

## MARKETING STRATEGIES AT BCA SYARIAH BANK IN INCREASING THE INTEREST OF THE MILLENNIAL GENERATION IN THE DIGITAL ERA

Ratna Kusumadewi<sup>1)</sup>, Kiagus Arfan<sup>2)</sup>

<sup>1</sup>IAIN Syaikh Abdurrahman Siddik Bangka Belitung

email: [ratnakusumadewi024@iainsasbabel.ac.id](mailto:ratnakusumadewi024@iainsasbabel.ac.id)

<sup>2</sup>Hitotsubashi University, Japan

email: [pm22p006@g.hit-u.ac.jp](mailto:pm22p006@g.hit-u.ac.jp)

### Abstract

*BCA Syariah Bank's Marketing Strategy in Increasing the Interest of the Millennial Generation in the Digital Era provides opportunities and challenges for its existence. So Islamic banks must be able to use existing opportunities as best as possible, namely by improving marketing strategies in the digital era by embracing the millennial generation. The aim of this research is to determine the marketing strategy of Islamic banks in increasing the interest of the millennial generation in the digital era and also to determine the inhibiting factors in the marketing strategy carried out. The collection technique is through documentation. Data analysis using qualitative descriptive. The research results show that the marketing strategy of Islamic banks in increasing the interest of the millennial generation in the digital era can be done with a marketing mix strategy, namely creating a condition called bank less (banks without offices), the existence of product innovations that can attract the interest of millennials. namely marriage savings and sacrificial savings (one person one goat), digital banks are able to save costs because they are easy, simple and cheap, promotions by creating creative content competition activities, promotions involving influencers/ clerics/ artists and promotions involving an active role.*

**Keywords:** Strategy; Marketing; Islamic Banking; Millennials

### INTRODUCTION

BCA Syariah Bank's Marketing Strategy in Increasing the Interest of the Millennial Generation in the current Digital Era is very important to collaborate with their customers. It is also used to make customers aware of the features, specifications and benefits of the Bank's products. The definition of marketing strategy is the company's overall program in determining market targets and satisfying consumers by building a combination of elements from the marketing mix; product, distribution, promotion, and price. Bank BCA

Syariah's marketing strategy in increasing the interest of the millennial generation in the digital era can be done with a marketing mix strategy, namely creating a condition called bank less (bank without offices), There are product innovations that can attract the interest of millennials, namely marriage savings and sacrificial savings (one person one goat), digital banks are able to save costs because they are easy, simple and cheap. (Riska & Hasbullah, 2023)

Junianto (2021) research entitled "Bank Syariah Mandiri Strategy Bandar Jaya Branch Office in Facing Business Competition" shows that the Sharia Bank has an effort to win business competition, including by applying business strategy theory. The strategies carried out are management strategies, implementing strategies in marketing and strategies for developing products. However, the strategy implemented is still quite good (Junianto, 2017)

The strategy carried out in Junianto's research did not pay attention to potential millennial customers and elements of digitalization technology as it is today. Financial technology is part of technological progress that can be utilized to attract the interest of potential customers, because among the millennial generation most financial transactions are carried out via the internet. Therefore, the author is interested in discussing in depth the strategies carried out by Sharia Banks to market their products in order to increase the interest of the millennial generation in the current digital era (Arisandi, 2018).

The aim of this research is to determine the marketing strategy of Islamic banks in increasing the interest of the millennial generation in the digital era. To find out the inhibiting factors in the marketing strategy of Islamic banks in increasing the interest of the millennial generation in the digital era. The temporary suspicion that the complaint arose was that there was a mismatch in the promotion carried out by BCA Syariah Bank, where initially the customer wanted to open an account at the bank but chose not to because of the mismatch. This causes reduced customer interest in using BCA Syariah Bank (Tjiptono, 2017).

Millennials being targeted by Sharia banking because millennial community plays an active role in the development of this republic. Through superior products and superior marketing strategy, we follow the direction of globalization or modernization in the Internet era at that time. Millennials are people who understand digital developments and technology. Between aged 25 and 30, this generation is slowly taking over the world of

work. Millennials or millennials most talks a lot about social media and pop culture. This generation has just started hunting jobs and is the generation with the largest number of entrepreneurs. You like to talk about future social and economic problems. This generation responded best recommendations on how to improve technology and transform commercial products and services, but not with traditional marketing tactics. This generation chooses restaurants based on Instagram information, chooses Facebook-inspired fashion styles, and loves online shopping. Encourage this millennial generation to be proactive and grow company profits.

## **RESEARCH METHODS**

The location of this research is BCA Syariah Sekayu branch. The reason for choosing this place was the large number of complaints from customers who initially intended to open an account at BCA Syariah Bank but were hampered by inconsistency in the promotions carried out by the Bank. Sharia banks are companies or financial institutions that are based on sharia principles. Free from things that are prohibited in Islam, namely free from usury, maysir and gharar. (Sugiyono, 2012)

Apart from being profit oriented, Islamic banks are also social institutions that offer products that are ta'awun or mutual assistance. Sharia banks offer products not only for worldly purposes, but also for customers' afterlife purposes. However, this is not conveyed to the public, so there is less interest in making transactions at sharia banks. Sharia banks have implemented various methods through promotional activities. Therefore, the author offers a strategy to carry out promotional activities for Islamic banks among the millennial generation. Banks must look at the millennial generation, because the millennial generation is a generation that lives in the digital era, likes new things, and always interacts with smartphones in their daily lives, is idealistic, and has a high social spirit.

The method used in this research is a qualitative research method with a descriptive

approach. Qualitative descriptive is a research method used to examine the condition of natural objects. In this research, the decision to use qualitative methods was based on the problems that emerged which were believed to be able to be resolved using a qualitative approach. This approach is directed at the setting and individual as a whole based on field data or often called field research (Sugiyono, 2016).

The data sources in this research use primary and secondary data. Primary data comes from interviews with informants who are customers and employees of Bank BCA Syariah Sekayu Branch. Secondary data can be obtained from text, manuscripts, online newspapers, documents. Data collection was obtained through observation, interviews and documentation. Observations were carried out by direct observation at Bank BCA Syariah Sekayu Branch. Interviews were conducted with customers and employees of Bank BCA Syariah Sekayu Branch and documentation was carried out as supporting evidence so that the data obtained could be considered valid.

The data analysis technique is carried out using triangulation (combination). Data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization (Sugiyono, 2018). Data analysis uses qualitative analysis methods, meaning that this research can produce descriptive data in the form of written or spoken words from individuals and observable behavior.

## **RESULTS AND DISCUSSION**

### **Sharia Bank Marketing Strategy in Increasing the Interest of the Millennial Generation in the Digital Era.**

#### **Place**

Choosing the right location will have a significant impact on sales, especially for companies operating in the service sector, especially banking. Based on the results of the author's analysis, it was found that in this digital era banking locations can be accessed easily, namely using the Google Maps

application. With this, the millennial generation is expected to be able to use and utilize it as well as possible so that this is a special attraction for millennials. Apart from that, the application for searching for locations on Google Maps will also provide information on the density of roads to the location of the targeted Islamic bank. (Febriari, 2022)

However, we cannot deny that based on a survey the author conducted in the field, long queues make customers less interested in using banking services. Therefore, the author offers a solution in analyzing the location (place) of the latest innovation from Islamic banks, namely creating an innovation to make it easier for millennial customers to make transactions without having to come to the bank office and queue to get service.

With the application breakthrough by the bank, customers can carry out desired financial transactions, known as bank less (bank without offices), anytime and anywhere they can carry out banking transactions.

#### **Product**

The main aim of sharia banking principles is to avoid usury transactions, so the products offered are of course different from general or conventional bank products, the main difference lies in the sharia principles. Of the several products that sharia banks already have, there is a need for new innovations that are more attractive to millennials by saving online using applications offered by sharia banks, so there is a need for new innovations including: Marriage savings, qurban savings. So the author offers product innovation as follows: 1). Mudhakharat Alzawaj, based on the author's analysis, it is hoped that the latest offer of this marriage savings product will make it easier for the millennial generation to save with just a simple click and they can save for future wedding preparations. 2) One People One Goat Sacrifice is a sunnah recommendation in Islam. With this latest innovation, the millennial generation has a high social spirit and carries out the sunnah of the Prophet Muhammad. The millennial generation has a high desire to make sacrifices

with the one person one goat sacrifice savings account. The money set aside can be saved for sacrificial preparations.

### **Price**

As a financial institution, Islamic banks sell products at predetermined prices. In its business activities, of course Islamic banks are always faced with competitive conditions in the business world. So to be able to win this competition, in terms of price, Islamic banks must have a strategy that takes into account digital technology. Digitalization is considered capable of cutting costs which cause tight price competition. One strategy that is relevant in the current digital era in increasing the interest of the millennial generation is by offering a digital sharia bank. Sharia digital banking is a bank application where you only need to open an account with your mobile phone number (Howard, 1989).

You only need to open an account in the digital bank application that has been downloaded on your smartphone, then register your cellphone number as the account number. This is considered to be in accordance with the lifestyle of the millennial generation who want convenience, simplicity, cheapness, without having to go to a bank office, and save on other costs. All banking features can be accessed via the bank's digital application using a smartphone. An example is Allo Bank, which was just released in June 2021 by CT Group.

### **Promotion**

Promotion is the final activity in the marketing series. Promotional activities are carried out in order to introduce the products offered. To introduce a product, company creativity is needed so that promotional activities are effective and efficient, right on target with low costs. Sharia banks are companies or financial institutions that are based on sharia principles. Free from things that are prohibited in Islam, namely free from usury, maysir and gharar (Waharini & Purwantini, 2018).

Apart from being profit oriented, Islamic banks are also social institutions that offer

products that are ta'awun or mutual assistance. Sharia banks offer products not only for worldly purposes, but also for customers' afterlife purposes. However, this is not conveyed to the public, so there is less interest in making transactions at sharia banks. Sharia banks have implemented various methods through promotional activities.

Promotional activities that have been carried out are through sharia financial literacy activities with seminars. Promotions in electronic media, advertisements on television, even introducing products door to door. Disseminate procedures to the public by offering products such as wadi'ah savings, sharia deposits, financing with mudharabah agreements, and other products. However, the promotional activities that have been carried out are still far from expectations, seeing that the market share of sharia banking is only around 6.52% in 2021. Therefore, the author offers a strategy to be carried out in promotional activities for sharia banks among the millennial generation (Brickell et al., 2020).

Banks must look at the millennial generation, because the millennial generation is a generation that lives in the digital era, likes new things, and always interacts with smartphones in their daily lives, is idealistic, and has a high social spirit. For this reason, Islamic banks must carry out promotional activities by:

- a) Promotion through competition activities.

Activities that can be carried out are by creating creative content competitions by the millennial generation which are uploaded to the social media accounts of the competition participants, such as Instagram, YouTube, Facebook or TikTok accounts which are popular with the millennial generation. The creative content is in the form of a video about how to save using an application provided by a sharia bank, or in the form of a story about the benefits of saving at a sharia bank in light and concise language with an invitation to move to a sharia bank. The assessment of the competition will

be seen from the number of likes of the uploaded video, because the more people who see and like the content, the more promotional activities will be conveyed to the millennial generation.

b) Promotion using influencers/clerics/artists

In promotional activities, sharia banks must look at idolized figures such as ustadz who are much liked by the millennial generation. Many millennials attend his preaching because the language and style of preaching are relaxed, not patronizing, but the preaching delivered is always well received. The invitations for kindness conveyed were followed by the millennial generation. This activity must be increased by sharia banks.

c) Promotion involving the role of the millennial generation.

When Islamic banks innovate in their services, for example when depositing savings, as has just been done by BSI, they no longer write manually on deposit slips, but instead use an application. For this reason, Islamic banks must carry out a lot of outreach to customers about the use of these applications. Sharia banks need enthusiastic young volunteers to take part in these activities.

Steps that can be taken are to gather several people from the millennial generation, then give them short training, then they will be the ones who will go into the field to introduce and teach the use of the application. As more and more millennial generations are involved, this will indirectly increase promotional activities at Sharia Banks.

| Uraian                     | 2022    | 2021    | 2020    | 2019   | 2018   | Pertumbuhan 2021-2022 |
|----------------------------|---------|---------|---------|--------|--------|-----------------------|
| Jaringan Kantor            | 73      | 73      | 69      | 67     | 64     | 0%                    |
| Pegawai (di Luar Pengurus) | 823     | 757     | 755     | 723    | 685    | 8,7%                  |
| • Pegawai Tetap            | 519     | 496     | 495     | 446    | 444    | 4,6%                  |
| • Pegawai Kontrak          | 143     | 119     | 86      | 108    | 81     | 20,2%                 |
| • Pegawai Alih Daya        | 161     | 142     | 174     | 169    | 160    | 13,4%                 |
| Jumlah Nasabah Pendanaan   | 196.531 | 144.244 | 106.356 | 87.843 | 64.958 | 36,2%                 |
| Jumlah Nasabah Pembiayaan  | 10.386  | 10.945  | 12.334  | 14.095 | 14.746 | (5,1%)                |

Maintaining BCAS's growth momentum amidst economic conditions full of uncertainty is a challenge in itself. For this reason, the Board of Directors has formulated strategies and policies including setting business targets, expansion plans, developing technology and human resources. In formulating strategies, the Board of Directors always pays attention to the latest economic and banking industry developments and pays attention to applicable regulations and directions from regulators. (Syariah, 2022)

1. **Distribute financing expansively and carefully**

As the Indonesian economy shows growth, we observe that demand for financing is increasing, creating opportunities for financing growth. BCAS financing growth of 21.3% is a significant figure compared to the previous year which grew at 12.2%. In every financing distribution that we carry out, BCAS always adheres to the principle of prudence. Financing is channeled to potential business sectors, utilizing the supply chain potential in our existing customers' business ecosystem, and also seizing opportunities to acquire new quality customers who have a good track record.

The financing portfolio is still dominated by financing in the commercial segment which reached IDR 5.4 trillion or contributed 71.6% to total financing. We remain committed to supporting business recovery for customers affected by the COVID-19 pandemic over the last two years. As of December 31 2022, total restructured financing was recorded at IDR 969.3 billion or

13.0% of total financing, of which IDR 835.8 billion or 86.2% of restructured financing was for customers affected by COVID-19. Very rapid growth was shown in consumer segment financing which reached IDR 420.8 billion, growing 101.2% compared to the previous year. This is in line with our strategy to optimize consumer financing as a means of acquiring new customers.

To support increased consumer financing, BCAS has carried out various process simplification initiatives and utilized technology to achieve a more efficient financing process, one of which is by implementing robotic process automation (RPA) technology which we named RADIF, Robotic Automation for Digital Financing processes, especially in Murabahah financing. iB Gold. We do this as an effort to increase accuracy and speed up the financing application process. As a form of BCAS' commitment to inclusive financing, financing distribution to the MSME segment also shows growth. MSME financing reached IDR 1.7 trillion, growing 21.6% compared to the previous year which amounted to IDR 1.4 trillion. Overall, the quality of BCAS financing is still maintained at a healthy level as reflected in the gross NPF of 1.42% and net NPF of 0.01%.

## **2. Improving the quality of the composition of Third-Party Funds**

BCAS distributes TPF optimally to channel financing or placement in investment instruments so that it can provide returns for BCAS and our stakeholders. Therefore, the quality of the DPK composition is important. Throughout 2022, we will focus on efforts to improve the composition of CASA and manage the cost of funds as well as maintaining the net rewards obtained by BCAS remain optimal. The increase in CASA will go hand in hand with the growth in the number of customers. 2022 will be marked by various activities to encourage growth in the number of customers.

The entire BCAS branch network is moving quickly to collaborate with institutions such as educational and religious institutions, to provide savings and transaction solutions. As a

result, the number of BCAS customers in 2022 will grow quite significantly, namely 36.2% compared to the previous year. Customer acquisition activities are also driven by marketing activities. In 2022 we will launch official social media, namely the Instagram account @bcasyariah.official and the BCA Syariah Facebook account, so that BCAS can be closer to customers, faster in providing information on solutions and promos that we provide to customers. We also offer various promotional programs so that customers can experience more benefits from our products and services.

## **3. Accelerate the use of Information Technology**

The use of Information Technology in banking activities is increasingly crucial. All BCAS business activities, both in terms of customer service and operational processes, require IT solutions. Now customers have made electronic banking transactions part of their daily lives (new normal). Responding to input from customers who want transactions on e-channel to be more convenient, in 2022 we will make changes (revamp) to BCA Syariah Mobile.

BCA Syariah Mobile comes with a new, fresher appearance with additional features that make customers more comfortable and have a more enjoyable experience, such as the cardless cash withdrawal feature at BCA ATMs. IT is also utilized to improve operational processes. In 2022, we will also utilize robotic process automation (RPA) technology as we previously stated, especially in processing iB Gold Murabahah financing. With this solution, the gold financing process cycle can be automated and produce a more efficient, fast and accurate work process so that ultimately service to customers can be even more excellent.

BCA also continues to synergize with the BCA Group in developing e-channel features. Customers get additional features at BCA ATMs such as BCA credit card payments and Flazz top ups with BCAS Debit cards. On the infrastructure side, network strengthening

between BCA-BCAS also continues to be strengthened so that the benefits can be felt by BCAS, such as real-time online transfers from BCA to BCAS via BCA mobile and Klik BCA free of charge. We also synergize with BCA in using BCA's OptiFamily application for cash management so that cash processing can be done more efficiently and minimize human error.

### **Inhibiting Factors in Sharia Bank Marketing Strategies in Increasing the Interest of the Millennial Generation in the Digital Era.**

Some of the obstacles experienced in carrying out marketing strategies carried out by sharia banks in order to increase the interest of the millennial generation in the digital era include:

- a) Lack of socialization regarding applications issued by sharia banks in creating conveniences that can be directly felt by customers. Like the breakthrough made by Bank BCA Syariah, namely changes to the system carried out by the bank in the process of saving, withdrawing cash at the bank using an application, this means that some parties do not really understand the changes in existing procedures.(Desi Susanti, 2021)
- b) Sharia banking products that already use the internet network make several areas that have not been touched by the internet network feel less attention. so this is a big homework assignment that must be completed by various parties, both sharia banking and other institutions. So that the system in this digital era can be felt by various parties and all regions.
- c) Applications or features that are still lacking in sharia bank marketing strategies require innovation of new features and products that are attractive to millennials in general.
- d) There is still a lack of area for socialization of Islamic banks, such as in remote areas of the country that have not been touched at all by Islamic

banks. So it is hoped that the bank will take steps by collaborating with millennials to become volunteers in the context of socialization activities.

### **CONCLUSION**

The marketing strategy for sharia banks in increasing the interest of the millennial generation in the digital era can be done with a marketing mix strategy, first in terms of location, the digital era creates a condition called bank less (banks without offices), anywhere and anytime can carry out banking transactions. Second, in terms of products, the innovative products offered can attract the interest of millennials by saving online using applications, namely marriage savings and sacrificial savings (one person one goat). Third, in terms of price, digital banks offered by sharia banks are able to save costs because they are easy, simple and cheap, so that transactions with digital banks are cheaper. Fourth, in terms of promotion, namely through activities by creating content creative competitions, promotions involving influencers/religious teachers/artists, and promotions involving the active role of the millennial generation.

Inhibiting factors in the Marketing Strategy of Sharia Banks in Increasing the Interest of the Millennial Generation in the Digital Era are: lack of socialization regarding applications issued by sharia banks, sharia bank products that already use the internet network, making some areas that have not been touched by the internet network feel that they receive less attention, applications or features that are still lacking in the marketing strategy of sharia banks, the area of socialization of sharia banks is still lacking, such as in remote areas of the country that have not been touched at all by sharia banks.

From the conclusions that have been made, there are several suggestions that can be made:

- a) BCA Syariah is further updating its digital marketing. Companies can work together with experts in digital marketing, thereby producing marketing that is attractive to the public so that

they intend to study sharia insurance. So public relations in sharia insurance companies must be developed.

- b) Even though currently, digitalization of social media is the most popular marketing nowadays, the duties of insurance agents cannot be replaced. Insurance agents should be given comfort in their work so that they carry out their duties and responsibilities well. With the existence of a sharia insurance department in Indonesia, it can help the development of sharia insurance in Indonesia to improve in the future and can help socialize sharia insurance products for the millennial generation.

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