



Analysis of Indonesian Sharia Bank Marketing Strategy in Facing Financial Industry Competition

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ABSTRACT Marketing is an activity of all departments in a company or bank. A holistic marketing philosophy that recognizes that anything can happen in marketing. Therefore, marketing must be managed systematically so that marketing objectives can be achieved in accordance with marketing objectives. company objectives. The banking industry is a service industry and cannot be separated from the daily activities of society. This study aims to understand the marketing strategy implemented by Islamic banks in facing industrial competition. This study was conducted using a qualitative descriptive method. The results of this study indicate that Islamic banks have the ability to compete in a very competitive market by strengthening cooperation with cooperatives to build better relationships with entrepreneurs and the government, increasing customer loyalty, improving product quality, and increasing promotional effects by using various media . and developing effective and efficient marketing strategies.			
Keywords: <i>Banking Competition, Islamic Bank, Marketing Strategy</i>			

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INTRODUCTION

In this context, Islamic banks need to develop innovative marketing strategies to survive in a competitive market. A strong marketing strategy must be able to communicate the unique benefits and values of Islamic banks, strengthen relationships with existing customers, and attract new customers through product innovation, service quality and technology introduction. In addition, Islamic banks must be able to adapt to market changes and technology trends, and utilize data and analysis to make more accurate and effective marketing decisions. This study analyzes various marketing strategies implemented by Islamic banks in facing competition in the financial industry. This study also focuses on how Islamic banks can maintain their relevance and competitiveness in an ever-evolving financial environment. Marketing implementation is a step to transform marketing plans into real steps to achieve strategic marketing goals. One of the marketing

strategies implemented by Islamic banks is the marketing mix strategy.(Finance et al., 2024)

Marketing of Indonesian Islamic bank products generally refers to anything that can meet customer expectations. Whatever the form, if it meets the needs and desires of its customers. A product is an item that can be bought, sold, or consumed with the aim of satisfying needs and desires. The strategy can reach customers with goods and services. It includes logistics, supply chain management, and distribution channel selection. The main purpose of the "Place" component is to ensure that goods or services are available at the right location, at the right time, and in the quantities needed to meet customer needs in the most efficient and effective manner. In the banking industry, location is more focused on the placement of branches, which can include main branches, support branches, or cash offices; in the digital era, "Place" also includes e-commerce platforms and omnichannel strategies that combine online and offline sales to increase product accessibility to customers.(Salsabilah et al., 2022)

While competition can present challenges, it also serves as a driver for innovation and quality improvement in the halal sector in Indonesia. Healthy competition encourages halal companies to continuously strive to create superior products and provide more satisfying services to consumers. In addition, this competition also creates opportunities for collaboration between industries, both domestically and internationally, to improve efficiency and competitiveness collectively. Thus, while competition presents challenges for the halal industry in Indonesia, it can be used as an opportunity to improve quality, innovation, and overall competitiveness. Through the implementation of the right strategies and a commitment to continuously adapt to changes in the global market, the Indonesian halal industry can maintain its position as a major player in the global halal industry and expand its market share and contribution to the national economy.(Agustina et al., 2024)

To win the competition in a dynamic and complex business environment, an effective business strategy is needed. A company must implement a strong, accurate, and precise strategy to win the competition. Businesses must consider customer needs and provide satisfactory service because of the increasingly tight competition to dominate the market. To improve the banking system, a strategy must be made. Bank Syariah Indonesia must be able to take policies by increasing competition, working together, and continuing to innovate if not done, because it will result in decreased customer loyalty and slow economic growth if not innovative, Based on the description above, researchers want to conduct additional research on the strategies used by Bank Syariah Indonesia to overcome competition in the banking industry and meet customer needs for fundraising products, can use innovation strategies to overcome the challenges of competition faced by the banking industry today.(Rusdianti, 2024)

The Islamic financial sector in Indonesia has experienced significant growth in recent years, marked by the establishment of various financial instruments such as Islamic mutual funds, Islamic banking, and Islamic insurance. Islamic banking in particular has had a positive impact on the regional economy, contributing to the development of a

productive, value-added, and inclusive economy. The use of technology in the banking sector, including digital banking and technology-based financial services, is expected to improve the quality of financial services and operations. Innovation in the form of financial technology or FinTech is important to simplify financial services, in line with technological advances that occur in society.(Ainolyaqin, 2024)

LITERATURE REVIEW

Marketing strategy, according to Nur Rianto, can be understood as a social process that involves designing and providing products that suit the needs and desires of customers, with the aim of achieving an optimal level of satisfaction. Thus, banks need to initiate the right marketing plan through research on customer desires and needs. In addition, it is important for banks to understand the marketing environment, which has a significant impact on future marketing strategies. With this understanding, banks will find it easier to implement marketing strategies that can attract the attention and hearts of customers.(Hanifa Al Izati et al., 2023)

According to Putri David et al. (2023), to ensure marketing success, it is important to follow several procedures, including market recognition to understand customer needs, developing marketing strategies in offering products, and implementing a marketing mix that includes the right product, price, place, and promotion. In addition, evaluation is needed to assess whether business performance is increasing or decreasing. In analyzing marketing strategies, Islamic banking companies or institutions must also consider various factors that influence the planning of these strategies, one of which is environmental factors related to technological developments. Currently, almost all community activities utilize technology to make their work easier. Advances in information technology in this digital era can change individual behavior rapidly, leading to increased customer needs. This is an opportunity for Islamic financial institutions, especially Islamic banking, to continue to meet customer needs through various strategies. One strategy that can be implemented by Islamic banking in the digital era is to improve banking services independently, such as in the registration process, transactions, and various other services. Thus, customers do not need to visit the bank office, because these services can be accessed independently anywhere and in any situation (Tartila, 2022).

As a financial institution, banks also need a marketing strategy. Amrin (2021:169) states that in the banking world, which is a profit-oriented business entity, marketing activities are a very important need and cannot be ignored. Without marketing activities, it is impossible for customer needs and desires to be met. Therefore, the banking sector needs to organize its marketing activities in an integrated manner and continuously conduct market research. Marketing must be managed in a professional manner, so that customer needs and desires can be met and satisfied immediately. This professional bank marketing management is known as bank marketing management.(Salsabilah et al., 2022)

In a study conducted by (Syah et al., 2021) regarding the SWOT analysis strategy for Islamic banking in Indonesia, it was shown that there are several strategies that can be taken. The strength opportunities strategy includes market share by strengthening

cooperation with cooperatives, improving relations with the government, clerics and entrepreneurs. The weakness opportunities strategy is by improving product quality. The strength threats strategy consists of establishing cooperation with other banks, setting marketing targets and improving service quality. The weakness threats strategy is implementing increased promotion through various media and establishing efficient and effective marketing strategies.(Ahmadi, 2023)

RESEARCH METHODS

This study uses a descriptive qualitative approach to identify and analyze various problems. This study focuses on the strategy of Islamic banks in facing competition in the financial industry. In addition, a qualitative research approach is also adopted, namely a documented study that provides data for analysis. In addition, there are two variables in this study. One of them is the competition in the financial industry as a dependent variable or a factor influenced by the existence of Islamic bank marketing strategy variables. This qualitative research requires a clear theory. Because this theory helps explain the topics studied by the author, provides a basis for forming hypotheses, and helps in developing research tools. In data collection, researchers use literature reviews, data from various journal articles, and current news as data sources.

RESULTS AND DISCUSSION

Understanding Marketing Strategy

Marketing strategy is the process of selecting target markets that is essential in a marketing system. It is a comprehensive and integrated plan that provides guidance for marketing activities to achieve stated objectives. One of the key components of a marketing strategy is market segmentation, which involves dividing a market into groups of buyers based on needs, characteristics, or behaviors. This segmentation enables a company to understand and meet the specific needs of different consumer groups, thereby offering more relevant and effective products.(Fajarriah Indah et al., 2024)

Basically, the term "Strategy" refers to efforts made to achieve certain goals. Strategy can be understood as a detailed plan of steps that need to be taken to achieve certain goals. Strategy is generally defined as a systematic and planned plan, which forms the stages of the process to achieve organizational goals. Fundamentally, strategic management differs from general management because it is designed to address dynamic environmental changes and includes a variety of decision choices and actions aimed at improving organizational performance in the long term.(Ahmadi, 2023)

Marketing Strategy Steps

According to Philip Kotler and Gary Armstrong, there are three important elements in formulating marketing strategy steps, namely:

A. Market Segmentation

Market segmentation is the process of dividing a market into smaller segments, each with different needs, characteristics, and behaviors. This division is important

because the market consists of various buyers with different desires, so different marketing approaches are needed for each segment.(Armayani et al., 2024)

B. Target Market

The process of determining the target market involves evaluating the attractiveness of each segment and selecting one or more segments to focus on. The goal of this step is to provide maximum satisfaction to consumers.(Armayani et al., 2024)

C. Market Position

Market positioning is about how to place a product in the mind of the consumer in a clear, unique and attractive way, so that it can arouse consumer interest compared to competing products. This process does not only focus on the product itself, but also creates a special space in the mind of the consumer.(Armayani et al., 2024)

Functions and Objectives of Marketing Strategy

In general, there are four main functions in a marketing strategy, namely:

A. Increasing Motivation to See the Future Marketing strategy aims to encourage company management to think and see the future with a different perspective. This is very important to ensure the sustainability of the company in the future. Companies need to follow market dynamics, but sometimes they also have to innovate with new things.(Armayani et al., 2024)

B. More Efficient Marketing Coordination Every company has a unique marketing strategy. This strategy serves to direct the course of the company so that it can form a more efficient and targeted coordination team.(Armayani et al., 2024)

C. Formulating Company Objectives Business people certainly want to have a clear understanding of their company's objectives. With a marketing strategy, business people will find it easier to formulate the objectives they want to achieve, both in the short and long term.(Armayani et al., 2024)

Marketing Strategy SWOT Analysis

In formulating a sharia bank strategy, it is important to identify internal and external factors. One of the crucial tools in this process is the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, which allows the organization to understand its strategic position in the market.(Finance et al., 2024)

The following is a marketing strategy formulation resulting from the interpretation of the results of the SWOT analysis at Islamic banks, namely:

1. Strength

The Islamic banking system is fairer In Islamic banking, every transaction is carried out based on the principle of profit sharing, which means that if a company makes a significant profit, the bank will also make a comparable profit. Conversely, if the company experiences a loss, the bank will also bear part of the loss. There is a sharia supervisory institution The sharia supervisory board has an important role in monitoring the operations of Islamic banks to ensure that they remain in accordance with Islamic sharia principles and prevent violations of Islamic teachings.(Finance et al., 2024)

2. Weaknesses

Limited marketing network of Islamic banks This has an impact on the breadth of service coverage and cooperation with the community. The operational performance of Islamic banks that have not achieved optimal efficiency The level of efficiency of Islamic banks can be seen from the low level of profit given to customers when compared to conventional banks. Less competitive business models and products Compared to conventional banks, Islamic banks do not yet have a striking business model or product differentiation. Therefore, Islamic banks need to take significant steps to develop different product variations without ignoring sharia principles.(Finance et al., 2024)

3. Opportunities The potential market for Islamic banks is very broad.

The Islamic banking market offers significant room for growth and innovation. Islamic banks have the opportunity to increase their market share by providing appropriate products and services, innovating in technology, and taking advantage of available regulatory support. Increasing awareness to transact in accordance with Islamic principles. Carrying out economic and financial activities based on Islamic principles. One of the factors that encourages public awareness to transact in accordance with Islamic provisions is the existence of effective education and socialization. In addition, the government has also issued regulations that support the development of the Islamic financial sector. Islamic financial institutions have also succeeded in building a positive image through the provision of fair and transparent services and products, in accordance with Islamic principles.(Finance et al., 2024)

4. Challenges

The regulatory framework and instruments for Islamic banking are still under development. Existing regulations have not fully addressed the operational needs of Islamic banks, given the differences in operational implementation between Islamic banks and conventional banks. There are different views among scholars regarding the existence of Islamic banks. Until now, there has been no clear agreement among scholars regarding the legitimacy of Islamic banks. The emergence of financial institutions that are more efficient and of higher quality than Islamic banks. The existence of products from conventional banks that offer higher rates of return than Islamic banks shows that the efficiency of Islamic banks is still questionable (Finance et al., 2024).

Marketing Management Strategy to Face Industrial Competition

1. Increasing Technological Sophistication

The rapid development of technology and the internet should not be considered an obstacle or threat, but rather a stimulant and encouragement to continue to produce innovation and creativity. Integration of digital technology with customer interaction can produce solutions to help people work more orderly and focused. In the field of Islamic banking, the challenges in the digital era are getting bigger with unstoppable progress. Islamic banking is now not only competing with conventional banks, but also competing with other financial technology companies that offer safe and convenient services for users. To face the digital era, Islamic banking implements various strategies such as

providing internet banking, SMS banking, phone banking, and mobile banking services. Banks work with cellular operators to provide special SIM cards and GSM programs, so that banking operations become more practical and safe for customers.(Finance et al., 2024)

2. Improve Products That Increase Business Profits

Product optimization to increase business profitability can be done by utilizing technology as a means of promoting Islamic banking services. Currently, Indonesia's population is dominated by Generation X, Millennials, and Z, all of whom are more active and adept at adapting to technology. This condition is very beneficial for Islamic banking, because prospective customers do not need to come directly to the bank, but can explore various products offered through various social media platforms.(Finance et al., 2024)

3. Improving the Quality of Human Resources

The most important aspect that needs serious attention is improving human resource performance. Human resource management has a significant impact on the growth of Islamic banks, because effective management plays a major role in building a good company reputation. Given the very tight level of competition in the industry, Islamic banks are required to optimize their potential and focus on human resource management.(Finance et al., 2024)

4. Improve Product Quality

Improving product quality in the marketing strategy of Islamic banks is a crucial step to ensure sustainability and competitiveness in the market. Good product quality includes various elements, such as reliability, innovation, and compliance with sharia principles. In this effort, Islamic banks need to continue to develop and update their products and services, including digital banking services, sharia financing, and sharia-based savings, to meet customer needs and expectations. In addition, it is important for Islamic banks to conduct comprehensive market research to understand consumer preferences and trends, and provide continuous training to staff to ensure optimal service. By improving product quality, Islamic banks can not only attract more customers, but also build a solid reputation as a reliable financial institution that is in accordance with the principles taught by religion (Finance et al., 2024).

Marketing Strategy Through 4P

1. Products

Products generally refer to anything that is able to meet customer expectations. Whatever its form, if it can meet customer needs and desires, then it is called a product. A product is an item that can be traded or consumed with the aim of meeting needs and desires.(Finance et al., 2024)

The following are strategies implemented by banks to develop a product:

1. Logos and mottos are important components in branding strategies that play a role in building the identity and image of a company or product in front of consumers. A logo functions as a visual symbol or image that represents a company, product, or brand.(Finance et al., 2024)
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2. Branding is a strategic process that aims to create a distinctive identity and a strong image for a product, service, or company in the minds of consumers. This process includes various elements and activities designed to differentiate the brand from competitors, create positive associations, and build loyalty among consumers.(Finance et al., 2024)
 3. Creating Packaging is the process of designing and developing product packaging that not only functions to wrap the product, but also as an effective marketing communication tool. Packaging plays a crucial role in attracting consumer interest, influencing purchasing choices, and reflecting brand identity.(Finance et al., 2024)
 4. Label Decision serves as a marker attached to the product offered, and is an inseparable part of the packaging. This label conveys information about the product manufacturer, manufacturing location, production date, instructions for use, and other important information.(Finance et al., 2024)

2. Price

Pricing is an important element in the marketing mix, especially in the banking sector, where price plays a significant role in influencing demand for products and services. Mistakes in pricing can have serious impacts on the products offered. For conventional banks, prices include various elements such as interest rates, administrative fees, provisions, commissions, shipping costs, bills, rent, contributions, and others, while for Islamic banks, prices are measured through a profit-sharing system. There are three categories of prices in the banking world, namely selling prices, buying prices, and costs that must be borne by customers. Pricing aims to maintain a competitive position by offering competitive prices, maximizing profits through increased sales, expanding market share, and improving the perception of product quality by setting prices that reflect high quality standards.(Finance et al., 2024)

3. Place

Decisions and strategies related to the distribution of products or services and how to reach consumers are very important. This includes the selection of distribution channels, both physical and online locations for product sales, as well as logistics and supply chain management. The main purpose of the "place" element is to ensure the availability of products or services at the right time and location, and in the right quantities, to meet consumer needs in the most efficient and effective manner. In today's digital era, "place" also includes e-commerce platforms and omnichannel strategies that integrate online and offline sales to increase product accessibility to consumers. In the context of the banking industry, location determination focuses more on the placement of branches, which can include main branches, support branches, or cash offices. Location selection is very important because errors in analysis can lead to increased operational costs.(Finance et al., 2024)

4. Promotion

A promotional strategy is a collection of activities designed to convey information, influence, and remind consumers about a product or service, with the aim of increasing sales and customer loyalty.(Finance et al., 2024)

Promotion involves various components often known as the promotional mix, which consists of:

1. Advertising is the use of mass communication media such as television, radio, newspapers, and magazines, as well as digital platforms to convey messages to a wide audience. The purpose of advertising is to build brand awareness and attract consumer interest in purchasing a product or service.(Finance et al., 2024)
2. Sales Promotion is an activity designed briefly to encourage increased sales or purchases of products or services, which includes various methods such as discounts, coupons, free samples, and loyalty programs. The purpose of sales promotion is to increase sales volume in a limited period of time.(Finance et al., 2024)
3. Public Relations is the effort to create and maintain a positive image of a company or brand through the media and communication with the public. This includes sending press releases, organizing charity events, sponsorship support, and crisis management.(Finance et al., 2024)
4. Personal Selling is a direct interaction between a salesperson and a potential customer with the aim of building a relationship and convincing the customer to make a purchase. This process usually takes the form of a sales presentation, face-to-face meeting, or telephone communication.(Finance et al., 2024)
5. Direct Marketing is sending promotional messages directly to individual consumers via mail, email, telephone, or digital media. The goal of direct marketing is to get an immediate response from consumers.(Finance et al., 2024)
6. Digital Marketing is the use of the internet and other digital technologies to promote products or services. This includes the use of social media, search engine advertising, content marketing, and email marketing. Digital marketing provides the ability to target audiences more precisely and allows for direct interaction with consumers.(Finance et al., 2024)

1. Definition of Islamic Bank

According to Law No. 21 of 2008 concerning Islamic Banking, a bank is defined as a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit or other forms, with the aim of improving people's welfare. The law also stipulates that Islamic banks are banks that carry out their operations based on Islamic principles, consisting of Islamic Commercial Banks (BUS) and Islamic Rural Credit Banks (BPRS). Article 1 explains that Islamic principles

refer to Islamic law applied in banking activities, based on fatwas issued by institutions authorized to determine fatwas in the field of Islamic law.(Putra et al., 2022)

Sharia principles according to Law No. 10 of 1998 concerning Banking refer to the provisions of an agreement based on Islamic law between a bank and another party for the purpose of storing funds and/or financing business activities, or other activities that are stated to be in accordance with sharia. Several forms of financing that are regulated include financing based on the profit-sharing principle (mudharabah), financing with the principle of capital participation (musyarakah), the principle of buying and selling goods with the aim of obtaining profit (murabahah), and financing of capital goods based on the principle of pure rental without an option (ijarah), or with the option of transferring ownership of goods rented from the bank to another party (ijarah wa iqtina).(Putra et al., 2022)

Islamic banks in Indonesia have experienced tremendous growth in the past few decades, reflecting the rapid progress of the Islamic banking sector. Based on data released by the Financial Services Authority (OJK), at the end of 2020, the total assets of Islamic banks in Indonesia reached an impressive figure of IDR 593.41 trillion. This figure shows a significant increase in the scale and capacity of Islamic banks in the country. In addition, the number of Islamic bank offices has also experienced significant growth, with a total of 2,295 units at the end of the same year. The increase in the number of offices shows the expansion of the Islamic bank network which is increasingly wide, so that it can provide services to more customers in various regions.(South & Author, 2024)

A. Functions and Activities of Islamic Banks

In Law No. 21 of 2008 concerning Islamic Banking, Article 4 explains that the functions of banks include: Collecting and distributing funds from the community, Carrying out social functions through the Baitul Maal institution, which plays a role in receiving funds from alms, zakat, grants, endowments, or other sources of social funds, and distributing them to zakat management organizations, Collecting social funds originating from cash endowments and distributing them to endowment managers (nazir) in accordance with the wishes of the endowment giver and Implementation of social functions as explained in points 2 and 3 must be in accordance with the provisions of applicable laws and regulations.(Putra et al., 2022)

Law No. 21 of 2008 concerning Islamic Banking also regulates that the activities permitted for Islamic banks are as follows: Collecting funds in the form of deposits such as demand deposits, savings, or other equivalent forms, based on wadi'ah contracts or other contracts that do not conflict with sharia principles, Collecting funds in the form of deposits such as demand deposits, savings, or other equivalent forms, based on mudharabah contracts or other contracts that do not conflict with sharia principles, Distributing financing through mudharabah, musyarakah contracts, or other activities that do not conflict with sharia principles and Distributing financing through murabahah, salam contracts, or other activities that do not conflict with sharia principles.(Putra et al., 2022)

B. Strategy Opportunities and Challenges of the Islamic Banking Industry

Marketing strategies in the Islamic banking industry in Indonesia have opportunities and challenges in the digital era.(Savitri & Nisa, 2024)

Opportunities in the digital era include:

1. Expansion of Market Reach

With the presence of digital platforms and online financial services, the sharia economic sector is able to reach a wider market segment, including the millennial generation and people in remote areas. This has the potential to increase sharia financial inclusion and expand the number of customers.(Savitri & Nisa, 2024)

2. Product and Service Innovation

The advancement of digital technology provides an opportunity for the sharia economic sector to create innovative financial products and services, such as sharia mobile banking applications, sharia crowdfunding, and sharia digital payment systems. This will increase competitiveness and meet the growing needs of customers.(Savitri & Nisa, 2024)

3. Operational Efficiency

Digitalization of business processes and automation of routine tasks can improve operational efficiency in the Islamic economic sector. This has the potential to reduce operational costs and increase productivity, thereby benefiting Islamic financial institutions and their customers.(Savitri & Nisa, 2024)

4. Data Analysis and Better Decision Making

By leveraging big data and analytics technology, the Islamic economic sector can collect and analyze data more efficiently. This will provide deeper insights into customer behavior, market patterns, and industry trends, allowing for more accurate decision-making and more effective strategies.(Savitri & Nisa, 2024)

Challenges in the digital era include:

1. Data security and privacy

With the increase in digital transactions and information exchange, data security and privacy have become very important. The Islamic economic industry must ensure that the systems and infrastructure used are protected from cyber threats and are able to properly maintain customer personal data.(Savitri & Nisa, 2024)

2. Digital literacy and Islamic finance

There is a gap in digital literacy and understanding of Islamic finance in society, especially in rural areas and among certain age groups. This can hinder the adoption of Islamic digital financial services and needs to be addressed through more intensive education and outreach programs.(Savitri & Nisa, 2024)

3. Regulation and governance

The rapid development of digital technology requires a solid regulatory and governance framework to ensure compliance with sharia principles and protect customer interests. Cooperation between the sharia economy industry and regulators is essential in formulating regulations that support innovation while maintaining the integrity and security of the industry.(Savitri & Nisa, 2024)

4. System integration and interoperability

In order to provide efficient and seamless services, the Islamic economic industry needs to ensure system integration and interoperability between Islamic financial institutions and digital platforms. This requires standardization and close collaboration among industry players.(Savitri & Nisa, 2024)

5. Quality human resources

To face the challenges in the digital era, the sharia economic industry requires human resources who have a combination of knowledge of sharia economics, digital skills, and understanding of the latest technology. Continuous training and development of human resources is key to overcoming these challenges.(Savitri & Nisa, 2024)

C. Digital Based Marketing Strategy

Marketing strategies in the Islamic banking industry also contribute to the digital sector which supports the development of Islamic digital services.(Savitri & Nisa, 2024).Here are some strategies that are carried out, including:

1. Cooperation between the Industrial Sector and Regulators(Savitri & Nisa, 2024)
2. Solid cooperation between the sharia economic industry sector and regulators is essential to formulate a regulatory framework that supports the growth of a digital-based sharia economy, while maintaining integrity and compliance with sharia principles.(Savitri & Nisa, 2024)
3. Improving Digital Knowledge and Islamic Finance.(Savitri & Nisa, 2024)
4. A comprehensive education and socialization program is needed to increase digital and sharia financial knowledge among the community. This effort will contribute to increasing the adoption of sharia digital financial services.(Savitri & Nisa, 2024)
5. Investment in Digital Technology and Infrastructure.(Savitri & Nisa, 2024)
6. The Islamic economic sector must invest in adequate digital technology and infrastructure to support the development of Islamic digital financial services. This includes a reliable data security system and an integrated digital platform.(Savitri & Nisa, 2024)
7. Development of Quality Human Resources.(Savitri & Nisa, 2024)
8. The sharia economic sector needs to focus on developing human resources that have a combination of knowledge of sharia economics, digital skills, and an understanding of the latest technologies. Continuous training and professional development programs are key to facing challenges in the digital era.(Savitri & Nisa, 2024)
9. Cooperation and Standardization Among Industry Players.(Savitri & Nisa, 2024)
10. Strong cooperation and standardization are needed among sharia economic industry players to ensure effective system and infrastructure integration.(Savitri & Nisa, 2024)

D. Marketing Strategy in Implementing Fintech Services

Fintech, short for financial technology, refers to the application of technology and innovation to provide financial services in a more efficient, fast, and affordable manner. In the realm of Islamic banking, fintech has a significant role in expanding access, increasing efficiency, and providing financial solutions that are in line with Islamic principles. The rapid growth of the fintech industry has had a significant positive impact on this sector. One of the main contributions of fintech is expanding access to Islamic financial services,

which were previously difficult for some people to reach. Through the fintech platform, people can now easily access various Islamic financial products and services, such as microfinance, Islamic investment, and more efficient money transfers.(Setiawati et al., 2024)

In addition, fintech has also increased operational efficiency in Islamic banking. The application of digital technology in transaction and administration processes has reduced operational costs and increased efficiency in service provision. This provides an advantage for Islamic banking in facing increasingly tight competition. In the economic development of Islamic banking, there are several economic impacts that affect the industry through the application of this fintech, including:

1. Fintech Industry Growth

The development of the fintech sector in Islamic banking has become a major driver for the progress of the fintech industry as a whole. The presence of Islamic fintech startups and technological innovations related to Islamic finance opens up new opportunities and stimulates market dynamics. This has the potential to make a significant contribution to economic growth in general and create jobs in the fintech sector.(Setiawati et al., 2024)

2. Efficiency and Productivity

The presence of fintech in Islamic banking offers increased operational efficiency and productivity for Islamic financial institutions. Through process automation, digital technology implementation, and sophisticated data analysis, these institutions can reduce operational costs, accelerate services, and increase efficiency in risk management and compliance.(Setiawati et al., 2024)

3. Product and Service Innovation

Fintech in the context of Islamic banking encourages innovation in the development of Islamic financial products and services. By utilizing technologies such as mobile banking, e-wallet, peer-to-peer lending, and crowdfunding, customers can enjoy access to financial solutions that are more flexible, easy to use, and in accordance with Islamic financial principles.(Setiawati et al., 2024)

CONCLUSION

Marketing strategy is a systematic plan designed to achieve organizational goals by considering dynamic environmental changes. In formulating a marketing strategy, there are three important elements, namely market segmentation, target market, and market positioning. Market segmentation divides the market into small segments based on different needs and characteristics. Target market involves selecting the most attractive segments to focus on, while market positioning focuses on how to place the product in the minds of consumers to make it attractive and unique.

The main functions of marketing strategy include increasing motivation to see the future, more efficient marketing coordination, and formulating company goals. SWOT analysis is also an important tool in formulating strategy, by identifying the strengths, weaknesses, opportunities, and challenges faced by Islamic banks. The strength of Islamic

banks lies in the principle of fair profit sharing, while their weaknesses include limited marketing networks and less competitive business models. The opportunities for growth are enormous, especially with the increasing public awareness of Islamic transactions, although regulatory challenges and competition with other financial institutions remain.

In facing industry competition, marketing management strategies must include increasing technological sophistication, optimizing products, improving the quality of human resources, and improving product quality. The application of digital technology in Islamic banking services is very important to attract the younger generation who are more proficient in technology. In addition, marketing strategies must also consider the 4P elements, namely product, price, place, and promotion. Products must meet customer expectations, prices must be competitive and reflect quality, places must ensure product availability, and promotions must be effective in attracting consumer attention.

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