



SWOT Analysis of Marketing Effectiveness of Sharia Insurance Products Through Bancassurance at Bank Muamalat KC Serang Banten

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Article Info	Abstract
<p>Article history: Received June 11, 2024 Revised July 01, 2024 Accepted August 29, 2024</p>	<p>One of the challenges faced by banking and insurance companies after implementing Bancassurance is the lack of customer awareness. Creating awareness among customers is an important challenge faced by the industry. Even though there are many insurance products on the market, there are still few people who buy these insurance products. Therefore, this conceptual paper explores the concept of Bancassurance and the benefits of Bancassurance for banks, insurance companies and customers. This research uses the SWOT analysis method to provide an in-depth understanding of the strengths, weaknesses, opportunities and threats related to the marketing of sharia insurance products through Bancassurance at Bank Muamalat KC Serang. This helps in evaluating the right marketing strategy for the product to make it more effective and successful. results of internal factor analysis using IFAS matrix data and results of external factor analysis using EFAS matrix. 1) Internal Factors (Strengths + Weaknesses) = 2.62 + 0.65 = 3.27. 2) External Factors (Opportunities + Threats) = 1.61 + 1.68 = 3.29. This value is a score with a scale range between -4 to 4, so to adjust to the Internal-External Matrix, an interpolation of the scale range value -4 to 4 becomes a scale range of 0 to 4 and shows that Bancassurance Bank Muamalat KC Serang is in cell 1 namely as growth and development, the strategies used are intensive (market penetration, market development, and product development) or integrative (backward integration, forward integration, and horizontal</p>
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integration). It can be seen that the position of the Sharia Insurance product at Bank Muamalat KC Serang is in Quadrant III, which means that Bancassurance Bank Muamalat KC Serang is in a position that indicates a weak organization but has great opportunities. The strategy recommendation given is Change Strategy, meaning that the organization is advised to change its previous strategy.

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INTRODUCTION

The need for insurance protection services is increasing, so insurance companies are demanding more optimal packaging and marketing for the products to be marketed, as well as the superiority of the products themselves. More and more insurance companies are emerging and developing, helping to identify options based on needs, but in the same spirit, insurance companies have also developed strategic steps in marketing their products to the general public and promoting their insurance products with various innovative features (Rahim, 2013). A certain market share is one of the business goals, so expanding market share is a concern. The goal of reaching a large market does not only depend on economic conditions. The large number of people is also something that every insurance company must pay attention to (Nasir et al., 2021).

Because the company's goal is to attract customers and expand market share through massive marketing activities, especially among insurance companies, which are currently increasingly needed, insurance companies collaborate with banks in the distribution of insurance products or what is called the Bancassurance cooperation method between insurance companies and banks have become part of the marketing strategy as an innovative way to sell insurance products through bank distribution channels or vice versa. Bancassurance concept, Bancassurance refers to an agreement between a bank and an insurance company (Yoesoep Edhie Rachmad, 2022). In Bancassurance, insurance companies can use bank distribution channels to sell their products. In return, the bank will receive certain rewards from the insurance company. The Bancassurance concept is a model for banks and insurance companies that provides higher competitive profits. This alliance will reduce the burden on banks and insurance companies. If the government uses this model efficiently and it is proven to be an effective model for increasing financial inclusion. In recent years, a lot of research has been carried out regarding this topic, such as the results (Fiordelisi & Ricci, 2011).

Suggests that the product mix must be continually revised to adapt to customer needs and the evolution of financial markets, the findings show (Marzai, 2018), The potential for e-commerce is enormous, so that in a world run by profit this can be an

opportunity to develop new markets and distribution channels, according to the findings (Singhal & Singh, 2010), banking and insurance sectors these two sectors come together to exploit the opportunities available to them so as to gain prospects from individual specialists, on the findings (Sadana & Kaur, 2023) indicates that Bank brand equity, training and empowerment of bank employees, wider branch network, complementary nature of banking and insurance products, approach towards 'solutions for customers, etc. are factors in the growth of Bancassurance in the United States, on the findings (Mamchur & Nazarenko, 2020). The study finds that in the Ukrainian insurance market, the dynamics of premiums and net insurance payments are likely to increase. Insurance companies through the sale of services in banking institutions receive about a third of income.

METHOD

Research Method

1. Research Type

Data processing methods use qualitative and quantitative analysis. Qualitative analysis evaluates a company's environment, including the company's strengths, weaknesses, opportunities, and threats, as well as a SWOT matrix. The IFAS, EFAS, and IE matrices, as well as the SWOT Quadrant matrix, were created using Microsoft Excel 2010.

2. Research Location

This research was conducted at Bank Muamalat KC Serang Banten

3. Data Source

Primary data comes from companies or research objects, while secondary data comes from literature, books or books related to the subject to complement the primary data.

4. Data Collection Method

To conduct this research, researchers interviewed bancassurance representatives of Bank Muamalat KC Serang. It is assumed that the informants have knowledge of internal and external factors, as well as the real situation at the research location, and are therefore selected for interviews. and using a questionnaire, which is a list of statements related to the research problem that respondents must answer. The manager of Bak Muamalat KC Serang and the bancassurance party were the respondents of this research. will fill out a questionnaire that includes an assessment of internal and external factors, as well as an assessment of external factors that include opportunities and threats for the company. In addition, insurance customers and prospective insurance customers will fill out a questionnaire that includes an assessment of internal factors, which include strengths and weaknesses company weaknesses.

5. Data collection stage

At this stage, not only data is collected but classification and pre-analysis are also carried out. Data is divided into two categories: internal and external data.

6. Analysis Stage

The most important activity in this stage is understanding all the information contained in a case, analyzing the situation to find out what problem is occurring, and deciding what action must be taken immediately to resolve the problem.

Data Analysis

1. Data Collection Stage

The most important activity in this stage is understanding all the information contained in a case, analyzing the situation to find out what problem is occurring.

2. SWOT analysis process as a strategy formulation tool To analyze SWOT more deeply, it is necessary to look at external and internal factors as an important part of the SWOT analysis, namely:

a. External Factors

These external factors influence the formation of opportunities and threats (O and T). where this factor is related to conditions that occur outside the company so that it influences company decision making. These factors include industrial, economic, political, legal, technological, population and socio-cultural environments.

b. Internal factors

This factor will influence the formation of strengths and weaknesses (S and W) where this factor concerns the conditions that occur in the company, where this also influences the formation of company decision making. These internal factors cover all management functions: marketing, finance, operations, human resources, research and development, management information systems, and corporate culture.

SWOT Matrix

The SWOT matrix is used to develop organizational or company strategies that clearly describe the opportunities and threats faced by the organization/company so that they can be adjusted to the strengths and weaknesses of the organization/company. This matrix produces four possible alternative strategies, namely SO strategy, WO strategy, ST strategy, and WT strategy. The SWOT Matrix is an important matching tool that helps managers develop four types of strategies:

1. SO strategy, namely utilizing the company's internal strengths to take advantage of external opportunities. In general organizations will undertake WO, ST or WT to reach a situation where they can implement SO strategies
2. WO strategy, aims to improve internal weaknesses by exploiting external opportunities.

3. ST strategy, namely using a company's strengths to avoid or reduce the impact of external threats. This does not mean that strong organizations must always face direct threats from the external environment.
4. WT strategy, is a defensive tactic that aims to reduce internal weaknesses and avoid external threats. An organization that faces multiple external threats and internal weaknesses is in a very dangerous position.

Tabel 1
Matriks SWOT

IFAS EFAS	Strengths (S)	Weaknesses (W)
Opportunities(O)	SO STRATEGY strategy that use strength to take advantage of opportunity	WO STRATEGY strategy that minimize weakness to take advantage of opportunity
Threats (T)	ST STRATEGY strategy that use strength to overcome threat	WT STRATEGY strategy that minimize weakness and avoid threat

Information:

- a. SO Strategy
This strategy is based on the company's way of thinking, namely by taking maximum advantage of opportunities.
- b. ST strategy
It is a strategy to use the company's strengths to overcome threats.
- c. WO Strategy
This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses.
- d. WT Strategy
This strategy is based on activities that are defensive in nature and seeks to minimize existing weaknesses and avoid threats.

RESULT AND DISCUSSION

SWOT analysis is a strategic planning method used to evaluate factors that are strengths, weaknesses, opportunities and threats that may occur in achieving a goal of a project activity/business activity or institutions/institutions on a wider scale. For this purpose, it is necessary to study environmental aspects, both internal and external, which influence the strategy patterns of institutions/institutions in achieving goals. After internal and external factors have been identified, the process continues by determining the weighting and ranking. The total score obtained for each factor is calculated by multiplying the value of each factor. Calculated from 0.0 to 1.0, which means not important and very important, respectively.

The sum of the weights for opportunities and threats is 1.00, and the sum of the weights for strengths and weaknesses is also the same. Opportunities are rated with numbers 1 (below average), 2 (average), 3 (above average), and 4 (very good), based on the influence of these factors on the conditions and goals of the company concerned. The assessment values of opportunities and threats always conflict with each other; for example, if the threat factor is greater, it will be given a value of 4. The same applies to the strength and weakness values. In SWOT analysis, based on the score obtained, whether there is an opportunity (positive value) or threat (negative), and whether the strength factor outperforms (+) weakness (-), 4 quadrants are obtained. recommendation. The Cartesian quadrant SWOT analysis diagram can be seen in Figure 1.

Figure 1. Quadrant diagram SWOT analysis



Determine the weight based on the contribution to the influence of the strength or weakness towards achieving the company's goals and mission or vision. The greater the weight, the more meaning high contribution/influence towards achieving the goals and mission or vision of private tutoring. Set branches by comparing the position of each factor with its main competitors, for the same factor for example, if the strength factor is better than competitors' efforts, then the rating can be 4 (very good). The IFAS matrix is prepared based on the results of identification of the company's internal environmental conditions in the form of strengths and weaknesses possessed by Bancassurance Bank Muamalat KC Serang.

Table 2 External Strategy Factors

No	External Factors	Bobot	Rating	Skor
Opportunity				
1	There are large sharia banks such as BSI and others, both banks and sharia units	0,11	3,75	0,4
2	Large sharia bank customer data base	0,11	4	0,43
3	The extent of the sharia banking network in Indonesia	0,11	3,25	0,35

4	Collaboration with sharia financial institutions	0,11	4	0,43
Number of Opportunities		0,43		1,61
Threat				
1	Quite high competition with other sharia insurance	0,14	3,25	0,46
2	Requires unique products that can attract Islamic banks to collaborate	0,14	3,25	0,46
3	Regulatory changes	0,14	3	0,43
4	reputation risk	0,14	2,25	0,32
Number of Threats		0,57		1,68
Total EFAS		1		3,29

Internal factor identification, shown in table 3:

Table 3 Internal Strategy Factors

No	Internal factors	Bobot	Rating	Skor
Strength				
1	Brand of insurance bank	0,13	4	0,5
2	Quality of bancassurance products	0,13	4	0,5
3	Marketing reach through the office	0,13	3,5	0,44
4	Ethics and sharia principles	0,13	4	0,5
5	Trust and reliability	0,13	3,75	0,47
Total Strenght		0,63		2,41
Weakness				
1	Sharia banks require quite high costs so ujah must be sufficient	0,08	3,75	0,28
2	less innovative	0,08	2,25	0,17
3	Lack of Consumer Understanding	0,08	2,25	0,17
4	Persaingan dengan Produk Konvensional	0,08	3,5	0,26

5	Regulatory Limitations	0,08	3	0,23
Number of Weaknesses		0,38		1,11
Total IFAS		1		3,51

The Bank Muamalat KC Serang IE matrix can be prepared based on the results of internal factor analysis using IFAS matrix data and the results of external factor analysis using the EFAS matrix.

1) Internal Factors (Strengths + Weaknesses) = 2.62 + 0.65 = 3.27

2) External Factors (Opportunities + Threats) = 1.61 + 1.68 = 3.29

This value is a score with a scale range between -4 to 4, so to adjust to the Internal-External Matrix, an interpolation of the scale range value -4 to 4 becomes a scale range of 0 to 4.

Table 4 Matriks Strategi *IFE-EFE*

EFAS IFAS	Strenght Access to a Wide Market	Weakness Sharia banks require quite high fees
Opportunities Increasing Sharia Financial Awareness	STRATEGY SO Through Bancassurance, sharia insurance products can be reached by a wide network of bank customers. Collaboration with banks can provide access to a larger market than conventional insurance agents, and can help in expanding the client base.	STRATEGY WO With increasing awareness of sharia financial principles in various countries, there is an opportunity to expand the market share of sharia insurance products through Bancassurance. Customers who are looking for financial solutions in accordance with sharia principles can become a potential target market
Threats Intense competition	STRATEGY ST Collaboration with financial institutions such as banks can create a perception of trust and reliability in sharia insurance products. This is important because product credibility greatly influences consumers' decisions to buy insurance.	STRATEGY WT Sharia banks require quite high costs, so ujah must be sufficient.

CONCLUSION

In conclusion, marketing sharia insurance products through Bancassurance has proven effective in increasing the accessibility of sharia insurance products to the public. However, challenges in optimizing Bancassurance strategies need to be overcome so that the benefits can be felt maximally by sharia insurance companies and the general public.

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