

Islamic Bank Analysis of Marketing Strategy with Perspective Competitive Advantage Muamalat Bank of Indonesia in Jakarta

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ABSTRACT: This study originated from Muamalat Bank phenomena associated with the marketing strategy has not been well assessed so less competitive than other banks and conventional Islamic background. The purpose of this study is to gather information about the strategies used by Muamalat Bank in increasing competitive advantage in Indonesia. The method used in this study is a qualitative approach with a knife phenomenology analysis. Phenomenology is used with consideration to explore the experiences of the informants in this study would participate. The results showed that the strategy was to increase the competitive advantage of marketing activities on customer-oriented behavior by avoiding usury in operation, promotes comfort, has lofty ideals, balance and control. In addition to be based on religion, customers also expect that Muamalat Bank improve the quality of care is transparency, accountability, Corporate Responsibility, professional, fairness. The implication of this research is to create a strategy to improve marketing performance Muamalat Bank better fit with Islamic Shari.

KEYWORDS: *Islamic Bank, Marketing Strategy, Performance, Muamalat Bank*

I. INTRODUCTION

The establishment of the Islamic Development Bank (IDB) has motivated many Islamic countries to establish Islamic financial institutions. At the end of the 1970s and early 1980s, Islamic banks have sprung up in Egypt, Sudan, the Gulf states, Pakistan, Iran, Malaysia, Bangladesh, and Turkey, Antonio[1]. Development of the Islamic banking industry today has created sharp competition among Islamic banks. To win this competition, the Bank must be creative and innovative in knowing the needs, desires, tastes of consumers, their buying behavior, and designing products to meet those needs better than what competitors do, and to influence consumers to buy products based on their behavior, Prasertijo et al, [2].

Survey conducted by the Bahrain Monetary Agency in 2004 showed that the number of Islamic banking institutions with a significant jump from 176 in 1997 to 267 in 2004 which operates in 60 countries around the world. With a growth rate of 15% per year, some argue that the Islamic banking industry is the fastest growing sector in Muslim countries, Zaher and Hassan in Fitri&Hartanti, [3].

Research Gerrard and Cunningham [4], Metawa and Almossawi [5], Jalaluddin and Metwally [6] concluded that a major factor interest-free Islamic banks utilize motivation. Then Mehboobul Hassan [8] conducted an empirical study that the strength of the Islamic vision (religiosity) encourage public confidence, preferring the legitimate investment returns or permitted by religion. Osman et al. [9] asserts that in order to become competent in the banking industry, Islamic banks must have a valuable services, products and competencies to compete with conventional banks. However, Haron and Ahmad [10] observed that the majority of respondents determines that economic conditions and religion are important factors to choosing banking services. Although nearly all respondents (75 percent) are non-Muslims, but Islamic banking is their choice. In conducting its operations as a bank based on Islamic principles, Bank Muamalat Indonesia face many obstacles. In addition to the legal regulation of Islamic banks have not been specifically set up and create space in the development of Islamic banking, as well

The Muamalat Bank in ability to compete with conventional banks that already have a strong network of outposts to the area. In addition, to maintain liquidity and preserve its existence, which through the efforts of a reasonable profit through revenue sharing, the Muamalat bank can not avoid to not work as the middle and upper class customers and borrowers with the most potential. This then led to many Muslims still do not feel the presence of Muamalat bank provide meaningful touch on them as a bank that carries the values of Islam, Adrian, [11]

Data collected by Bank of Indonesia [12] showed that the rate of growth of Islamic banking financing in 2009 decreased by 14% from last year grew 36.7% to 22.8%. While the decline in asset growth rate of 2.2%

from 35.6% to 33.4%, which interest is increasing deposit growth of 35.5% in 2008 to 37.7%, the market share of Islamic banks in 2010 only 2, 46 per cent and three per cent is difficult to achieve, even though not worthy of Muslim-majority Indonesia.

W. Cravens David [13] says that in order to succeed in the competition, which required market-oriented marketing strategies (market-driven strategy) that can anticipate all wants and needs of consumers. The competition is increasingly widespread, demand Sharibanks should implement competitive strategies and the appropriate principles of Shari, so that customers interested in saving decisions, that is by meeting the needs and wants of customers.

Islamic finance research by taking the consumer perspective has done a lot of them (Aggarwal and Yousef [14]; El-Gamal [15]; Henry and Wilson [16]; Kuran [17]; Visser [18]; Warde [19]. The previous researchers argue that Muslims are the main users of Islamic financial products and has been running optimally. But some researchers say that Islamic Banking is a large market segment has not been used optimally (Venardos [20]; Wilson [21]. The difference is an opportunity for further research at Muamalat Bank in Jakarta.

Dadzie, Kofi Q. et al. [22] in his research found that good customer service is a positive effect on savings behavior. modeling savings in Islamic banks not only factor-economic, factors alone, but also non-economic factors such as religion (religiosity). Kofi study is supported by the results of research Zainuddin, et al. [23], Kadom Shubber and Alzafiri[24]. The purpose of this study is to develop the concept of marketing performance improvement through the customer service perception at Muamalat Bank in Jakarta.

II. LITERATURE REVIEW

2.1. Islamic Bank concept.

Islamic bank is a bank that pioneered the bank's operations in order to avoid usury. Therefore, usury is forbidden by religious work. Karsten [25] describes usury. is forbidden because it reinforces the tendency to accumulate wealth in a few hands, and thus reduces humans to pay attention to our fellow human beings. Metwally [26] also argues that usury is a speculative transaction is detrimental to society. Islamic banking is a form of modern banking is based on the concept of Islamic law, using a risk-sharing as the primary method for forming comfort Customer and Bank,Schaik, [27]. Kaynak and Whiteley [28] observed that the convenience of the bank is the main motivation for the customer in choosing a bank. Islamic bank customers are recognized as partners instead of the borrower or debtor as practiced in conventional banking Khir, Gupta, &Shanmugam, [29]. Choi and Valikangas [30] argues that the quality of customer service is an important tool, with a strategy that is more innovative and forward-looking. Othman and Owen [31] concluded that cultural and religious factors were identified as the most influential Islamic banking. Wakhid and Efrita [32] states that the religious factor as a key factor which will affect Islamic banking. Lamsali et al. [33] revealed that it is fundamentally important to understand the importance of quality of care and understanding elements of service quality dimensions that significantly influence customer satisfaction.

2.2 Marketing Concept

2.2.1 Definition of Marketing Strategy

Marketing strategy is a set of goals and objectives, policies and rules that give direction to the company's marketing efforts from time to time, at each level, and the reference to the locations, primarily in response to the company in the face of competitive environment and ever changing circumstances. According to Sculley in Kotler and Susanto [34]" Marketing Strategy is an integrated series of actions towards a sustainable competitive advantage". Kotler, et al [35] state that "The marketing strategy is targeted segments, namely the customers and their needs will be served by the offer of the market", and the above description it can be concluded that the marketing strategy is a design that is made to do all the marketing activities that aim to buy a business that can produce good quality.

Raymond and Hollenback [36] state that 'strategic human resource management' can be thought of as 'the pattern of planned human resource developments and activities intended to enable an organization to achieve goals'. To take a 'strategic approach to human resource management, must have an understanding of the role of human resource management in the strategic management process. Ivancevich [37] state that "Strategic human resource management as the acknowledgement that Human Relationship policies and practices have critical linkages with organization's overall strategy".

2.2.2 Objectives of Marketing Strategy

Objective marketing strategy is to know how to enter the system with the aim to meet marketing and satisfy the desires of targeted customers. The field examines how individual behavior. Groups and organizations

select, buy, use, and making stuff or idea of experiences to satisfy their needs and desires. Basically, the purpose of marketing strategy is to get prospective buyers. to maintain and increase the number of customers and to win the competition. Iriantara [38] defines that "The aim of marketing strategy is a marketing effort". While Triton [39] defines that "The aim of marketing strategies is a vital element of the strategy for achieving the basic goals and objectives of this strategy is the framework on which to base the measurement of success or failure of a strategy.

From the description above can be drawn a conclusion, the purpose of marketing strategy is a set of critical choices for the design and implementation of a series of action plans and allocation of products that are important in achieving the basic goals and objectives, taking into account competitive advantage, comparative and synergistic sustainable ideal, as the direction, coverage, and long-term perspective of the overall ideal of the individual or organization. Each management function gives the concept a certain contribution during the preparation of strategies at different levels. Marketing is a function that has the most contact with the external environment, but the company has only limited control over the external environment. Therefore, marketing plays an important role in the development of marketing strategies.

2.3. Competitive Advantage

Gary Dessler [40] state that Competitive advantage is any factor that allow an organization to differentiate its products or service from those of its competitor to increase market share. Human resources strategy means accepting human resources function as strategic partner in both the formulation of company's strategy, as well as in the implementation of those strategies through human resources activities such as recruiting, selecting, training, and rewarding personnel. The term of human resources strategy refers to the specific human resources of action the company uses to achieve its aims. If the company increased its market share` means the company` can` out` perform its competitors, if the company's market share declined, it can be said the company lost its competitors. Measurement with overall market share is widely used because it only requires information about the total sales, Kotler, [41]

III. METHODE RESEARCH

3.1. Research Design

This research describes the efforts to increase the number of customers of Muamalat Bank through analysis of the competitive advantage that generate effective strategy for improving customer. Subjects were individuals used as a source of information related to research. This study used a qualitative approach and classified as descriptive research. Descriptive research research that aims to gather the facts and outlining thoroughly and carefully in accordance with the problems solved, Burhan Bungin, [42] Source of data to be used in the data collection in this research is primary data and secondary data. Primary data is obtained directly from the source and have not been treated previously as the history of the institution, the amount of data customer, organizational structure and other data. Secondary data is obtained through the development of customer numbers, data on the number and percentage of office for results and other data.

3.2. Data Collection Techniques.

Conduct interviews or conversations, questions and answers with informants with structured techniques and unstructured. Unstructured interviews that the arrangement questions in each question can be changed as needed. Conduct systematic observation and recording of phenomena under study. Documentation on the whole process of doing research by utilizing a wide range of literature relevant to the social phenomenon that is being observed. The validity of the data was triangulated with data checking something out of data for comparison data by comparing the observations with the results, compare the state of a person with different views, and compare the results of interviews with related documents. Question the validity of the test carried out on employees, customers and competitors of Muamalat Bank.

3.3. Data Analysis Techniques.

Data analysis is the process of systematically searching and collate the data obtained from interviews, field notes and documentation by way of organizing data into categories, outlined in the units, synthesize, organize into a pattern, choose which ones are important and which will learned and make conclusions so easy to understand themselves and others. Tools of data analysis in this study is phenomenology. Phenomenological research is a qualitative research tradition that is rooted in philosophy and psychology, and focuses on the human experience.

IV. RESULT AND DISCUSSION

4.1. Description of informant.

This section describes the demography informants consisting of name, age, religion, educational, status, occupation and address, are presented in Table 4.1 below:

Table 4.1 Informant Demographics

No	Name	Age	Religious	Education	Status	Employment	Address
1	Ridotullah	42	Moslem	Scholar	Married	BMI employees	Jakarta
2	MuthofarHadi	35	Moslem	Scholar	Married	BMI employees	Jakarta
3	Fauzi,	36	Moslem	Scholar	Married	BMI employees	Jakarta
4	Choirul	45	Moslem	Scholar	Married	BMI employees	Jakarta
5	Hidayatullah :	38	Moslem	Graduate	Married	BMI employees	Jakarta

Source: Data processed in 2011

4.2. The results

The themes generated through phenomenological analysis of the data showed that there were significant experience in participating in the development of Muamalat Bank in Jakarta. Important experience consists of 2 (two) main themes and marketing strategies of Islamic purity. Table 4.1 described the themes and the employees of Muamalat Bank in Jakarta.

Table 4.2 Informant Experience Themes Muamalat Bank

No	Marketing Strategy	Purity Islamic Shari
1	Transparency	Avoid Usury
2	Accountability	Comfort.
3	Accountability	Aspire ToLofty
4	Professionals:	Balance
5	Fairness	Supervision

Sources: Data processing, 2011

Based on Table 4.1. The themes generated from the experience of informants has Established marketing strategy Bank Muamalat namely transparency, accountability, responsibility, professional and fairness. The five themes are to be implemented to improve the purity of the Islamic Sharias avoidance of usury, improve comfort, sublime aspire, balance and control

4.3. Discussion

Customers still need to be encouraged by promoting the spirit of spiritual aspects of lawful-unlawful and not ignore aspects of Shari bank competitiveness. Sometimes customers are very sensitive in terms of return or pricing. Especially large customers, despite differing only 1% - 2% (lower than conventional bank deposits). They are easy to move back to a conventional bank. Customers of conventional banks have not been able to let go of their personal lives. This indicates that the client is not convinced its capital could accommodate all their needs. It is probable that the Bank Muamalat is still seen as a new item, so it is still in the stage of trial and error. Sources Muamalat Bank is still low in the level of understanding Muamalat fiqh (Shari). Muamalat Bank personnel who require a reliable and competent bankers Muamalat plus adequate knowledge of fiqh. Islamic banking products still have a number of weaknesses and limitations. As in the related field of International Banking L / C. Other things such as remittance, such as sending or receiving money from abroad. In terms of transactions, conventional bank loans have a checking account. Muamalat Bank has a product like this is difficult, because the bank can not lend money itself.

Muamalat Bank is built as a means of mediating between the fund and its owner. Customers of Muamalat Bank certainly not just Muslims alone, but the whole Indonesian people. However, the views of non-Muslims is not the case. Bank Muamalat as if it is only for Muslims only. See for example advertising or promotion of Islamic Banking has always been associated with things Islamic nuances, but the effect appears is the impression of "exclusive" only to Muslims. These factors may lead to a non-Muslim customers not so much. To be able to increase the number of customers.

Quality implementation of Islamic values in its capital of Indonesia, Jakarta now be assessed is still not perfect. Islamic banks biggest obstacle to overcome is that the solution must be sought is a constraint in the field

of human resources. Resource development is necessary, because the successful development of Islamic banks at the micro level is largely determined by the quality of management and the level of knowledge and skills bank manager. Human resources in the implementation of the Islamic banking must understand the Islamic principles in banking practice, as well as having a strong commitment to implement consistently. Thus, its capital in carrying out its activities have come to the essence of the Islamic banks self.

Public error perception tends to have a negative connotation to the concept of its capital in the field, giving the impression of a conventional bank which uses the Arabic term for the name of the product will change accordingly if the entire its human resources Muamalat bank strongly committed to implementing the principles of Shari in the overall banking practices. The use of religious attributes, cutting and distribution of alms correct, lawful business, away from usury, and understand the entire mechanism of the products offered to customers is a way that can be taken in order to achieve perfection.

Humans in performing activities must be in accordance with his religious beliefs. But humans are also given the freedom to engage in economic activities within the limits of law that may be driving people to seek economic benefits for the achievement of happiness and the good life generally expect the world here after. Customer products in the form of goods or services they consume can be received and enjoyed by service good and satisfactory. As a result, every company especially highly oriented to the customer as well as the banks are always trying to provide the best service to its customers.

V. CONCLUSION

Based on the analysis and discussion of the results of the study it can be concluded that, the perception of marketing strategy and perception of religiosity produced the theme of transparency, accountability, responsibility, professional and fairness. In addition it has been run with a purity of sharia Islamic Bank seeks to avoid usury, improve comfort, sublime aspire, balance and control. In general it can be proved that the religious factor in the beginning it is very effective to attract customers at the gate of its capital. But then if the Islamic banks do not have the ability to meet customers' preferences and expectations, then they will go and get it from competitors. Tough competition faced by banking institutions compel bank management to think about how to keep customers loyal. For that Islamic banks should have the ability to meet the expectations of its customers not only in terms of religion (religious motive) but also from the economic (economic motive).

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