



Analysis of Banking Innovation with Business Model Canvas in *BPRS* Suriyah Cilacap Central Java

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Abstract

The 4.0 industrial revolution has encouraged technological innovations that have disrupted or fundamental changes to people's lives. Unexpected changes become a phenomenon that will often appear in the industrial revolution era 4.0. To maintain the existence of an company, not only the right strategy is needed but also knowing the Islamic banking business model in *BPRS* is an important thing to consider. Besides, the business model in the *BPRS* must continue to be innovated. This research that entitled "Analysis of Banking Innovation with Business Model Canvas in *BPRS* Suriyah Cilacap Central Java", has problem statements about how the banking innovation and the SWOT analysis of each Business Model Canvas's element in *BPRS* Suriyah Cilacap. The purpose of this research are to find out the banking innovation and the SWOT analysis of each Business Model Canvas's element in *BPRS* Suriyah Cilacap. This type of research is field research by descriptive qualitative method. The research was collected by observation, documentation and interviews with informants who have good knowledge about marketing and operational *BPRS* Suriyah Cilacap. The result of this research mentioned that even though *BPRS* Suriyah Cilacap has good achievements, it must continue to really makes a business model in his banking innovation, then test and analyze it. It still has shortcomings in executing marketing plans. It must continue to make better customer relationships as opportunity to make a big market and must have good action on the challenges of technological development.

Keywords: *innovation; business model; bprs*

A. Introduction

Syari'ah Rural Bank (*BPRS*) is a syari'ah bank which in its activities does not provide payment traffic services (Ikatan Bankir Indonesia, 2014). *BPRS* is also interpreted as one of the institutions of public trust whose business activities are based on sharia principles, are required to always be able to carry out the mandate of the fund owners by channeling it to productive endeavors in order to improve

people's lives (Bank Indonesia). Basically, *BPRS* has the main objective, one of which is to avoid usury and practice sharia principles in banking, especially for *BPRS*. In the Qur'an it explains the verse that alludes to usury:

وَمَا آتَيْتُمْ مِنْ رَبًّا لِيَرْبُو فِي أَمْوَالِ النَّاسِ فَلَا يَرْبُو عِنْدَ اللَّهِ وَمَا آتَيْتُمْ مِنْ زَكَاةٍ
تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَئِكَ هُمُ الْمُضْعِفُونَ

Meaning: "And whatever you give for interest to increase within the wealth of people will not increase with Allah. But what you give in zakah, desiring the countenance of Allah – those are the multipliers." (Q.S. ar-Rum [30] : 39)

The purpose of the establishment of *BPRS* is to serve the people of the weak economic group and small entrepreneurs both in rural and urban areas who are generally not accessible to commercial banks (Buchori, et all, 2018). Based on preliminary interview, *BPRS* Suriyah Cilacap had become the favorite for the lower middle class community. But along with the times, now the people of the weak economic group are getting smarter in sorting out and choosing financial institutions. This means that the existence of the *BPRS* must be maintained so that it can continue to be able to produce public funds. There is a newest innovation product in *BPRS* Suriyah Cilacap called *Tahara (Tabungan Hari Raya)*.

To maintain the existence of an institution or company, especially here is a Sharia Rural Bank (*BPRS*), certainly the right strategy is needed to answer the challenges of the times. Before determining the right strategy, knowing the Islamic banking business model in *BPRS* is also an important thing to consider. Where the Islamic bank business model will become a benchmark for regulators to develop the sharia banking industry in the future, becoming a reference for sharia banks in developing operational business frameworks, and other industry players in their activities and dealing with Islamic banking. In addition to creating a business framework for Islamic banks, this business model also includes linkage efforts and synergies between Islamic banks and non-bank financial institutions by considering aspects of sharia, economics and social and cultural Indonesian society (Bank Indonesia, 2012).

Business studies are suggested that the information and communication technology is fully utilized. On this era of business models, it is a big change, not only in the production process, but rather also throughout the industry value chain (Satya, 2018). However, on the other hand, the business model in the *BPRS* must continue to be innovated. According to President Joko Widodo, the 4.0 industrial revolution has encouraged technological innovations that have disrupted or

fundamental changes to people's lives. Unexpected changes become a phenomenon that will often appear in the industrial revolution era 4.0 (Rosyadi, 2018).

This innovation is very important for a company where a bank or company must be able to create valuable new products and services for customers (customers) in a way that is supported by a sustainable and profitable business model. This gives a foundation for how innovation should be in any company, including banking. Innovation is not only creating new products and services. New products can be part of the process, but the main outcome of innovation is a sustainable business model. A sustainable business model is one that allows us to provide value to customers (i.e. when a company makes goods desired by the market) and when the company is able to create and make money or profit. Without these two elements, a new product is not considered innovation (Viki, et al, 2018).

The era of disruption has either broken or damage markets that already exist but also encourages the development of products that are not market-expected before, creating diverse consumers and impacting prices which is getting cheaper. Therefore, it is important for *BPRS* business people to know the nature of innovation, learn and understand the essence or basic substance of innovation phenomena compiled based on scientific research/ secondary data from reliable sources and focus on the essence of innovation sources and have been published by sources credible. Finding innovation and new business models are important as a strategy to stay ahead and win the competition.

Based on preliminary interview, *BPRS* Suriyah Cilacap has several innovative program activities to improve the quality of its employees. Regarding product innovation, *BPRS* Suriyah Cilacap still has not issued a new product. But as explained earlier, in this case the innovation that has been carried out is not necessarily called an innovation if it has not provided value to the customer and has not provided profits in accordance with expectations.

To find out whether the existing business model of *BPRS* Suriyah Cilacap has good prospects in the future, an approach is needed to help find various innovations and business models and new strategies. The business of the canvas is a tool model used to describe, analyze, and design a business model of a company (Putri and Utama, 2017). Business model canvas can also be called a technique that can help form a company business model or a more complex process that can help in innovative design business models for the company. The business model canvas element consists of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures.

An effective way to assess the integrity of the entire business model is by combining classical analysis of strengths, weaknesses, opportunities and threats

(SWOT) through Business Model Canvas. All organizations have strengths and weaknesses in the functional area of the business. Business objectives and strategies are established with the intention of utilizing internal strengths and overcoming weaknesses. That's why in this research using the business model canvas approach (Setijabawa, 2015).

In addition, research related to the banking business model as well as its innovation in BPRS Suriyah Cilacap is also important to maintain its existence and rating. After previously BPRS Suriyah Cilacap received the 9th "Very Good" in Indonesia and received the 1st "Very Good" in Central Java rating version of Infobank Magazine where the assessment was carried out on performance over the past two years that had assets of IDR 100 billion – under IDR 250 billion (Putra, 2019).

A total of 97 national sharia financial institutions were awarded the "Infobank Sharia Awards 2018" award. The award was given by Infobank Magazine at the "7th Infobank Sharia Awards 2018" on September 2018. The award was given to the national sharia financial institutions that won the title of "Very Good" performance on the rating conducted by the Infobank Research Bureau for 265 Islamic financial institutions (Infobank, 2018). Besides it got many "Very Good" from Infobank Awards, BPRS Suriyah Cilacap also be Finalist BSM of UMKM Award on 2012.

Based on direct observation, it was found that BPRS Suriyah Cilacap really got all the awards mentioned above. Based on the background above, the author chose to examine the Analysis of Banking Innovation with Business Model Canvas in BPRS Suriyah Cilacap Central Java.

B. Method

The type of research of this study is qualitative research. With this type of qualitative research, the author will explore and describe the latest innovations in *BPRS Suriyah Cilacap*, both product innovation and process innovation. This study uses the descriptive approach because of its nature about how to innovate the business model of *BPRS Suriyah Cilacap* and their analysis, therefore this is still part of qualitative methodology. This study uses descriptive phenomenology that emphasizes the subjectivity of human life experiences which means that researchers directly explore experiences that are realized and describe phenomena that exist without being influenced by previous theories and assumptions. Both the experience of the employees and the customers at *BPRS Suriyah Cilacap*. Thus the overall picture of the canvas business model of innovation in *BPRS Suriyah Cilacap* can be seen and observed how the strengths, weaknesses, opportunities and challenges that will later be able to help *BPRS Suriyah Cilacap* can maintain its existence.

As for in this study, the primary data to be collected are data and information obtained from interviews with several expert speakers, namely employees and customers. In addition, direct observation at the research location, namely in *BPRS Suriyah Cilacap* related to the atmosphere and service at the front office, as well as various award certificates displayed on the front office wall. While secondary data in this study are data related to profiles and history, as well as a list of products and services in *BPRS Suriyah Cilacap*, and other data from various sources, both from *BPRS Suriyah Cilacap* directly and from other literature.

Qualitative data analysis have be done with reducing data that means summarizing, choosing the main things, focusing on the important things, looking for themes and patterns and discarding unnecessary. After reducing data, the next is presenting data dan conslusions drawing/verification. As for this study, a simple conclusion and verification will be presented by presenting a business model canvas which will then be seen where each element will be seen as lacking, strengths, challenges and opportunities with a SWOT analysis tool.

C. Content

1. The Newest Innovation in *BPRS Suriyah Cilacap*

Innovation is defined as the creation of valuable new products and services for customers in a way that is supported by a sustainable and profitable business model (Tendayi Viki, 2018). The latest innovation in *BPRS Suriyah Cilacap* is the *Tabungan Hari Raya (Tahara)* product innovation. This *Tabungan Hari Raya* product is the result of the development of a savings product with a wadi'ah contract that is included in the Smart product group.

The resource person explained that *Tabungan Hari Raya* is not a new product, but the result of product development. This is still categorized as an innovation because innovation can be interpreted as a creativity in order to solve problems and opportunities by starting or introducing something new that includes new product and process results, better than previously available. The *Tahara* product is something that is related to services and ideas that are new to customers of *BPRS Suriyah*. Although the idea has long existed, that is, entering into the Smart Savings concept, but this can be said to be an innovation for people who have just seen or felt it, especially *BPRS Suriyah Cilacap* customers, besides that there are also concept updates in it.

The concept of this *Tahara* product is direct prize savings. The direct prize for the *Tahara* product is a parcel that will be given at the end, which is when the period is one year, or when the Eid will arrive. This innovation product must also not be withdrawn before the expiration period. As for the process innovation in this product is the provision of a reward at the end as well as the

reward given in accordance with the portion or nominal of *Tahara's* customer savings. So, the main concept is direct prize savings, but if the Smart Savings is at the beginning of saving, while this *Tahara* product has a direct prize at the time of with drawal.

The innovations that have been carried out are also supported by the existence of new technological, managerial and social processes, where new ideas or concepts were first introduced to be practiced in *BPRS Suriyah*. This *Tabungan Hari Raya* product is also a product that arises due to industry competition, based on the theory that has been raised, this is a formidable weapon in the face of competition. The *Tabungan Hari Raya* product also has a new process in the payment process and provides proof of deposit from the marketing division or from the *BPRS Suriyah Cilacap* namely with the application in android that can be accessed by the marketing part of funding to input the deposit amount and provide print outs for customers related to the initial balance, the amount of money that has been paid, and the final balance.

So, innovation at *BPRS Suriyah Cilacap* is a customer driven innovation based on customer needs, facilitated access or increased comfort. Like all innovations that emerge from one source, this innovation affects the building blocks of other business models.

2. Business Model Canvas for The Innovation

A business model is an architecture for the products, services and information flows, including a description of various business actors and their roles, a description of the potential benefits for the various business actor, and a description of the sources of revenues (Hoegg, et all, 2017). A business model is not a strategy. Rather, it is a conceptual framework that helps to link the firm's strategy, or theory of how to compete, to its activities, or execution of the strategy (Teece, 2018). Besides, according to Osterwalder and Pigneur (2012), the business model canvas is a tool used to describe, analyze, and design a business model of a company. Business model canvas can also be called a technique that can help in formulating a company's business model or more complex is a generic process that can help in designing innovative business models for the company.

a. Customer Segments (CS)

The market consists of various types of buyers who buy a product with desires, resources, location and buying habits. Because each has unique needs and desires, each buyer is a potential market. To provide satisfaction to customers, segmentation is needed in order to be more focused in developing business strategies for certain customer segments according to their characteristics, habits and needs (Permana, 2013). As for the type of

market segmentation for *BPRS* Suriyah Cilacap's innovative products, it is a segmented market. This is because *BPRS* Suriyah Cilacap has grouped individuals (customers) into several groups (segments) where different individuals in one segment have the same characteristics or behaviors.

There are several approaches used to market segmentation in *BPRS* Suriyah Cilacap, namely by demographic, geographic and psychographic approaches. Through a demographic approach, product innovation in *BPRS* Suriyah Cilacap (*Tahara*) focuses more on the age and sex of adult women or housewives or traders in the market with an average non-fixed income. In addition, the characteristics of work that are the segmentation of the *Tahara* Products are those who are on average self-employed, not employees. While geographically, *BPRS* Suriyah Cilacap is targeting the market for *Tahara* products based on potential areas, namely the market and the outskirts of the village. Whereas in a psychographic approach, *BPRS* Suriyah Cilacap in determining customer segmentation for *Tahara* products is based on customer interests where the willingness to save at small traders is quite high. In addition, it is also because the small traders like to set aside their trading results for the Eid Fitri.

b. Value Propositions (VP)

Value propositions are reasons that make customers switch from one company to another (Osterwalder and Pigneur, 2012). Based on interviews, *BPRS* Suriyah Cilacap wants to provide added value to its customers that *BPRS* Suriyah Cilacap is able to provide what is needed by its customers, namely *Tabungan Hari Raya* products, so customers do not need to transfer their funds to other financial institutions. This is *BPRS* Suriyah's added value in maintaining customers, solving problems, and satisfying the needs of customers, especially customers at Pekalongan Branch Offices.

Each value proposition contains a combination of certain products and/or services that serve the needs of a specific customer segment. *BPRS* Suriyah Cilacap in providing added value with *Tabungan Hari Raya* products supported by technological innovations, namely print bluetooth and android-based applications that help marketing and its customers to know the initial balance, amount of deposits and the customer's final balance when customers pay deposits outside the office.

In this case, the value proposition is the unity, or combination, of the benefits offered by the company to the customer. The other benefits offered to serve the needs of specific customer segments are by providing ball pick-up services. This ball pick up has proven its usefulness with the many customers of *BPRS* Suriyah *Tabungan Hari Raya* products who feel helped

to provide their regular savings deposits. In addition to the above, picking up the ball does provide more value for the customers because picking up the ball gives value to the customer to be happy, more flexible and easier.

In addition, customers also feel closer to the bank and customers feel more concerned with the time spent by the bank for customers. Even if it is emotionally closer, customers will be helped in solving their personal problems more specifically, both financial and other personal issues. *BPRS Suriyah* provides more value to customers with the existence of rewards in the form of parcels at the time of withdrawal of *Tabungan Hari Raya* where customers feel valued. Other added values offered by *BPRS Suriyah Cilacap* for *Tahara* products are in addition to cheap products, also because of the short period of time, which is one year and flexible saving time.

So, the value proposition that the *Tahara* product wants to provide is with a new product to help fulfill the needs of its customers' *Tabungan Hari Raya*. Then provide a good performance value in the form of easy services such as picking up the ball and print bluetooth that is connected to the application. In addition, there is a cheap initial deposit that fits the customer segment.

c. Channels (CH)

Channel is a media for a company to build and establish relationships to achieve customer segmentation in providing a value proposition (Permana, 2013) . Channels are also interpreted as values that reach customers through communication, distribution and sales channels (Lestari, 2017). The channel phases are awareness, evaluation, purchase, delivery, and post-sale phases (Osterwalder and Pigneur, 2012). The channel building block illustrates how *BPRS Suriyah Cilacap* communicates with its customer segments and reaches them to provide value propositions such as how its communication channels, distribution and sales. *BPRS Suriyah Cilacap* in increasing customer awareness of products and services is through the provision of events with communities, such as the islamic study community. Procurement of events is adjusted to special momentum such as during the *Grebek Pasar* or *BPRS Suriyah Cilacap* Anniversary which the bank then conducts socialization and promotion in it. In addition, *BPRS Suriyah Cilacap* utilizes events to be held in the community such as the joint opening program in *Ramadhan*. This is a channel to increase customer awareness of *Tahara* products in *BPRS Suriyah Cilacap*

BPRS Suriyah Cilacap in helping customers to evaluate the company's value proposition is through personal direct talk between the bank and the customer, which most often occurs when marketing picks up the ball. *BPRS*

Suriyah Cilacap received input from customers which was then accepted by marketing which was then submitted to the management which was subsequently discussed and reviewed with executive officials who then decided on the concept and its launch.

BPRS Suriyah Cilacap in helping customers to enable customers to buy products and services specifically is by picking up the ball. Through pick-up, customers can save personally with the bank where time, place and the amount of deposits to save *Tahara* can be determined by the customer personally. *BPRS* Suriyah Cilacap in delivering its value proposition to customers is through direct promotion to customers by conveying the need for increased Eid al-Fitr and conveying the added value of *Tahara* products and assisted with the distribution of brochures. Promotions are delivered through small talk. In addition, *BPRS* Suriyah Cilacap utilizes the emotional closeness with customers to seduce customers to save *Tahara*.

BPRS Suriyah Cilacap in providing after-sales support to customers is through controlling customers where marketing needs to ensure that customers do not stop saving at *BPRS* Suriyah Cilacap. This is done through gathering directly to the customer's home and then the customer is given personal education and attention. With the existence of this marketing channel, *BPRS* Suriyah Cilacap can turn buyers into potential customers who can increase profits from controlling marketing companies to ensure that customers continue to save *Tahara* in *BPRS* Suriyah Cilacap.

d. Customer Relationship (CR)

Customer relationship building blocks illustrate the various types of relationships built by *BPRS* Suriyah Cilacap with *Tahara* customers who aim to get new customers, retain customers and offer new products to existing customers. As for getting new customers, *BPRS* Suriyah Cilacap is looking for new relationships with similar community communities that have not been touched by *BPRS* Suriyah Cilacap marketing. Although this has not been done optimally, this market search continues.

In maintaining *Tahara*'s customers, *BPRS* Suriyah Cilacap conducts controlling customers as previously mentioned. Whereas in offering new products to customers, *BPRS* Suriyah Cilacap conducts direct promotions to existing customers, both promoting when customers make other product deposits, and when marketing offers major products. The type of customer relationship between *BPRS* Suriyah Cilacap and its customers is a special type of personal assistance relationship, in which the bank assigns marketing funding that can serve customers personally. This type of relationship is among the most intimate and developed in a relatively long

period of time as long as the customer is still a customer at *BPRS Suriyah Cilacap*, including for *Tahara* products. This customer relationship is very important to maintain customers, offer new products to old customers and to find new customers.

e. Revenue Streams (RS)

The building block of revenue streams describes the cash generated by *BPRS Suriyah Cilacap* where the income stream is included in the type of income stream with recurring income resulting from ongoing payments both to provide a proposition of value to customers and to provide customer support after purchase.

The product revenue stream of *Tahara BPRS Suriyah* is indirect income where the *Tahara* deposit given by the customer to the bank is an incoming fund which is then channeled by the bank to financing which then the bank obtains revenue from the financing share. This is because *BPRS Suriyah Cilacap* is an intermediary between fund raising and fund distribution. Whereas *Tahara* is a product of raising funds with a *wadi'ah* contract (deposit) so that the deposit needs to be returned along with bonuses and rewards in the form of parcels during withdrawal.

As for setting the initial deposit for *Tahara* products in *BPRS Suriyah Cilacap* is a fixed pricing mechanism where the fixed price for *Tahara's* products includes services and other value propositions. In addition, the determination of the initial balance is based on the characteristics of the segmentation of *Tahara* product customers. Whereas in determining the bonus of *Tahara's* products at *BPRS Suriyah Cilacap* is not agreed at first because this product is a product with a *wadi'ah* contract.

Whereas in determining the reward amount, *BPRS Suriyah Cilacap* adapts to the amount of the average reward of competitors. In addition, *BPRS Suriyah* in giving rewards to customers varies in size based on the average nominal savings. So in determining the amount of the reward refers to the average balance where the higher the balance, the higher the amount of the reward. But if there is a problem in the reward, it can be closed by providing good service to the customer. The influence of *Tahara's* income on the income stream of *BPRS Suriyah Cilacap* is still relatively small because the product is still new and has not been maximized due to several constraints that have not been evaluated in a focused manner.

f. Cost Structures

This building block explains the most important costs that arise when operating *Tahara* of *BPRS Suriyah Cilacap* products. The main resource that costs the most for *Tahara BPRS Suriyah Cilacap* products is the cost for the

Tahara reward/ parcel. In addition, *Tahara* product including the types of cost structures that are not driven by costs, are not driven by value. *BPRS* Suriyah Cilacap is quite concerned about how to minimize costs but does not make the company a company that does not care about value creation. *BPRS* Suriyah Cilacap positions itself as an intermediary institution that seeks maximum corporate profits by providing the best possible value to customers through service for *Tahara* products.

So, *BPRS* Suriyah Cilacap pays attention to reducing costs when the bank maximizes *Tahara* products where the product is a savings product that costs less than deposits. As for giving value, banks continue to provide the best, such as maintaining customer relations with friendliness, paying attention to customer problems and complaints and receiving input from customers. As for controlling the costs for resources provided for *Tahara* product is to maximize the revenue from *Tahara's* products which also minimizes costs without losing focus on maintaining the health of the bank and granting *Tahara's* employees, partners and customers. Thus, the cost structure incurred is indeed the most important for *Tahara* product is *Tahara's* purchase / reward parcel, there are no other costs that are more prominent than *Tahara's* products other than that. In controlling the cost structure, *BPRS* Suriyah Cilacap is still trying to fulfill the rights of employees, partners and customers while paying attention to the health of the bank.

g. Key Resources

The main resource building blocks describe the most important assets needed for a business model to function. As for the main resources for *Tahara BPRS* Suriyah Cilacap products are services provided, marketing in finding customers and retaining customers (customer relations) and rewards / parcels given to *Tahara* customers. Service is the main resource in *BPRS* Suriyah Cilacap, including providing convenience for customers, namely the existence of an android-based application that helps customers and marketing to feel and provide value propositions, distribution channels, customer relations and revenue streams for *BPRS* Suriyah Cilacap.

The things that are provided to support the main resources of *Tahara BPRS* Suriyah Cilacap products are applications that are accompanied by bluetooth printing and good connections between applications and servers that help banks control marketing in the field so they avoid fraud and assist marketing in showing evidence initial balance, total deposit and final balance.

While the things provided by human resources to support its maximization are skills that are supported by trainings for *Tahara's* product marketing funding, training upgrades, especially selling skills. The training in *BPRS* Suriyah Cilacap has stages. The initial stage was a basic training in which marketing *Tahara* was given training and understanding related to general knowledge of syariah banking. Then there is training related to Standard Operating Procedures. Then there is an intermediate class where one has training in selling skills. The things provided by *BPRS* Suriyah Cilacap for resources in the form of rewards for *Tahara* product customers are socialization and calculation of the amount of rewards that will be given.

h. Key Activities

The building blocks of key activities illustrate the most important things that *BPRS* Suriyah Cilacap must do so that its newest product (*Tahara*) can work optimally. The type of key activity in *Tahara's* products at *BPRS* Suriyah Cilacap is a type of problem solving where the key activities are in the form of offering new solutions to customer problems, both the issue of needs for Eid al-Fitr Savings, financial problems and personal problems. In addition, extensive marketing to collect *Tahara* funds from the community as much as possible in order to provide value to customers and the company is also a main activity to succeed the goal of the emergence of *Tahara* products in *BPRS* Suriyah Cilacap.

Then customer relationship management is very important where *BPRS* Suriyah Cilacap incurs relatively high costs to get customers to create urgency to get a large enough market share, in this case the economic scope is key. In addition, *BPRS* Suriyah Cilacap fights over the scope and is oriented towards good service where the mentality that customers are is king. This is done so that customers continue to be controlled to save *Tahara* products. So, it is the key activities for *Tahara BPRS* Suriyah Cilacap's products to offer solutions for customers, market *Tahara* products and customer relationship management with good service.

i. Key Partnership

BPRS Suriyah Cilacap forms partnerships for various reasons. But in particular, the partnership aims at customer relationship management, which then *BPRS* Suriyah Cilacap can control customers who have existed in *Tahara* products, retain customers to continue to subscribe to *Tahara* products, and get new customers.

The main partner of *BPRS* Suriyah Cilacap is the Majelis ta'lim community, which the bank can control customers who have existed in *Tahara* products, keep customers from subscribing to *Tahara* products, and

get new customers for *Tahara* products from the community. As for other major partnerships such as partnerships with agencies and educational institutions is a partnership for other main products, but the bank can still use it to introduce *Tahara* products.

In addition to the usefulness of the main partnership, there are also some risks in it, namely the risk of jealousy in the distribution of reward / parcel *Tahara* where the *Tahara* deposit is managed by a representative from the assembly group which then jealousy can occur to its members when the bank gives the parcel Eid al-Fitr on behalf of one representative. So, the key partnership for *Tahara* BPRS Suriyah Cilacap products is the Majelis Ta'lim communities which incidentally have a suitable religious nuance to support the development of *Tahara* products.

Based on the description of each element of the *Tahara* business model, it can be described in the Business Model Canvas as follows:

	Key Activities (KA)	Value Propositions (VP)	Customer Relationship (CR)	Customer Segments (CS)
Key Partners (KP)	Type of solving customer problems by providing new solutions	Product novelty Specific service	Personal assistance type Looking for new relationship in the new community	Segmented market type Demography: Mature women / housewives / entrepreneurs
	Taklim / Pengajian	The ease of <i>Tahara</i> deposit by picking up the ball	Controlling existing customers	Geography: Market environment & village outskirts, city of santri (specifically Pekalongan Branch Office)
	Community	Paying close attention to customers		
	Market community	Expanding the market		
	Key Resources (KR)		Channels (CH)	
	Technology in the form of	An interesting reward is the Eid parcel	Events for socialization	Psychography: Need to save for holiday

applications for marketing and print bluetooth	Minimum deposit that is affordable	needs, like rewards
Marketing funding for relationships between new customers and existing customers	Short term (1 year) Ease of checking balances with bluetooth apps & print anywhere	Evaluation from customers through direct marketing Special communication for post-sale support
Reward / parcel		
Cost Structure (CS)	Revenue Streams (RS)	
A type of cost structure that is balanced between costs and value for customers	Type of recurring income stream In the form of indirect income	
Maintaining the health of the bank	Establishment of a fixed deposit minimum for all services and value propositions	
Cost of procuring rewards	Determination of initial deposit based on segment characteristics	
Training costs for selling skills for marketing	The bonus amount is based on bank policy and is not promised at the outset The average amount of reward has been adjusted to competitors	
Server / IT application costs		
Marketing costs	Reward / parcel amounts vary based on the nominal amount of savings each customer has	

Picture 1 : Current Business Model Canvas of The Innovation

3. SWOT Analysis of Each Element of Business Model Canvas

a. Customer Segments (CS) and Value Propositions (VP)

Table 1

SWOT Analysis of Customer Segments and Value Propositions		
SWOT	Customer Segments	Value Propositions
Strength	<ul style="list-style-type: none"> - In accordance with product characteristics - The bank understands market potential and habits - Simply get a new customer for <i>Tahara</i> 	<ul style="list-style-type: none"> - According to customer needs - Has a strong network impact - There is a strong synergy between products and services
Weakness	<ul style="list-style-type: none"> - Not maximal in finding market groups, even though market segmentation is quite clear - The level of transfer of customers is quite vulnerable 	<ul style="list-style-type: none"> - There are still customers who complain about rewards
Opportunity	<ul style="list-style-type: none"> - <i>Tahara</i> will continue to exist and develop with the need for holidays that will not be lost from the segmented market - Opportunities to improve service by maximizing customer segmentation - Opportunity to find new segmentation 	<ul style="list-style-type: none"> - Customers are interested in saving <i>Tahara</i> every year for a satisfying value proposition - Opportunities to increase added value for ball pick-up services - Find new added value for <i>Tahara</i> customers
Threat	<ul style="list-style-type: none"> - More competitors dominate the market quite large 	<ul style="list-style-type: none"> - Competitors are threatening enough to offer the

- Customer has the potential to transfer funds to competitors	- There is a decrease in added value in the minds of customers/ disappointment or dissatisfaction with the value propositions offered
- Increasing increasingly fierce market competition	

b. Channels (CH) and Customer Relationships (CR)

Table 2

SWOT Analysis of Channels and Customer Relationships

SWOT	Channels (CH)	Customer Relationships (CR)
Strength	<ul style="list-style-type: none"> - Channels for socialization are quite effective and efficient - Channels provide enough economic scope - Channels are quite suitable for the customer segment - Channels attract customers' attention 	<ul style="list-style-type: none"> - Customer relations are strong enough - The quality and type of relationship quite fits the customer segment
Weakness	<ul style="list-style-type: none"> - The lack of strong communication between the customer and the bank 	<ul style="list-style-type: none"> - Equitable distribution of customer relations - <i>Tahara's</i> brand in <i>BPRS</i> Suriyah Cilacap is not yet strong enough
Opportunity	<ul style="list-style-type: none"> - Able to improve channel efficiency 	<ul style="list-style-type: none"> - Opportunities to increase customer relationship follow-up are quite high

	- Able to find other new partner channels	- Opportunities to increase personalization are quite high
Threat	- Competitors have a stronger channel strategy - Increased channel competition is quite fast	- Personal customer relations threatened to deteriorate

c. Revenue Streams (RS) and Cost Structure (CS)

Table 3

SWOT Analysis of Revenue Streams and Cost Structure

SWOT	Revenue Streams (RS)	Cost Structure (CS)
Strength	- Recurring and sustainable income flows - The initial balance setting mechanism is quite profitable	- Operational costs can be predicted - Operational costs are quite efficient - The cost structure is sufficient in accordance with <i>Tahara's</i> business capital
Weakness	- Income is unpredictable - Not directly benefiting - Costs a lot before collecting revenue	- Still not strong enough to balance costs with value
Opportunity	- Recurring income from the opportunity of the customer to save again after the expiration period - Can increase revenue by increasing the	- Opportunities to reduce costs with mass marketing and marketing combined with the main products

		amount of customer deposits on bank solicitation	
Threat	-	Income streams are threatened by competitors	- There are unpredictable costs of losses / complaints
	-	The income stream is threatened to decline	- Concern about cost growth faster than revenue

d. The Keys in Business Model Canvas

Table 4

SWOT Analysis of Key Resources (KR)

SWOT	Key Resources (KR)
Strength	<ul style="list-style-type: none"> - There are trainings for human resources so that they have good enough soft skills / selling skills - Human resources are able to maintain customer relationships on an ongoing basis - Resource requirements can be predicted - Technology resources simply speed up the process and make it easier - Reward is quite interesting
Weakness	<ul style="list-style-type: none"> - Marketing funding does not understand competitors - The amount of marketing funding is very lacking - Networks that are connected to the android application were interrupted - The amount of reward is not continuously socialized to each customer
Opportunity	<ul style="list-style-type: none"> - Opportunities to maximize resources - Finding new, cheaper resources to achieve the same results - Finding other added values in resources
Threat	<ul style="list-style-type: none"> - Back to network interference - Quality of human resources (marketing funding) decreases - Reward less received by customers / disappointment

Table 5
SWOT Analysis of Key Activities

SWOT	Key Activities (KA)
Strength	<ul style="list-style-type: none"> - Activities carried out are quite efficient at the Pekalongan Branch Office - Service quality is quite good and meets standards
Weakness	<ul style="list-style-type: none"> - Key activity strategies can still be replicated - Key activities have not been strong in other offices - Planning activities in the office with implementing a less balanced follow-up
Opportunity	<ul style="list-style-type: none"> - Opportunities to maximize each key activity based on predetermined standards - Opportunities to increase the efficiency of key activities through more action - Information technology can be utilized more
Threat	<ul style="list-style-type: none"> - Market expansion can occur slowly - The quality of key activities is threatened by the practicality of technology

Table 6
SWOT Analysis of Key Partnerships

SWOT	Key Partnerships (KP)
Strength	<ul style="list-style-type: none"> - Able to focus and work with partners - Simply enjoy a good working relationship with partners
Weakness	<ul style="list-style-type: none"> - Still having difficulty working together more deeply with partners
Opportunity	<ul style="list-style-type: none"> - Opportunity to follow up on partnership relationships - Stronger collaboration opportunities - Opportunities to exchange mutually beneficial relationships - Helping channels to more likely reach individuals and markets

Threat	- Risk of losing one partner
	- Possibility of partner collaboration with competitors
	- Reliance on partners

D. Conclusion

From the description that had explained in the chapters before, the author will be concluded and present the conclusion about the analysis of banking innovation with business model canvas in *BPRS Suriyah Cilacap*.

First, related to banking innovation, *BPRS Suriyah Cilacap* has a banking innovation that has only been running for two years. The innovation is in the form of a wadiah-based savings innovation called *Tabungan Hari Raya (Tahara)* which is a diversification of Smart Savings which is a wadiah-based savings account that has a direct prize concept. This Hari Raya Savings has a distinctive savings feature that provides rewards in the form of parcels to *Tahara* customers at the time of withdrawal. This savings period is one year. This product innovation is equipped with technological innovations in the form of android applications that are connected with bluetooth print. The innovation is classified as innovation because the innovation is a creativity in order to solve problems and opportunities by starting or introducing something new that includes new product and process results, better than those previously available.

Second, customer segmentation from banking innovation, *BPRS Suriyah Cilacap* has a segmented market type where segmentation is based on the characteristics, needs and problems of the target market. Demographically, customer segments of this innovation are adult women/ recitation mothers and market traders with irregular income. Geographically, this innovation segmented the market and the outskirts of the village. While psychographically, this innovation is segmented based on customer interests and willingness/ saving habits for *Tabungan Hari Raya* and the tendency for attitudes that like rewards in the form of parcels.

Value propositions from banking innovation innovations, *BPRS Suriyah Cilacap* are the value of product novelty, specific services for customers, ease with picking up the ball accompanied by bluetooth print, value of closeness with customers, attractive rewards for segments, initial balance and minimum deposits that are cheap and according to the customer segment and a short savings period (1 year).

Channels of banking innovation in *BPRS Suriyah Cilacap* are events as a means of socialization to enable customers to open Savings Savings, convey value propositions and increase awareness of banking innovation. Then marketing funding as a means of receiving evaluations from customers directly / personally and special communication for after-sales support. Customer Relationships in banking

innovation at *BPRS Suriyah Cilacap* is a type of personal assistance. Customer Relationships conducted by *BPRS Suriyah Cilacap* to retain customers are by controlling customers to keep saving and find new relationships with new communities to find new customers so as to increase sales.

Revenue Streams on banking innovation in *BPRS Suriyah Cilacap* is a type of recurring income stream, in the form of indirect income, fixed initial deposit determination for all value propositions and determined based on the characteristics of the customer segment. The amount of bonus is not determined at the beginning with the percentage adjusted to bank policy. Determination of the average amount of reward follows the competitors, while the provision of rewards / parcels for each customer is based on the nominal amount of savings. Cost Structure for banking innovation products at *BPRS Suriyah Cilacap* is a type of cost structure that is balanced between costs and value for customers, focusing on maintaining bank health, cost of procuring rewards, training costs selling skills for marketing, server costs/ IT applications and marketing costs.

Key Resources for banking innovation in *BPRS Suriyah Cilacap* is a technology resource in the form of applications for bluetooth marketing and print, marketing funding for new customer relationships and old customers, as well as rewards/ parcels. Key Activities have the type of customer problem solving by providing new solutions, customer relationship/ service management and expanding markets to be very important activities to consider. Key Partnerships are Pengajian communities and market communities.

Third, customer segments in banking innovation at *BPRS Suriyah Cilacap* have the power to conform to product characteristics, banks understand market potential and habits, simply get new customers for *Tahara*. The weakness is in finding market groups that have not been maximized even though market segmentation is quite clear and the level of transfer of customers is quite vulnerable. *Tahara* has the opportunity to continue to exist and develop with the need for a holiday that will not be lost from a segmented market, improve services by maximizing customer segmentation and finding new segments. The challenge is that more competitors dominate the market quite large, customers have the potential to move their funds to competitors, as well as increasing increasingly fierce market competition.

Value propositions for banking innovation in *BPRS Suriyah Cilacap* have the power of value that fits the needs of customers, has a strong network impact and there is a strong synergy between products and services. The disadvantage is that there are still customers who complain about rewards. This innovation has the opportunity that customers will be interested in saving *Tahara* every year for a satisfying value proposition, increasing added value for pick-up service and finding new added value for *Tahara* customers. The threat is to competitors who are

threatening enough to offer the same or more value propositions, there is a decrease in added value in the minds of customers / disappointment or dissatisfaction with the value propositions offered.

Channels on banking innovation in *BPRS* Suriyah Cilacap have the power to channel to socialization quite effectively and efficiently, the channel provides enough economic scope, quite in accordance with the customer segment and enough to attract the attention of customers. The weakness is in the communication range that is less strong between the customer and the bank. Channels are likely to increase channel efficiency, find other new partner channels. Threats exist with competitors having stronger channel strategies and increasing channel competition fast enough.

Customer Relationships in banking innovation in *BPRS* Suriyah Cilacap have strong customer relationship strengths and the quality and type of relationships are quite compatible with the customer segment. The weakness is in the lack of equal distribution of customer relations and the *Tahara* brand in *BPRS* Suriyah Cilacap is not yet strong enough. Opportunities exist in the opportunity to increase the follow-up of customer relations quite high and the opportunity to increase personalization is quite high. The threat is to the threat of personal relationships personally threatened to deteriorate.

Revenue Streams on banking innovation in *BPRS* Suriyah Cilacap has the power of a recurring and sustainable income stream and the mechanism for determining the initial balance is quite profitable. The disadvantage is that income is unpredictable, does not get direct profits and costs quite a lot before collecting revenue. Opportunities exist in recurring income from the opportunity for customers to save again after a period of time is up and can increase revenue by increasing the amount of customer deposits on the invitation of the bank. The threat is in the income stream that is threatened by competitors and threatened to decline.

The cost structure of banking innovation in *BPRS* Suriyah Cilacap has predictable operational costs, quite efficient operational costs and sufficient cost structure in accordance with *Tahara's* business capital. The disadvantage is to balance costs with values that are still not strong enough. Opportunities to reduce costs with mass marketing and marketing combined with the main products. The threat is at the cost of unpredictable losses / complaints and concerns about faster growth of costs compared to revenue.

Key resources on banking innovation in *BPRS* Suriyah Cilacap have the power to have training for human resources so that they have good enough soft skills / selling skills, human resources are able to maintain customer relationships on an ongoing basis, predictable resource needs and sufficient technological resources speed up the process and make it easy, and the rewards are quite interesting. The weakness is in marketing funding that lacks understanding of competitors, the

number of marketing funding is very lacking and the network connected with the android application was disrupted and the amount of reward is not continuously socialized to each customer. Opportunities exist in maximizing resources, finding new, cheaper resources to achieve the same results and finding other added values in resources. The threat is to risk network disruption, the quality of human resources (marketing funding) decreases and rewards are less received by customers / disappointments occur.

Key activities in banking innovation at *BPRS Suriyah Cilacap* have the power of activities that are carried out quite efficiently in Pekalongan Branch Offices and the service quality is quite good and meets the standards. The weaknesses in the key activity strategy can still be replicated, key activities have not been strong in other offices and planning activities in the office with the implementation of follow-up is not balanced. Opportunities to maximize each key activity based on predetermined standards, improve the efficiency of key activities through more action and information technology can be more utilized. The threat is that market expansion can occur slowly and the quality of key activities threatens the practicality of technology.

Key partnerships in banking innovation at *BPRS Suriyah Cilacap* have the power to focus and work with partners and simply enjoy good working relationships with partners. The disadvantages are still having difficulties to work more deeply with partners. Opportunity to follow up on partnership relationships, stronger collaboration, exchange of mutually beneficial relationships and help channels to better reach individuals and markets. The threat is the risk of losing one partner, the possibility of partner collaboration with competitors, and dependence on partners.

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