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Innovative Marketing Strategies in Increasing Islamic Banking Market Share in The Digital Era

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Abstract: The digital era provide opportunities as well as challenges for Islamic banking encouraging the adoption of innovative marketing strategis to expend market share. This study analyzes the implementation of digital marketing strategies in Islamic bank, including the us of technology such a mobile banking, fintech, and social media to attract the millennial generation. The results show that the right technology-based marketing strategy, targeted market segmentation, and promotion through social media have a significant impact on increasing the number of costumers and their loyalty. However, there are challenges such as limited acces to technology in some regions and low digital financial literacy. This research highlights the importance of continuous innovation, improving human resources, and collaborating with regulators to achieve sustainable market share growth. The digital strategy that has been successfully implemented has the potential to strengthen the position of Islamic banking in an increasingly competitive market.

Keywords: Marketing Strategy, Islamic Banking, Digital Era, Innovation



Introduction

The digital era presents opportunities and challenges for Islamic banking, so it requires innovative marketing strategies to increase market share. Banks are adopting digital services such as internet banking, mobile banking, and fintech to improve accessibility and attract customers, especially millennials (Lubis and Susanti 2021). Marketing strategies include creating bankless conditions, developing customized products such as weddings and sacrificial savings, and utilizing social media for promotion (Lubis and Susanti 2021). Bank Syariah Indonesia uses creative content on Instagram to engage potential customers (Sari and Fasa 2023). Market segmentation, competitive returns, and improved banking facilities are essential to increase the market share of Islamic banks (Sari and Fasa 2023). However, challenges remain, such as limited app socialization, inadequate internet coverage in remote areas, and features that support inadequate marketing efforts (Lubis and Susanti 2021). Despite these obstacles, digital services have contributed to the growth of Islamic banking market share from 2020 to 2023.

Research Aim and Research Questions

Research on innovative marketing strategies in increasing the market share of Islamic banking in the digital era Islamic banks adopt innovative digital marketing strategies to increase their market share and attract millennials in the digital era. These strategies include developing digital banking services such as mobile banking and internet banking, creating bankless conditions, and offering customized products such as weddings and qurbani savings (Lubis & Susanti, 2021). Social media marketing, particularly through Instagram, is leveraged to attract potential customers with creative content and product information (Sari & Fasa, 2023). Islamic banks are adopting innovative digital marketing strategies to increase their market share and appeal to millennials in the digital era. This strategy includes developing digital banking services such as mobile banking and internet banking, creating bankless conditions, and offering customized products such as weddings and qurbani savings (Harmoko, 2024). Social media marketing, particularly through Instagram, is used to attract potential customers with creative content and product information. The implementation of digital services such as fintech, qardh and murabahah applications, and QRIS has contributed to increasing the market share of Islamic banking from 2020 to 2023.

The urgency of this research is even stronger considering that the study of innovative marketing strategies in increasing the market share of Islamic banking in the digital era is still very limited. Although the digital era has triggered the adoption of various technologies such as mobile banking, internet banking, and fintech, research that delves into the implementation of innovative marketing strategies in the Islamic banking sector has not been fully revealed. Existing research tends to focus on the technological aspect, while in-depth studies on how innovative marketing strategies can be optimized to appeal to specific market segments, such as millennials, and overcome challenges such as limited socialization and under-supporting digital features, are still rare. Therefore, this research is expected to make a significant contribution in filling the gap in related literature and offering new insights for the development of Islamic banking marketing strategies in the digital era.



The formulation of the problem in this study departs from the reality that although the digital era provides a great opportunity for Islamic banking to adopt technologies such as internet banking, mobile banking, and fintech, there are significant challenges in the implementation of innovative marketing strategies. Islamic banks face an urgent need to improve the accessibility and attractiveness of their services, especially for millennials, by leveraging social media and offering customized products. However, obstacles such as limited application socialization, limited internet coverage in remote areas, and lack of digital features that support effective marketing, are obstacles in efforts to increase market share. Based on these conditions, the main problem raised in this study is how Islamic banks can optimize innovative marketing strategies that utilize digital and social technology to face these challenges and increase market share sustainably in the digital era.

Research Results

The results of this study show that in the face of increasingly fierce competition in the Islamic banking industry, the implementation of innovative marketing strategies, especially through appropriate market segmentation, ethical approaches, and the use of technology, is a key factor in increasing the number of customers and strengthening market share. Digital marketing plays a big role in expanding reach and increasing customer loyalty, despite challenges such as limited human resources and the need for technology investment. On the other hand, fintech-based marketing supports the digital transformation of Islamic banking, enabling the development of safer and more efficient financial products, thereby strengthening financial inclusion and customer trust in the global market.

Based on a search on the POP application using the Scopus and Google Scholar databases, it was found that there were 74 articles that were included in the search category in accordance with the keywords "marketing strategy" and "innovative" and "market share" and "Islamic banks" and "digital era". Furthermore, the search results of the article are validated, namely checking the title, abstract, and keywords to review whether the article is valid according to the research objectives in the final stage to find the 14 most relevant papers. The reference is compiled based on a predetermined theme related to innovative marketing strategies in increasing the market share of Islamic banking in the digital era, I categorize them as follows:

Table 1

Marketing Strategies in Islamic Banking

Author	Title	Publication
(Ciptaningsih et al. 2023)	Pengaruh Strategi Pemasaran Terhadap Peningkatan Jumlah Nasabah dalam Produk Pembiayaan Bank Syariah	Jurnal Ekonomi Dan Bisnis Islam
(Tania, Fiyantika & Laily Nisa, 2024)	Analisis Strategi Pemasaran Bank Syariah Dalam Menghadapi Persaingan Industri Keuangan	Economic and Business Management International Journal

**Table 2***Digital Marketing in Sharia Banking*

Author	Title	Publication
(Salsabila Dissye, 2024)	Analysis Of Digital Marketing Strategies In Increasing The Number Of Customers At Bprs Bangkalan	COSTING: Journal of Economic, Business and Accounting
(Puspa, 2023)	Analisis Strategi Pemasaran Bank Syariah Berbasis Digital Fintech Terhadap Pelayanan Nasabah	Jurnal Ekonomi dan Bisnis Islam

Table 3*Technology and Fintech Based Marketing*

Author	Title	Publication
(Tambunan & Padli Nasution, 2022)	Tantangan dan Strategi Perbankan Dalam Menghadapi Perkembangan Transformasi Digitalisasi di Era 4.0	Sci-Tech Jurnal
(Rafidah & Maharani, 2024)	Inovasi dan Pengembangan Produk Keuangan Syariah: Tantangan dan Prospek Era Revolusi Industri 4.0	Jurnal Ilmiah Edunomika
(Ibrahim et al. 2024)	Analisis Strategi Inovasi Dalam Meningkatkan Kualitas Asuransi Syariah Guna Menghadapi Perekonomian Global	Al-Mustadam : Journal of Islamic Economics and Bussines

Table 4*The Influence of Service Quality and E-Word of Mouth*

Author	Title	Publication
(Azizah, Adha & Wahyudi 2024)	Peran Kepuasan Dalam Memediasi Pengaruh <i>E-Word of Mouth</i> dan Kualitas Layanan <i>Financial Technology</i> Terhadap Loyalitas Nasabah Bank Syariah	Jurnal Ilmiah Ekonomi Islam
(Romadi, Kamaluddin Fakhri, & Kholilurrohmah, 2024)	Perancangan Strategi Pemasaran Usaha di Era Digital: Perspektif Al-Qur'an Designing	COMSERVA: Jurnal Penelitian dan Pengabdian Masyarakat

Table 5*Branding Strategy and Customer Relationship Management (CRM)*

Author	Title	Publication
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(Romadi et al., 2024)	Perancangan Strategi Pemasaran Usaha di Era Digital: Perspektif Al-Qur'an Designing	COMSERVA : Jurnal Penelitian dan Pengabdian Masyarakat
(Masuwd & Wahyudi, 2024)	Analisis Strategi Digital Marketing Dalam Membangun Brand Awareness Di BSI Kcp Mojosari	Al-Mashruf (Journal Islamic Banking and Finance)

Table 6

Digital Transformation and Challenges of Islamic Banking in the 4.0 Era


Author	Title	Publication
(Harmoko, 2024)	Strategis Pemasaran Produk Bank Syariah Pada Gen Z Di Era Vuca Perspektif Hukum Ekonomi Syariah	Jurnal Manajemen dan Akuntansi
(Khairunnisa, Kinanti Restu Himawati, 2023)	Transformasi Digital: Perbandingan Strategi Bank Konvensional Dan Syariah Dalam Era Digital	Jurnal Religion : Jurnal Agama, Sosial, dan Budaya
(Rumatoras, Fitriani, & Hanifah, 2023)	<i>Innovations in Marketing Management of Islamic Banks Facing Global Market Challenges in Jayapura</i>	Jurnal Emba Review

Conclusions

The conclusion of this study shows that innovative marketing strategies are very important in strengthening the competitiveness of Islamic banking, especially in the digital era. The use of digital technology such as fintech, e-Word of Mouth (e-WOM), and Customer Relationship Management (CRM) has proven to be effective in expanding market share and increasing customer loyalty. However, this research has limitations, especially in terms of human resources who are experts in the field of technology and regulatory challenges related to the application of sharia principles. For this reason, it is recommended that Islamic banks continue to invest in technology and training, as well as adopt integrated marketing strategies to maintain relevance in the midst of fierce competition. These findings emphasize the importance of sharia-based product innovation and digital transformation in facing future banking industry challenges.

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