE matrices. QSPM is the final stage in the strategy formulation analysis process (Hasibuan and Amela, 2019).

The Four Steps Strategy

The Four Action Framework, also known as the 4 Step Framework, developed by the Boston Consulting Group in the 1970s, is a tool used to change the value elements for buyers by creating a new low value curve as well as improving stagnant or low growth industries . This framework aims to help organizations get out of a mindset focused on competition and create new, untapped market space (Arief, 2020). The Four Step Strategy consists of four key questions that guide strategic thinking and decision making:

- a) **To Reduce:** Identify factors that must be reduced well below industry standards.
- b) **To Eliminate:** Determine the factors that are considered the norm in the industry and should be eliminated completely.
- c) **To Improve:** Identify factors that need to be improved well above industry standards.
- d) **To Create:** Find factors that must be created and do not yet exist in the industry.

III. Research Method

This research uses mixed methods, which is a research approach that combines quantitative data collection and qualitative data interpretation to produce narrative descriptions in the form of words, both written and spoken, which include individual views and behavior as well as observed phenomena. The mixed approach emphasizes the natural nature of the data, uses direct data sources, is descriptive, and places more emphasis on the process than the results. Analysis in qualitative research tends to be inductive, with the discovery of meanings being important in the data interpretation process. ⁴

This research is a descriptive analysis, which aims to provide a general or specific description of the data without drawing definitive conclusions. Descriptive analysis was carried out using a theory-based approach to financial ratio analysis of the company's financial reports. The aim is to obtain financial ratios that provide an overview of the company's financial performance in a certain period.

The focus of this research is on the results of qualitative data which will be converted into quantitative data. This data was obtained from the companies studied, but it should be noted that the results cannot be directly applied to similar companies in various conditions or locations.

Research and Data Collection Techniques

To obtain the data needed in this research, the following data collection techniques were used, a are:

- a) Primary data is data obtained directly from empirical research on direct actors or those directly involved, using certain collection techniques. The primary data used in this research is the result of interviews and direct observation at Bank Muamalat Indonesia, both with customers, company employees and internal staff.
- b) Secondary data is data obtained from third parties or pre-existing data, taken from various sources such as books, literature, documents and scientific articles. Secondary data used in this research is data owned by Bank Muamalat Indonesia which is published through print media, journals, articles, papers, photos and brochures, both in printed form and obtained from the internet, as well as several relevant research results and books with research topics, especially regarding the implementation of strategic innovation in improving products.

The data collection technique used in this research is interviews. Interviews in general are verbal interactions between two or more individuals involving an interviewer and a source. Interviews are often described as a well-organized form of oral communication between two or more people, either face-to-face or over a distance (Yuhana and Aminy, 2019).

In this research, interviews will be conducted with customers, employees and staff of Bank Muamalat Indonesia to obtain relevant information in determining strategy.

To ensure data accuracy and representation of the field situation, researchers conducted in-depth interviews with sources who were related to the research object. Due to time constraints, interviews were conducted using a purposive sampling technique, where considerations in sampling include:

- a) Suitability of the position of the source with the information needed by the researcher.
- b) Availability of resource person's time.

IV. Results and Discussions

In the initial stage, data collection is carried out which is divided into two types, namely External Data and Internal Data. These two types of data are collected to identify strengths, weaknesses, opportunities and threats for Bank Muamalat. SWOT analysis (Strength, Weakness, Opportunity and Threat) is then used as a tool to analyze and evaluate strategies. However, before carrying out the analysis, it is important to obtain key success factors through the Initial In-Depth Interview technique, which will produce several key success factors that are strategic determinants at Bank Muamalat. Below is a detailed description of the key success factors, from both an internal and external perspective:

1) Based on the Company's Internal Side

a) Strength:

- i. Having a positive reputation in society as a pioneer in the sharia banking industry in Indonesia;
- ii. A company culture that promotes sharia values, professionalism and high integrity which has an impact on providing excellent quality services;
- iii. Transaction and cash withdrawal services can be accessed through the Indomaret outlet network throughout Indonesia;
- iv. Accessibility of Madina Bank Muamalat Services via mobile devices (cellphones) or computers and laptops in real-time;
- v. Madina Service rates are very competitive and have lower prices compared to similar competitors;
- vi. Non-cash banking transactions (MADINA) for all accounts at Bank Muamalat online and in real-time, as well as the ability to withdraw cash in Saudi Arabia via the Indonesian language Saudi ATM feature;
- vii. Ownership of Bank Muamalat Indonesia shares by the Hajj Financial Management Agency (BPKH) is the main focus in Hajj financial transactions in Indonesia.

b) Weakness

- i. Limited promotional funds cause a low level of public awareness about Bank Muamalat products (limitations in promotion);
- ii. There is still a large Muslim population in Indonesia who is not fully aware of the benefits of using Sharia-based products;

- iii. The number of Bank Muamalat branch offices is still limited throughout Indonesia;
- iv. The ATM network is still limited, especially in public locations such as shopping centers and tourist attractions;
- v. The level of public literacy regarding Internet Banking services is still low;
- vi. Lack of public trust in the security of the Internet Banking system;
- vii. Public concern is high regarding the security of Internet Banking services, especially regarding hacker attacks.

2) Based on the Company's External Side

c) *Opportunity*

- i. Indonesia's population continues to increase every year, the majority of whom are Muslim, with the desire to travel to the holy land (Umrah and Hajj);
- ii. People are now accustomed to making transactions anywhere without having to go to a branch office, showing flexibility and ease in transactions;
- iii. Public awareness of the development of the modern banking world has increased, enabling operational efficiency and fast service;
- iv. Cooperation between banks can be expanded to dominate the market;
- v. Based on the success of collaboration with Saudi Arabia, opportunities for similar collaboration with halal tourist destinations throughout the world are open;
- vi. Opportunities for collaboration with Hajj travel in Indonesia can reach new customers;
- vii. Opportunities for collaboration with halal industry players regarding costs and transactions for processing halal certificates and MUI fatwas at BPJPH;

d) *Threat*

- i. Competition from other digital banks, both sharia and conventional banks, which offer similar services and products;
- ii. Low public understanding of the profit sharing system in Islamic banks;
- iii. The influence of economics and politics after the 2024 presidential election on general conditions;
- iv. Threats from the cyber world to the sharia banking sector;
- v. The lack of variety in Islamic banking products makes it less attractive compared to other competitors.;
- vi. The emergence of new technology that is more sophisticated than conventional banks and other digital banks;
- vii. Many other digital banks offer higher interest or other incentives, while Bank Muamalat Indonesia continues to maintain a profit sharing system .

SWOT Strategy Analysis

Conducting a SWOT strategy analysis in this research, started with interviews to fill out a questionnaire based on the identification of the company's internal and external factors. Interviews were conducted from 1 to 3 March 2024, aimed at four respondents who are key figures related to the operational management of Madina Bank Muamalat Indonesia products. Each respondent will be asked to answer all the questions on the questionnaire. The respondent's classification requirement is to have a minimum education of S-1.

From the results of weighing the questionnaire data from the four respondents, the researcher succeeded in achieving the following results for all SWOT dimensions (Strengths,

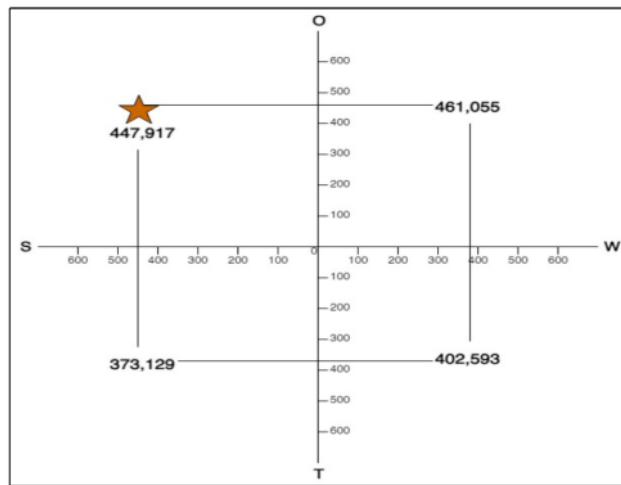
Weaknesses, Opportunities, Threats) investigated:

Table 1 Summary of SWOT Weighting Results for Four Respondents

SWOT	R1	R2	R3	R4	Σ	Mean
S	462,500	462,500	433,333	433,33	1.791,663	447,917
W	475,758	407,692	350,000	376,923	1.610,373	402,593
O	448,387	462,500	433,333	500,000	1.844,222	461,055
T	403,704	384,615	327,273	376,923	1.492,514	373,129

Source: Processed Data (2024)

From the questionnaire weighing analysis of internal and external factors as mentioned previously, the results can be easily presented through the following diagram:



Source: Processed Data (2024)

Figure 2 SWOT Analysis Results of Bank Muamalat Indonesia

Careful intuitive judgment is always required to assign appropriate weights and ratings. Below are the results of the SWOT analysis weighting of Bank Muamalat's internal and external factors, accompanied by a detailed explanation based on the results of the SWOT analysis, with the following results:

The internal value consisting of S and W:

$$\text{Internal Value (IFE): } (447,917 + 402,593) : 2 = 850,51 : 2 = \underline{\underline{425,255}}$$

The external value consisting of O and T:

$$\text{External Value (EFE): } (461,055 + 373,129) : 2 = 834,184 : 2 = \underline{\underline{417,092}}$$

According to the IE (internal-external) matrix theory, the weighting results show that the total value of the internal score or **IFE** is **425,255**, which is classified as Field I (Growth) category. From these values, it can be seen that Madina Bank Muamalat Indonesia's product operations have very positive potential and prospects for the future. By continuing to improve the quality of human resources (HR) and actively improving the marketing of sharia products, this bank can continue to grow. Apart from that, support from management in including sharia products in every promotional material is also very important.

Meanwhile, the score from the External factor or **EFE** is **417,092**, and this value is also included in the same category, namely Field I (Growth). This shows very encouraging conditions for Madina Bank Muamalat Indonesia's product operations, especially in the marketing aspect. It is hoped that this bank can continue to improve the quality of human resources (HR) and continue to improve the marketing of sharia products.

		Total Skor Internal (425,255)		
		Kuat 334 - 500	Rata-rata 167 - 333	Lemah 0 - 166
Total Skor Eksternal (417,092)	Tinggi 334 - 500	I Growth dan operasional produk Madina bank muamalat	II Growth	III Retrenchment
	Sedang 167 - 333	IV Growth	V Growth	VI Retrenchment
	Rendah 0 - 166	VII Growth	VIII Growth	IX Retrenchment

Source: Processed Data (2024)

Figure 3 Madina Bank Muamalat Indonesia Product Operational IE Matrix

From these results, it is clearly visible through the IE matrix that Madina Bank Muamalat Indonesia's product operations are in quadrant I, indicating the high strength of internal and external factors. From the picture above, it can be concluded that Bank Muamalat Indonesia, at the time the research was conducted, was in an optimistic position and continued to develop sustainably, indicating the need for the right strategy to be implemented by the bank.

To design optimal business strategies, exploitation of the advantages of economies of scale is carried out, where production costs decrease as production increases. This is studied through a SWOT matrix analysis, as shown below:

Table 2 MADINA Bank Muamalat Indonesia Product Operational SWOT Matrix

<p>Internal Factor</p>	<p>Strengths (S)</p> <ol style="list-style-type: none"> (1) Having a good image in society as the first pioneer of Indonesian sharia banking; (2) A company culture that establishes sharia quality and professionalism and high integrity which influences excellent service quality; (3) Transaction/cash withdrawal activities can be accessed by all Indomaret outlets throughout Indonesia; (4) Use of Madina Bank Muamalat Services can be accessed via mobile phone (HP) or computer and laptop, real time; (5) Madina's service rates are very competitive and the cheapest compared to similar competitors; (6) Non-cash banking transactions (MADINA) for all accounts at Bank Muamalat in real time online and with special cash withdrawal powers in Saudi Arabia with the Saudi ATM feature in Indonesian; (7) BPKH's ownership of Bank Muamalat Indonesia shares is the focus of the strength of Hajj financial transactions in Indonesia; 	<p>Weaknesses (W)</p> <ol style="list-style-type: none"> (1) Limited promotional costs so that Bank Muamalat products are less known to the public (minimal advertising); (2) There are still many people in Indonesia, especially Muslims, who do not yet have full awareness of using Sharia products; (3) The number of branch offices is still small throughout Indonesia; (4) ATM network is still small, especially in public locations such as shopping and tourist centers; (5) Lack of public literacy regarding Internet Banking; (6) The public still does not trust and believe in the Internet Banking security system; (7) The high level of public concern regarding the security of Internet Banking services with the rise of Hackers.
<p>External Factor</p>	<p>SO Strategy (to Create)</p> <ol style="list-style-type: none"> (1) Maximize synergy with the Sharia economic and sharia banking community; (2) Maintain coordination with existing networks; (3) Product innovation as an effort to continue to develop; (4) Support programs launched by the Government; (5) Ensure acceleration in the MADINA product service process; (6) Socialization and increasing product knowledge to employees; 	<p>WO Strategy (to Add)</p> <ol style="list-style-type: none"> (1) Active in the marketing community; (2) Building relationships with third parties to help banks expand networks and increase access to potential customers; (3) Collaborating with the marketing communications team to assist the bank in developing effective marketing campaigns to increase brand awareness and attract new customers; (4) Human resource development through training and skills development; (5) Developing customer experience
<p>Opportunities (O)</p> <ol style="list-style-type: none"> (1) The population is increasing every year and the majority are Muslim. According to World Population Review data, Indonesia this year has a population of around 278.8 million people with more than 236 million of them being Muslim or around 86.7%, and the majority have a desire to go to the holy land (Umrah and Hajj); (2) People are now accustomed to making transactions anywhere without having to go to a 		

<p>branch (flexible and easy to make transactions);</p> <p>(3) Public awareness of the increasingly modern banking world which can increase operational efficiency by providing fast and easy to access services.</p> <p>(4) Collaboration between banks that can expand to control market share;</p> <p>(5) Referring to the success of cooperation with Saudi Arabia, opportunities for cooperation similar to other foreign halal tourism destinations throughout the world are opened;</p> <p>(6) Collaboration Opportunities with all Hajj travel in Indonesia to reach new customers;</p> <p>(7) Open opportunities for collaboration with halal industry players regarding all costs and transactions for processing halal certificates and MUI fatwas at BPIPH.</p>	<p>(7) Synergy with the sharia banking community to achieve common goals.</p>	<p>to build long-term relationships with customers and increase loyalty;</p> <p>(6) Improving internal processes in terms of operational and administrative processes;</p> <p>(7) Optimizing cooperation with sharia service offices can strengthen the bank's position in marketing sharia products and services, as well as increase accessibility for customers who need information or assistance related to sharia aspects of bank services.</p>
<p><u>Threats (T)</u></p> <p>There are many other digital bank competitors, both sharia and conventional banks, that offer similar services and products;</p> <p>Low public literacy regarding the profit sharing system in sharia banks;</p> <p>Economic and political conditions that will be affected after the 2024 presidential election.</p> <p>The cyber world also haunts sharia banking;</p> <p>Sharia bank products are less varied so they are less attractive than other competitors;</p> <p>The emergence of new, more sophisticated technology offered by Konven Bank and also Digital Bank;</p> <p>Many other digital banks have emerged that offer higher or attractive interest rates, while Bank Muamalat Indonesia is strict with a profit sharing system only.</p>	<p><u>ST Strategy (to Subtract)</u></p> <p>(1) Optimize Marketing and Communication Strategies: Refine marketing approaches and communication channels to effectively reach and engage the target audience;</p> <p>(2) Develop Necessary Technology: Invest in technology infrastructure to modernize operations, improve service delivery, and support Sharia-compliant transactions;</p> <p>(3) Analyze Competitors and Ensure Legal Compliance: Conduct competitor analysis and obtain legal clarity on consumer protection through regulatory bodies like OJK (Financial Services Authority of Indonesia) and Religious Courts;</p> <p>(4) Increase Effectiveness of Dual Banking Model: Enhance the efficiency and effectiveness of offering both conventional and Sharia-compliant banking</p>	<p><u>WT Strategy (Eliminate)</u></p> <p>(1) Expanding Sharia-Compliant Products: By introducing products and services tailored to Sharia market needs, you're aligning your offerings with the preferences and values of your target audience. This can attract new customers who prioritize Sharia compliance in their financial decisions;</p> <p>(2) Investing in Technological Infrastructure: Improving your technological capabilities can enhance operational efficiency, streamline processes, and enable better customer service through digital channels—a key aspect of modern banking;</p> <p>(3) Enhancing Customer Service and Trust: Focusing on service quality is crucial for building trust and loyalty among customers. This can differentiate your institution</p>

	<p>services;</p> <p>(5) Improve Sharia Transaction Support System: Strengthen the systems and processes that facilitate Sharia-compliant transactions to ensure accuracy and compliance;</p> <p>(6) Enhance Branch Image as a Service Provider: Improve the reputation and perception of branches as reliable service providers through enhanced customer service and professional environments;</p> <p>(7) Cultural and Ethical Considerations: Risk management in Sharia-compliant finance is influenced by ethical considerations and cultural norms. Institutions must align risk management practices with Islamic principles of fairness, transparency, and avoidance of prohibited activities (such as interest-based transactions).</p>	<p>from competitors and encourage long-term relationships;</p> <p>(4) Diversifying Product Portfolio: Diversification mitigates risks associated with relying heavily on specific products or sectors. It can also open up new revenue streams and cater to a broader customer base;</p> <p>(5) Collaborations and Partnerships: Partnering with other institutions expands your service offerings and market reach. Strategic alliances can also strengthen your institution's position and competitiveness;</p> <p>(6) Marketing and Education Initiatives: Increasing public awareness about Sharia-compliant products is essential for market penetration. Effective marketing and educational campaigns can dispel misconceptions and highlight the benefits of Sharia finance;</p> <p>(7) Effective Risk Management: Comprehensive risk management practices are vital in any financial institution. Identifying, evaluating, and managing risks proactively helps safeguard assets and ensures regulatory compliance.</p>
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Source: Processed Data (2024)

1 Based on the results of the SWOT matrix analysis above, there are 5 alternative strategies that can be carried out by Bank Muamalat Indonesia:

- a) promote sustainable satisfaction for partners, with a focus on competition to provide superior service to customers by providing added value to the products offered;
- b) Utilizing the brand image to win the market, by consistently maintaining a reputation as a provider of sharia products known among the public;
- c) Organizing training to improve the quality of human resources, by offering sustainable and quality training programs to produce human resources who understand sharia products and are more confident, as well as increasing motivation and competitiveness;
- d) Utilizing technology in promotions, by ensuring that HR masters technology and uses this technology optimally in operations and promotions;
- e) Open opportunities for collaboration with third parties, including experienced and new

housing developers, to expand business opportunities.

Based on the strategy explained above, there are several recommendations for Bank Muamalat in creating or adding new strategic steps, which are in accordance with the Four Strategic Steps theory:

- a) **To Create:** Bank Muamalat strives to develop Sharia business in Indonesia by actively collaborating in the sharia banking community. This includes innovation in sharia banking products, especially MADINA product services, as well as employee training in financing marketing to improve service quality. The Bank will also maintain coordination with existing networks to maintain service quality and encourage interest in MADINA products;
- b) **To Eliminate:** Bank Muamalat is committed to eliminating less efficient services for customers, both in digital aspects and direct services, while still maintaining good relationships with consumers. The focus is on optimizing the sharia transaction system to provide customer satisfaction and influence customer loyalty who may provide recommendations to others;
- c) **To Improve:** Bank Muamalat will continue to improve service quality by increasing the quality and number of sharia products, as well as increasing community activities and at sharia service offices (KLS);
- d) **To Reduce:** Bank Muamalat will strengthen its business network by conducting competitor analysis and strengthening strategies through benchmarking, especially regarding programs launched by competing banks.

Determining Strategic Priorities Using Quantitative Strategic Planning Matrix

Based on the results of the SWOT matrix analysis, Bank Muamalat Indonesia has formulated five alternative strategies. To determine strategic priorities, the QSPM matrix is used, which aims to evaluate the strategies that will be implemented first. The assessment is carried out by considering internal and external factors. After that, these values are added up to get the Total Attractiveness Score (TAS) for each strategy choice. The strategy with the highest TAS value will have priority in its implementation compared to other strategies.

The following are the results of the Total Attractiveness Score (TAS) based on the QSPM matrix for Madina Bank Muamalat Indonesia's product marketing strategy:

Table 4.2. Strategic Priorities

No	Strategic	Score
1	Open as many opportunities as possible with third party partners.	4,143
2	Take over the market by leveraging brand image.	4,068
3	Utilize the use of modern technology in promotional activities.	4,031
4	Providing services to maintain partner satisfaction	4,003
5	Providing training in order to improve the quality of human resources for bank employees.	3,968

Source: Processed Data (2024)

¹ Based on the results of strategic priorities, Bank Muamalat Indonesia will implement a strategy with the highest **Total Attractive Score (TAS)**, namely 4.143, namely a collaboration strategy with third parties to expand opportunities. This is part of the WT (Weaknesses—Threats) category and is a derivative of the market penetration strategy, a top priority at Bank Muamalat Indonesia. The alternative strategy with the second highest TAS is utilizing brand image to capture the market, with a TAS of 4,068. This falls into the SO (Strengths—Opportunities) category and is also a derivative of market penetration strategy, being the second priority. The alternative strategy with the third highest TAS is the use of technology in promotions, with a TAS of 4,031. Meanwhile, providing sustainable satisfaction to partners is a strategy with TAS 4,003. The final priority strategy is providing training to improve the quality of human resources, with a TAS weight of 4,031.

V. Conclusion and Recommendation

Based on the previous analysis of MADINA Bank Muamalat Indonesia's product marketing strategy, several alternative business strategies have been produced to be implemented. This strategy aims to align marketing activities and identify existing strengths, weaknesses, opportunities and threats, with the hope of exploiting the potential in Indonesia to increase marketing of MADINA products in 2024.

To face possible threats from external factors in the future, company performance evaluation needs to be carried out. Through SWOT matrix analysis, several alternative strategies have been proposed, including (i) providing services to maintain partner satisfaction, (ii) taking over the market by utilizing brand image, (iii) providing training to improve the quality of human resources, (iv) utilizing modern technology in promotions, and (v) opening opportunities with third party partners.

The results of the QSPM matrix calculation determine the order of strategic priorities, with the first strategy being to open opportunities with third party partners, followed by taking over the market by utilizing brand image. Other strategies include utilizing modern technology in promotions, providing services to maintain partner satisfaction, and providing training to improve the quality of human resources. By implementing this strategy based on determined priorities, it is hoped that Bank Muamalat Indonesia can optimize marketing operations for MADINA's digital innovative products.

To sum up, from the evaluation of analysis results which include various methods and techniques such as matching through the SWOT matrix, IE matrix, and implementation of a four-step strategy, Bank Muamalat Indonesia was regarded to be able to formulate new strategic steps that are in accordance with the principles of the Four-Step Strategy outlined previously.

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