

Hajj Product Differentiation Strategy at Bank Muamalat KC Kediri in Facing Competition from Other BPS BPIH

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Article Information		Abstract
Submission date	January 1, 2025	<p>Research objective: The objective of this research is to analyze and identify the product differentiation strategy of Bank Muamalat KC Kediri's Hajj.</p> <p>Design/Method/Approach: This study uses a descriptive qualitative approach method. The object of this study is Bank Muamalat KC Kediri located at Jl. Sultan Hasanuddin No.26, Dandangan, Kec. Kota, Kediri City, East Java 64122. The data collection techniques used are direct observation at Bank Muamalat KC Kediri, in-depth interviews with related parties and documentation, namely by collecting data from journal articles and websites that are relevant to the research topic. Data triangulation is carried out by comparing findings from various sources to increase the validity and reliability of the results. Data analysis is carried out through reduction, presentation, and drawing conclusions in accordance with the qualitative approach applied in this study.</p> <p>Research Findings: This study found that Bank Muamalat KC Kediri implemented a differentiation strategy. Hajj products through one-stop service, flexibility scheme payment, and waiting period program based on deposit contribution. Bank Muamalat targets three main segments of hajj pilgrims and designs strategies based on understanding their characteristics and needs to create superior value, increase customer loyalty, and attract new pilgrims. Bank Muamalat has succeeded in strengthening its position as a leader in the hajj ecosystem in Kediri and building a strong foundation for future market expansion.</p> <p>Theoretical contribution/Originality: This study contributes to the development of literature on product differentiation strategies in the Islamic banking sector, particularly in Hajj services.</p> <p>Practitioner/Policy Implications: This study provides guidance for other Islamic banks to increase competitiveness by developing differentiation strategies, innovative services that are in accordance with market needs.</p> <p>Research limitations: This study has limitations in the scope of the location that only focuses on the Kediri area and does not discuss the impact of the strategy in the context of the national market. In addition, this study has not explored customer perceptions in depth regarding the features offered.</p> <p>Keywords : Differentiation Strategy, Hajj Products, Bank Muamalat KC Kediri</p>
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1. Introduction

Bank is a financial institution whose main activity is to collect funds from the public in the form of savings and distribute them back to the public in the form of credit or other forms

in order to improve the standard of living of the community. Banks also have a role in the stability of the country's economy [1]. A bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in order to improve the standard of living of the people [2].

The existence of banks in the modern economy is a necessity that is difficult to avoid. Currently, banks do not only provide capital or loans, but banks have used banks to meet the needs of perfecting desires that are consumptive, productive, property, education, insurance, investment, pawn, hajj savings, pension savings, and others [3].

Indonesia is a country with a majority Muslim population, the desire of Muslims to be free from the problem of usury is fulfilled by the establishment of Islamic banks. Islamic banks are banks that follow Islamic principles, where all transactions are carried out without interest and prioritize aspects of partnership and balance. Islamic banks have a social mission that not only pursues financial gain, but also improves the welfare of society [4]. The first Islamic bank established in Indonesia was Bank Muamalat.

Bank Muamalat was established in 1991, this bank was initiated by the Indonesian Ulema Council (MUI) and the Indonesian Government. The MUI Congress decided to establish an interest-free bank. Although established in 1991, this bank only started operating in 1992. Its movement at that time was supported by Muslim scholars and entrepreneurs, as well as the community in the country [5]. One of Bank Muamalat's products is Hajj savings, Hajj savings is a banking product designed to help people easily plan savings that can be used to participate in the Hajj pilgrimage [6]. The Hajj pilgrimage is one of the five pillars of Islam that must be carried out by every Muslim who is able, both financially and physically [7].

As a country with a very large Muslim population, Indonesia is the country with the largest hajj quota in the world [8]. The Hajj Financial Deposit Management Agency (BPKH) has partnered with 30 Islamic banks as Banks Receiving Hajj Pilgrimage Cost Deposits (BPS BPIH) for the period July 2024 to June 2027. The banks consist of 11 Islamic Commercial Banks (BUS) and 19 Islamic Business Units (UUS) [9].

Bank Muamalat is one of the banks that is part of the Bank Receiving Hajj Financing Deposits (BPS-BPIH), many Islamic banks are chosen as Bank Receiving Hajj Financing Deposits (BPS-BPIH), the banking sector always tries to be superior to other banks, both in terms of products and services provided, as an effort to attract customers and maintain customer trust so that they remain loyal to using their services. One effort that can be taken in order to win the competition is by implementing a differentiation strategy.

Strategy is the art of individuals or groups to utilize, the abilities and resources they have in order to achieve target goals through procedures that are considered effective and efficient to achieve the expected goals [10]. Differentiation is the process of designing a series of meaningful differences to distinguish a company's products or services from those of its competitors.

Research [11]states that by implementing a differentiation strategy, it can create product offerings that have uniqueness, characteristics or distinctive features compared to competing products. Based on this background, the researcher is interested in conducting research with the title " Hajj Product Differentiation Strategy at Bank Muamalat KC Kediri in Facing Competition from Other BPS BPIH" .

1.1. Problem Statement

The problem taken in this study is the differentiation strategy used by Bank Muamalat KC Kediri in its efforts to always be superior to banks that are members of the Bank Receiving Hajj Financing Deposits (BPS-BPIH), both in terms of products and services provided, then to what extent the differentiation strategy implemented by Bank Muamalat has an impact on

efforts to attract customers and maintain customer trust so that they remain loyal to using its services.

1.2. Research purposes

The purpose of this study is to analyze and identify the product differentiation strategy of Bank Muamalat KC Kediri's Hajj.

2. Method

This study uses a descriptive qualitative approach method. Descriptive qualitative research aims to understand social phenomena by describing data narratively based on the perspective of participants, so that the results of the study are richer and more in-depth [12]. The object of this study is Bank Muamalat KC Kediri located at Jl. Sultan Hasanuddin No.26, Dandangan, Kec. Kota, Kediri City, East Java 64122. The data collection techniques used are direct observation at Bank Muamalat KC Kediri, in-depth interviews with related parties and documentation, namely by collecting data from journal articles and websites that are relevant to the research topic. The following is the informant's identity data.

Table 1
Informant Identity Data

No	Name	Age	Position	Duties & Authorities
1	Sita Resmi	35	Haji Customer Relationship Management (CRM).	As the party responsible for managing Hajj product customers, this informant has a deep understanding of service strategies, customer needs, and the effectiveness of communication with prospective Hajj pilgrims.
2	M. Idham Bakhtiar	32	Hajj Marketing	As a Hajj marketing staff, this informant has insight into promotional strategies, market penetration, and product differentiation steps compared to competitors.
3	Sandri Rubianda	35	Hajj Marketing	With a similar role in the marketing team, this informant can provide information on how differentiation strategies are implemented in practice, including the approach to customers and the obstacles faced.

Source: Researcher, 2024

Data triangulation was conducted by comparing findings from various sources to increase the validity and reliability of the results. Data analysis was conducted through reduction, presentation, and drawing conclusions in accordance with the qualitative approach applied in this study. [13].

Table 2
Source Triangulation

No.	Question	Informant 1	Informant 2	Informant 3	Validity
1.	What is the main	As a differentiator	To create added value	It must be different	Differentiation aims to strengthen

	objective of Bank Muamalat KC Kediri in implementing the Hajj product differentiation strategy?	from other BPS BPIH.	not only products but services.	because it is a Hajj bank.	Bank Muamalat's competitive position amidst the many BPS BPIH.
2.	What unique features or services does Bank Muamalat KC Kediri offer on Hajj products?	One-stop service, flexible scheme, waiting program, online payment, international ihram debit card.	One-stop service, deposit contribution, online payment, ihram visa debit.	One-stop service, 5-year waiting program, international ihram debit card.	There are five superior features that make Bank Muamalat unique.
3.	Who is the main target market of Bank Muamalat KC Kediri for this Hajj product?	Portion registrants, portion owners, pilgrims depart.	Three target applicants, portion owners, will depart.	Same, registrants, portion owners, will depart.	The target market includes three main segments of Hajj pilgrims.
4.	Is differentiation strategy effective enough to maintain competitiveness in BPS BPIH market?	Effective, create unique added value & loyalty.	Effective, sharia focused & digitalization.	Effective, education & technology strengthen excellence.	Differentiation has proven to be effective in maintaining competitiveness.

3. Results and Discussion

3.1. Results

Table 3

Results of interviews with informants

1. What drives Bank Muamalat KC Kediri to focus on differentiating Hajj products?	
Informant 1	Because indeed Bank Muamalat is the first pure Sharia Bank in Indonesia and indeed since the beginning for the Hajj ecosystem we are the first partner of the government related to the Hajj program. Moreover, currently we are

owned by almost 90% of our shares by BPKH (Hajj Financial Management Agency) whose position is an independent government agency, which handles and manages Hajj finances. And we are given the task for the Hajj issue, Bank Muamalat must be complete, meaning the entire process from the beginning of registration, then the waiting period, to departure and transactions in other countries including Saudi Arabia, Bank Muamalat must cover the entire Hajj ecosystem from the beginning to the end must be complete and the principle of Bank Muamalat itself is from and for Indonesian Hajj.

Informant 2 As the first Islamic bank in Indonesia, Bank Muamalat has a responsibility to support the BPKH ecosystem. Bank Muamalat is trusted to provide comprehensive Hajj services, from registration to departure.

Informant 3 With the support of BPKH, Bank Muamalat is fully committed to serving the Hajj ecosystem comprehensively and based on the principle of, by and for Hajj pilgrims.

Reduction Bank Muamalat as the first Islamic bank in Indonesia has a strategic role in supporting the hajj ecosystem. With majority share ownership by BPKH, Bank Muamalat is entrusted to provide complete hajj services, covering the entire process from registration, waiting period, departure, to transactions abroad, including in Saudi Arabia. This commitment is carried out with the principle of "from, by, and for Indonesian hajj pilgrims".

2. What is the current condition of competition for hajj products in the Kediri area?

Informant 1 The competitive conditions of hajj products in Kediri among the banks receiving hajj deposits in Kediri are very challenging and very tight too. Because most of the BPS BPIH we compete to cover or work on the hajj registration process.

Informant 2 Highlighting that product competition in Kediri is very challenging because each BPS BPIH focuses on service innovation and convenience in the hajj process. This competition encourages other banks to improve the quality of service in order to attract more prospective hajj pilgrims.

Informant 3 BPS BPIH in Kediri is competing fiercely to control the hajj market share.

Reduction Competition between BPS BPIH in Kediri is very tight and challenging. Each bank competes in improving service innovation, service quality, and ease of the hajj registration process in order to attract more prospective pilgrims and control market share.

3. What is the main objective of Bank Muamalat KC Kediri in implementing the Hajj product differentiation strategy?

Informant 1 Indeed, as a differentiator, because in Kediri there are also many Hajj Deposit Receiving Banks (BPS BPIH), Muamalat implements a differentiation strategy to have different programs or products that are not owned by other BPS BPIH.

Informant 2 In a fairly tight competitive situation in Kediri, Bank Muamalat must be able to create added value that not only focuses on products but also on customer service.

Informant 3 Yes, because Bank Muamalat must be able to compete with many other BPS BPIH. Because Bank Muamalat is a hajj bank, so we must implement a

	differentiation strategy to differentiate the hajj products or programs that we have.
Reduction	In facing tight competition in Kediri, Bank Muamalat implemented a differentiation strategy by presenting unique Hajj programs or products and providing added value, both in terms of products and services, to differentiate itself from other BPS BPIH.
4. How is this differentiation expected to increase the market share of Bank Muamalat KC Kediri?	
Informant 1	The expectation is very big and significant because we are sure that the realization is that the Bank Muamalat hajj program or product is not owned by other BPS BPIH in Kediri. So the expectation is that with this hajj program or product differentiation, Bank Muamalat will be very leading in the hajj market or ecosystem in Kediri.
Informant 2	I am optimistic that with the differentiation of innovative hajj programs or products, Bank Muamalat can strengthen its position as the market leader in Kediri. Hopefully this strategy will not only attract new prospective pilgrims, but also increase the loyalty of old customers, through meaningful experiences.
Informant 3	My hope is that Bank Muamalat's differentiation can create a superior perception in the minds of the people of Kediri. With a unique and focused program, Bank Muamalat will continue to lead the hajj ecosystem in Kediri
Reduction	The three informants' expectations for Bank Muamalat's differentiation strategy are very high, namely to strengthen its position as the leader of the hajj market in Kediri. Through unique programs and products, this strategy is expected to attract new pilgrims, increase the loyalty of old customers, and create a superior perception in the minds of the public.
5. How is the process of developing a Hajj product differentiation strategy carried out?	
Informant 1	We have started this differentiation strategy since 2017, so based on the realization, reality, and experience of working on the ecosystem or the Hajj process, we learn from the real situation and conditions starting in 2017. And adjust to government regulations every year regarding the Hajj, so we develop the process by adjusting to the conditions that apply in Indonesia and Kediri in particular.
Informant 2	This hajj differentiation strategy relies heavily on field experience and adaptation to the needs of pilgrims starting in 2017.
Informant 3	The process of developing this strategy cannot be separated from reality, from the beginning of the implementation, we learned a lot about what the congregation needs. Especially in terms of convenience and quality of service
Reduction	Bank Muamalat's hajj differentiation strategy has been developed since 2017, based on field experience, adjustments to government regulations, and understanding of the needs of pilgrims. The development of this strategy continues to be adjusted to real conditions in the field, especially in terms of ease and quality of service.
6. What aspects are the main focus in differentiating this Hajj product?	
Informant 1	The time aspect is the position of the initial process of the Hajj portion, then the waiting period for Hajj registrants, departure or payment for Hajj departure.

- Informant 2** The focus is on the time aspect, because it affects the Hajj journey process, especially during the long waiting period.
- Informant 3** During the Hajj pilgrimage, the time aspect is one of the most important factors that influences the planning and readiness of the pilgrims.
- Reduction** Time aspect is an important factor in the process of hajj pilgrimage, including the initial registration stage, waiting period, to the settlement of departure. Time is a major concern because it affects the planning and readiness of the congregation.

7. What unique features or services does Bank Muamalat KC Kediri offer on their Hajj products?

- Informant 1** The first is that we can cover one stop service, completed at one service point so when Bank Muamalat works it is immediately completed, it is also completed at the Ministry of Religion's hajj section, we can even pick up the ball, so we work at the customer's house or prospective pilgrims, it is immediately completed, so it is completed at one point. Then for registration, Bank Muamalat has a scheme that is offered, you can register directly with cash or with an installment or advance system to get your hajj portion. During the waiting period, we also have a program or product that is used by prospective pilgrims or customers to prepare for the payment of our departure, we have a superior program, namely a deposit contribution scheme for five times or five years only with many benefits that are beneficial for prospective pilgrims during the waiting period. The last is when paying for the hajj departure, the payment can be done online too, meaning there is no need to come to the bank, they can make payment transactions on Muamalat DIN mobile banking. For departure, the Bank Muamalat ihram debit card can be transacted in all countries within the visa network, so we are already using an international visa. And we have a special unique feature in Saudi Arabia so when the Ihram debit card series of Bank Muamalat is used in Saudi Arabia it will have many benefits and advantages, such as free withdrawals, cashback discounts for debit transactions at all Saudi Arabian visa merchants. And Bank Muamalat is the only Islamic bank that has this feature that other banks do not have
- Informant 2** The one-stop service offered by Bank Muamalat provides extraordinary convenience for customers or prospective hajj pilgrims. By completing the entire process, from registration to document processing, it is completed at one point. Then the deposit contribution program during the waiting period also provides benefits for pilgrims because it helps pilgrims in making payments, then payments can be completed with online payments via mobile banking and the ihram debit card feature already has an international visa.
- Informant 3** Bank Muamalat's approach with one-stop service is the right solution for prospective hajj pilgrims. The flagship program for the waiting period is that there is a sufficient deposit for 5 years. And the most unique feature that we have is the ihram debit card that can make transactions abroad, especially in Saudi Arabia and has quite a lot of benefits.
- Reduction** Bank Muamalat offers a one-stop service that makes it easy for prospective hajj pilgrims in the entire registration process to payment. The bank also provides a deposit contribution program during the waiting period (5 years) to help prepare for payment costs. In addition, there is an online payment feature

via Muamalat DIN mobile banking and an international Visa-logo ihram debit card that can be used in Saudi Arabia, with various benefits such as free withdrawals and cashback. This feature is a unique advantage of Bank Muamalat compared to other BPS BPIH

8. How these features can meet the needs and expectations of prospective Hajj pilgrims

Informant 1 Because other BPS BPIH do not have these features, so for details and unique features only Bank Muamalat has it. For the unique features of the hajj service in particular, so it has been very fulfilling and in accordance with the expectations of prospective hajj pilgrims.

Informant 2 This unique feature of Bank Muamalat is specifically designed to meet the needs of customers or pilgrims from initial registration to departure.

Informant 3 The uniqueness of the features we offer, especially the ihram debit card with exclusive benefits, has shown a form of commitment in providing services according to the expectations of Hajj pilgrims.

Reduction The unique features owned by Bank Muamalat, especially in Hajj services such as ihram debit cards and other easy services, are designed to meet the needs and expectations of pilgrims. This advantage is not owned by other BPS BPIH and is proof of Bank Muamalat's commitment to providing different and value-added services.

9. Who is the main target market of Bank Muamalat KC Kediri for this Hajj product?

Informant 1 There are 3 definite targets, namely all Hajj portion registrants, all Hajj portion owners in the waiting period and all pilgrims who will be departing.

Informant 2 The three main targets are all Hajj registrants, Hajj portion owners and pilgrims who will depart, that's all.

Informant 3 Three important targets are Hajj registrants, Hajj portion holders and those who will go on Hajj.

Reduction The three main targets of Bank Muamalat's hajj service are hajj portion registrants, hajj portion owners in the waiting period, and pilgrims who will go on hajj.

10. How do the characteristics of the target market influence the differentiation strategy implemented?

Informant 1 We also consider the characteristics, there are 2 characteristics that we consider, namely age, then the ability or flexibility of the congregation's funds related to funding. So our focus is on 2 characteristics of what can be.

Informant 2 What we consider are the age characteristics and funding capabilities of customers.

Informant 3 For characteristics, we focus on the age characteristics and financial capabilities of the pilgrims, demonstrating a deep understanding of the needs of prospective Hajj pilgrims.

Reduction Bank Muamalat considers two main characteristics in serving prospective Hajj pilgrims, namely the age and financial ability of the pilgrims, to adjust services to their needs.

11. Is differentiation strategy effective enough to maintain competitiveness in the BPS BPIH market?

Informant 1 Yes, the differentiation strategy implemented by Bank Muamalat has proven effective in maintaining competitiveness in the BPS BPIH market. By offering

	unique products that are in accordance with the needs of hajj pilgrims, such as integrated sharia-based services and superior features in managing hajj funds, Bank Muamalat has succeeded in creating added value that is difficult for competitors to imitate. This strengthens Bank Muamalat's position in providing a better experience to customers, while maintaining their loyalty amidst increasingly tight competition.
Informant 2	In my opinion, the differentiation strategy implemented is quite effective in maintaining competitiveness in the BPS BPIH market. Bank Muamalat does not only focus on sharia-based service aspects, but also on product innovation such as easy digital access and transparency of fund management.
Informant 3	I think the differentiation strategy is indeed one of the main keys to Bank Muamalat's success in competing in the BPS BPIH market. By prioritizing integrated sharia services, Bank Muamalat creates a competitive advantage that is difficult for other banks to compete with. For example, the hajj education program and special assistance for customers are added values that are highly appreciated by prospective pilgrims. In addition, the focus on developing technology such as applications that support the management of hajj funds also strengthens Bank Muamalat's position in this market.
Reduction	The differentiation strategy implemented by Bank Muamalat has proven effective in maintaining competitiveness in the BPS BPIH market. Focus on sharia-based services, product innovation, and easy digital access strengthen Bank Muamalat's position. Competitive advantages are also created through transparent management of hajj funds, customer education and assistance programs, and application technology that supports hajj fund management, making it difficult for competitors to imitate.
12. Since implementing the differentiation strategy, has Bank Muamalat succeeded in maintaining its position as a market leader in the Hajj ecosystem?	
Informant 1	Yes, since implementing the differentiation program, Bank Muamalat has managed to maintain its position as a market leader in the hajj ecosystem. With differentiation that includes products, services, and digital innovation, Bank Muamalat is able to meet customer expectations. This success shows that Bank Muamalat is not only competitive but also becomes a benchmark in the management of hajj funds and BPS BPIH services in Indonesia. Bank Muamalat believes that through this differentiation advantage, they can continue to lead the market in this sector.
Informant 2	By implementing a differentiation strategy, Bank Muamalat has successfully maintained its position as a market leader in the hajj ecosystem, Bank Muamalat's focus on sharia-based services integrated with modern technology is the main factor in this success. This success is proof that differentiation is one of the right steps to maintain market dominance.
Informant 3	The differentiation strategy implemented by Bank Muamalat has helped maintain its position as a market leader in the Hajj ecosystem, by continuing to innovate and meet customer needs, Bank Muamalat has not only maintained its position, but also strengthened its reputation as a leader in this sector."
Reduction	By implementing a differentiation strategy, Bank Muamalat has successfully maintained its position as a market leader in the hajj ecosystem. This success is driven by product innovation and.

3.2. Discussion

Differentiation strategy has proven effective in maintaining Bank Muamalat's competitiveness. Focus on integrated sharia services, product innovation, and congregation education strengthens customer trust as well as Bank Muamalat's competitive position. As a result, Bank Muamalat strengthens its position as a leader in the Hajj ecosystem in Kediri, while creating a solid foundation for future market growth. Differentiation strategy is when a company creates a product or service difference that is significantly valuable to customers and is not easily imitated by competitors, thus becoming a source of sustainable competitive advantage [14]. In a study entitled Innovation and Differentiation Strategy of Bank Jatim KCP Babat in Facing Competition in the Banking Industry, the results of the study showed that differentiation strategy is the most important thing for a company to become a market leader amidst the many competitors today. Bank Jatim KCP Babat also requires a differentiation strategy in every activity to attract customers and win the banking industry market [15].

The innovations presented by Bank Muamalat KC Kediri include: service one-stop service that enables administrative processes finished in one point, both at the Muamalat Bank office, the Ministry of Religion, and at home candidate congregation through service pick up the ball. In addition, flexibility in scheme payment give convenience for candidate congregation For choose between payment cash, installments, or bailout. Waiting period program offered covers scheme five year deposit contribution with benefit big, which helps candidate congregation prepare settlement Hajj costs. Bank Muamalat KC Kediri also utilizes digital technology through online payment using application mobile banking them, Muamalat DIN, so make it easier Customer complete the process without must come direct to the bank. Innovation is very important for company, in research[16] This study concludes that service innovation implemented by Pizza Hut Delivery (PHD) Kediri has succeeded in building consumer loyalty. In the latest edition of Marketing Management , Product innovation is the development of original products, product improvements, product modifications, and new brands through the company's own R&D efforts [17].

Muamalat's target market covering three group main that is registrant Hajj portion, owner portion of the Hajj in the waiting period, and the congregation who will depart. With understand characteristics age and ability funding congregation, Bank Muamalat hopes to create added value that is not possessed by competitors, Bank Muamalat designing a strategy that doesn't only fulfil need specific customers, but also creates perception superior in mind society. This is expected capable increase loyalty old customers at once interesting candidate congregation new. Differentiation strategy now must more experience oriented customer (customer experience) and value emotional, not just feature functional, strong differentiation create brand loyalty and increase perceived value [17].

As a result, Bank Muamalat was able to strengthen its position as a leader in the hajj ecosystem in Kediri, while creating a solid foundation for future market growth. The following is the number of hajj customers at Bank Muamalat KC Kediri from 2020 to 2024.

Table 4

Number of Hajj customers of Bank Muamalat KC Kediri from 2020 to 2024.

Year	Number of Hajj Savings Customers
2020	230
2021	110
2022	232

2023	332
2024	443

Source: Results of an interview with Mrs. Sita Resmi as Customer Relationship Management (CRM) Haji Bank Muamalat KC Kediri

Based on the number of data Customer Hajj savings at Bank Muamalat KC Kediri from 2020 to 2024, it is seen existence significant fluctuations and growth in five years last. In 2020, the number of Customer recorded as many as 230 people. However, in 2021, the number decrease drastic to 110 customers, who are suspected consequence impact the COVID-19 pandemic that has affected economy public in a way wide.

Starting conditions improve in 2022, with amount Customer increase sharp to 232 people, surpassing achievement 2020. Positive trend This Keep going to be continued until 2023, where the number of Customer reached 332 people. In 2024, Bank Muamalat KC Kediri recorded surge amount significant customers until reached 443 people.

4. Conclusion

Based on this research and discussion, the author can conclude as follows:

1. Bank Muamalat KC Kediri implements a differentiation strategy Hajj products through service one-stop service, flexibility scheme payment, and waiting period program based on deposit contribution.
2. Bank Muamalat targets three main segments of Hajj pilgrims and designs strategies based on understanding their characteristics and needs to create superior value, increase customer loyalty, and attract new pilgrims.
3. Bank Muamalat has succeeded in strengthening its position as a leader in the Hajj ecosystem in Kediri and building a strong foundation for future market expansion.

This research contributes to the development of literature on product differentiation strategies in the Islamic banking sector, especially in Hajj services.

Based on the research results, here are some suggestions for Bank Muamalat KC Kediri:

1. Bank Muamalat recommended For Keep going develop a digital platform that supports Hajj services, including registration, waiting period monitoring, up to education Islamic finance, in order to improve comfort and reach service.
2. Expansion Work The same with Ministry of Religion, Hajj travel agencies, and communities Muslim local can strengthen Bank Muamalat's position as partner main in Hajj services, as well as expanding the potential market in the Kediri area and its surroundings.
3. Do regular evaluation of waiting period programs and schemes payment as well as present innovation in accordance with trends and needs congregation will guard relevance products, at once strengthen Power bank competition in term long.

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