

Optimization Strategy for User Acquisition of Financial Digital Application in Indonesia Largest MSME's Bank

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Abstract

In Indonesia, there are not many MSME's Banks, so it is demanded that they continue to be improved through digital financial application. This makes the competition in obtaining users so large, that MSME's Banks must make a strategy to increase the number of application users. This study aims to increase MSME's users of bank applications. This study uses a qualitative method through in-depth interviews with eight respondents who are directly related to the implementation of MSME's bank finance strategies. Analysis of interview data using *SWOT*, *IE Matrix*, *Five Forces' Porters*, *Fishbone*, *Grand Strategy Matrix*, and *QSPM*. The results of the study show that the leading MSME's banks implement a market penetration strategy, because the application has a large market penetration potential from customers who do not yet have an application whose number is still very large, and prospective bank customers who will become application users. Another strategy is to accelerate the introduction of applications to various regions through advertisements and social media to increase public awareness of MSME's digital bank financial application.

Keywords

financial, digital, application, MSEM's, user acquisition, strategy

1. Introduction

Based on data from the Indonesian Ministry of Cooperatives and MSME's, the number of MSME's in Indonesia is more than 64 million (www.djkn.kemenkeu.go.id). This number is about 25% of the total population of Indonesia. With a large number like this, it is not directly proportional to the number of banks focusing on the MSME's segment, which is not many in Indonesia. The potential for an increase in the number tends to increase every year, and there are currently developments in digital applications that are growing rapidly, so the existing MSME's Banks must adapt to these developments. With conditions of intense competition from non-MSME's banks, and digital fintech applications, MSME's banks need to adapt to this and create a competitive strategy to deal with it. Since the launch of the digital application from MSME's banks, this digital application requires a very important user to increase income for the bank. With an increase in users, this is directly proportional to the increase in fee-based income for MSME's banks. In addition, when viewed through the number of MSME's bank customers, MSME's banks actually benefit greatly because they have a larger number of customers than non-MSME's banks, and new fintech companies have sprung up. Therefore, with a large number of customers, this is a potential for the bank's digital application.

With the existence of a big threat from the outside, digital applications need a strategy to increase the number of users. Currently, the strategy has been carried out by the application, but the year-to-year acceleration of user growth must continue to increase, so the business team must re-optimize the user increase acceleration strategy. A strategic review of internal and external factors is needed to optimize the current strategy. In addition, every digital application is currently competing to innovate transaction features. Fulfilling the needs of all transactions from customers is an attraction for customers to join as digital application users. On the other hand, MSME's digital applications already have large potential customers, but the absorption of these customers to become users is an important thing for digital applications to pay attention to. Currently, digital applications have an absorption capacity of around 10% of digital application users. Conditions like this indicate that there is still unreached potential for 90% of other existing customers, so optimizing user uptake of existing and non-existing customers is something that digital applications need to pay maximum attention to. In addition, apart from increasing user applications from non-existing customers, this will also contribute to an increase in MSME's bank customers as well.

From the urgency that exists, namely the existence of digital applications for MSME's banks, and high competition, this requires a maximum review of internal and external factors. Qualitative processing is needed, regardless of the quantitative processing that has been done by digital applications. This is useful for exploring new insights that have not been reached by the business team. Through in-depth and sharp discussions, it will enrich the results of strategic analysis to optimize the strategy for increasing digital application users. An in-depth analysis will answer questions about improving the strategy going forward. The holistic analysis approach through IFE Matrix, EFE Matrix, Five Forces' Porters, Fishbone, Grand Strategy Matrix, and QSPM for strategy optimization is the originality of this research.

1.1 Objectives

This study aims to holistically review the optimal strategy for increasing users of MSME's bank digital applications. Optimization of the strategy is needed by digital applications to increase competitiveness, as well as the acquisition of digital application users. In addition, looking at internal and external factors comprehensively by using IFE Matrix, EFE Matrix, Five Forces' Porters, Fishbone, Grand Strategy Matrix, and QSPM analysis is expected to provide optimal strategies for digital applications. The expected results can provide maximum insight into user improvement strategies, as well as the competitiveness. The results of this optimization strategy emphasize strategies that have not been maximized, and strategies that should be implemented by applications to increase application users.

2. Literature Review

In the literature review process, several studies use several methods in this study. First, research was conducted on formulating strategies to improve competitiveness in insurance companies (Natasha et al. 2021), where this research identified the internal and external environment. On the other hand, after knowing the internal and external environment, the optimal strategy formulation can be identified, as well as an increase in competitiveness in the company.

In other cases, there are companies in Vietnam that carry out strategic analysis using SWOT and QSPM (Kuc et al. 2021). By using this method the company can see the company's development opportunities as a large company that has many businesses. From the results of the analysis, it is recommended that companies improvise product quality, and value product trends, so that products are in line with current trends. In addition, companies must also consider user needs, and need to expand production scale. With the new product variations, the company will get a wealth of products from the company

On the other hand, the SWOT, IFE, EFE matrix, and QSPM methods have also been applied to small business enterprises (Wardhani and Dini 2020). Utilizing this analytical method, of course, business people are expected to be able to develop a business from a small scale to a larger one. By utilizing an analysis of the external and internal environment, small business entrepreneurs can see their position with a broader view. On the results of the analysis, entrepreneurs can explore more deeply from the external and internal sides, where which is something that is very important for entrepreneurs to do. With the exploration of a broader view, entrepreneurs can be better prepared to face the challenges of competition that exist in the future.

In developing a business model, a SWOT, IFE, EFE matrix analysis is also carried out in high tech companies (Abdallah et al. 2022). From the development carried out by the company, what has been done is to identify the key internal and external factors that influence the strategy formulation process. The result of the analysis is that there are 16 key external factors, and 15 internal, where from the identification of these factors it is known that the company must focus on an aggressive and intensive strategy for the business model that must be implemented by the company.

There was an analysis conducted on services in Spain, where the analysis used SWOT and QSPM (Abbasi et al. 2019). This research starts from analysis, to the end of strategy formulation using QSPM. In his research, strategy implementation in services requires an aggressive strategy. This needs to be done because in conducting services, an active role must be seen to serve customers.

In other studies in service, this research was conducted to increase the frequency of ordering food delivery (Frederick 2022). This study uses IFE analysis, and EFE matrix and QSPM, where a comprehensive analysis is carried out by internal and external researchers. From the results of a holistic analysis, the conclusion obtained is that food companies must implement a strategy of stability in food quality. Quality is in the spotlight for customers, so that when there is an increase in food quality, the frequency of purchases will also increase.

3. Methods

Qualitative methods were used in this study, so interviews were conducted with related parties through in-depth in-depth interviews. This is done to dig up information related to the current application, as well as provide in-depth solutions to problems that exist in the application. The social phenomena that exist in the application are not spared in this qualitative study, so that an overall picture will be obtained by this study. In addition, of course, with informants, the information provided will be more detailed by looking at a human or social phenomenon (Fadli 2021). When carrying out detailed interpretations, of course, the experiences and problems of social reality will be explored by the respondents, so that the problems can be understood better, and in depth by this qualitative study (Mohajan 2018). In practice, interview techniques will explore problems, as well as behavior, and the meaning of that behavior from various information (Sugiyono 2017).

3.1 Analysis SWOT

Analysis of the strengths and weaknesses of a competition is needed by digital applications. This analysis is closely related to the external environment including opportunities and threats (Assauri 2016). Not only is the analysis based on the external environment, the internal environment is also included in the SWOT analysis, namely strengths and weaknesses. Internal environment analysis is very useful for identifying weaknesses that must be corrected by the application team, and knowing strengths is needed so that the application team continues to strengthen existing potential to be even better. SWOT analysis certainly has a logical structure that applications must understand, where the SWOT analysis process makes it easier to understand the application's current position both internally and externally (Banka et al. 2022). The use of SWOT analysis is very important, because the results of this analysis will have an impact on the position of the application in the future (Rothaermel 2019). There are several things in the SWOT analysis, as follows:

- Strength is an advantage that exists in the application, where when compared to other applications, the application has an advantage. This is very important to note and strengthen because every customer is very interested in the advantages of a product, and the current context is the advantages of a part of the application.
- Weaknesses are something that every application must have. This is because there are no capabilities possessed by the application, when the application is compared to other applications. On the other hand, in competition applications always experience defeat in competition, so this is referred to as a weakness. Weaknesses must of course be corrected by the relevant team, so that the application can increase competitiveness against enemies.
- Opportunity is an advantage that the application has from an existing situation. This condition can make the application superior to the enemy. Opportunities that come, of course, must be utilized optimally by the application. In this analysis, it is hoped that the application will know the conditions of opportunities that can be taken by the application to win the competition and increase the maximum profit.
- Threat is an event where the application is in a bad condition, so that with the existing conditions, the application does not experience maximum performance. When an application is in a threatened condition, of course the application must quickly deal with this condition, so that the application can quickly get out of this threat.

3.2 IFE Matrix

Internal factors can be seen from within the application, where two things are important to be considered by the application, namely weaknesses, and strengths. These two things have an important role in the application to strengthen existing positions in the competition. In determining internal factors, there are five steps as follows (David and David 2017):

- The first step, analyze important things related to the internals of the application. This can be in the form of facts owned by the application in terms of weaknesses, and strengths. Weaknesses mean the shortcomings of the application that must be corrected by the application, while strengths are the advantages possessed by the application, so the application must strengthen in this regard. The number of weaknesses and strengths is not binding in a certain amount, but about 20 internal factors, both strengths, and strengths.
- In The second step, the things that have been written in the first step, add weight to each point that has been written. The weight can range from 0 to 1, where 0 is defined as unimportant, while 1 is interpreted as important.
- In The third step, from the points that have been given weight, then these points are given a ranking, where the ranking is sorted from the smallest to the largest number. Ranking can start from numbers 1 to 4, where 1 is interpreted as (a major weakness), 2 is interpreted as (a minor weakness), 3 is interpreted as (minor strength), and 4 is interpreted as (major strength).

- Fifth step, this step is the last in weighting. For each value that has been obtained in the previous step, do the sum of each value.

3.3 EFE Matrix

The EFE Matrix is part of the IFE matrix, where external factors are analyzed by the EFE Matrix from the application. EFE looks at external factors, namely opportunities, and threats from adversary digital applications. There are steps for making an EFE matrix (David and David 2017) as follows:

- The first step is to collect opportunities and threats from competing applications. The amount that must be collected is around 20 points so that these things can proceed to the next step. Opportunity means an opportunity can be exploited by the application to win the competition, while a threat is a situation that can threaten the application.
- In The second step, the things that have been written in the first step, add weight to each point that has been written. The weight can range from 0 to 1, where 0 is defined as unimportant, while 1 is interpreted as important.
- In The third step, from the points that have been given weight, then these points are given a ranking, where the ranking is sorted from the smallest to the largest number. Ranking can start from numbers 1 to 4, where 1 is interpreted as (below average), 2 is interpreted as (average), 3 is interpreted as (above average), and 4 is interpreted as (good response).
- Fifth step, this step is the last in weighting. For each value that has been obtained in the previous step, do the sum of each value.

3.4 Five Forces' Porters

Porters' Five Forces are used by many industries in developing strategies (David and David 2017). Five Forces' Porters analysis is mostly done in competitive strategy analysis. In digital application competition, this analysis is suitable to be used in order to be able to see from a wider variety of dimensions. A broad view of external analysis is needed so that applications can compete better. There are five combined strengths, namely Competition among Competing Companies, Potential Entry of New Competitors, Potential for Development of Substitute Products, Bargaining Power of Suppliers, and Bargaining Power of Consumers.

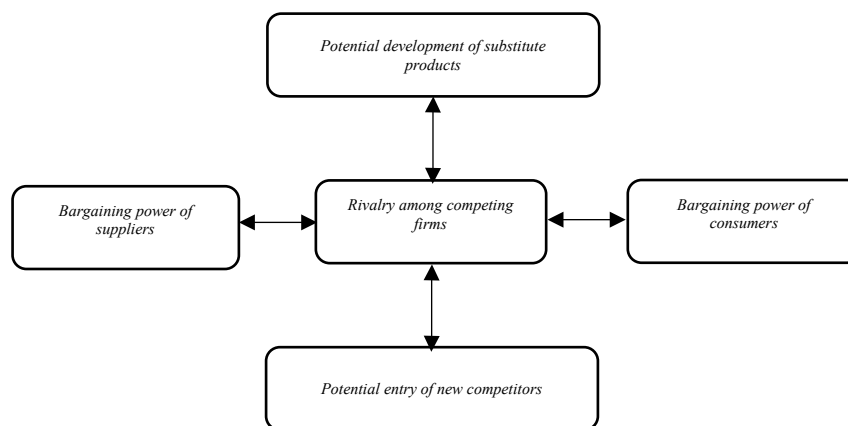


Figure 1. Five Forces' PortersModel

Rivalry among Competing Companies

Competing companies have different strategies in competing. The number of emerging companies, their size, capabilities, and demand are reasons for increased competition. In addition, companies can take countermeasures such as lowering prices, adding product features, providing services, providing warranties, and increasing advertising.

Potential Entry of New Competitors

Company competition increases when a new company enters an industry. Counterattacking the new company's strategy is necessary for the old company to survive. In addition, companies can take advantage of the company's strengths and opportunities that exist when threats come. Lowering prices, providing guarantees, adding features, and offering special fees can be done by old companies in dealing with new companies

Substitute Product Development Potential

Doing development as a substitute product can provide price limits to consumers. Competitors can expand production capacity as well as sales as a result of the intense competitive pressure from developing substitute products

Bargaining Power – Bargaining of Suppliers

The dynamics of industry competition are influenced by how strong and weak suppliers bargain. Raw material prices will be high when there are few suppliers. The backward strategy is recommended because it can control suppliers.

Bargaining Power of Consumers

The dynamics of industry competition are heavily influenced by customer bargaining. This condition occurs when consumers have large amounts and transactions. Great consumer power can gain customer loyalty in business competition. High bargaining power is obtained by consumers in circumstances (David and David 2017) as follows:

- If consumers find it cheap to switch to a competitor's brand
- If consumers feel important to the seller
- If consumer demand conditions fall
- If the seller of the product, prices, and costs are informed to consumers
- If the time consumers buy goods is uncertain

3.5 Fishbone

Fishbone analysis is usually represented in a fishbone diagram. Fish bones as a form of representation of the causes and effects of a problem (Bank 1992). There are six factors in the bone diagram, namely machines, people, methods, and materials. The steps taken in making a fishbone diagram (Sugiyono 2017), are as follows:

- Place the problem in the center-right of the image
- Write down the problems in the upper and lower bones
- If the problem is more detailed then the arrow will be smaller in size
- Perform steps 1 to 3 until the root of the problem is found

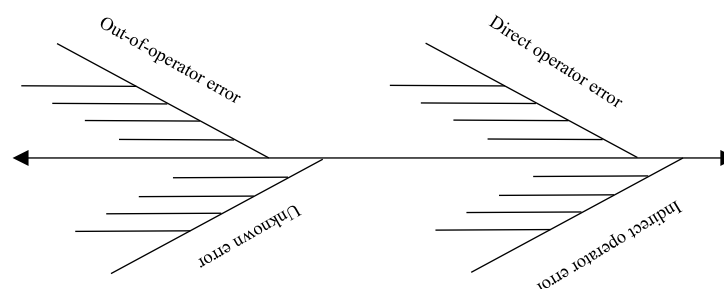


Figure 2. Fishbone Diagram

The goal in conducting a fishbone analysis is to find the root causes of a problem. In conducting a fishbone analysis, you must start with a problem that must be placed to the right of the middle of the fishbone. From the existing problems, the sides of the bones that are above and below can be written down the existing sub-problems. Problems written down to the smallest level, so that the root of the problem can be found through it. The more detailed, the arrows will be smaller, this step can be continued until you find the root cause of the problem.

3.6 Grand Strategy Matrix

The dimensions in the Grand Strategy Matrix are where the competitive position, and the market (industry) grows (David and David 2017). There are several quadrants in the Grand Strategy Matrix, namely Quadrant 1 as a quadrant that has two conditions. This quadrant has good human resources, so the right strategy is forward, backward or horizontal. When, the last position has a chance, then the right strategy is market penetration, and developing other appropriate strategies. Another solution is diversification, when an application doesn't have a lot of product features. Usually, opportunities come from conditions that exist outside the application, so applications that are in this quadrant have a financial advantage.

For applications that are in the second quadrant, this position is in a position that is growing very fast, so the right strategy is to replace it to increase competitiveness. In addition, the best step is to continue improving competitive development of applications. On the other hand, applications must approach the market seriously, so that applications get a good market. For applications that are in the third quadrant, applications have enormous

weaknesses, where liquidation is the most likely option. Therefore, the application team must think from the business side, and make drastic changes to reduce the worst possibility. In this condition the application must diversify, where the strategy is the best step for an alternative. For applications that are in the fourth quadrant, applications usually have good cash flow, so these applications have great power to diversify into better positions. Another thing that can be done is a joint venture.

3.7 QSPM

In making good decisions, the application uses the Quantitative Strategic Planning Matrix (QSPM). This matrix uses the basis of internal and external environmental analysis, where the factors that have been included internally and externally will provide the best choice of strategy, so that the strategy can be used by the business team. There are several strategic options in it, apart from that in its implementation there are several steps that must be followed, from returning to writing, and alternative strategies as columns. In general, this matrix looks at problems with broader aspects, so that decision making will be more holistic. In competition, external information is needed by applications, so that applications can develop competitive strategies that are optimal and effective (Wardhani et al. 2020). Apart from matters relating to the enemy, it is very important to know the strengths possessed by the application, so that the strengthening strategy for the application will be better (Frederick et al. 2022). All aspects of the values contained in this matrix are obtained from the IFE and EFE Matrix. These values will be entered into a table, where a value calculation will be performed in order to get the best strategy. The steps that can be taken in making this matrix are as follows (David and David 2017):

- In the first step, the columns must be filled in with the points that have been collected at the stage of making the IFE and EFE Matrix. This collection includes internal and external factors, where internal factors include strengths and weaknesses, while external factors include opportunities and threats to the application.
- In the second step, each internal and external factor will be entered into a table, where the second column will be given a weight.
- In The third step, every internal and external factor will be entered into the table, and an additional column is a candidate strategy that will be implemented by the application.
- Fourth step, every number in the second column is AS, namely Attractiveness Score. This feeds into which strategy is suitable for the application to choose. In addition, the weight will be represented as a number in the range 1 to 4, where 1 is defined as not attractive, while 4 is defined as very attractive.
- The fifth step, as part of AS, the next important thing to do is to calculate the Total Activeness Score (TAS). This value is obtained by multiplying the weight of each point with AS. The highest TAS value will indicate the best alternative strategy to be implemented.
- In The sixth step, from all the values that have been obtained in the previous step, the TAS is added up, so the result obtained is STAS. The selection of strategic decisions is strongly influenced by internal and external factors. With the consideration of these values, strategic decisions can be made by the application team to optimally optimize the strategy.

4. Data Collection

The data collection method uses interview techniques to gather information about other information that is closely related to the application. The interview technique is a technique that is carried out on respondents by digging for in-depth information so that problems can be found. In addition, the interview technique does not only explore the problems of the respondents but about behavior and the meaning of behavior and other information (Sugiyono 2017). Information regarding strategic planning, SWOT, and other application-supporting information will be collected using interview techniques with stakeholders related to the related application

5. Result and Discussion

5.1 SWOT Analysis

There are four components in conducting the analysis. Each analysis component has several application-related points. First the strengths, weaknesses, opportunities and threats of applications against competing applications. This analysis is expected to provide things holistically in the analysis of increasing application competitiveness, through increasing application users.

Table 1. SWOT Application

Strength	Weakness	Opportunity	Threats
<ul style="list-style-type: none"> • Applications are very strong outside the capital • Transaction features already cover customer needs • A large number of micro, small, and medium bank customers • Bank support to employees for training • The application is supported by the bank in the form of money for application campaigns 	<ul style="list-style-type: none"> • There are not many competitors outside the capital • Not many banks play in the middle segment • Banks that have very strong applications in the lower segment 	<ul style="list-style-type: none"> • The bank already has a great reputation in terms of history for more than 1 century in the banking world • Design alignment with the times continues to be adjusted by the application • Applications have a large number of segments in areas outside the capital city, and there are no competitors that have the strength of an application • The development of transaction features continues to be developed by the application 	<ul style="list-style-type: none"> • Similar applications are emerging • Alignment of strategy development to apple to apple banks • Minimal infrastructure outside the capital city

The results of the SWOT analysis show several things related to existing applications. This analysis includes external strengths, weaknesses, opportunities and threats. Each component has several points, such as the power possessed by the majority of applications dominated in areas outside the capital city. The domination that exists outside the capital city is very large, but it is inversely proportional within the capital city, while the great potential and large velocity of money are in big cities, and capital cities. The development carried out by the internal team, as well as existing research is a major force for application development. This will make the application stronger in the competition that exists today. On the other hand, resource development through good training is a source of strength for application developers. This effort has received great support from the bank, the existing form of support can be in the form of permitting time from superiors, to bank support in the form of money.

The development of large numbers outside the capital city makes the application less dominant in the capital city. This is a weakness that must be addressed quickly for the team. Such a large segment is in the middle class, applications must continue to work optimally on this segment in areas that have large turnover potential. Another thing to consider is the breadth of segments actually owned by the application, so deep segment acceleration is necessary in this regard. The bank already has a good reputation in the micro, small and medium segment, where this can be an additional strength for the application.

Such a great reputation, as well as a bank that has been around for more than a century, making applications through banks can provide impetus for the introduction of applications to the wider community. The struggle for the youth segment is an interesting thing for applications amidst the reputation held by banks. With the existing reputation, this makes the application unique, where no bank can replicate the uniqueness of the bank, and this segment of the bank. The development of strategies to attract customers to join the application is still very important for the application. Every financial institution that issues similar applications, of course, will make a strategy to defeat applications issued by micro, small and medium banks. If the application does not adapt to existing developments, the application cannot compete in the midst of intense competition.

The threats are of course from outside. So many financial institutions have issued similar applications, where bank institutions, fintech companies, and others will compete to beat their competitors. This makes applications must be careful in making application benchmarks so that applications do not fall into the wrong strategy to compete. In competition in big cities, of course, applications benefit in terms of well developed network infrastructure, when compared to infrastructure outside the city. This is a challenge for applications in acceleration in areas that do not yet have good network infrastructure, such as big cities.

5.2 IFE Matrix

IFE Matrix there are several points related to the internal factors of the application. This is important so that applications can be developed optimally, and there are several insights that developers must pay attention to increase competitiveness.

Table 2. IFE Matrix Application

Internal strategic factors	Weight	Rating	Weight Score
Strengths:			
1. Applications are very strong outside the capital	0,104	4	0,416
2. Transaction features already cover customer needs	0,218	4	0,872
3. A large number of micro, small, and medium bank customers	0,076	3	0,228
4. Bank support to employees for training	0,092	2	0,184
5. The application is supported by the bank in the form of money for application campaigns	0,245	1	0,245
Weakness:			
1. There are not many competitors outside the capital	0,078	3	0,234
2. Not many banks play in the middle segment	0,097	1	0,097
3. Banks that have very strong applications in the lower segment	0,090	2	0,180
Total	1,000		2,456

From the results of the IFE matrix analysis in table 2, the value obtained is 2,456, so the strength of the application is so great outside the capital city. Application features must be developed by the application, so that it covers end-to-end community needs. In addition, a solid team is an extraordinary strength for the application, so that strengthening strategies based on the support of good data, and applications produce sustainable results. In the development process, another thing that is in the spotlight is the order in which the application is executed. The order in which the application is executed from the most important to the least important will affect the development and results of the application. If the priority is wrong, then the application can lag behind technological developments, and the current rising trend. In addition, development acceleration is very important, so this must be considered carefully by the application development team.

5.3 EFE Matrix

EFE Matrix there are several points of application external factors. The external role is very unpredictable, it is important for the application developer to know, so that the application team gets a helicopter view of the application's position. Not only that, the application team can also find out the factors that pose threats to the application, so the team can anticipate these threats well.

Table 3. EFE Matrix Application

Internal strategic factors	Weight	Rating	Weight Score
Opportunity:			
1. The bank already has a great reputation in terms of history for more than 1 century in the banking world	0,117	2	0,254
2. Design alignment with the times continues to be adjusted by the application	0,248	1	0,245
3. Applications have a large number of segments in areas outside the capital city, and there are no competitors that have the strength of an application	0,155	3	0,453
4. The development of transaction features continues to be developed by the application	0,136	4	0,548
Threats:			
1. Similar applications are emerging	0,160	4	0,680
2. Alignment of strategy development to apple to apple banks	0,098	1	0,090
3. Minimal infrastructure outside the capital city	0,085	2	0,160
Total	1,000		2,430

Analysis of external factors, namely the EFE matrix is in table 3, where the EFE matrix results are 2.430. The pressure points from the EFE matrix table are opportunities for introducing applications through banks that are widely known by the public. This is very beneficial for the application, so the application must improve, as well as maintain well. Application design that always adapts to the times, makes this an attraction for the wider community. In addition, the large development outside the capital city, makes the application a ruler in various regions. Competitors have not yet reached areas outside the capital city. This great opportunity is coupled with the development of a transaction feature that makes it easy for the wider community.

5.4 Five Forces' Porters

The threat of New Entrants

In the competition for applications, there are threats from newcomer competitors. These new competitors do not only come from emerging digital banks but also financial technology companies and conventional banks that have applications that are similar to current applications. However, most financial technology companies are present in the form of lending. In addition, the existing threats make the application continue to develop continuously to catch up with current technological developments.

Another obstacle that is of concern is the existence of government policies that applications must follow. This policy is like other government policies so the integration development must be followed by the application, so this will have an impact on changes to the development timeline that was previously prepared by the development team, and there is a potential for a decrease in fee-based income. However, applications continue to catch up, not only on technological developments but on the speed of development carried out by applications and development strategies for the future. In addition, threats to new entrances are a strong force, so if applications don't make the right strategy, they can pose a big threat.

Threat of Substitutes

The application has a threat to the current substitute product or service. This depends on the demographic region in Indonesia. If the application competes in big cities, then the application will face similar applications that continue to develop, so that customers can easily switch to other application services. In addition, if the application is viewed from outside the big city, then the threat to substitute products or services is not as big as in big cities. However, the application continues to develop features, so that all needs from customers from morning to night can use the application. In addition, threats to substitutes are a strong force against applications in big cities.

Bargaining Power of Buyers

The bargaining power of the public for applications is influenced by geography in Indonesia. When applications compete in big cities, applications are confronted by other applications, so applications must compete with these applications. On the other hand, people outside the capital and those belonging to the micro-segment do not have many choices, because there are areas outside big cities where there is only one bank, so people do not have more choices. In addition, the application has a QRIS feature that can reach all levels of society, and demographics in Indonesia, because everyone can use it anywhere and anytime. The threat to the bargaining of buyers is a moderate force because the application has features that cover all layers.

Bargaining Power of Suppliers

The bargaining power of Application suppliers are servers, developers, and IT support. These components are very closely related to each other because the application will be down when the server is down. In addition, the developer will work on the development of the application, so that the application continues to grow. In addition, there is IT support on duty so that downtime can be reduced through quick handling. Threats to the power of suppliers include low force because banks already have complete resources and infrastructure

Rivalry of Competitors

There is competition with competitors who have applications similar to Applications. Living and m-BCA have a high rivalry because living and m-BCA are owned by banks that have a high reputation in the community. Living is owned by Mandiri which is a state-owned bank, just like the application owned by a bank, but Mandiri and banks have different customer segments. In addition, m-BCA is owned by BCA bank which is one of the largest private banks in Indonesia, and BCA has launched an application first from the Application. Big threats do not only come from newcomers, but threats come from competitors, because existing competitors continue to develop their applications, so threats to competitors are a strong force.

5.5 Fishbone

Fishbone analysis is used to find out the problems that hinder the application to acquire users. This analysis decomposes each aspect into even smaller sub-problems, so that problems can be mapped and decomposed properly. Fishbone analysis Applications are as follows:

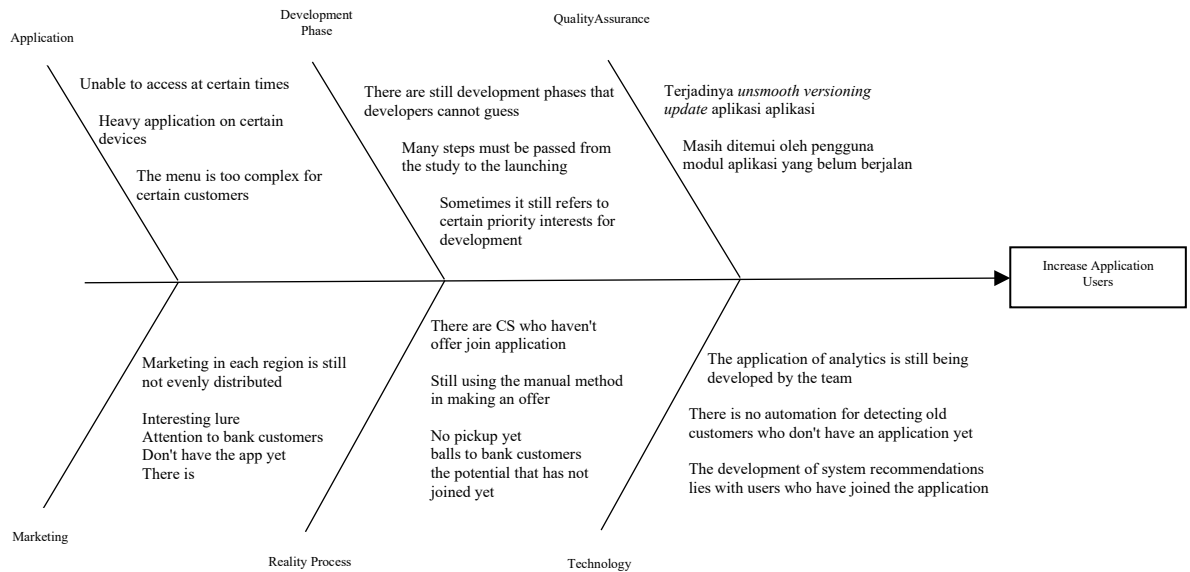


Figure 3. Fishbone Application

In the fishbone diagram, the application has sub-problems related to increasing application users, namely application, development, and Quality Assurance. In terms of applications, there are aspects such as downtime, applications that are not agile such as lag time between transitions, and the complexity of the UI/UX display, this will result in users not being interested in using the application. In addition, there are still unexpected things in application development, many things that must be taken by developers, and priorities are still uncertain, so there is a potential for loss of moment for current application development. Another thing is QA where there are still many reviews in the application download comments column that feel the application is not smooth, and there are application modules that customers cannot use after updating the application, things like this should have been anticipated by QA so that things like this happened. The bad impact that will occur when there are many complaints about bad things happening in the application then can make prospective application users hesitate to install the application.

Other problems are in marketing, implementation, and application of technology. Marketing in all regions of Indonesia is still not evenly distributed, this is shown by the number of customers in big cities which are still not as many as those outside the big city areas, while the inducement for existing customers to use the application is still not optimal. A very important stage is the implementation aspect, where there is still the potential for human error to occur on the field, and the specific implementation of picking up balls has not been carried out massively by the application, so this requires maximum supervision, and more effort so that the number of application users can increase. In addition, the application of technology is very important, where development is still being carried out by the application so that it can continue to explore hidden potentials from existing and non-existing application customer data. Therefore, if these sub-problems can be solved optimally, the increase in application users will occur significantly.

5.6 Grand Strategy Matrix

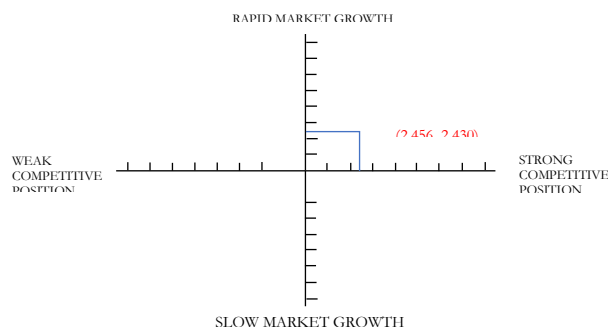


Figure 4. Grand Strategy Matrix Application

Figure 4 shows the results of the Grand Strategy Matrix giving the result values 2,456 and 2,430. this is related to internal and external strengths that have been obtained before. These results put the application in quadrant 1 so that the right strategy for the application is development, market penetration, product development, forward, backward, horizontal integration, and diversification. But what the application is most likely to implement is market development, product, and market penetration.

5.7 QSPM

Table 4. Table QSPM Application

Main Factors	Weights	Alternative Strategy					
		Market Penetration		Market Development		Product Development	
		AS	TAS	AS	TAS	AS	TAS
Strength							
Applications are very strong outside the capital	0,104	3	0,312	3	0,312	2	0,208
Transaction features already cover customer needs	0,218	4	0,872	4	0,872	2	0,436
A large number of micro, small, and medium bank customers	0,076	2	0,152	4	0,304	2	0,152
Bank support to employees for training	0,092	1	0,092	1	0,092	2	0,184
The application is supported by the bank in the form of money for application campaigns	0,245	4	0,980	3	0,735	2	0,490
Weakness							
There are not many competitors outside the capital	0,078	2	0,156	2	0,156	2	0,156
Not many banks play in the middle segment	0,097	4	0,388	3	0,291	2	0,194
Banks that have very strong applications in the lower segment	0,090	3	0,270	4	0,360	2	0,180
Opportunity							
The bank already has a great reputation in terms of history for more than 1 century in the banking world	0,127	4	0,508	3	0,381	2	0,254
Design alignment with the times continues to be adjusted by the application	0,245	3	0,735	2	0,490	2	0,490
Applications have a large number of segments in areas outside the capital city, and there are no competitors that have the strength of an application	0,151	3	0,453	4	0,604	2	0,302
The development of transaction features continues to be developed by the application	0,137	4	0,548	3	0,411	4	0,548
Threats							
Similar applications are emerging	0,170	4	0,680	3	0,510	3	0,510
Alignment of strategy development to apple to apple banks	0,090	3	0,270	3	0,270	3	0,270
Minimal infrastructure outside the capital city	0,080	4	0,320	3	0,240	4	0,320
Total			6,736		6,028		4,694

The QSPM application has a yield value of 6,736, where the strategy that can be implemented is market penetration. Applications must maximize internal strength so that they can explore the market potential that already exists in the application. The existing market is a huge potential that must be utilized optimally by the application. Not all applications have the same number of customers as micro, small, and medium banks. Several steps can be taken by the application from creating events in areas where you want to increase user acquisition. Of course, before taking any promotional steps it must be based on in-depth research, and data-driven so that the results are right on target. Regions that do not yet have fewer users can be targeted. Apart from that, another promotional step is to induce people to make transactions. This lure can be in the form of discounts, cashback, and others. In addition, the use of social media will certainly help increase the penetration power of applications in society. Therefore, various efforts must be made starting with posters, promotional videos, and others so that the application can attract the wider community to join application.

6 Conclusion

Based on the results of the research that has been done, some strategies must be implemented by the application team. The market penetration strategy is currently the best strategy to develop the number of application users. This needs to be done by the application because there is a large market potential from bank customers who are not yet application users. The large potential of customers makes the potential unreachable for applications, so market development for large potential customers needs to be considered.

Another strategy is to introduce applications to several areas that have not been optimally reached. The use of social media is a good attraction for efforts to introduce applications widely. Introducing public awareness of digital financial applications for MSME's banks is very important because the potential circulation of money that is so large at the level of micro, small, and medium transactions is a potential for a large increase in revenue for banks through application transactions.

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Biographies

Kevin Prasetyo is a graduate student at the Faculty of Economics and Business, Tarumanagara University, Jakarta, Indonesia. He completed his B.Sc in Computer Science from the Faculty of Information Technology, and his M.M with a specialization in Strategic Management from the Faculty of Economics and Business, Tarumanagara University, Jakarta, Indonesia. His research interest is in Strategic Management.

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Several fields of study that Yenita has taught to date include: *Operation Research, Financial Management, Operational Management, Feasibility Study, Marketing Management, Human Resources Management, Product Development, Quality Management, Supply Chain Management, Project Management, Service Operation Management, Finance Management, Business Ethics, Mathematics, Statistic, Macro Economics, Micro Economic, Budgeting, International Business, Organizational Behaviour, Leadership, Investment and Portfolio, Merger and Acquisition, Quantitative Method, Managerial Economic, Strategic Management, Service Management, Business Ethics, Legal Drafting, Corporate Strategy and Restructuring.*