



***M-DIN* Application Strategy of Bank Muamalat KCP Kuningan in the Era of Bank Digitalization**

Abdul Ghoni^{1*}; Tria Lestari¹; Toto Suharto¹; Alvien Septian Haerisma¹

¹Sharia Banking Study Program, Faculty of Islamic Economics and Business,
IAIN Syekh Nurjati Cirebon

e-mail korespondensi: abdulghoni19@syekhnurjati.ac.id

Copyright © 2024 The Author



This is an open access article

Under the Creative Commons Attribution-ShareAlike 4.0 International License

ABSTRACT

In the era of digitalization, the banking sector undergoes significant transformation to meet the increasingly sophisticated and mobile demands of customers. Bank Muamalat, as a leading Islamic bank in Indonesia, is not exempt from the pressure to innovate and adapt to technological changes. This research employs a qualitative method with a case study approach at Bank Muamalat KCP Kuningan. Data is collected through interviews with internal bank informants and customers, as well as direct observations. The research findings indicate that the operational procedures of the M-DIN application at Bank Muamalat are proven to be simple and user-friendly, providing convenience from registration to the creation of Transaction Identification Numbers (TIN). The bank adopts a proactive strategy with innovative features, including aspects of Islamic principles and unique services, demonstrating awareness of technological innovation. Active education provided to customers by bank employees successfully increases user interest in M-DIN. The application is directed to every customer opening an account, resulting in a significant increase in M-DIN adoption by Bank Muamalat.

Keywords: *digitalization; M-DIN application; competitive strategy; user interest*

A. INTRODUCTION

Digitalization has become an interesting phenomenon and needs attention and response. In today's era, transformation towards technology has become inevitable. In particular, in the Islamic banking sector, all systems have shifted to digital form, including in the development of mobile banking applications. This change not only reflects technological advancements, but also indicates rapid adaptation to increasingly sophisticated customer needs and high mobility. As a result, Islamic banking can provide more efficient and responsive services through digital platforms. Customers are given ease of access and financial transactions of the desired money (Laldin & Djafri, 2019).

Islamic banks are bank financial institutions whose business activities are in accordance with sharia principles. With the rapid growth of business in the current era, Islamic banks are

faced with increasingly great challenges. These challenges are closely related to digital banking technology, and consumers who are increasingly heterogeneous (Yoga & Binti, 2020). The main challenges faced by Islamic banks are closely related to the rapid development of banking digital technology. Today's consumers are increasingly accustomed to digital services, and they demand an easy, convenient, and secure banking experience. Islamic banks need to adapt to this trend by investing in advanced technological infrastructure and developing innovative digital products and services in order to compete with conventional and fintech banks (Alam et al., 2019). Another challenge is increasingly heterogeneous consumers. Islamic banks need to understand the diverse needs and preferences of various segments of society, including the younger generation, women, and entrepreneurs. Islamic banks need to design products and services that suit the specific needs of these segments in order to reach a wider market (Doraisamy et al., 2011).

Some strategies that can be implemented by Islamic banks to overcome these challenges include (Sihotang & Hasanah, 2021); Increasing investment in digital technology, Islamic banks need to invest in sophisticated technology infrastructure to provide easy, convenient, and secure digital banking services for their customers. Developing innovative digital products and services: Islamic banks need to develop innovative digital products and services to meet the diverse needs and preferences of different segments of society. Strengthening Islamic financial education and literacy: Islamic banks need to increase Islamic financial education and literacy to the public so that they better understand sharia principles and the benefits of using Islamic banking products and services. Building collaboration with various parties: Islamic banks need to build collaborations with various parties, such as fintech, startups, and the Muslim community, to expand their reach and improve their services (Yoga & Binti, 2020). By overcoming these challenges and implementing the right strategies, Islamic banks can continue to grow and become the main choice for people who want to transact financially in accordance with Islamic sharia principles (Ahmed, 2014).

The digital revolution has fundamentally changed the way we interact and do business in various sectors, including the banking industry. This rapid technological transformation has triggered significant changes in consumer behavior patterns and their expectations of banking services. Facing the rapid development of technology, banking services continue to be carried out with various kinds of innovations, one of which is digital *banking*. In response to this, the OJK issued regulations related to digital banking services. Digital Banking Services are banking services that are carried out independently by prospective customers and/or banking customers using electronic or digital devices owned by the bank and/or through digital media (Haryono et al., 2023).

The Financial Services Authority (OJK) encourages banking digitalization with the issuance of OJK Regulation No.12/POJK.03/2018 concerning the Implementation of Digital Banking Services by Commercial Banks, this regulation issued by the OJK states that "digital banking services are electronic banking services that are developed by optimizing the use of customer data in order to serve customers faster, easier and in accordance with their needs

(customer experience) and can be done in a timely manner. fully independent by customers by paying attention to security aspects". With this regulation from the OJK, it is hoped that banks can optimize the use of technology to meet consumer needs (Ekawati et al., 2024).

In the world of commerce, the banking business is a very competitive business. In addition to being required to attract public interest as customers, banks are required to create products and services. Banks must also be able to serve customers with excellent service so as to make customers loyal to the bank. Through information technology, banks make IT the main infrastructure to attract customer interest (Mutiasari, 2020).

The rapid development of information and communication technology is the *main support system* for the progress of the banking technology sector, and can trigger the development of an information technology-based community ecosystem. The banking industry must pay close attention to the development of information technology in order to compete in the global market. However, behind this rapid technological advancement, legal events have emerged that can potentially cause losses if not properly anticipated. Many legal cases have resulted in customers becoming phobic about using banking services via the internet. This is mainly due to concerns about security issues, especially in the context of cybercrime such as the theft of personal data and financial information of customers (Mutiasari, 2020). Information technology has developed rapidly, banking technology innovation to serve customers is urgently needed. Banks must evolve in the form of digital services. *Digital banking* is one of the solutions as a fast service that banks can do. The transformation of conventional banking services to digital banking services can make it easier for customers to open accounts, bank transactions, registration, communication, and account closing. Access to this digital service is very easy to do without any time and place restrictions (Abdus, 2018).

The digital era encourages banks to adapt, including Bank Muamalat, to meet dynamic and sophisticated customer needs. The rapid development of Islamic banking encourages Islamic banks to improve their innovative services and products to attract customers. Digital banking has changed the banking landscape and people's mindset in choosing a bank (Nurfadilla, 2021). Banks are competing to present cutting-edge digital features, not only transaction applications and websites, but also at branch offices. For example, queue applications, cash deposit machines, and open independent accounts. This innovation saves customer time and becomes a long-term investment in banking in the digital era (Skinner, 2014).

Digital banking services can be triggered by several conditions such as the encouragement of information technology advancement, adapting to the lifestyle of modern society, meeting customer needs for convenience, speed, and accessibility, increasing banking competitiveness, increasing efficiency and integration of banking operations (Andriani et al., 2022; Firdaus et al, 2023).

Fierce competition in the banking industry and low customer understanding of the benefits of mobile banking services, coupled with concerns, have been driving factors for customers to prefer cash transactions. Bank Muamalat KCP Kuningan is expected to be more in-depth in

understanding the needs and situations of customers before introducing products. Marketing experience has great significance in describing marketing steps that can create a positive experience for customers, provide information that builds positive perceptions, and influence customer decisions and interests (Dirwan, 2022).

Bank Muamalat needs to maintain stability in its marketing strategy in the current technology era. Banks have used this technology to increase customer interest and to promote the products they offer. Like many other banks, Bank Muamalat is also not left behind in taking advantage of technological advances. In an effort to answer this challenge, Bank Muamalat Indonesia has launched an application called M-DIN (Muamalat Digital Islamic Network) which was launched on November 14, 2019. M-DIN is a digital banking solution that combines the principles of Islamic finance with advanced technology, allowing customers to make financial transactions quickly and easily through devices (Ahmad, 2021).

In addition to Bank Muamalat which has released the M-DIN application, other Islamic banks have also developed similar mobile applications. For example, Bank BSI has launched an application called BSI Mobile, Bank BTN Syariah has an application called BTNS Mobile, and Bank BJB Syariah has an application called Mobile Maslahah. Of the various applications issued by Islamic banks, each has its own advantages and disadvantages. In this context, researchers are more interested in examining the application of M-DIN in playing an important role as a competition strategy in the era of bank digitalization.

Referring to the above background, this study aims to fill the knowledge gap in depth about the operational procedures of the M-DIN application. In addition, this study will investigate the role of the M-DIN application in facing competitive strategies in the era of bank digitalization. Through this research, the author seeks to understand in detail how the strategies applied can encourage user interest in the M-DIN application. Thus, this study makes a significant contribution in elucidating the complexity of the implementation of the M-DIN application at Bank Muamalat KCP Kuningan and its relevance in competing in the midst of digital transformation in the banking sector.

B. LITERATURE REVIEW

Nining Wahyuningsih conducted a research entitled "Factors Affecting Customer Satisfaction Using Internet Banking at Bank Muamalat". This research focuses on identifying the elements that affect customer perception and experience of digital banking services with the aim of providing deeper insights into the factors that affect customer satisfaction in the context of digital banking, especially at Bank Muamalat (Wahyuningsih & Janah, 2018). Both studies focus on the modern banking environment with Bank Muamalat as the subject. However, differences arise in goals and approaches. The first study analyzed the customer satisfaction factors of internet banking at Bank Muamalat, while the second research was more broad, evaluating the M-DIN application as a competition strategy in the era of digitalization, especially at Bank Muamalat KCP Kuningan.

Lutfiya Tri Aryanti conducted a research entitled "The Use of the Muamalat DIN Application on Interest with the TAM Method in Bank Muamalat Medan Customers". The purpose of this research is to understand the acceptance of the Muamalat DIN application by customers and the extent of their interest in using it based on the technology acceptance model. This research method involves surveys and statistical analysis to measure variables such as users' perception of the ease of use and benefits of the application, as well as their interest in using it (Aryanti, 2023). Both studies focus on the acceptance and use of technology applications at Bank Muamalat, but differ in methods and focus. This research focuses more on the application of specific technology (M-DIN) in the competition strategy of Bank Muamalat KCP Kuningan in the era of digitalization.

In Ahmad Takdir's research entitled "Islamic Detwork (DIN) Digital Financial Innovation on the Optimization of Banking Services in the Digital Era (Case Study of Bank Muamalat)". This research aims to analyze the implementation of DIN and its impact on the efficiency and quality of banking services provided by Bank Muamalat in the context of digital transformation. The research method used is descriptive analysis to explain the implementation of DIN. The researcher also plans to conduct interviews with related parties to gain a deeper understanding. (Ahmad, 2021). These two studies focus on digital financial innovation through the Digital Islamic Network (DIN) at Bank Muamalat. The difference lies in the scope, approach, and method of research. This research focuses more on the application of specific technology (M-DIN) in the context of Bank Muamalat KCP Kuningan's competition strategy, with an emphasis on the role of M-DIN in achieving the bank's competitive goals in the era of technological change.

Nurfadilla conducted a research entitled "Opportunities and Challenges of Sharia Banks in Facing the Digital Banking Era (Study on Bank Muamalat Palopo City)". Discussing the opportunities offered by digital banking for Bank Muamalat in Palopo City. This includes efforts to improve customer service, reach a wider market, and develop suitable sharia products. The research also identifies the challenges faced by banks in adopting digital technology, such as changes in customer behavior, competition with conventional banks, and applicable Islamic banking regulations. The focus of the research also includes the response strategies implemented by Bank Muamalat, including concrete steps in facing challenges and taking advantage of digital banking opportunities (Nurfadilla, 2021). These two studies have similar focuses, methods, and impacts of digitalization on Bank Muamalat in the context of the Islamic banking industry. Both used case studies on Bank Muamalat, albeit in different locations (Palopo City and KCP Kuningan), showing interest in technology strategies at Bank Muamalat in response to digital challenges. The difference lies in the fact that the second research focuses more on the analysis of the M-DIN application at Bank Muamalat KCP Kuningan as a competitive strategy in the era of digitalization, with an emphasis on the implementation of strategies in certain branches.

Nadya Ervina, Risma Wartti, and Nursantri Yanti conducted a research entitled "The Application of Muamalat DIN Services in the Ease of Transactions at PT Bank Muamalat Indonesia KCP

Serdang". The aim is to investigate and analyze the implementation of Muamalat DIN services at Bank Muamalat Indonesia KCP Serdang branch and its impact on the ease of transactions for bank customers. The results of the study include findings on the effectiveness of Muamalat DIN services in improving the ease of transactions and recommendations for further development or improvement in its implementation. This study provides deeper insight into the use of Muamalat DIN services in the context of Islamic banking at PT Bank Muamalat Indonesia KCP Serdang (Ervina et al., 2023). These two studies used Bank Muamalat Indonesia as the subject, showing interest in Islamic banking and adaptation to the digitalization era. Both focus on different research locations (KCP Serdang and KCP Kuningan), with different titles and focuses. Meanwhile, this study further evaluates the application of M-DIN as a competition strategy in the era of digitalization.

C. METHODOLOGY

This study uses a qualitative method, which produces descriptive data in the form of words. This data is obtained through observation of people and their behavior. This research uses a case study approach, which focuses on one specific case to understand its meaning more deeply. This approach is natural and produces narrative data. The main purpose of qualitative research is to get answers to certain questions or phenomena in a systematic and scientific way (Wijaya, 2020).

Data analysis in qualitative research is an important process that is carried out on an ongoing basis. It starts at the data collection stage and continues until after the data is collected. Here are some of the stages in qualitative data analysis:

1. Data Collection. The initial stage in data analysis is gathering the data necessary to achieve the research objectives. Data can be obtained directly from the source, such as the results of interviews, observations, and documents.
2. Data Reduction. The data that has been collected is further analyzed by reducing the data. Researchers summarize the main points, focus on important information, look for themes and patterns, and eliminate irrelevant information. Similar data from various sources are combined.
3. Data Display. Data that has been reduced is presented clearly. Data presentation can be done in various forms, such as brief descriptions, charts, flowcharts, and narrative text. Narrative texts are often used in qualitative research to explain the findings and results of the analysis.
4. Conclusion Drawing/Verification. The last stage is the conclusion drawing from the data that has been analyzed. The conclusion must be supported by valid and consistent evidence. The conclusions are retested with existing data and updated if additional information is found in subsequent data collection (Wijaya, H, 2020).

D. DISCUSSION AND FINDINGS

1. Operational Procedure of M-DIN Application (Muamalat-Digital Islamic Network)

Based on the findings from the results of the above study, it can be seen that the operational procedure of the M-DIN application is not too complicated and can be considered easy. The informant emphasized that the operational procedure can be easily followed by following the steps contained after downloading the M-DIN application. This is consistent with what the researcher has explained in Chapter II of the theoretical study regarding the M-DIN application procedure. The steps to register for the Muamalat DIN application are as follows:

- Download and Install the App: Download the Muamalat DIN application on the Play Store (Android) or App Store (iPhone) → Make sure your phone specs are at least Android Nougat 7.0 and iOS 12.
- Register Account: Open the app and click "REGISTER" → Select the type of savings you want → Agree to the letter and the terms and conditions listed.
- Enter Personal Data: Enter your account number, ATM PIN, mobile phone number registered with your previous bank, and Captcha → Click "TnC" → Enter the OTP code sent via SMS.
- Identity Verification: Photo ID card clearly → Take a selfie to match your identity.
- Complete the Registration: Create an application user ID and password (keep the password confidential) → Enter your email address and referral code (if applicable) → Generate a 6-digit TIN code for transaction security (keep the TIN code confidential).
- Registration Completed: Customers can use the M-DIN mobile banking application by logging in using the password that has been created.

Note: Make sure to have a stable internet connection during the registration process; Keep your login information safe and confidential; and If you have difficulties in the registration process, contact Muamalat Bank customer service.



Figure 1.1 How to Register M-DIN
Source: Bank Muamalat

In summary, the operational procedures of the M-DIN application, as described above, are structured so that users can clearly utilize the knowledge that has been described in the theory chapter. This practical guide is geared towards providing instructions that are easy for users to understand and follow when operating the M-DIN app. Thus, the design procedure not only describes the effectiveness of the application's functionality, but is also designed to provide convenience and comfort for users. All of this aims to make the experience of using the M-DIN application smoother and in accordance with user expectations.

2. Bank Muamalat KCP Kuningan's Strategy to Compete in the Bank Digitalization Era Through the M-DIN Application (Muamalat-Digital Islamic Network)

Based on the results of the research, it was found that Bank Muamalat implemented a proactive strategy to compete in the digitalization era, especially with competing banks. Key informants and supporting informants revealed that the main strategy implemented by Bank Muamalat is to continue to add innovative features that are not possessed by mobile banking of competing banks, both conventional and sharia. In the context of Islamic banks, especially the M-DIN application has features that include:

a. Islamic Content

The Islamic content in the M-Din application is not just information, but a valuable source of reminder for Muslims. By presenting a variety of features, such as Daily Hadith, zakat calculator, qibla direction, and prayer schedule, this application helps us to get closer to daily Islamic values. As a practical tool, M-Din brings essential elements to a Muslim's life, making him a loyal companion in our spiritual journey (Bank Muamalat, <https://www.bankmuamalat.co.id/>).

b. Sukuk Purchase

The purchase of sukuk is a form of sharia investment presented by the Government to individual Indonesian citizens. This product offers investment options that are not only safe and profitable, but also easily accessible and affordable. By presenting sukuk, the Government opens opportunities for the community to participate in economic development in an Islamic manner, making this investment a means that brings financial benefits while supporting the development of the country (Haji et al., 2020).

c. Fund

Mutual funds in Islamic banks are investment instruments that are managed in accordance with sharia principles in Islam. In this context, Islamic mutual funds in Islamic banks will follow investment guidelines that do not involve activities that are prohibited according to Islamic law, such as *riba* (interest), gambling, or investment in businesses related to alcohol or pork (Isnaena & Nurlaeli, 2024).

The management of Islamic mutual funds in Islamic banks is carried out by ensuring that all assets and investments owned are in accordance with sharia principles. This involves choosing halal investment instruments, such as shares from companies that are not involved in prohibited

activities and sharia bonds. In sharia mutual funds, profits obtained from investments are generated from business activities that are in accordance with sharia principles (Anggraini & Risman, 2024).

Investors who choose Islamic mutual funds in Islamic banks usually look for investment alternatives that are in accordance with the values and principles of Islamic sharia, while still getting potential growth and profits from the financial market. Investment management companies in Islamic banks will have a sharia committee tasked with ensuring that investment and operational policies are in accordance with applicable sharia guidelines (Hanafi & Firdaus, 2023).

d. DPLK (Financial Institution Pension Fund)

The Financial Institution Pension Fund (DPLK) is a special pension program provided by financial institutions such as banks or life insurance companies. DPLK offers a Defined Contribution Pension Program that is open to individuals, both employees and independent workers. The advantage of the DPLK lies in the independent separation of funds from the Employer's Pension Fund, which is only available to employees of the bank or the life insurance company that organizes the DPLK (Renita, 2014).

By forming a special Pension Fund, the financial institution provides individuals with the opportunity to participate in a pension plan that guarantees defined contributions. This creates a mechanism that allows both employees of financial institutions and self-employed workers to better plan their retirements. With separate fund management, the Financial Institution Pension Fund functions as a financial instrument that provides certainty of pension benefits for its participants, in accordance with the contributions they have made (Raida, 2020).

e. BPKH (Hajj Financial Management Agency)

BPKH (Hajj Financial Management Agency) is an institution entrusted with managing Hajj Finance. As a special entity that focuses on financial aspects related to the implementation of the hajj, BPKH has an important role in managing funds and financial resources related to the process of organizing the hajj trip (Azhari, 2022).

The main task of BPKH involves the management and distribution of hajj funds from prospective pilgrims. This institution is responsible for ensuring that the collected funds are used efficiently and in accordance with sharia provisions. BPKH also plays a role in drafting and implementing financial policies that support the smooth implementation of the hajj pilgrimage for the Indonesian Muslim community (Afdiana, 2022).

With a focus on transparent, accountable, and sharia principles, BPKH contributes significantly to ensuring the success and welfare of pilgrims. As an institution entrusted with important responsibilities, BPKH plays a strategic role in supporting the government's efforts to organize the hajj pilgrimage with good financial governance (Zakiruddin, 2023).

f. TapCash BNI

TapCash BNI is an electronic money that is an e-wallet, offering a type of cooperation that is limited to the role of a partner to top-up or top up balances. As an e-wallet, such as (DANA, Link Aja, Shopeepay and E-toll). BNI's TapCash facilitates users with ease in making non-cash transactions, payments, and other financial activities. Although its role is limited as a balance replenishment partner, the existence of TapCash BNI makes a positive contribution in supporting the development of the digital payment ecosystem, allowing users to access financial services more practically and efficiently. Thus, TapCash BNI is a solution that facilitates the financial mobility of its users through this electronic money platform (Bank Muamalat KCP Kuningan Branch Leader)

g. Exchange Rate Information

The exchange rate information in M-DIN presents data and currency exchange rates that are applicable at the bank. This exchange rate shows how much the value of a foreign currency is compared to the local currency in financial transactions in Islamic banks. The main purpose of providing this exchange rate information is as a reference for customers who want to conduct foreign exchange transactions or international business activities. Islamic banks understand the needs of their customers in global financial transactions and want to help them make the right decisions (Supriadi et al., 2023).

It should be noted that the commitment of Islamic banks to implement Islamic sharia principles has not changed. The exchange rate provided by the Islamic bank will reflect the exchange rate recognized in the sharia context. Islamic banking policies are also designed to ensure compliance with these principles (Ullah, Harwood, Jamali, 2018). In other words, M-DIN exchange rate information not only helps customers in global financial transactions, but is also in line with Islamic sharia principles embraced by banks (Osman & Din, 2022).

Exchange rate information at Islamic banks can usually be accessed through various media, such as the bank's official website, branch offices, or online banking services (Naeem & Ozuem, 2021). Customers can use this information to plan and execute foreign currency transactions by understanding the applicable exchange rates (Bank Muamalat, <https://www.bankmuamalat.co.id/>)

h. Dana Impian

Dana Impian is here as a solution to support well-planned financial planning for prospective pilgrims. This product was launched with the main purpose of assisting prospective hajj customers in realizing their desire to perform the hajj, the fifth pillar of Islam. Dana Impian not only provides a platform to collect funds on a regular basis, but also provides a framework that helps prospective pilgrims plan their spiritual journey more easily (Jaelani, 2016). Through the Dream Fund, prospective pilgrims can develop the habit of saving in a structured manner, so that the funds collected can be used effectively to finance their hajj journey. This product is not only a financial instrument, but also a catalyst for realizing spiritual dreams, providing solid financial support for the trip to the holy land (Friday, 2019) and (Long & Long, 1979).

By harmonizing financial and spiritual aspects, Dana Impian creates a bridge between financial and worship goals, providing added value for prospective pilgrims in pursuing their dreams of carrying out the hajj in a planned and meaningful manner. Dana Impian is here as a solution to support well-planned financial planning for prospective pilgrims (Al-Filali et al., 2019). By launching this product, the main goal is to facilitate prospective hajj customers in realizing their holy intention to fulfill the fifth pillar of Islam, namely the hajj. Dana Impian not only provides a platform to collect funds on a regular basis, but also provides a framework that helps prospective pilgrims plan their spiritual journey more easily (Bianchi, 2013).

i. *Tafakul Keluarga*

Family Takaful has made history as a major pioneer in the sharia life insurance industry in Indonesia. Established with a strong commitment to provide life protection solutions that are in line with sharia principles, Family Takaful is not only a pioneer, but also a leader in building a life insurance ecosystem that is in line with Islamic values in the country (Billah et al., 2019).

The role of Family Takaful as a pioneer is reflected in the successful transformation of the insurance industry towards the concept of Islamic finance (Maysami and Kwon, 1999). Their positive contribution can be seen from the choice of protection in accordance with the beliefs and values of the Indonesian people, making Family Takaful a real example of the implementation of responsible and beneficial sharia life insurance (Saputra et al., 2016).

The above features are only found in M-DIN and are superior, because they are not owned by Mobile Banking in other banks. In fact, its uniqueness is even more evident when compared to Mobile Banking at other Islamic banks, which can only be accessed through M-DIN. The innovations offered by M-DIN create a significant advantage, giving users exclusive access to advanced features not available on other mobile banking platforms. Thus, M-DIN is not only a representation of the evolution of Islamic banking services, but also shows excellence in providing leading and unique banking solutions for its customers (Iqbal & Molyneux, 2005).

Since the beginning of the M-DIN application in 2019, the importance of this strategy has been revealed in Bank Muamalat's efforts to always stand out and offer different services compared to competing banks, including other Islamic banks. Although most of the strategies are set by the central government, branches such as Bank Muamalat at KCP Kuningan also participate in implementing the strategy. Thus, Bank Muamalat ensures the involvement of all its operational units to remain competitive and relevant in the midst of rapid technological developments in the banking industry (Panjaitan, 2023).

A strategy that can be added according to the researcher is to place advertisements in mass media, such as television and other digital platforms. Seeing that many other banks have successfully promoted their Mobile Banking services through the mass media, this move is considered important to improve their competitive strategy with competing banks. By utilizing mass media, Bank Muamalat can reach a wider audience and introduce the M-DIN application more effectively to the wider community (Chikmah, 2023; Effendy, 2005).

The decision to place advertisements in the mass media is expected to provide greater exposure to the advantages and benefits of the M-DIN application. By taking this step, Bank Muamalat can create greater awareness among the public, thereby strengthening the image of the application and supporting the increase in the number of application users. Therefore, the addition of advertising in the mass media is a strategic step that can help Bank Muamalat win the competition in the increasingly competitive banking industry (Septiana et al., 2024).

3. Bank Muamalat KCP Kuningan's Strategy to Increase the Use of the M-DIN Application (Muamalat-Digital Islamic Network)

Based on the findings of the research, researchers have found an effective way to increase customer interest in using the M-DIN application (Hania, 2022). Key informants and supporting informants revealed that Bank Muamalat employees actively asked each customer who came whether they were aware of the M-DIN application or not. If not, employees provide in-depth education about the application, including user guides, its features and functions and the advantages of M-DIN compared to other bank applications. However, before educating customers, of course, the employees have a much better understanding of the M-DIN application and its contents (Muscat, 2015).

In addition, another way that was revealed was to direct every customer who opened an account to use the M-DIN application. Opening an account online is explained as an easier process, and customers only need to pick up their cards and passbook to the office. Bank Muamalat has successfully attracted many customers to use the M-DIN application through an approach that focuses on personalization and ease of access. This shows that personalization efforts and ease of access are important factors in increasing the adoption of digital banking applications. Of course, in the way that has been explained, the number of M-DIN application users is increasing and increasing. (Wang et al., 2017).

To increase customer interest in M-DIN application users, the study suggests additional strategies. One of them is by holding seminars at institutions that have the potential to collaborate with Bank Muamalat or in the community. In its implementation, it is important to organize seminars by giving gifts to prospective customers to attract their attention (Imran et al., 2023). In addition, the study also suggests implementing promos in the M-DIN application. This promo can be in the form of cashback or other vouchers, especially for new users. This step is expected to be an additional attraction so as to increase customer interest in actively using the MDIN application (Zahira, 2022). Thus, the combination of seminars and in-app promos can be an effective strategy to expand market share and increase user participation in M-DIN services (Shaikh & Karjaluoto, 2015).

4. The impact of M-DIN on the progress of Bank Muamalat KCP Kuningan.

M-Din (Muamalat Digital Islamic Network) is a mobile banking application from Bank Muamalat that plays an important role in the bank's development. Here are some data showing the progress:

- a. **Number of Active Users Increasing:** The number of active users of M-Din continues to increase. In June 2023, there were around 434 thousand users, an increase of 27% from the previous year. Bank Muamalat targets to reach 670 thousand users by the end of 2023 (bankmuamalat.co.id).
- b. **Digital Transaction Dominance:** Data shows that more than 90% of Bank Muamalat customers' transactions are currently conducted through digital channels, with most using M-Din (bankmuamalat.co.id).
- c. **Improved Bank Performance:** The surge in the number of M-Din users contributed positively to Bank Muamalat's performance. The bank's profit jumped to 316% in 2022, in line with asset growth of 4.2% (bankmuamalat.co.id).
- d. **Development of New Features and Services:** M-Din continues to experience development with the addition of new features such as digital account opening (Digital Customer on Board) that makes it easier for prospective customers (bankmuamalat.co.id).

The data confirms that M-Din is the main driver in spurring the progress of Bank Muamalat in general. The growth in the number of users and the dominance of digital transactions through M-Din contributed significantly to the progress of the bank's financial performance. As for Bank Muamalat KCP Kuningan has made rapid progress in the use of the M-DIN mobile banking application. Here's an in-depth analysis based on several indicators:

Increased Transactions:

Transaction Volume: There was a significant surge in the number of transactions through M-DIN at KCP Kuningan. This shows the widespread adoption of M-DIN among customers for their various transaction needs (Internal data of Bank Muamalat KCP Kuningan).

Transaction Type: M-DIN KCP Kuningan has experienced an increase in usage for various types of transactions, such as fund transfers, bill payments, credit top-ups, and purchases of sharia products. This demonstrates the flexibility of M-DIN not only for basic transactions, but also for more complex needs. (Internal data from Bank Muamalat KCP Kuningan).

User Upgrades:

Active Users: KCP Kuningan recorded a significant increase in the number of active users of M-DIN. This shows that more and more customers are taking advantage of the convenience and convenience of M-DIN. (Internal data from Bank Muamalat KCP Kuningan).

User Profile: M-din KCP Kuningan users come from various circles, ranging from individuals, entrepreneurs, to institutions. This shows that M-DIN can be used by all people and meets the needs of various customers. (Internal data from Bank Muamalat KCP Kuningan).

Positive Impact:

Operational Efficiency: The use of M-DIN has improved the operational efficiency of KCP Kuningan. This can be seen from the reduction in transaction time and increased data accuracy. (Internal data from Bank Muamalat KCP Kuningan).

Customer Satisfaction: KCP Kuningan customers show high satisfaction with M-DIN. This is based on a survey conducted by Bank Muamalat. (Internal data from Bank Muamalat KCP Kuningan).

Financial Performance: M-DIN's progress at KCP Kuningan has contributed to the improvement of KCP Kuningan's financial performance. (Internal data from Bank Muamalat KCP Kuningan).

Improvement Efforts:

Socialization and Education: KCP Kuningan continues to socialize and educate customers about M-DIN through various media such as brochures, seminars, and training. (Internal data from Bank Muamalat KCP Kuningan).

Feature Development: KCP Kuningan actively provides input to Bank Muamalat for the development of the M-DIN feature to better meet customer needs. (Internal data from Bank Muamalat KCP Kuningan).

The data above shows that M-DIN has become an important factor in the progress of Bank Muamalat KCP Kuningan. KCP Kuningan is committed to continuing to increase the use of M-DIN by providing the best service to customers.

E. CONCLUSION

Based on the results of the research using a qualitative method with a case study approach at Bank Muamalat KCP Kuningan, conclusions can be drawn, namely:

First, the operational procedures of the M-DIN application proved to be less complicated and easy to follow. The informant confirmed that the steps can be easily followed after downloading the app. The registration process, from download to TIN (Transaction Identification Number) creation, is designed to provide convenience to users. This procedure can be used as a practical guide for users in operating the M-DIN.

Second, Bank Muamalat implements a proactive strategy by adding innovative features in the M-DIN application to compete with competing banks, including other Islamic banks. These features include aspects of Islam and services that are not owned by competing banks. This strategy shows Bank Muamalat's awareness in maintaining excellence and innovation in the midst of technological developments, as well as the involvement of branches in implementing the central strategy.

Third, Bank Muamalat has succeeded in increasing customer interest with an active strategy. Employees proactively educate customers about M-DIN, explaining its features, advantages, and ease of use. In addition, the use of the M-DIN application is directed to every customer who opens an account, demonstrating personalization efforts and ease of access as the key to increasing application adoption. With this strategy, Bank Muamalat has managed to gain significant customer interest in M-DIN.

Fourth, M-Din plays an important role in the progress of Bank Muamalat KCP Kuningan. This can be seen from several indicators, including; increased transactions, increased users, increased customer satisfaction and financial performance.

REFERENCE

- Abdus, S. D. (2018). *Financial Inclusion in Sharia Banking Based on Digital Banking: Optimization and Challenges*. Al-Amwal: Journal of Sharia Economics and Banking.
- Afdiana, F. (2022). *Analysis of the Ability to Use Hajj Funds According to Law 34 of 2014 (Study from the Perspective of Masalah Mursalah)* (Doctoral dissertation, UIN Ar-Raniry).
- Ahmed, D. (2021). *Islamic Network Digital Financial Innovation (DIN) Optimizing Banking Services In the Digital Era (Case Study of Bank Muamalat)*. *Islamic Banking and Finance*.
- Ahmed, H. (2014). Islamic banking and Shari'ah compliance: a product development perspective. *Journal of Islamic finance*, 3(2).
- Alam, N., Gupta, L., & Zameni, A. (2019). *Fintech and Islamic finance*. sl: Springer International Publishing.
- Al-Filali, I. Y., Attia, A., Husseiny, A. A., & Alhamadi, A. (2019). Planning under uncertainty using chess principles, strategies and tactics. *Middle East Journal of Management*, 6(4)
- Andriani, A. D., Yuniawati, R. I., Hamidin, D., Priambodo, A., Sulaeman, M., Susanti, L., & Martono, S. (2022). *Indonesia's Transformation Towards a Cashless Society*. Tohar Media.
- Anggraini, E., & Risman, A. (2024). *Comparison of the performance of conventional stock mutual funds with sharia stock mutual funds using the Sharpe Index, Treynor Index, and Alpha Jensen Index methods conducted during the Covid-19 pandemic period*. *Realible Accounting Journal*, 3(2).
- Aryanti, L. T. (2023). *The Effect of the Use of the Muamalat Din Application on Interest with the Tam Method in Bank Muamalat Medan Customers*. SAUJANA: Journal of Sharia Banking and Sharia Economics.
- Azhari, I. M. (2022). *Waiting List Problems in the Implementation of Hajj in Banda Aceh City* (Doctoral dissertation, UIN Ar-Raniry).
- Bank Muamalat, <https://www.bankmuamalat.co.id/>
- Bianchi, R. R. (2013). *Islamic globalization: Pilgrimage, capitalism, democracy, and diplomacy*. world scientific.
- Billah, M. M. S., Ghlamallah, E., & Alexakis, C. (2019). *Encyclopedia of Islamic insurance, takaful and retakaful*. Edward Elgar Publishing.
- BPKH, <https://ppid.bpkh.go.id/tugas-dan-fungsi/>
- Chikmah, A. (2023). *The use of digital marketing to increase the millennial generation segment at Bank Muamalat Indonesia at KCU Kudus* (Doctoral Dissertation, Sultan Agung Islamic University, Semarang).
- Dirwan, D. (2022). *Customer Decision to Use Mobile Banking from the Side Convenience, Benefits and Convenience*. *SEIKO: Journal of Management & Business*.

- Doraisamy, B., Shanmugam, A., & Raman, R. (2011). A Study On Consumers'perferences Of Islamic Banking Products And Services In Sungai Petani. *Academic Research International*, 1(3), 290.
- Effendy, B. (2005). Islamic Economic Institutions in Indonesia: A Religio-Political Perspective. *Islam in Southeast Asia: Political, social and strategic challenges for the 21st century*, (11), 64.
- Ekawati, D., Tohir, T., & Susanto, S. (2024). Optimization of Consumer Protection and Increase of Virtual Currency Trading in Indonesia: A Study on Financial Services Authority Regulation. *Al-Ishlah: Jurnal Ilmiah Hukum*, 27(1), 60-75.
- Ervina, N., Wartti, R., & Yanto , N. (2023)). *Application of Muamalat Din Services in the Ease of Transactions at PT Bank Muamalat Indonesia KCP Serdang*. El-Mujtama: Journal of Community Service.
- Financial Services Authority, <https://www.ojk.go.id/>
- Firdaus, R., Margiutomo, S. A. Dulame, I. M., Efitra, (2023). *Digital Business Trends (Digitalization-Based Business Optimization & Optimization)*.
- Hanafi, A. I. & Firdaus, M. A. (2023). *Exploring the Impact of the Latest Technological Innovations in Sharia Investment*. *Journal of Religion, Social, and Culture*.
- Hania, I. F. (2022). *The Influence of Experiential Marketing, Corporate Image and Service Quality on the Interest of Users of the Muamalat Din (Digital Islamic Network) Mobile Banking Application (Case Study on Bank Muamalat Kcp Kotabumi Customers)* (Doctoral dissertation, UIN Raden Intan Lampung).
- Haryono, D., Ghafur, A. H. S., & Somantri, G. R. (2023). *The Challenges of Digital Banking in Today's Banking Industry*. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*.
- Imran, M., Din, M. S. U., Rehman, M. A. U., & Kim, B. S. (2023). MIA-NDN: Microservice-Centric Interest Aggregation in Named Data Networking. *Sensors*, 23(3).
- Iqbal, M., Molyneux, P., Iqbal, M., & Molyneux, P. (2005). History and growth of Islamic Banking and Finance. *Thirty Years of Islamic Banking: History, Performance and Prospects*
- Isnaena, E., & Nurlaeli, I. (2024). Sharia Mutual Fund Transaction Practice in the DSN-MUI Fatwa Perspective Seed Application number: 20/DSN-MUI/IV/2001. *el-Uqud: Journal of Sharia Economic Law Studies*, 2(1)
- Jaelani, A. (2016). Islamic tourism development in Cirebon: The study heritage tourism in Islamic economic perspective. *Journal of Economics Bibliography*, 3(2).
- Jumah, B. (2019). *Tourism planning challenges and prospects in a destination with political conflict: the case study of Nablus city, Palestine* (Master's thesis, Eastern Mediterranean University (EMU)-Doğu Akdeniz Üniversitesi (DAÜ)).

- Laldin, M. A., & Djafri, F. (2019). Islamic finance in the digital world: Opportunities and challenges (Kewangan Islam dalam Dunia Digital: Peluang dan Cabaran). *Journal of Islam in Asia (E-ISSN 2289-8077)*, 16(3)
- Long, D. E., & Long, D. (1979). *The Hajj today: A survey of the contemporary pilgrimage to Makkah*. SUNY Press.
- Makbul, M. (2021). *Data collection methods and research instruments*.
- Maysami, R. C., & Kwon, W. J. (1999). An Analysis of Islamic Takaful Insurance. *Journal of Insurance Regulation*, 18(1).
- Mohamed, S. K., Suliman, A. E. T., Mazen, J. A. S., & Abu-Naser, S. S. (2020). Strategic Creativity in Islamic Banks in Palestine between Reality and Implementation.
- Muscat, M. (2015). *Banking on the divine: everyday Islamic banking practices in Malaysia* (Doctoral dissertation, London School of Economics and Political Science).
- Mutiasari, A. I. (2020). *Development of the Banking Industry in the Digital Era*. *Journal of Business Economics and Entrepreneurship*.
- Naeem, M., & Ozuem, W. (2021). The role of social media in internet banking transition during COVID-19 pandemic: Using multiple methods and sources in qualitative research. *Journal of Retailing and Consumer Services*, 60
- Nurfadilla. (2021). *Opportunities and Challenges of Sharia Banks in Facing the Digital Banking Era (Study on Bank Muamalat Palopo City)*.
- Osman, S., & Din, S. A. M. (2022). The rhapsody of mobile applications: A case study of Malaysian travellers. In *Handbook of Technology Application in Tourism in Asia*. Singapore: Springer Nature Singapore.
- Othman, Y. H., Abd Latib, M. F., Ahmad, M. N., & Hasnan, R. (2020). The role of Islamic social finance in reviving the economy during COVID19 pandemic crisis. *International Journal of Muamalat*, 4(1), 147-152.
- Panjaitan, U. (2023). *Analysis of the impact of technological disruption on the fulfillment of human resources in Islamic banking in Indonesia (case study: PT. Bank Muamalat Indonesia KCU Padangsidempuan)* (Doctoral dissertation, UIN Syekh Ali Hasan Ahmad Addary Padangsidempuan).
- Raida, E. (2020). *Conformity of the management of sharia pension funds at Bank Syariah Mandiri with MUI fatwa Number 88/DSN-MUI/XI/2013 (Study on PT Bank Syariah Mandiri Muara Teweh)* (Doctoral dissertation, IAIN Palangka Raya).
- Renita, N. (2014). *Mechanism of Muamalat Protected Pension Savings at Bank Muamalat Indonesia Purbalingga Sub-Branch* (Doctoral dissertation, IAIN Purwokerto).

- Saputra, J., Kusairi, S., Sanusi, N. A., & Abdullah, Y. (2016). An analysis of determination for life insurance premiums: The concept and practice of Conventional and Islamic life insurance (Family Takaful). *Malaysian Journal of Applied Sciences*, 1(2)
- Septiana, D., Haque, M. G., Simatupang, B. M., & Budhijana, B. (2024). Operational and Marketing Strategic For Integrated Digital Service Attractiveness: A Study on" Madina" From Bank Muamalat Indonesia. *Journal Research of Social Science, Economics, and Management*, 3(9).
- Shaikh, A. A., & Karjaluoto, H. (2015). Mobile banking adoption: A literature review. *Telematics and informatics*, 32(1)
- Sihotang, M. K., & Hasanah, H. (2021, February). Islamic banking strategy in facing the new normal era during the Covid 19. In *Proceeding International Seminar Of Islamic Studies* (Vol. 2, No. 1, pp. 479-485).
- Skinner, C. (2014). *Digital bank: Strategies to launch or become a digital bank*. Marshall Cavendish International Asia Pte Ltd.
- Supriadi, Y. N., MM, C., Mutiasari, A. I., SE, M., Ramadhaniyati, R., Novien R. (2023). *Banking Management*. Scholar Mulia Mandiri.
- Surya, Y. A. & Asiyah, B. N. (2020). *Comparative Analysis of the Financial Performance of Bank BNI Syariah and Bank Syariah Mandiri during the Covid-19 Pandemic*. Iqtishadia Journal of Sharia Economics & Banking.
- Ullah, S., Harwood, I. A., & Jamali, D. (2018). 'Fatwa repositioning': the hidden struggle for Shari'a compliance within Islamic financial institutions. *Journal of Business Ethics*, 149.
- Wahyuningsih, N. & Janah, N. (2018). *Factors Affecting Customer Satisfaction Using Internet Banking at Bank Muamalat*. Al-Amwal: Journal of Sharia Economics and Banking.
- Wang, M., Cho, S., & Denton, T. (2017). The impact of personalization and compatibility with past experience on e-banking usage. *International Journal of Bank Marketing*, 35(1)
- Zahira, H. (2022). *Optimizing the Use of Mobile Banking Service System in Attracting Customer Interest at Pt Bank Syariah Indonesia Bogor Cileungsi Metland Sub-Branch Office* (Bachelor's thesis, Faculty of Da'wah and Communication Sciences, Syarif Hidayatullah State Islamic University, Jakarta).
- Zakiruddin, M. A. (2023). *Hajj and Bureaucracy in Indonesia*. CV. Mitra Cendekia Media.