

Challenges and Opportunities for Developing Innovative Sharia Financial Products at Bank Syariah Indonesia, Cemara Asri Branch

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Abstract

This study aims to The opportunities and challenges of creating cutting-edge Islamic financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri are examined in this study. Interviews, observations, and document analysis are the methods used to gather data for the qualitative research approach. The results of the study indicate that the main challenges in developing sharia financial products include limited sharia financial literacy in the community, complex regulations, competition with conventional financial products, and limited technological and innovation resources. However, there are great opportunities for BSI KCP Cemara Asri to develop innovative sharia financial products, including increasing public awareness of the sharia economy, government support in strengthening sharia financial regulations, and technological advances that enable the digitalization of banking services. Strategies that can be implemented include increasing sharia financial literacy, optimizing digital technology in product development, and strengthening collaboration with various parties, including sharia fintech. By overcoming existing challenges and using available opportunities, BSI KCP Cemara Asri can increase competitiveness and provide more inclusive and innovative sharia financial solutions for the community.

Keywords: Islamic Finance, Innovation, Challenges, Opportunities, Indonesian Islamic Bank.

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INTRODUCTION

In addition to increasing public understanding of Islamic economic principles, the Islamic finance industry in Indonesia is developing positively. (Andini & Apriani, 2022) To meet the growing needs of the community, Bank Syariah Indonesia (BSI), one of the largest Islamic banks in Indonesia, plays a key role in creating new Islamic financial products. The development of innovative Islamic financial products is one of the main reasons why Islamic banking is becoming more competitive in the increasingly competitive financial industry. (Akbar et al., 2025).

Although Indonesia's Islamic financial sector has a lot of potential, there are still many obstacles that must be overcome in developing new products. (Rambe, 2024) These obstacles include dynamic regulations, competition from more well-known conventional financial products, and a lack of Islamic financial literacy among the general public. However, opportunities to create Islamic financial products have also been created through government support, the expansion of financial technology

(fintech), and increasing public awareness of the importance of Sharia-compliant transactions. (Siregar et al., 2025).

BSI KCP Cemara Asri is responsible for creating and promoting cutting-edge Islamic financial products to attract more customers and offer financial solutions that comply with Islamic law. (Nafiah, 2024) Among other Islamic banking products, Bank Syariah Indonesia (BSI) KCP Cemara Asri offers checking and savings accounts, as well as financing (Islamic credit). (Wardani et al., 2024), deposits and investments, digital goods and services, and other products, such as waqf, ziswaf (Islamic charity), gold installments, and gold pawning. One of the main challenges of BSI KCP Cemara Asri is developing sophisticated and easy-to-use Islamic financial products that comply with strict Sharia regulations. In this context, it is crucial to ensure that no items contain terms such as *riba* (interest), *gharar* (uncertainty), or *maisir* (speculation), which are prohibited by Islamic law. This requires a deep understanding of Sharia law, which needs to be combined with emerging technological advances and changing consumer demands. (Natasya & Yanti, 2024). In addition, Bank Syariah Indonesia KCP Cemara Asri must contend with intense competition between the conventional banking industry and the strictly enforced sharia norms. The dynamics of digital technology and increasingly stringent regulations have had a significant impact on the creation and promotion of sharia financial products. However, these challenges also present significant opportunities for Bank Syariah Indonesia to innovate in producing products that better meet the needs of today's consumers, such as digital products that are more practical and easily accessible. Along with the development of technology, particularly in the fintech sector, the opportunities to develop innovative sharia financial products are increasingly wide open. (Husni Shabri, 2022) Bank Syariah Indonesia, specifically BSI KCP Cemara Asri, can leverage digital technology to provide the community with more efficient and convenient financial services. Young clients who are more likely to use technology for transactions can be attracted by using Sharia-compliant digital payment systems, online platform-based Sharia investments, and user-friendly digital banking apps. Furthermore, BSI KCP Cemara Asri must be able to offer products that not only meet the basic needs of its customers but also offer contemporary financial solutions to counter increasing competition from traditional banks and other financial institutions. An alternative worth considering is the growing popularity of Sharia-compliant investment products. This is becoming increasingly evident as more people recognize the importance of ethical and sustainable investing.

Both the majority of Muslims and the general public, increasingly seeking transparent and sustainable financing and investment options, recognize the benefits of Islamic financial products. A significant opportunity exists for BSI KCP Cemara Asri to develop various financial products that can meet this demand, such as digital-based products, more inclusive Islamic financing, and Islamic investment products based on sustainable finance principles. By developing innovative Islamic financial products, BSI KCP Cemara Asri will not only contribute to the growth of Indonesia's Islamic economy but also has the potential to increase its market share. The function of Indonesia's Islamic banking sector will be significantly enhanced by the creation of products centered on sustainability and Islamic principles, while meeting the needs of a growing population.

In terms of assets, financing disbursement, and third-party funds (TPF), the Indonesian Islamic banking industry is growing rapidly and continues to evolve. According to the Financial Services Authority (OJK) website, Indonesian Islamic banking assets grew 9.22% year-on-year through June 2020, or approximately IDR 545.39 trillion. Meanwhile, overall TPF growth rose 8.99% to IDR 430.21 trillion, while total disbursement of Islamic banking funds rose 10.13% to IDR 377.53 trillion. (Fiqri et al., 2021) With a market share of 7.3% of the national banking sector, Indonesian Islamic banking experienced significant expansion in 2023. This figure shows a consistent upward trend compared to previous years. The increase in Islamic banking's market share is due to several factors, including increasing consumer demand for its products and the encouragement of laws and policies that have gradually encouraged the sector's expansion. (Hera Susanti, 2024).

In Indonesia, the Islamic banking industry consists of Islamic commercial banks, Islamic business units (UUS), and Islamic banks that are part of conventional commercial banks. Recent expansion of Islamic banking has been marked by increased product penetration, including corporate, micro, and retail loans, as well as increased assets and financing.

To support this development, the Financial Services Authority (OJK) launched the 2023-2027 Roadmap for the Development and Strengthening of Indonesian Islamic Banking (RP3SI). This plan aims to address the challenges of Islamic banking by strengthening the industry structure, enhancing financial resilience, and accelerating the digitalization process. One of the main objectives of the roadmap is to increase the share of Islamic banking in the national economy, particularly through Sharia-based financing that optimizes real economic potential. Furthermore, the OJK is also working to improve aspects of Islamic banking that require greater clarity, such as the provision of Sharia-compliant products and the development of an accountable and transparent management structure. These steps are expected to help Indonesian Islamic banking attract more customers, develop sustainably, and encourage innovation. (Ismail, 2017, p.25) These various strategic initiatives are expected to improve the economic performance of Indonesian Islamic banking and make it a competitive option for those seeking financial services and products aligned with Islamic teachings. All things considered, the growing market share of Islamic banking indicates that this sector has bright prospects and can develop into a key component of Indonesia's national financial system. (Kholis, 2020).

It is important to consider how Bank Syariah Indonesia (BSI) at the Cemara Asri Branch can capitalize on this opportunity to develop cutting-edge Islamic financial solutions. This will enhance BSI's position in the Islamic banking sector and help Indonesia's Islamic economy grow. (Damayanti et al., 2023) Islamic banking has grown rapidly in Indonesia in recent decades as a result of increasing public awareness of financial ideas that are consistent with Islamic principles. (Apriyanti, 2018) As Indonesia's economy grows, the need for innovative Islamic financial solutions is also increasing. Bank Syariah Indonesia (BSI), a leading company in the Islamic banking sector, faces both potential and challenges in developing Islamic financial products that meet the evolving market needs. (Nafiah, 2024) The main problem for Islamic banks is the public's lack of understanding of Islamic principles and a lack of Islamic financial literacy. The public's preference for more familiar conventional products can hinder the adoption of Sharia-compliant products. Sharia-compliant institutions face

greater challenges than conventional banks, which continue to innovate with attractive new products.(Muharni et al., 2025).

The purpose of this study is to examine the challenges faced by Indonesian Sharia Banks in creating cutting-edge Islamic financial products and explore possible ways to produce products that meet the needs of the community. Furthermore, this project will examine how Islamic banks, specifically Bank Syariah Indonesia KCP Cemara Asri, can leverage digitalization and technology to become more competitive in Indonesia's highly competitive banking industry.

METHODOLOGY

The products at the Cemara Asri branch of Bank Syariah Indonesia (BSI) are the subject of this study. The primary focus of this research is on the opportunities and challenges faced by the Cemara Asri branch in developing innovative Islamic financial products.

This study explores the potential and difficulties related to the creation of new Islamic financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri using qualitative methodology and descriptive techniques.

This study's data set includes both primary and secondary sources.(Cresswell, 2018). Important information was obtained through an in-depth interview with Ms. Juwita, Consumer Banking Relationship Officer at BSI KCP Cemara Asri. Ms. Juwita was chosen as the primary source because she utilizes Islamic financial services and assists in product development. Interviews were conducted in person or through other means of contact. Meanwhile, secondary data was collected from several sources, such as financial reports, official BSI publications, Islamic banking laws, and other research relevant to this topic. The initial step in the data analysis process was to identify trends, challenges, and opportunities in the growth of Islamic financial products at BSI KCP Cemara Asri.

To determine a company's strategy, a SWOT analysis is a methodical way to uncover various aspects. Using this strategic planning process, a project or business's prospects, risks, vulnerabilities, and strengths are assessed. Strengths and weaknesses in the internal environment and opportunities and threats in the external business environment are the four components that make up the SWOT acronym.(Rangkuti, 2008)Business performance can be influenced by both internal and external variables. Both components must be considered in a SWOT analysis. A SWOT analysis compares external opportunities and threats with internal strengths and weaknesses.(Kotler, 2008)states that SWOT analysis is a comprehensive assessment of all the opportunities, threats, weaknesses and strengths of an organization.

RESULTS AND DISCUSSION

Rapid technological advances are impacting consumer behavior. Smarter product selection is enabled by the speed of information access resulting from technical advancements in the information sector. Banking producers are also

impacted by intense competition between banks to capitalize on these technological advancements. To achieve this goal, each bank needs to implement an effective marketing strategy. Furthermore, banks must be able to recognize and evaluate the internal and external marketing context. Through this marketing environment analysis, banks will be able to identify opportunities, threats, and the company's strengths and weaknesses, all of which will significantly impact their marketing efforts.(Mashuri & Nurjannah, 2020).

From the SWOT analysis it can be concluded that the bank has more opportunities than threats, and more strengths than weaknesses.(Syah et al., 2021). Because conventional financial institutions have historically been their main competitors, Islamic banks must be able to compete with them in this environment. An overview of the technical analysis of Islamic financial product development at Bank Syariah Indonesia (BSI) KCP Cemara Asri is shown in the following table:

Table 1.SWOT analysis of innovative Islamic financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri

<p>IFAS (internal factor analysis summary)</p>	<p style="text-align: center;"><u>Strength</u></p> <ol style="list-style-type: none"> 1. Extensive Network and Government Support 2. Diverse Products and Services 3. Compliance with Sharia Principles 4. Reputation and Public Trust 	<p style="text-align: center;"><u>Weakness</u></p> <ol style="list-style-type: none"> 1. Customer Service Still Needs Improvement 2. Transition from Ongoing Merger 3. Digital Features Not Yet Maximized 4. Competition with Conventional Banks
<p>EFAS (external factor analysis summary)</p>	<p style="text-align: center;"><u>Opportunities</u></p> <ol style="list-style-type: none"> 1. Increasing Awareness and Preference for Sharia Products 2. Government Support and Pro-Sharia Regulations 	<p style="text-align: center;"><u>Threats</u></p> <ol style="list-style-type: none"> 1. Limitations of Islamic Financial Literacy 2. Competition with Conventional

	<p>3. Utilization of Digital Technology and Sharia Fintech</p> <p>4. Potential for Developing More Diverse Sharia Products</p>	<p>Financial Products</p> <p>3. Dynamic Regulations and Policies</p> <p>4. Limitations of Technology and Digitalization</p>
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Source: Author & Interview with Informant

Challenges in Developing Innovative Sharia Financial Products at BSI KCP Cemara Asri

In recent years, digital technology has advanced rapidly and is now widely available across various platforms. People can collaborate easily thanks to the diverse requirements and concepts of digital media. Gadget applications facilitate the fulfillment of all requests; digitalization can take many forms. Technological advancements that change consumer behavior encourage the banking industry to continuously improve the quality and offerings. Currently, this industry competes with banks to create digital technology-based products and services. (Safirah & Wijaya, 2024).

BYOND by BSI has made a significant contribution to the creation of leading-edge sharia financial products at Bank Syariah Indonesia (BSI) Cemara Asri Branch Office. Given the growing demand for digital banking services, BSI strives to provide access to sharia-compliant financial services through BYOND, a digital platform for more effective and contemporary sharia banking services. However, there are a number of obstacles that must be overcome in its implementation, as well as opportunities that can be exploited, to improve the standards and competitiveness of sharia financial services in Indonesia. The link between BYOND by BSI and the creation of new sharia financial products at Bank Syariah Indonesia (BSI) Cemara Asri Branch Office is a key concern, especially given the recent service disruptions.

The development of Islamic financial products through BYOND faces several challenges, including system stability and technological reliability. ATMs and other transaction capabilities are among the digital banking services that many consumers have struggled to access due to recent disruptions in BYOND. Customer trust in Islamic banks can be affected by these disruptions, especially in the digital age when fast and reliable banking services are crucial. Therefore, one of the key challenges BSI

must address is ensuring that the BYOND system has a robust and functional technological backbone.

Significant disruptions occurred with the BYOND by BSI program, particularly in the Aceh region, where digital banking services, including ATMs and e-channels, were disrupted for several days. For customers who rely on BSI's digital services for various financial transactions, this disruption was extremely disruptive. Given the critical role digital banking plays in the accessibility of Islamic financial services in the modern world, the public has expressed various complaints.

To address this issue, BSI acted swiftly, revamping its IT infrastructure, and implementing other changes. All digital services, including BYOND by BSI, are reportedly stable and can now be used by clients without any issues. While there is considerable potential for the development of new Islamic financial products, the disruption to BYOND by BSI demonstrates that technological stability remains a significant concern. To build customer confidence in Islamic banking, digital services must be reliable. Therefore, BSI must strengthen its technology systems to prevent such incidents in the future, while ensuring that the innovations created truly deliver the best possible benefits to customers and encourage the expansion of Islamic banking in Indonesia. (Siregar et al., 2025).

Another issue that needs to be considered when creating digital services like BYOND is data security and consumer privacy. Islamic banks must ensure that consumer information and transactions are protected from potential hacking or misuse in the digital age due to increasing cybersecurity threats. Customers may stop trusting BSI's digital services if the systems are not well-protected, which could hinder the expansion of the Islamic finance industry. To maintain individual privacy, this data must be secured. To protect against unauthorized access and data breaches, cybersecurity measures, encryption methods, and frequent security audits must be implemented. (Sujantoko et al., 2024).

Another aspect influencing the success of Islamic financial product innovation through BYOND is public understanding of Islamic finance and digital literacy. The concept of Islamic finance itself and the use of digital banking technology are not yet well understood by all BSI consumers. Therefore, BSI must offer more comprehensive education so that the public can fully utilize BYOND services and understand the Islamic principles embedded in each financial product they use.

Based on the results of interviews and data analysis, there are several main challenges faced by BSI KCP Cemara Asri in developing innovative sharia financial products:

- 1) Limitations of Islamic Financial Literacy

The benefits and principles of Islamic finance are still not well understood by many people. Consequently, interest in Islamic products remains lower than in more familiar conventional products.(Kurniati & Febrianti, 2024).

2) Competition with Conventional Financial Products

Compared to Sharia-compliant financial goods, which must follow Sharia rules including contracts and the ban on usage, conventional financial products are often more flexible and have easier procedures. Because of this, financial products that adhere to Sharia law are less competitive in a number of ways.(Putra & Febriati, 2022).

3) Dynamic Regulations and Policies

Regulatory changes in the Islamic banking industry require banks to adapt quickly. This presents a challenge for BSI KCP Cemara Asri in developing new products that comply with regulations and remain attractive to customers.

4) Limitations of Technology and Digitalization

Although BSI has generally implemented digitalization in its financial services, there are still obstacles in adopting more sophisticated technologies, such as the integration of Sharia-based fintech to improve services and product innovation.

Opportunities for Sharia Financial Product Development at BSI KCP Cemara Asri

Despite the various challenges, the research results also show several major opportunities that BSI KCP Cemara Asri can utilize in developing sharia financial products:

1) Increasing Awareness and Preference for Sharia Products

With the rise of education and Sharia financial literacy campaigns, more and more people are interested in switching to Sharia-compliant financial products. This presents a significant opportunity for BSI to expand its market and enhance its competitiveness.(Putra & Febriati, 2022).

2) Government Support and Pro-Sharia Regulations

The Indonesian government continues to encourage the growth of the sharia economy through various policies and regulations that support sharia banking. This support creates opportunities for BSI to develop products tailored to market needs.

3) Utilization of Digital Technology and Sharia Fintech

The digitalization of financial services presents a significant opportunity for BSI to improve customer accessibility and convenience. By developing more innovative digital platforms, BSI can attract more customers and improve service efficiency.(Rahayu, 2025)Through the BSI Mobile Banking app, Bank Syariah Indonesia also makes it easy for users to open an account anytime, anywhere. Afterward, customers can visit the bank directly to pick up their ATM card and

passbook.(YR Anggraini & Latifah, 2024)The BSI readiness assessment is crucial. Its findings will demonstrate BSI's readiness for fintech, how the Islamic banking sector is handling fintech expansion, and the risks and opportunities it faces. Required IT infrastructure, data and transaction security, regulatory compliance, user acceptance and adaptation to new technologies, and business strategies to respond to market changes are among the factors considered in this readiness assessment. BSI will be able to make a substantial contribution to fintech growth in Indonesia by providing crucial technical support, robust infrastructure, and reliable security.(Syifa et al., 2024).

4) Potential for Developing More Diverse Sharia Products

There is an opportunity to create more specialized Sharia-compliant products, such as Sharia-compliant investments, Sharia-compliant insurance (takaful), and waqf- or zakat-based Sharia crowdfunding, in addition to traditional banking products like savings and loans. The emergence of digital platforms and technology in the digital era has revolutionized zakat management. These platforms provide greater accessibility, transparency, and efficiency in fulfilling zakat obligations.(Sujantoko et al., 2024)

Internal and External Matrix Analysis of the Company

To investigate internal features that can affect a company's sustainability, the Internal Factor Analysis Summary (IFAS) matrix measures and assesses internal variables, such as the company's strengths and weaknesses. To determine the company's opportunities, risks, weaknesses, and strengths, the IFAS and EFAS matrices are used. Opportunities and risks are assessed temporarily using a weighted assessment method called the EFAS (External Factor Analysis Summary) matrix (Ariza Qanita, 2020). The calculation results of the Innovative Sharia Financial Products of Bank Syariah Indonesia (BSI) KCP Cemara Asri for each internal and external component are as follows:

Table 2. IFAS matrix of innovative sharia financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri

Internal Strategy Factors	Weight	Rating	Score
STRENGTHS (S)			
1. Extensive Network and Government Support	0.12	3	0.37
2. Diverse Products and Services	0.15	4	0.59
3. Compliance with Sharia Principles	0.15	5	0.73
4. Reputation and Public Trust	0.10	4	0.39
Sub-Total	0.51		2.07

WEAKNESESS (W)			
1. Customer Service Still Needs Improvement	0.12	3	0.37
2. Transition from Ongoing Merger	0.10	2	0.20
3. Digital Features Are Not Yet Optimal	0.12	3	0.37
4. Competition with Conventional Banks	0.15	4	0.59
Sub-Total	0.49		1.51
Total	1	3.59	

Source: 2024 Interview Results

Table 3 shows the results of the researcher's analysis of the IFAS Matrix of Innovative Islamic Financial Products at Bank Syariah Indonesia (BSI) KCP Cemara Asri. The SW ratio was 2.07 - 1.51, and the strength factor had the highest overall value of 2.07. Furthermore, $S + W = 3.59$.

Table 3. EFAS matrix of innovative sharia financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri

External Strategy Factors	Weight	Rating	Score
OPPORTUNITIES (O)			
1. Increasing Awareness and Preference for Sharia Products	0.10	3	0.29
2. Government Support and Pro-Sharia Regulations	0.12	4	0.49
3. Utilization of Digital Technology and Sharia Fintech	0.15	5	0.73
4. Potential for Developing More Diverse Sharia Products	0.12	4	0.49
Sub-Total	0.49		2.00
THREATS (T)			
1. Limitations of Islamic Financial Literacy	0.15	3	0.44
2. Competition with Conventional Financial Products	0.12	3	0.37
3. Dynamic Regulations and Policies	0.10	2	0.20
4. Limitations of Technology and Digitalization	0.15	4	0.59

Sub-Total	0.51		1.59
Total	1		3.59

Source: 2024 Interview Results

Furthermore, Table 4 displays the EFAS matrix for new Islamic financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri, which has been reviewed by the aforementioned researchers. The table also shows that the threat factor has a score of 1.59, meaning the OT ratio is $2.00 - 1.59 = (+) 0.41$. All opportunity variables are at the top of the list with a total score of 2.00. Thus, $O + T = 3.59$.

Strategies to Overcome Challenges and Optimize Opportunities

In the relationship between loyalty and service quality in Islamic banking, the moderating and mediating functions of satisfaction are examined. Given the unique characteristics of Islamic banks, analyzing this process can provide a way to enhance loyalty. Understanding the complex motivations for loyalty in Islamic finance requires analyzing its impact. By improving customer satisfaction, this can provide suggestions for enhancing customer competitiveness and loyalty. Furthermore, this current study makes a substantial contribution to the growing body of knowledge on Islamic banking. Examining the complex relationship between satisfaction and loyalty can help identify strategies to sustain the expansion of Islamic banks. (Sulistiyandari & Kusumah, 2023).

However, despite these challenges, BYOND also presents an exciting prospect for creating more innovative Islamic financial solutions. The growing demand for digital banking services anytime and anywhere represents one of the greatest potentials. BSI can reach more clients with BYOND, especially those living in rural areas or those with high mobility who cannot regularly visit a branch.

In addition, the use of digital technology in Islamic financial services can open up opportunities to present innovative features that are more suited to customer needs. (Nusantara, 2024) For example, BYOND can be developed by offering digital-based sharia-compliant investment services, a payment system more integrated with the e-commerce ecosystem, and features for personalized services and big data analytics. If managed well, this innovation could make sharia-compliant financial products more attractive to the wider public and competitive with conventional banking products.

In the context of BSI KCP Cemara Asri, success in developing innovative Islamic financial products through BYOND will depend heavily on how existing challenges can be overcome and how available opportunities can be optimally utilized. By ensuring that the BYOND system runs stably, securely, and is easy for customers to use, BSI can build stronger trust in Islamic banking and increase its competitiveness in the financial industry. Therefore, strengthening technological infrastructure,

improving Islamic financial education, and continuous innovation are key to delivering better Islamic financial services through BYOND by BSI.

The digital era is increasingly influencing Indonesian lifestyles, particularly in the banking and financial industries. Several commercial banks and Regional Development Banks (BPD) will increase their technology investments. (Syifa et al., 2024) Understanding consumer behavior and laying the foundation for developing digital payment solutions are two benefits of Islamic banking. These findings are also expected to support regulatory efforts to increase the use of Islamic digital banking services by promoting and strengthening personal trust through innovation and education programs. (Setyono, 2022).

Based on the results of the analysis of challenges and opportunities above, several strategies can be implemented by BSI KCP Cemara Asri to develop more innovative sharia financial products:

1) Improving Sharia Financial Literacy

BSI can conduct more intensive education and outreach regarding sharia financial products to the public through seminars, social media, and financial literacy programs involving local communities.

2) Strengthening Digitalization and Technological Innovation

Development of more user-friendly Islamic banking applications, integration with Islamic fintech, and implementation of blockchain technology that can increase the competitiveness of BSI products.

3) Developing More Flexible and Competitive Products

BSI needs to adopt a more flexible product development strategy while remaining compliant with Sharia principles. For example, creating more attractive financing schemes for MSMEs or more profitable investment products for customers. (T. Anggraini & Iqbal, 2024) If Islamic banks want to compete with conventional banks, they must focus on improving service quality and innovation in the digital space. Given that Generation Z is tech-savvy and technologically savvy, this will drive their interest in utilizing efficient and effective products and services. Islamic banks are more competitive than conventional banks because they can build a robust digital service ecosystem. (Batubara & Anggraini, nd).

4) Collaborating with Financial and Technology Institutions

Collaboration with Sharia fintech, e-commerce, and other financial institutions can expand BSI's service reach and accelerate product innovation (Husni Shabri, 2022). By implementing these techniques, BSI KCP Cemara Asri can be better prepared to face challenges and seize opportunities in developing leading-edge Sharia financial products.

CONCLUSION

According to this study, the creation of new Islamic financial products at Bank Syariah Indonesia (BSI) KCP Cemara Asri faces several obstacles, but also offers significant growth prospects. The main obstacles include limited use of digital technology, intense competition with traditional financial products, changing regulatory dynamics, and low levels of Islamic financial literacy in the community.

On the other hand, there are several opportunities to promote innovation in Islamic financial solutions. Increasing public awareness of the Sharia-compliant financial system, government support for the development of the Sharia-compliant financial industry, and advances in digital technology and Sharia-compliant fintech are key driving factors. Furthermore, the potential for developing a wider range of Sharia-compliant products, such as Sharia-compliant investments, Sharia-compliant insurance (takaful), and waqf-based financing, presents significant opportunities for BSI to expand its market.

Several strategies can be employed to overcome these obstacles and capitalize on these opportunities, including enhancing digital innovation through the development of technology-based applications and services, improving Islamic financial literacy through education and outreach, and developing more flexible products that align with Islamic principles. Expanding the reach and competitiveness of Islamic financial products can also be achieved through strategic partnerships with Islamic fintechs and other financial institutions. BSI KCP Cemara Asri can contribute to the expansion of Indonesia's Islamic banking sector and strengthen its position as a leading provider of Islamic financial services with the right approach.

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