

## Marketing Opportunities for Bank Syariah Mandiri e-Banking Services as a Payment Method

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### Abstract

In the development of technology in this era of globalization, various industrial fields have begun to crawl to utilize and develop services based on technology and the internet. Likewise, the financial industry such as banking also competes with each other to provide internet-based services or it is known that the term e-Banking. At this stage of service in Indonesia in particular very rapidly. Moreover, now people must also be able to accept various other services such as internet-based buying and selling (e-commerce), electronic money (e-Money), and internet-based banking services (e-Banking). From various forms of activity that have turned to technology and the internet, there are also market opportunities for the Islamic finance industry. By taking advantage of payment opportunities, Islamic banks must be able to take advantage of market opportunities that exist in the community, and overall improve the ability of the Islamic financial system in the face of rapid technological developments so that they can provide Islamic-based services but can also provide services needed by the community such as e-Banking.

### Keywords

Islamic Financial System, e-Banking, Market Opportunities, Bank Syariah Mandiri (BSM)

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## 1. Introduction

In the era of globalization, technological developments have progressed very rapidly. All activities can be done in one hand, namely a cellphone or gadget. This includes eating, making purchases, and making social donations through technology. This great progress has finally been embraced by industry players from various fields. Not spared from the field of finance and banking, which now they are flocking to provide services based on internet services or e-Banking. The shift from manual services to technology and internet based services is also supported by many internet service users, especially in Indonesia (Nuraeni, 2020).

Based on statistical data of internet users in Indonesia, there were 132.7 million people who accessed the internet in Indonesia in 2016. This means that it is a very large market for stakeholders in each industry to be able to provide internet-based services (Puspitasari & Ishii, 2016). Of the total number of internet users in Indonesia, 62% of users are workers/entrepreneurs.

**Table 1.** Internet Users By Age

By Age (years)	Number of Users (millions)	Percentage (%)
10-24	24.4	18.4
25-34	32.3	24.4
35-44	38.7	29.2
45-54	23.8	18
55<	13.2	10

Source: <http://isparmo.web.id/2016/11/21/data-statistik-pengguna-internet-indonesia-2016/>

**Table 2.** Internet Users by Type of Work

By Type of Work	Number of Users (millions)	Percentage (%)
Student	8.3	6.3
College Student	10.3	7.8
Worker/Entrepreneur	82.2	62
Housewife	22	16.6
Other	0.796	0.6

Source: <http://isparmo.web.id/2016/11/21/data-statistik-pengguna-internet-indonesia-2016/>

From Table 1 and Table 2, it can be used as an excuse for industry players to develop internet-based services or products. Of course, from the use of the internet like this it must be enforced or used wisely. In accordance with the main purpose of developing the internet, which is to make it easier for humans to carry out their daily activities.

The financial industry in Indonesia, such as banking, has also begun to implement internet-based banking services or e-Banking. With this service, people can make bank transactions via the internet. Just like financial institutions such as Bank Mandiri, BNI 46, BCA, BRI and other banks in Indonesia, they have provided e-banking services. Of course they must be able

to provide these services because it has become part of the community's needs (Saparudin et al., 2020).

However, of the various institutions that exist are conventional banks. Recently, people have become acquainted with various banks that implement an Islamic financial system or what is called Islamic banking. In Islamic banks, there are various transaction systems known as contracts. Of course, the system applied in the bank must be based on Islam because conventional banks are financial systems brought from the West (Yusfiarto, 2021).

Indonesia has a great opportunity to develop Islamic banking because Indonesia with 249.9 million people, 98% of whom are Muslim. In fact, according to the GIFR (Global Islamic Financial Report) in 2011, Indonesia ranks fourth as a country that has the potential to develop the Islamic finance industry after Iran, Malaysia and Saudi Arabia.

With a variety of existing data, of course, now more and more Islamic banks have sprung up in Indonesia because they have huge market potential in the community. Therefore, with a fairly large market, of course, these Islamic banks must also be able to provide services that are needed by the community, one of which is e-banking.

Today's society is facilitated by various services that are all internet-based. like e-commerce and e-money as services in the form of buying and selling online and electronic money (Kaur et al., 2015; Gupta & Dubey, 2016). They prefer this service on the grounds of saving time and money. Things like this must also be a market opportunity that must be developed by Islamic banks.

The banks in Indonesia are currently opening many sharia services. Like Bank Syariah Mandiri. Since 1999, after the monetary crisis that occurred in Indonesia in 1997-1998, Bank Syariah Mandiri has built a financial industry in the form of banking with an Islamic feel. As one of the Islamic banks in Indonesia and quite large in its development, Bank Syariah Mandiri is able to be used as a reference for the development of Islamic banking in Indonesia.

## **2. Theoretical Review and Hypotheses Development**

### **2.1 Sharia Financial System**

The practice of Islamic finance has been carried out since the heyday of Islam. However, as the caliphate system weakened at the end of the 19th century, the Ottoman dynasty introduced the western banking system to the Islamic world. This led to criticism from fiqh experts that the system violated sharia rules regarding usury, and led to the Islamic caliphate in 1924. Further developments, in the late 1970s, banks began to adopt the sharia system, then grew rapidly and now many countries are trading sharia. even the UK has positioned itself as a gateway for Islamic finance in the world. Big banks such as Citicorp and HSBC have opened up and implemented a sharia banking system (Schoon, 2008).

The philosophy of the "interest-free" Islamic financial system (ban on usury) does not only look at the interaction between production factors and economic behavior as known in the conventional financial system, but also must balance ethical, moral, social and religious dimensions to increase equity and justice towards society. overall prosperity. Therefore, there are several principles of the Islamic financial system as regulated through the Qur'an and As-Sunnah, namely: i) prohibition of usury, ii) risk sharing, iii) not considering money as potential capital, iv) prohibition of speculative activities, v) the sanctity of the contract, vi) must be sharia-compliant (Shafique et al., 2012).

## **2.2 e-Banking**

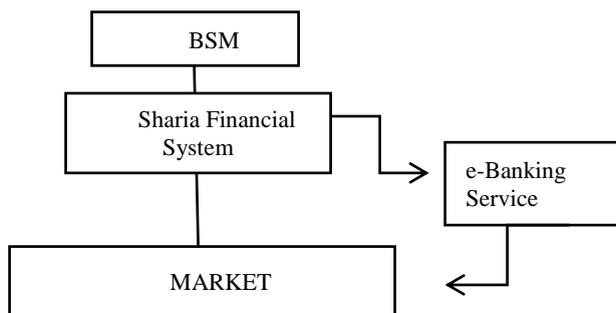
Electronic banking or e-banking, also known as internet banking, is an activity that conducts transactions, payments, and other transactions via the internet with a bank-owned website equipped with a security system (Nitsure, 2003). From time to time, more and more banks provide internet banking services which are regulated through Bank Indonesia Regulation No. 9/15/PBI/2007 of 2007 concerning the Application of Risk Management in the Use of Information Technology by Commercial Banks. The implementation of internet banking is the application or application of information technology that continues to grow and is used to answer the wishes of banking customers who want fast, safe, comfortable, cheap and available services at any time (24 hours/day, 7 days/week) and can be accessed from anywhere either it's from HP, computers, laptops / note books, PDAs, and so on.

The application of information technology in internet banking will increase efficiency, effectiveness, and productivity as well as increase revenue through a sales system that is much more effective than conventional banks. Without the application of information technology in internet banking, internet banking will not work and be utilized by the banking industry (Wahyuni & Praninta, 2021). In general, in providing internet banking services, banks provide information about their products and services via portals on the internet, providing access for customers to transact and updating their personal data. The business requirements of internet banking include: i) easy-to-use application; ii) services can be reached from anywhere; iii) cheap; iv) trustworthy; and v) reliable (Jalal et al., 2011).

Today most electronic banking services are directly linked to bank accounts. Non-account-related types of electronic banking usually take the form of monetary values stored in a database or on a card (a chip in a smart card). With the development of technology and the complexity of transactions, various types of electronic banking are increasingly difficult to distinguish because their functions and features tend to be integrated or converge. For example, a plastic card may have a "magnetic strip" that allows transactions to be linked to a bank account, and may also have monetary value stored on a

chip. Sometimes the two types of cards are called "debit cards" by merchants or vendors.

From the two definitions described above, there are two different but interrelated concepts or systems point of view. Therefore, it can be seen through the hypothetical scheme in Figure 1 as follows:



**Figure 1.** Financial System Hypothesis Scheme at BSM

### **2.3 Previous Research**

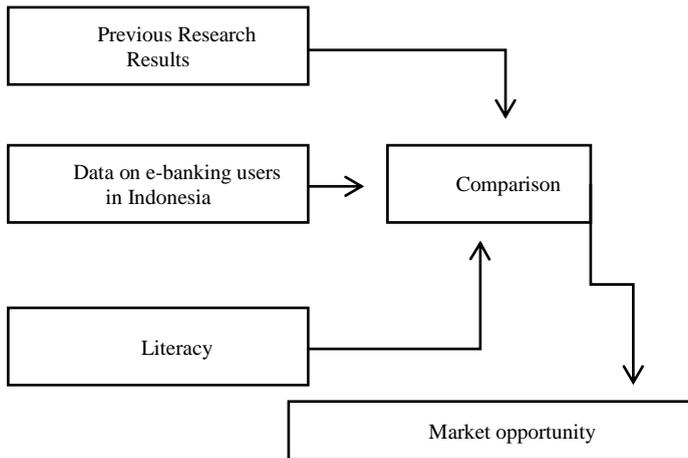
The results as shown in Figure 1 describes the Islamic financial system at Bank Syariah Mandiri which responds to e-banking services and becomes a market or community need. In this case, as a service provider, of course, must always provide services to the community to be able to meet their needs. However, the service does not conflict with sharia principles. As a hypothesis study, of course Bank Syariah Mandiri has a great opportunity to be able to make the company bigger and grow.

The thing that must be prepared by Bank Syariah Mandiri is to prepare a more practical Islamic financial system. If this can be fulfilled by Bank Syariah Mandiri as a service provider, of course, it will not only get big financial benefits but also get high intellectual and then big benefits for the community. Today's society, especially in Indonesia, prefers everything that is practical and instant. They will automatically switch to various services that provide various benefits in an easy way.

Until now, few financial service providers, especially conventional and sharia banking in Indonesia, rarely apply the system. although now all access has been made easier through the internet, but people are still confused about various kinds of regulations or complicated transaction stages. Moreover, Bank Syariah Mandiri currently has 37.3 million customers. This achievement has made Bank Syariah Mandiri the Islamic Bank with the largest number of customers in Indonesia.

### 3. Research Methods

Random data collection from various sources regarding the number of e-banking users in Indonesia. So that, the schematic depicted in Fig. 2 is as follows;



**Figure 2.** Independent Variable

Based on the scheme shown in Figure 2, that in this research, various data are taken from various sources that have certain accountability according to the subject of the discussion. In addition, it also took various data that had been carried out in previous research.

A research conducted by Kusuma & Susilowati (2000) describe the respondent characteristics with majority of respondents being male, as many as 65 respondents (65%). The rest, as many as 35 respondents (35%) are female. The respondent also has the latest education, the majority is S1 (65%). The rest are high school and equivalent as much as 20%, Diploma as much as 5%, S2 as much as 8% and S3 as much as 2%.

Based on the bank, the respondents consisted of 3 categories: 30 respondents (30%) came from Bank Mandiri and 43 respondents (43%) from BCA and 27 respondents (27%) from BNI 46. Sampling was based on the three banks with consideration because These three banks, apart from being more experienced in the banking world, also provide various features and facilities in Internet Banking that can meet customer needs.

If the respondents are sorted by age who are less than 30 years old as many as 40 respondents (40%) and those aged 30-40 years, as many as 48 respondents (48%) and those aged more than 40 years as many as 12 (12%). This shows that the age of the sample obtained in this study is mostly (48%)

of productive age who are still very young and use Internet Banking more often.

In its development, the study took some data that had been studied by several other researchers with the same subject which discussed the population of e-banking users and then developed it by researchers with more specific subjects. There is a lot of literature that discusses e-banking, making it easier for the study to make a reference to this internet-based service. Literacy used in the form of books, journals and other scientific works.

According to Sharing Vision, the value of internet banking transactions in Indonesia has reached Rp 3,642 trillion, surpassing the value of ATM + debit transactions which stood at Rp 3,476 trillion in 2012. Internet banking growth is driven by internet users whose growth is quite rapid. According to a survey conducted by Sharing Vision on 6 major banks in Indonesia, the number of internet banking users reached 5.7 million people in 2012. This means that 9 percent of internet users in Indonesia are internet banking users, and the number is estimated to increase with the growth of internet users.

In the graph below it is clear that from year to year the number of internet users continues to grow, but when compared to the total population, it is clear that the percentage of the Indonesian population using the internet is still relatively small.

**Table 3.** Number of e-Banking Users in Indonesia in 2013

Year	Total Population (million)	Number of Internet Users (million)	Internet User Penetration (%)
2012	238.4	63	26
2013	241.8	71.2	34
2014	245.2	88.1	44
2015	248.5	110.2	56

Source: <https://sharingvision.com/2013/pertumbuhan-internet-banking-dan-e-commerce-di-indonesia/>

#### 4. Result

After obtaining various variables that have found the data above, at this stage the researcher will discuss about market opportunities that can be developed by Bank Syariah Mandiri to develop e-banking services as a sharia-based payment method.

Bank Syariah Mandiri has a total of 37.3 million customers. Whereas in 2009 there were 9% internet banking users, so there were 3.5 million Bank Syariah Mandiri customers who would use internet banking services. The number is very large, and of course every year the number of customers will continue to grow.

This great opportunity must also be utilized by Bank Syariah Mandiri when it is more optimal in utilizing e-banking services. As is the case with various banking services that are currently familiar.

Regarding e-commerce, it is a type of service in the form of internet-based buying and selling transactions is being favored by the people of Indonesia. The emergence of various start-ups that provide various kinds of people's needs that can be purchased online is currently very popular (Budiharseno, 2017). When Bank Syariah Mandiri is able to provide payment method services like this, it will certainly increase the number of customers who will become Bank Syariah Mandiri customers and use the jaya e-banking service. In addition, it will also increase the company's income so that it is able to prosper customers and company members. Of course, this payment method must be carried out according to sharia principles.

Furthermore, in term of e-money, as explained above, today's society has been facilitated by a tool called a gadget where all transaction activities can be carried out in one hand. People in this era of globalization use more electronic money services or e-money. Besides being practical and easy, security reasons are the main reason people use this e-money service. Because using e-money services requires a certain ID to be able to access it.

According to Agustina (2017), the two services above have become a separate commodity for the community. Lots of various shops, modern markets, and other industries that use these services. especially in urban areas, almost all stores are equipped with e-banking services. This technological progress is indeed rapidly advancing and developing, not infrequently if some areas have also adopted the service. then this is a proof that this internet service-based market will be accepted by all types of people (Riswanto, 2021).

The development of these services is also increasingly strengthened by the existence of various economic systems used by various countries such as the MEA or the ASEAN Economic Community and AFTA (ASEAN Free Trade Area). Where all aspects of industry and trade are carried out freely without having to be bothered or burdened by various regulations.

The more open and free the development of the world, the various industries must also begin to open up to it. not spared from the financial industry such as banking, especially Islamic finance. Even so, Islamic banking must continue to carry out its principles and principles as Islamic finance that is able to provide services according to the times.

## **5. Conclusion**

Bank Syariah Mandiri has a huge market opportunity to develop e-banking services as a payment method commodity. This is based on various data that have been shown that there are at least 3.5 million customers of Bank Syaria Mandiri who use e-banking services. Of course, customer development will

continue to grow if it is supported by a good system and is able to provide practical services according to customer needs. As is the case as a payment method for e-commerce and e-money.

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