

## SHARIA BANKING IN INDONESIA: MANAGEMENT AND MARKETING STRATEGY

Ade GUNAWAN

Tsalis SYAIFUDDIN

UIN KH. Abdurrahman Wahid Pekalongan, Indonesia.

### Abstract

This study aims to determine how the form of management and marketing strategy of Sharia banks in Indonesia in increasing the number of customers. This research is called a case study because it uses a special case as a research subject for Sharia banks in Indonesia and the object of the research is the management and marketing strategy of Sharia banks. Data collection techniques used in the research include literature, interviews, and documentation. In analyzing this data the method used is the research method is qualitative, non-statistical descriptive. The results of this study conclude that the characteristics of the Sharia banking management system in Indonesia are operating based on the principle of profit sharing and avoiding speculative activities in financial transactions. Implementation of management is very necessary for the progress of Sharia banking in Indonesia. The marketing strategy of Sharia banks in Indonesia is to achieve the company's business goals and gain profits both in the world and in the hereafter. Marketing has an important role in developing strategies to increase the number of customers because marketing is the function that has the most contacts and the external environment

Keywords: Management, marketing strategy, and Sharia banking.

### Introduction

Indonesia has many educational institutions (Lestari et al., 2021), both traditional and modern (Musthofiyah et al., 2021). Many higher education institutions that breathe Islam and Islamic boarding schools have their own potential as destinations for the development of Sharia banks and also become one of the elements of strength for Sharia banks (Tahir, 2017).

Why are Sharia banks in Indonesia a place of research? Directly at Sharia banks in Indonesia, it has been seen how the mission and goals are. The mission of Sharia banking to build the economy will also be achieved easily (Hamza, 2013). To create product variations, we submit to the banking system. In this case, the banking sector must go down to the community and conduct a dialogue, what do the people want, if the public wants a certain type of financing, then the bank will issue the product (Lacasse et al., 2018).

Sharia banks in Indonesia have progressed very rapidly compared to other banks, Sharia banks in Indonesia have issued several products including financing products, these products include, among others, the principle of buying and selling with the installment system or Sharia mortgages, financing for construction and SME working capital, the lease-purchase principle, the loan principle, and the order principle (Wahyudi et al., 2018). Of these products, the sharia mortgage is the superior product. The proof is that the products produced can be well received by the community, even the new Sharia banking has provided products that are indeed able to overcome community problems (Yusuf & Ichsan, 2021). For example, sharia mortgage products from Sharia banks in Indonesia are indeed a new product in the world of sharia banking, but sharia banking will continue to advance. To find out the marketing strategy, various indicators are needed that can implement the company's opportunities, threats, strengths and weaknesses. The indicators used are: market size, market growth, competition structure, consumer interest, changes in market tastes, promotional prices, product variations, product image, company location, consumer purchasing power, distribution channels, market share (Azwirman et al., 2019).

Sharia banks are banks that operate without relying on interest. An Sharia bank, also known as an interest-free Sharia bank, is a financial or banking institution whose operations and products are developed based on the Qur'an and the Hadith of the Prophet Muhammad (Nurhasanah et al., 2020).

In other words, Sharia banks are financial institutions whose main business is to provide financing and other services in payment traffic and money circulation, whose operations are adjusted to the principles of Islamic law (Handayati & Prasetyo, 2020). Antonio and Perwatatmadja distinguish into two meanings, namely Sharia banks and Banks that operate with Islamic sharia principles. Sharia Banks are: Banks that operate in accordance with Islamic sharia principles, or banks whose operating procedures refer to the provisions of the Qur'an and Hadith; Meanwhile, a bank that operates in accordance with Islamic sharia principles is a bank that in its operation follows

the provisions of Islamic sharia, especially those that carry out Islamic procedures for converting. It was further said that in the procedure for converting to Islam, practices that are feared to contain elements of usury are avoided to fill in with investment activities on the basis of profit sharing and trade financing (Adinugraha & Ghofur, 2017).

At the beginning of the establishment of Sharia banks in Indonesia, their existence had not received optimal attention in the national banking industry. The legal basis for bank operations that use the sharia system is only categorized as a bank with a profit sharing system. The first Sharia bank that was born in Indonesia was BMI (Bank muamalat Indonesia) whose founding deed was signed on November 1 1991 and started operating in 1992. Meanwhile, for the first time in Indonesia, the Sharia bank that was established was Bank Syariah Mandiri (BSM) in 2001 (Adinugraha, 2020).

The development of the Islamic economy through Sharia banking is marked by the increasingly open doors to Islamic financial institutions with the issuance of Law no. 7 of 1992 which was updated by Law no. 10 of 1998 concerning the legal basis of Sharia banking in Indonesia. This is inseparable from the bright prospects in the Indonesian Islamic finance sector. Moreover, in 2008 law number 21 concerning Sharia banking was enacted on July 16, 2008. This law is an additional supplement to the legality and evidence of recognition of the presence of Sharia banking in Indonesia (Trimulato, 2016).

The slow development of Sharia banking in Indonesia, with the most Muslim population, is questionable. In the view of Islam if you want to survive in the world, it must be based on Islamic Shari'a. Regardless of the debate whether Sharia banks in Indonesia, especially the Indonesian branch, are really based on sharia or not. One of the obstacles faced is the understanding of community members regarding the operational activities of Sharia banks. Although many people need and desire the existence of a bank based on sharia principles. But in reality they do not fully understand the products, systems, mechanisms and ins and outs of Sharia banks (Ahyani et al., 2021).

Problems that arise include the low level of public knowledge of Sharia banking, especially due to the dominance of conventional banking (Iskandar et al., 2020). Following are some of the obstacles that arise in connection with the development of Sharia banking. Inadequate public understanding of the operational activities of Sharia banks. The prevailing banking regulations have not fully accommodated the operations of Sharia banks. The network of Sharia bank offices is not yet extensive. Human resources who have expertise in Sharia banking are still few (Safitri & Anggraini, 2021).

The Sharia banking system is very good and better. Even inferior to the conventional system and has a competitive value. So it is necessary to expand the network so that the sharia system is truly recognized by the community. In order to expand the network, there must be an understanding of the Islamic economic and banking system widely and in detail and the system must be improved (Akhyar et al., 2018).

In everyday life, we are familiar with the terms marketing and sales, which sometimes mean the same thing. Though the two terms are different in terms of orientation and concepts used. Sales are oriented to existing products and try to sell as many items as possible (El Adawiyah et al., 2022). While marketing stems from the needs of buyers who have not been met in terms of product, quality, price, the product is not the only guarantor of consumer satisfaction, but there are several other variables that greatly affect consumer satisfaction, namely product price, location, distribution and so on (Sholihin & Abrori, 2021). For that we must develop a comprehensive strategy, so that our marketing efforts can be optimal. Therefore, according to the description described above, this study aims to find out how the form of management and marketing strategy of Sharia banks in Indonesia in increasing the number of customers.

### **Development of Sharia Banking in Indonesia**

In 2017, the development of the Islamic finance industry experienced a significant increase. This is evidenced by data from the Financial Services Authority (OJK) which states that the national Islamic finance market share as of August 2017 per Islamic finance was recorded at 8.01%. This figure is greatly increased when compared to the position at the end of 2016 which only reached 5.3%. Specifically for Sharia banking, its assets were recorded at Rp. 389.74 trillion, or controlled a market share of 5.44 percent. A sharia economic observer from Karim Consulting, Adiwarmarman Azhar Karim, projects that the growth of Sharia banking assets in 2018 will be in the range of Rp. 462.03 trillion to Rp. 501.09 trillion or its market share in the range of 5.84 percent to 6.33 percent (Hasan & Nita Putri, 2022).

Therefore, Sharia banking is one of the facilities that have a strategic role in economic activities in Indonesia. This strategic role is mainly due to the main function of banking as an intermediary institution between parties who have a financial surplus and the opposite party or commonly referred to as financial intermediaries. Sharia banking is a practical implementation of the concept of Islamic economics, especially in the financial sector, which in its operations is always based on moral values and Islamic sharia principles. Banks based on sharia principles

certainly do not recognize the term interest in providing services for raising funds and financing. Because in Sharia banks the bank services provided are adjusted to sharia principles using contracts that are adaptive to the times (Yumna, 2019).

Recently, the public has been shocked by the good news about the planned merger of BUMN sharia banks which is said to be the right step in the context of strengthening the sharia economy in Indonesia. The merger will be carried out in the first quarter of 2021 (Jalil & Yani, 2021).

The condition of the Covid-19 pandemic that is hitting Indonesia is considered to be a momentum for Sharia banking to consolidate and work together for real. The merger of Sharia banks, a subsidiary of BUMN, will make their performance better and more efficient. This step can also lead to an increase in the market share of Sharia banking in Indonesia.

The Indonesian government responded to this by consolidating all business lines based on core competence to achieve good and efficient performance. In addition, the current Covid-19 pandemic can be a momentum for the consolidation of state-owned sharia banks.

In uncertain economic conditions like now, Sharia banks can work optimally in helping the national economy with the concept of profit sharing applied by Sharia banking. This is considered to be able to provide benefits for all parties, both Sharia banking and the community. There is an opportunity for Sharia banking to continue to grow with the merger. Moreover, in terms of asset growth, Sharia banking is always in the double digits every year (Nastiti & Kasri, 2019).

In 2022, the market share of Sharia banking is still in the range of six percent. The portion of financing is around 6.38 percent, with third party funds or public funds collected in the range of 6.7 percent. In terms of assets, the total assets of all Sharia banks are IDR 537 trillion, while conventional banking has total assets of IDR 8,402 trillion. With the merger of all state-owned Sharia banks, it is hoped that the existence of a single SOE Sharia bank will strengthen the Sharia banking industry and further strengthen sharia-based economic financing in Indonesia. With the joining of state-owned Sharia banks, it is also expected to open wider funding options in the country (Usman et al., 2022).

Tabel 1. Financial performance of Islamic commercial bank

Indicator	2020	2021	2022
<b>CAR (%)</b>	<b>20,59</b>	<b>21,64</b>	<b>24,57</b>
- Capital	40 715	46 854	53 510
- Risk Weighted Assets	197 727	216 547	217 808
<b>ROA (%)</b>	<b>1,73</b>	<b>1,40</b>	<b>2,03</b>
- Profit	5 598	5 087	9 000
- Average Assets	323 438	362 692	443 380
<b>NPF (%)</b>	<b>3,23</b>	<b>3,13</b>	<b>2,65</b>
<b>NPF Net (%)</b>	<b>1,88</b>	<b>1,57</b>	<b>0,85</b>
- Non Performing Financing	7 263	7 713	6 700
- Non Performing Financing Net	4 241	3 877	2 157
- Total Financing to Non Bank	225 146	246 532	253 137
<b>FDR (%)</b>	<b>77,91</b>	<b>76,36</b>	<b>68,98</b>
- Total Financing to Non Bank	225 146	246 532	253 137
- Total Third Party Funds	288 978	322 853	366 997
<b>BOPO (%)</b>	<b>84,45</b>	<b>85,55</b>	<b>93,10</b>
- Operations Expenses	30 415	30 410	10 122
- Operations Income	36 014	35 548	10 872
<b>Profitability</b>			
<b>NOM (%)</b>	<b>1,92</b>	<b>1,46</b>	<b>2,56</b>
- Net Operations Income	5 599	5 137	10 237
- Average Earning Assets	292 108	350 992	399 931
<b>Earning Asset Quality</b>			
<b>APYD to Earning Assets (%)</b>	<b>2,77</b>	<b>2,65</b>	<b>2,06</b>
- Classified Earning Assets	9 018	9 750	8 388
- Total Earning assets	325 365	368 338	406 719
<b>Earning Asset Quality</b>			
<b>Short Term Mismatch (%)</b>	<b>30,08</b>	<b>28,67</b>	<b>26,10</b>
- Short-Term Assets	76 035	82 776	91 282
- Short-Term Liabilities	252 789	288 672	349 685
<b>Yield Proportion</b>			
<b>Non Core Deposit to Total TPF (%)</b>	<b>46,46</b>	<b>44,67</b>	<b>48,04</b>
- Non Core Deposits	134 272	144 231	176 306
- Total Third Party Funds	288 978	322 853	366 997
<b>Fixed Yield Portfolios to Floating Yield Portfolios (%)</b>	<b>241,64</b>	<b>268,03</b>	<b>377,83</b>
- Fixed-rate Yield Portfolios	159 570	179 855	200 300
- Floating-rate Yield Portfolios	66 037	67 102	53 013
<b>Investment Proportion and Risk</b>			
<b>Profit Sharing Financing to Total Financing to Non Bank (%)</b>	<b>39,89</b>	<b>39,03</b>	<b>37,84</b>
- Total Pembiayaan Basis Mudharabah / Profit Sharing Financing Mudharabah-based	89 995	96 376	95 861
- Total Pembiayaan / Total Financing	225 607	246 957	253 314
<b>Potential Loss from Profit Sharing Financing to Total Mudharabah and Musyarakah (%)</b>	<b>2,70</b>	<b>3,46</b>	<b>4,76</b>
- Potential Loss from Profit Sharing Financing	2 425	3 336	4 561
- Total Mudharabah and Musyarakah	89 995	96 376	95 861

Source: Financial Services Authority, 2022.

## Sharia Banking Management in Indonesia

Management of Sharia banks is the management of institutions that collect funds from the public in the form of financing or carry out financial intermediation functions. The characteristics of the sharia banking system that operates based on the principle of profit sharing provide an alternative banking system that is mutually beneficial for the community and banks, as well as highlighting aspects of fairness in transactions, ethical investment, promoting the values of togetherness and brotherhood in production, and avoiding speculative activities in financial transactions. By providing a variety of banking products and services with more varied financial schemes, Sharia banking is an alternative to a credible banking system that can be enjoyed by all classes of Indonesian society without exception (Chanifah et al., 2020).

In the context of macroeconomic management, the widespread use of various Islamic financial products and instruments will be able to strengthen the relationship between the financial sector and the real sector and create harmonization between the two sectors. The more widespread use of sharia products and instruments, in addition to supporting public financial and business activities, will also reduce speculative transactions, thereby supporting overall financial system stability, which in turn will make a significant contribution to achieving price stability in the medium to long term (Wauw, 2021).

With the enactment of Law No. 21 of 2008 concerning Sharia banking which was issued on July 16, 2008 (Shomad & Sudirman, 2019), the development of the national Sharia banking industry has increasingly had an adequate legal basis and will encourage even faster growth. With the impressive development progress, which has reached an average asset growth of more than 65% per year in the last five years, it is hoped that the role of the Sharia banking industry in supporting the national economy will be increasingly significant.

Meanwhile, the Financial Services Authority stated that sharia banking and other sharia business units (UUS) have the following functions: 1. Sharia banks and UUS are required to carry out the function of collecting and distributing public funds. 2. Sharia banks and UUS can carry out social functions in the form of baitul maal institutions, namely receiving funds from zakat, infaq, alms, grants, or other social funds and channeling them to zakat management organizations. 3. Sharia banks and UUS may collect social funds originating from cash waqf and distribute them to waqf managers in accordance with the will of the waqf giver (Halim, 2020).

The idea of establishing an international Sharia bank appeared at the conference of Islamic countries in 1969. At that time a number of countries proposed a financial system that was free from usury. Included in the profit sharing system. While waiting for the establishment of Sharia banks, banks that apply interest are allowed to operate only in an emergency. Meanwhile in Indonesia the idea of Sharia banking began to emerge in 1944. At that time various scholars from Islamic organizations stated that the use of conventional bank services was a forced use of services because a usury-free banking system had not yet been born. The National Conference of the Indonesian Ulema Council (MUI) of scholars in August 1990 then agreed to establish the first Sharia bank in Indonesia. Bank Muamalat was born as the first Sharia bank in Indonesia on November 1, 1991 as a concrete form of the deliberation (Syarifudin, 2019).

Sharia banking Management in Indonesia examines the general management, marketing management, human resource management (HRM), operational management, financial management and risk management of Sharia banking. General management concerns macro aspects and general aspects, such as feasibility studies for business establishment, business environment management, licensing, environmental impacts, and cooperative governance (Syarif et al., 2022).

The main problem in the financial sector is the determination of sources of funds and allocation of expenditures. The implementation of sharia in this field can be in the form of determining the halal requirements of funds, both sources of input and allocation. Thus, it was never planned, for example, to borrow funds that contained elements of usury, or to use funds to bribe officials (Handayani et al., 2021). The discussion of Sharia banking management in Indonesia in addition to bridging between owners of capital and those who need funds, also has a special function, namely trust. This means that they are obliged to maintain and be responsible for the safety of the funds stored and ready at any time for the funds to be taken by the owner. Trust is one of the important subjects in a management science.

## Forms of Sharia Bank Strategy in Indonesia

Before Entering what is the marketing strategy of Sharia banks in Indonesia. The definition of marketing itself is that marketing activities are always present in every business, both profit-oriented businesses and social enterprises. It's just that as marketers do not or do not understand the science of marketing, but in fact they have made marketing efforts. This happens with marketing words. In fact, there are many activities like this in people's lives (Ahmed Abdel Karim, 1996).

In addition to recruiting competent personnel in their field, the bank also provides relevant training to the demands of the work unit. Such as marketing also marketing Sharia bank products in Indonesia that process financing or do things needed for the financing process, also recommends to banks that some of them must also know the abilities or skills related to financing analysis, besides that it is also a matter of In terms of marketing products, of course, training related to marketing is also given (Haron & Azmi, 2006).

The strategy in marketing is how to regulate or coordinate existing human resources, Sharia banks in Indonesia use the eastern pattern, meaning that it is not only marketing personnel who have the burden of being responsible for marketing Sharia bank products in Indonesia but also all other employees including employees. in the suversing service unit/bokk office although not directly not in direct contact with customers, but still has a marketing spirit and is also given the burdens to market Sharia bank products in Indonesia (Wiyono, 2020).

Sharia banks in Indonesia that issue several products including financing products, these products include, among others, the principle of buying and selling with the installment system or Sharia mortgages, financing for construction and SME working capital, the principle of lease and purchase, the principle of loans, and the principle of orders. Of these products, the sharia mortgage is the superior product. The proof is that the products produced can be well received by the community, even the new Sharia banking has provided products that are indeed able to overcome community problems. For example, sharia mortgage products from Sharia banks in Indonesia, which are indeed new products in the world of sharia banking, however, sharia banking will continue to advance (Al-Sharif et al., 2017).

Related to the marketing strategy of Sharia banks in Indonesia, here we increase customer service, namely increasing the number of customers, if we talk about customers, there are financing customers and fund customers, of course here we need different strategies. Fund customers are customers who place their funds in a bank. While financing customers are customers who take advantage of Sharia bank financing products in Indonesia which are ideal for a purpose (Elbeck & Dedoussis, 2010). One of our customers is doing counseling, meaning that in addition to the process of selling financing products, for example, there is a need for vehicle ownership financing needed by the applicant, for example, successful entrepreneurs, counseling as one of customer increase.

The marketing strategy of Sharia banks is a step that must be taken in marketing banking products or services aimed at increasing sales. The increase in sales was oriented towards funding products, customer orientation, improving service quality and increasing fee-based income (Tanjung, 2018).

Thus the market strategy is an important thing in the marketing of Sharia banks. What is meant by market strategy is to clearly implement the Sharia bank market so that it becomes the main key to implementing other elements of the strategy. Market strategy can be carried out by taking into account the following aspects: customer or Sharia bank focus, service priorities and pricing of goods or services, territorial preferences or market areas, distribution channels, and the image and condition of the Sharia bank company (Cahyono et al., 2020).

Therefore, what must be done by a marketer of Sharia banks is to convince customers of unreal products through attractive product presentations, an effective sales process depends on sharpness and foresight in approaching sales. The two things above are largely determined by the quality of marketing skills to carry out total quality service skills (Munandar et al., 2022).

### **Socialization and Promotion of Sharia Banks in Indonesia**

Socialization is a learning process for community members to recognize and understand the system, values, and culture prevailing in society. This recognition and understanding will be perfect if it includes the background of the emergence of the value system and culture (Ningsih et al., 2020).

Starting from this understanding, socialization is more of a transformation of thought than the transformation of a pattern of activity. Thus, the socialization of a system means that it must be more about the process of transforming the thoughts that underlie the realization of the system, rather than just the way the system works (Rozikin & Sholekhah, 2020).

The promotion is relatively the same as conventional banks but must be honest, transparent, and not speculative, such as the lure of how many prizes are drawn, promotions are carried out through print, electronic and personal selling media (Amelia et al., 2021).

Through the elements of society that we consider easy to absorb regarding the meaning of services regarding Sharia banks, we establish good relationships with buyers. As actors in Islamic financial institutions, they do not only compete with conventional banks but also with Sharia banks. Banks must implement competitive strategies, for example in collecting bank funds that the profit sharing rate from products, especially deposits is relatively higher than deposits in other bank products, banks can also take advantage of it. But the bank is more focused on the rate of profit sharing itself. Thus, the product of the distribution of financing in the financing process at Sharia banks, they do not channel financing in the long term, there are few competitors here. For example, mortgages

(home ownership loans) or financing products can take 10 years on average to do the long term (Muhammad et al., 2020).

As a newcomer to the world of Sharia banking, Sharia banks in Indonesia have their own way of seizing the banking market with this system. Previously, there were four other Sharia banks in Yogyakarta, namely BNI Syariah, BRI Syariah, Bank Mandiri Syariah and Bank Muamalat Indonesia.

One of the ways used by Sharia banks in Indonesia, to be able to seize the interest of their consumers, especially in Indonesia, is to socialize the sharia system to the public. The socialization of the sharia system is carried out using the Workshop and Seminar method. One of them was a one-day seminar held by Sharia banks in Indonesia in the Tazkia language console at the Garuda Indonesia hotel, at the end of last April.

With this step, the distribution of Sharia banking funds to the public is ensured to be right on target. However, based on existing data, although the products are not varied enough, the distribution of funds to the public from the total funds raised reaches 93% or better than conventional banks which only reach 49 to 50%.

The promotions carried out actually carry out the mission to convey information about the products to be sold to the consumer community. The information conveyed is about everything that is factual about the goods or services that will be sold to the market (Febriandika, 2021).

The target of this information is consumers. While providing information is the company. There are many kinds of this media, from oral media such as written media through newspapers, magazines or auditory or audio-visual media such as television, radio to the latest, namely through internet media (Kardoyo et al., 2020). But the point is how the message reaches the market exactly. The validity of this information is determined by three items or elements, namely the nature and qualification of the message. The figure and style of the message conveyed by the media used. These three elements are very decisive in the success of this promotion as a delivery of information.

### **Segmentation Targeting Positioning of Sharia Banks in Indonesia**

Every company has three possibilities for marketing strategies in serving its market:

#### *Mass Marketing*

The strategy of Sharia banks in Indonesia is often referred to as a market aggregation strategy or undifferentiated marketing. This strategy is due to the mass market philosophy, which considers a market as a market with similar needs, without any individual segments. Therefore, in the strategy of Sharia banks in Indonesia, they try to meet the needs of all buyers by carrying out mass production, mass distribution, and mass promotion of products. So there is only one marketing mix that is used to serve all markets.

Mass marketing strategies aim to increase efficiency and economies of scale, so that costs and prices are low and can reach as many potential buyers as possible. But there is also a problem, namely ignoring the differences in consumer tastes and the possibility of changing their preferences which can cause sales to decline (and even threaten business continuity). The Sharia bank strategy in Indonesia is used by companies that produce standard goods (such as agricultural products, gasoline, salt, sugar) and standard services (eg lawn mowing, house painting, workshops).

Mass marketing strategies can also be applied to some products that the market may not consider standard. To support the success of the Sharia bank strategy in Indonesia, there are main requirements that must be met, namely: There must be a large number of people who have the same needs or basics (homogeneous), Consumers feel that the products of each company are no different, or only small differences. Companies must be able to design a marketing mix that can satisfy all kinds of potential customers (Mohamed Naim et al., 2019).

#### *Product-Variety Marketing*

In the strategy of Sharia banks in Indonesia, the company tries to produce several products that have different characteristics, such as quality, size, model, color or characteristics. This strategy emphasizes providing a wide variety of products to buyers rather than attracting different market segments. The rationale for the strategy of Sharia banks in Indonesia is that customers have their own tastes and these tastes change over time. Therefore customers need variety and change; The company tries to offer as many products as possible that can meet all of these variations (Ramadhani et al., 2019).

#### *Target Marketing*

In the marketing strategy of Sharia banks in Indonesia, the company does market segmentation, then selects one or more segments that are considered the most potential and profitable, and develops products and marketing programs specifically designed for the selected segments.

There are two types of strategies to choose from, namely concentrating on a single segment (concentrated marketing) and multi-segment marketing. If the company chooses a single segment, it is expected that the company can better understand the needs, motivations, and satisfaction of each member of its segmentation.

Community understanding will be of great help in devising and implementing a highly specialized marketing mix. However, big risks are also ready to block its application in marketing industrial products. However, an example of a company implementing this strategy is Harley-Devidson concentrating solely on the market (Asnawi et al., 2020).

Another type is multi-segment marketing, in which a company selects two or more market segments and develops a separate marketing mix for each of them. The strategy of Sharia banks in Indonesia can provide several potential benefits, such as greater sales volume, profit and market share, and economies of scale in manufacturing and marketing (Mulia et al., 2020). However, there are also risks and costs, including design costs, product costs.

## Conclusion

Based on the results and discussion above, several conclusions can be drawn, namely the characteristics of the Sharia banking management system in Indonesia, namely operating based on profit sharing principles and avoiding speculative activities in financial transactions. Sharia banking management in Indonesia examines general management, marketing management, human resource management (HRM), operational management, financial management and risk management of Sharia banking. Sharia banking management in Indonesia is an art to manage, because special and unique things often happen based on the characteristics of each banking institution. From another point of view, it can also be called a science because it can be learned, imitated, and can be documented. Implementation of management is very necessary for the progress of Sharia banking in Indonesia.

The marketing strategy of Sharia banks in Indonesia is a series of steps to achieve the company's business goals. The benefits of this world and the hereafter. Marketing has an important role in strategy development because marketing is the function that has the greatest contact and the external environment, while the company has only limited control over the external environment. Marketing strategy consists of the basic principles that are fundamental to marketing management to achieve business and marketing goals in a target market. Promotions carried out by Sharia banks in Indonesia are carrying out the mission to convey information about products to be sold to the consumer community. The information conveyed is about everything that is factual about the goods or services that will be sold to the market, and the target of this information is consumers. While providing information is the company.

## Suggestions

Based on the results and discussion above, it can be drawn some suggestions or recommendations, namely to improve employee work, Sharia banks in Indonesia should always improve the quality of their human resources in the face of fairly tight competition in the banking business world today and in the future. Sharia banks in Indonesia need to further increase promotion and socialization of the community so that Sharia banks in Indonesia are better known and known to the public, especially Indonesia. Sharia banks in Indonesia have good and solid management and are supported by professional and trustworthy human resources so that they do not become alternative financial institutions but are truly independent. Urge the government to accelerate the development of Sharia banks by providing implementation provisions for the operations of Sharia banks.

## References

- Adinugraha, H. H. (2020). SHARIA BANKING: The Current Phenomenon and Its Practices in Indonesia. Penerbit NEM.
- Adinugraha, H. H., & Ghofur, A. (2017). Pemikiran Ekonomi Islam Muhammad Syafi'i Antonio (Analisis Terhadap Perbankan Syariah Di Indonesia). *Jurnal SMART : Studi Masyarakat, Religi, Dan Tradisi*, 03(02).
- Ahmed Abdel Karim, R. (1996). The impact of the Basle capital adequacy ratio regulation on the financial and marketing strategies of Islamic banks. *International Journal of Bank Marketing*, 14(7). <https://doi.org/10.1108/02652329610151368>
- Ahyani, H., Slamet, M., & Mutmainah, N. (2021). The Contribution of the Western World to the Islamic Economy in Indonesia. *Al-Amwal : Jurnal Ekonomi Dan Perbankan Syari'ah*, 13(2). <https://doi.org/10.24235/amwal.v13i2.8619>
- Akhyar, C., . M., . A., & Syamni, G. (2018). Profit Growth in Indonesian Sharia Bank: The Impact of RGEC. *International Journal of Engineering & Technology*, 7(3.30). <https://doi.org/10.14419/ijet.v7i3.30.18437>
- Al-Sharif, B. M., Qwader, A., & Fattah Al-Slehat, Z. A. (2017). The Effect of Promotion Strategy in the Jordanian Islamic Banks on a Number of Customers. *International Journal of Economics and Finance*, 9(2). <https://doi.org/10.5539/ijef.v9n2p81>
- Amelia, E. N., Rahmi, M., & Sari, L. P. (2021). Students Perceptions of Service Quality and Promotion of Interest in Using Wadiah Contract in Islamic Banks. *Journal of Islamic Economics and Social Science (JIESS)*, 2(2). <https://doi.org/10.22441/jiess.2021.v2i2.003>

- Asnawi, N., Sukoco, B. M., & Fanani, M. A. (2020). The role of service quality within Indonesian customers satisfaction and loyalty and its impact on Islamic banks. *Journal of Islamic Marketing*, 11(1). <https://doi.org/10.1108/JIMA-03-2017-0033>
- Azwirman, Zulhelmy, & Suryadi, A. (2019). Analysis of islamicity performance index on sharia banks in Indonesia. *International Journal of Innovation, Creativity and Change*, 10(3).
- Cahyono, E. F., Rani, L. N., & Kassim, S. (2020). Perceptions of the 7p marketing mix of Islamic banks in Indonesia: What do twitter users say about it? *International Journal of Innovation, Creativity and Change*, 11(11).
- Chanifah, S., . H., & Wiedyaningtias, M. (2020). Earning management practices in Islamic banking in Indonesia. *The Accounting Journal of Binaniaga*, 5(01). <https://doi.org/10.33062/ajb.v5i01.364>
- El Adawiyah, S., Patrianti, T., Dhamayanti, M., Pratiwi, N. I., Seituni, S., & Ginting, R. (2022). Integrated Marketing Communications Sharia Banking Economy. *Proceedings of the International Conference on Social, Economics, Business, and Education (ICSEBE 2021)*, 205. <https://doi.org/10.2991/aebmr.k.220107.017>
- Elbeck, M., & Dedoussis, E. V. (2010). Arabian Gulf innovator attitudes for online Islamic bank marketing strategy. *Journal of Islamic Marketing*, 1(3). <https://doi.org/10.1108/17590831011082437>
- Febriandika, N. R. (2021). Do Profit-Sharing Rate, Promotion Media, Location, And Service Facilities Affect Muslim Decisions To Use Islamic Banks? *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, 10(2). <https://doi.org/10.46367/iqtishaduna.v10i2.414>
- Halim, S. (2020). Effect Of Financing In Sharia Business Units On Profitability And Financing Risk Management. *Journal of Islamic Economics and Social Science (JIESS)*, 1(1). <https://doi.org/10.22441/jiess.2020.v1i1.002>
- Hamza, H. (2013). Sharia governance in Islamic banks: effectiveness and supervision model. *International Journal of Islamic and Middle Eastern Finance and Management*, 6(3). <https://doi.org/10.1108/IMEFM-02-2013-0021>
- Handayani, E., Rahmawati, A., Tubastuvi, N., & Hapsari, I. (2021). Performance analysis of sharia-commercial banks in Indonesia before the covid pandemic period (2015-2019). *International Journal of Research in Business and Social Science* (2147- 4478), 10(2). <https://doi.org/10.20525/ijrbs.v10i2.1010>
- Handayati, P., & Prasetyo, A. (2020). Hermeneutica Hybrid Contract in Syaria Accounting Perspective. *KnE Social Sciences*. <https://doi.org/10.18502/kss.v4i9.7330>
- Haron, S., & Azmi, wan nursofia wan. (2006). Marketing Strategy of Islamic Banks : A Lesson from Malaysia. *Journal of Islamic Banking and Finance*,.
- Hasan, Z., & Nita Putri, M. R. (2022). Indonesian Sharia Banking in Facing the Industrial Revolution 4.0. *UMRAN - International Journal of Islamic and Civilizational Studies*, 9(1). <https://doi.org/10.11113/umran2022.9n1.546>
- Iskandar, A., Possumah, B. T., & Arifuddin, A. (2020). Rethinking Islamic Economic and Finance Practices in Indonesia: Some Critical Reviews. *International Journal of Islamic Business and Economics (IJIBEC)*, 4(2). <https://doi.org/10.28918/ijibec.v4i2.2751>
- Jalil, A. W., & Yani, A. (2021). Applying of Fatwa in the Case of Islamic Banking in Court: A Study of the Development of Islamic Banking in Indonesia. *International Journal of Law and Public Policy*, 3(2). <https://doi.org/10.36079/lamintang.ijlapp-0302.263>
- Kardoyo, Nurkhin, A., Muhsin, Mukhibad, H., & Aprilia, F. D. (2020). The effect of knowledge, promotion, and religiosity on intention to use Islamic banking sendees. *International Journal of Financial Research*, 11(2). <https://doi.org/10.5430/ijfr.v11n2p128>
- Lacasse, R.-M., Lambert, B., & Khan, N. (2018). Islamic Banking-Towards a Blockchain Monitoring Process. *Journal of Business and Economics*, 6(1).
- Lestari, L. R. P., Sopiah, & Adinugraha, H. H. (2021). Integration Of Islamic Education Values Towards The "Yatiman" Tradition In The Month Of Suro In Pekalongan. *Zawiyah*, 7(1), 1–25.
- Mohamed Naim, A., Abd. Hamid, M. L., & Haji Wahab, M. Z. (2019). The Roles of Lifestyle, Future Need and Customer Preferences in Customer's Satisfaction on Islamic Banks Products and Services. *The Journal of Muamalat and Islamic Finance Research*, 16(2). <https://doi.org/10.33102/jmifr.v16i2.223>
- Mohammad Yusuf, & Reza Nurul Ichsan. (2021). Analysis of Banking Performance in The Aftermath of The Merger of Bank Syariah Indonesia in Covid 19. *International Journal of Science, Technology & Management*, 2(2). <https://doi.org/10.46729/ijstm.v2i2.182>
- Muhammad, A. M., Basha, M. B., & AlHafidh, G. (2020). UAE Islamic banking promotional strategies: an empirical review. *Journal of Islamic Marketing*, 11(2). <https://doi.org/10.1108/JIMA-10-2018-0205>
- Mulia, D., Usman, H., & Parwanto, N. B. (2020). The role of customer intimacy in increasing Islamic bank customer loyalty in using e-banking and m-banking. *Journal of Islamic Marketing*, 12(6). <https://doi.org/10.1108/JIMA-09-2019-0190>
- Munandar, J. M., Oktaviani, D., & Angraini, Y. (2022). How important is CRM toward customer's loyalty to conventional and Islamic bank marketing strategy?: A case study from Indonesia. *Journal of Islamic Marketing*, 13(1). <https://doi.org/10.1108/JIMA-07-2019-0146>
- Musthofiyah, L., Sopiah, & Adinugraha, H. H. (2021). The Implementation of Distance Learning on Early Childhood Education During New Normal Era of Covid-19. *EDUCATIVE*, 6(1).



- Nastiti, N. D., & Kasri, R. A. (2019). The role of banking regulation in the development of Islamic banking financing in Indonesia. *International Journal of Islamic and Middle Eastern Finance and Management*, 12(5). <https://doi.org/10.1108/IMEFM-10-2018-0365>
- Ningsih, N. W., Ridwansyah, R. R., & Purnamasari, S. A. (2020). The Importance of Promotion Costs and Training Costs for Islamic Rural Bank in Indonesia by BPRudent. *Jurnal Ilmiah Ekonomi Islam*, 6(3). <https://doi.org/10.29040/jiei.v6i3.1279>
- Nurhasanah, N., Nurhayati, N., & Surahman, M. (2020). Micro finance in sharia rural banks in Indonesia: A case study. *Entrepreneurship and Sustainability Issues*, 7(4). [https://doi.org/10.9770/jesi.2020.7.4\(58\)](https://doi.org/10.9770/jesi.2020.7.4(58))
- Ramadhani, E. B., Hakim, A., & Pratiwi, R. (2019). Effect Of Perception On Sharia Banks And Variety Seeking On Customer Switching Intention From Conventional Banks To Sharia Banks In Bekasi City. *Jurnal Ekonomi Dan Perbankan Syariah*, 7(2). <https://doi.org/10.46899/jeps.v7i2.118>
- Rozikin, A. Z., & Sholehkah, I. (2020). Islamic Financial Literacy, Promotion, and Brand Image Towards Saving Intention in Sharia Bank. *IQTISHADIA*, 13(1). <https://doi.org/10.21043/iqtishadia.v13i1.6489>
- Safitri, N., & Anggraini, W. (2021). Trust on Sharia M-Banking: Evidence on Milenials Generations. *Journal of Islamic Economic Scholar*, 2(1). <https://doi.org/10.14421/jies.2021.2.1.1429>
- Sholihin, M. R., & Abrori, I. (2021). Sharia Marketing and Employee Intelligence on Public Trust in Indonesian Islamic Banking. *Wiga : Jurnal Penelitian Ilmu Ekonomi*, 11(1). <https://doi.org/10.30741/wiga.v11i1.428>
- Shomad, A., & Sudirman. (2019). Financing problem completion based on article 40 jo article 55 law number 21 of year 2008 concerning Sharia Banking. *Journal of Advanced Research in Dynamical and Control Systems*, 11(5 Special Issue).
- Syarif, F., Qorib, A., Siregar, S., & Muda, I. (2022). Factors Affecting Earnings Management of Islamic Banking Companies at the Indonesia Stock Exchange on Publication Year of 2013-2019. *Jurnal Ilmiah Akuntansi*, 6(2). <https://doi.org/10.23887/jia.v6i2.36717>
- Syarifudin, A. (2019). Exploring The Progressive Law In The Constitutional Court Decision No. 93 / Puu-X / 2012 On Testing Article 55 Verses (2) And (3) Law No. 21 Of 2008 Concerning Sharia Banking. *Mu'amalat: Jurnal Kajian Hukum Ekonomi Syariah*, 11(2). <https://doi.org/10.20414/mu.v11i2.2133>
- Tahir, P. (2017). Development and Legal Basis of Sharia Banks in Indonesia. *International Journal of Scientific and Research Publications*, 7(8).
- Tanjung, H. (2018). Strategies for Providing Marketing Staff in Islamic Banks. *Jurnal Manajemen*, 8(1). <https://doi.org/10.32832/jm-uika.v8i1.746>
- Trimulato, T. (2016). Sharia Bank Product Development through Mudhrabah Investment. *Shirkah: Journal of Economics and Business*, 1(3). <https://doi.org/10.22515/shirkah.v1i3.24>
- Usman, H., Projo, N. W. K., Chairy, C., & Haque, M. G. (2022). The exploration role of Sharia compliance in technology acceptance model for e-banking (case: Islamic bank in Indonesia). *Journal of Islamic Marketing*, 13(5). <https://doi.org/10.1108/JIMA-08-2020-0230>
- Wahyudi, S., Nofendi, D., Robiyanto, R., & Hersugondo, H. (2018). Factors affecting return on deposit (ROD) of Sharia banks in Indonesia. *Business: Theory and Practice*, 19. <https://doi.org/10.3846/BTP.2018.17>
- Wauw, Y. (2021). Performance Analysis of Sharia Commercial Banks in Indonesia before the COVID Pandemic Period (2015-2019). *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3816553>
- Wiyono, E. S. (2020). Marketing Strategy for Murabahah Financing Products at Islamic Rural Banks in East Java Indonesia. ... Strategy for Murabahah Financing Products at ....
- Yumna, A. (2019). Examining financial needs of banking customers for product development in Islamic banking in Indonesia: A Maslahah pyramid approach. *International Journal of Islamic and Middle Eastern Finance and Management*, 12(5). <https://doi.org/10.1108/IMEFM-11-2018-0378>