

The Existence of Bank Syariah Indonesia Post-Merger in Denpasar City

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Abstrak

Revolusi Bank Syariah yakni perubahan yang cukup mendasar dalam suatu bidang lembaga keuangan syariah yang menyatukan 3 bank syariah terbesar di Indonesia yakni Bank Mandiri Syariah, Bank BRI Syariah dan Bank BNI Syariah yang melebur atau merger menjadi satu yang bernama Bank Syariah Indonesia. Terobosan baru tentang merger bank BUMN ini diharapkan bisa menjadi angin segar bagi seluruh kalangan, terutama non muslim agar lebih bisa menerima perbankan syariah. Hal ini tentunya diharapkan agar semua warga negara Indonesia tanpa memandang agamanya bisa menerima bank syariah sebagai suatu sistem perekonomian yang ada di Indonesia, terutama di Kota Denpasar yang minoritas Islam. Sifat bank syariah yang universal untuk semua kalangan, maka perlu untuk melakukan ekspansi ke masyarakat nonmuslim demi mempertahankan keberlangsungan dan keeksisan bank syariah. Penelitian ini merupakan penelitian lapangan dengan menggunakan metode penelitian kualitatif, adapun subjek penelitian ini adalah Pihak internal Bank syariah Indonesia Kota Denpasar dan Masyarakat/nasabah BSI Kota Denpasar. Teknik pengumpulan data dalam penelitian ini menggunakan teknik observasi, wawancara dan dokumentasi. Teknik pengabsahan data menggunakan uji credibility dengan triangulasi sumber dan uji dependability. Hasil penelitian ini menunjukkan bahwa 1) Eksistensi Bank Syariah Indonesia Pasca Meger di Kota Denpasar tetap mampu bertahan dikarenakan strategi mereka yang meliputi beberapa aspek dengan menerapkan langkah-langkah yang dilakukan oleh Bank Syariah Indonesia agar bisa tetap eksis dan bertahan pada masa pandemi. Eksistensinya dengan melaksanakan program Relaksasi Pembiayaan Untuk Mengurangi Kredit Macet Pasca Merger di masa pandemic, Aktif berbagi dalam Kegiatan Masyarakat pada masa pandemik, Strategi Bisnis Bank Syariah Indonesia Pasca Merger di masa pandemi (baik dari sisi bertahan maupun pemasaran dengan menarget nasabah potensial). 2). Persepsi Masyarakat Kota Denpasar tentang eksistensi bank Syariah Indonesia pasca merger, baik dilihat dari peningkatan kualitas produk dan peningkatan kualitas pelayanan dapat dilihat dari Persepsi masyarakat tentang merger 3 bank syariah (BSI) sudah cukup baik, mayoritas masyarakat kota Denpasar sudah mengetahui mengenai merger 3 bank syariah (BSI). Mereka sangat mendukung adanya merger ini karena semakin mempermudah akses mereka berurusan dengan bank yang bersangkutan karena cabangnya menjadi semakin banyak dan jangkauan ke bank semakin dekat, baik untuk produk maupun pelayanannya.

Kata kunci: Persepsi, Masyarakat Denpasar, Eksistensi, Bank Syariah Indonesia, Pasca Merger

Abstract

The Islamic Banking Revolution is a fairly basic change in a field of Islamic financial institutions that unites the 3 largest Islamic banks in Indonesia, namely Bank Mandiri Syariah, Bank BRI Syariah and Bank BNI Syariah which merge or merge into one called Bank Syariah Indonesia. This new breakthrough regarding the merger of state-owned banks is expected to be a breath of fresh air for all circles, especially non-Muslims to be more receptive to Islamic banking. It is certainly hoped that all Indonesian citizens regardless of their religion can accept Islamic banking as an economic system in Indonesia, especially in the city of Denpasar, which is an Islamic minority. The universal nature of Islamic banks for all people, it is necessary to expand to non-Muslim communities in order to maintain the sustainability and existence of Islamic banks. This research is a field research using qualitative research methods, while the subjects of this research are the internal parties of the Indonesian Islamic Bank in Denpasar City and the community/customers of BSI Denpasar City. Data collection techniques in this study used observation, interviews and documentation techniques. The data validation technique uses credibility test with source triangulation and dependability test. The results of this study indicate that 1) The existence of the Post-Meger Indonesian Islamic Bank in Denpasar City is still able to survive due to their strategy that covers several aspects by implementing the steps taken by Bank Syariah Indonesia in order to continue to exist and survive during the pandemic. Its existence is by implementing the Financing Relaxation program to Reduce Bad Credit Post Mergers during the pandemic, Actively sharing in Community Activities during the pandemic, Business Strategy of Bank Syariah Indonesia Post Mergers during the pandemic (both in

terms of survival and marketing by targeting potential customers). 2). The public perception of Denpasar City about the existence of Bank Syariah Indonesia after the merger, both in terms of improving product quality and improving service quality, can be seen from the public perception about the merger of 3 Islamic banks (BSI) is quite good, the majority of Denpasar people already know about the merger of 3 Islamic banks. (BSI). They strongly support this merger because it makes it easier for them to deal with the bank concerned because there are more branches and the reach to the bank is getting closer, both for products and services.

Keywords: *Perception, Denpasar Society, Existence, Indonesian Islamic Bank, Post Merger.*

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1. INTRODUCTION

The Islamic economy is currently experiencing a very significant development both widely throughout the world in general, and in Indonesia in particular. The development of the Islamic economy in implementation can be seen from the number of emerging financial institutions that use sharia principles (N. I. Hasan, 2014, p. 104). One of the very existing Islamic financial institutions is banking. Banking is a sector that is able to develop rapidly and plays a very important role in supporting the economic development of a region.

The role in question is because the main function of banking is as a forum for collecting and distributing funds from customers effectively and efficiently with the aim of achieving national development (Muchtar & Al, 2016, p. 53). The development of banking has recently increased, this can be seen from the increasing number of banks in Indonesia today. The large number of banks has resulted in increasingly fierce competition in collecting funds from customers so that many banks are using strategies by making it easy for customers to make payments. bank loan.

There are two types of banking in Indonesia, namely conventional banking and Islamic banking. Today, Islamic banking is increasingly in demand by various groups. Therefore, it causes competition in the banking world to be more competitive, namely competition between banking and Islamic banking or fellow Islamic banking itself in terms of achieving their respective benefits (Amrizal & Maryam, 2022, p. 790). The most basic difference related to the system is that Islamic banking in obtaining profits applies a profit-sharing system and prohibits the application of usury because it is forbidden by Islam. While conventional banks in obtaining profits still apply the interest system (Anggi, 2019, pp. 1–2).

The starting point for the development of Islamic financial institutions, especially Islamic banking in Indonesia, started with the establishment of Bank Muamalat Indonesia in 1991 and began operations in 1992 (Andrini, 2022, p. 86). This has triggered the birth of other Islamic banks, such as BNI Syariah banks, Syariah Mandiri Banks, BRI Syariah, BTPN Syariah, BTN Syariah, central and regional BPRS as well as Islamic banking institutions “mualaf” (Penyusun, 2014, p. 174). This is also experienced by other non-bank Islamic financial institutions, starting with the birth of cooperatives or Sharia BMTs. Followed by other institutions, namely sharia leasing, sharia pawnshops, insurance, capital markets and other business institutions.

The progress of these Islamic financial institutions, because it departs from the awareness and desire of the people who are looking for the best alternative for an economic system. Its presence cannot be separated from the desire to become a financial institution in accordance with Islamic principles. Although the sharia economic system in Indonesia in the form of financial institutions has been realized by applying sharia principles. This does not mean that there are no problems or obstacles in various problems in its development (Dakhoir, 2017, p. 4).

Apart from the problems and obstacles faced by Islamic financial institutions, especially Islamic banking in Indonesia (Fikriyah & Yudha Alam, 2021, p. 1600), there is one idea and fresh air for maximum implementation. The idea was again conveyed by the Minister of State-Owned Enterprises (BUMN) Erick Thohir in the Sindonews online newspaper, he said that the merger of BUMN Islamic banks is a mandate that must be realized immediately so that it will benefit many parties. The merger of the three Islamic

banks is claimed to give birth to the largest Islamic bank in the world (A. Kurniawan, 2020).

The step of uniting the three Islamic banks will be a milestone for all parties. With this merger, Erick said, Indonesia will have the largest Islamic bank that can provide a fair financial system for the people (Sundari, 2017, p. 53). Furthermore, related to the merger, several CNBC Indonesia news outlets quoted that "This BUMN sharia bank merger policy is expected to increase business scale, as well as increase competitiveness. In terms of assets, if these three banks are combined, it will reach Rp 214 trillion and will be included in the BUKU III bank group. This bank will reach assets of IDR 214 trillion, the collaboration of these 3 banks will allow the merged bank to improve services, it is very large, with a market potential for the Muslim population, this bank is large and efficient (Sidik, 2020)."

According to Alif Ulfa in his journal entitled *Impact of the Merger of Three Islamic Banks in Indonesia*. The bank resulting from this merger is called Bank Syariah Indonesia (BSI). This Islamic bank is an effort by the Ministry of State-Owned Enterprises (BUMN) to combine PT Bank BRI Syariah Tbk (BRIS), PT Bank Syariah Mandiri (BSM) and PT Bank BNI Syariah (BNIS) to attract public attention in recent months. How not, the merger (merger) of Himbara's sharia bank named Bank Syariah Indonesia (BSI) is predicted to have total assets of Rp. 214.6 trillion with a core capital of more than Rp. 20.4 trillion. Thus, the merged bank will be included in the Top 10 largest banks in Indonesia in terms of assets and the Top 10 largest Islamic banks in the world in terms of market capitalization (Ulfa, 2021, p. 1103).

Looking at the map of world Islamic banking, the top 5 positions in the world's Islamic banking are dominated by banks from the Middle East, with one bank from Malaysia. Apart from the amount of assets owned by these banks, the five banks that have become champions in the world Islamic banking map have something in common, where the five banks both have good growth in financing and third party funds (DPK) every year, strong capital with profitability that supports these banks to grow, and a good level of efficiency and asset quality. So that these banks are not only the largest banks in the industry, but also into the ranks of the strongest Islamic banks in the world according to the Asian Banker. To become a global player, PT Bank Syariah Indonesia, which was officially proposed as the name of the bank resulting

from the merger in the Amendment to the Summary of the Merger Plan issued on December 11, 2020, must make careful planning (Z. Hasan, 2019, p. 131).

At the very least, the management of Bank Syariah Indonesia must set a high target to become a global player. The first year is very crucial, where consolidation must continue to be carried out to ensure the integration can run smoothly while maintaining the growth and quality of assets, financing, deposits, and capital. In the midst of this process, the transformation to strengthen organizational capacity in welcoming new business fields, which includes transactional, corporate, institutional and international banking, needs to be continued by continuing to explore opportunities for cooperation in the era of digitalization and innovation of banking products (Indrastomo, 2020).

Apart from the positive trend related to the merger of Bank Syariah Indonesia, there are also those who question that the merger of the three banks is not appropriate in the current situation. Various opinions have emerged, some say that the merger is still not right, but there are also those who really hope that this policy will bring new nuances to the Islamic banking revolution in Indonesia. Critical opinions about the merger of these three banks come from the academic community, namely the Chancellor of the Islamic University Indonesian nationality (UNIKI) Bireuen, Prof. Dr. Apridar quoted from online korfan diaklasis.com. Apridar gave an assessment that the merger policy of the three banks is still not right. But he couldn't give more arguments because the merger was already underway (Gayo, 2021).

His view is that at the time of Islamic banks their development was skyrocketing. But when they were skyrocketing, they did a merger. Islamic economy is "increasing return to scale" or is climbing up. So, if the three Islamic banks are combined, it is the same as turning off market share opportunities. According to him, "The policy is wrong, because the market share opportunities that are being worked on by each of these Islamic banks have been combined so that the market opportunities are getting smaller".

He considered the merger of the three banks in terms of marketing to be detrimental. This step was taken as if he did not want the development of a qualified Islamic bank, the better. The merger of Islamic banks into one bank, namely BSI raises two sides of possibility. The first may fail and the second may develop. Even if it develops, he said, only one

Islamic bank (BSI) has developed compared to dozens of other conventional banks. If they are not merged, there is a chance that the merged Islamic bank will enliven the banks other than conventional banks. From an economic point of view, it has been cut down by policies that are not profitable for Islamic banking in general. However, since the merger had already taken place, he couldn't argue more. According to him, the people behind the policy makers seem not to want to develop Islamic banks..

"People whose background is not from a background who fully understands or cares about Islamic banks. But they are from conventional banks or usurious banks. Meanwhile, if the purpose of establishing BSI by merging the three banks is to restore Islamic banks So, said Prof. Apridar, it is enough to add capital to Islamic banks, not by combining them. "If you only combine, everyone can do it. But it's not a solution and it's not a good thing but rather an intervention to reduce the movement of Islamic banks," (Gayo, 2021)

Departing from the phenomenon of the merger of state-owned Islamic banks regardless of the pros and cons, which is a major revolution of Islamic banks in Indonesia which became Bank Syariah Indonesia. The Islamic Banking Revolution is a fairly basic change in a field of Islamic financial institutions that unites the 3 largest Islamic banks in Indonesia, namely Bank Mandiri Syariah, Bank BRI Syariah and Bank BNI Syariah which merge or merge into one called Bank Syariah Indonesia.

This is certainly very interesting to study, especially the merger of a company is one of the management strategies that have been planned by the Indonesian Islamic Bank. Of course, it is very important to know more specifically about the business strategies that have been planned by the management of Bank Syariah Indonesia to achieve the goals to be achieved by Bank Syariah Indonesia in terms of historical approaches and other approaches. In addition, it is equally important to look at the community aspect, related to the views of the Indonesian people in responding to the phenomenon of the Islamic banking revolution in the form of the Indonesian Sharia Bank merger. So it is hoped that the Indonesian Islamic Bank revolution will become the foundation and hope of the Indonesian people in the future in bringing a more just national economic

system to all parties. It is hoped that this merger can create a modern, innovative, digital-based, global-scale Islamic bank so that it is hoped to provide wider and greater benefits to more stakeholders, especially feed back to the Indonesian people.

Uniquely, before the merger in the central Indonesia region, especially many non-Muslims, they had rejected the presence of Islamic banks in the region. This area is an area of the Province of Bali, this was reported by the online daily newspaper Republika, which stated that a group of people in the name of a certain religion in Bali demanded that Bank Indonesia representatives in Bali carry out a moratorium on opening Islamic banks in the area, which is predominantly Hindu-Buddhist. Hijab and Islamic banking are considered by the group as something that is contrary to the culture, religion and interests of Balinese society as a whole.

The same thing was conveyed by Shri I Gusti Ngurah Arya Wedakarna Mahendradatta Wedasteraputra Suyasa, a DPD Member from Bali who said that there should be a moratorium on Islamic banks in Bali. Further statement by Shri I Gusti:

I am not anti-Islamic economy, because in reality, sharia economy is good for society. My educational background is also in economics. So, I understand that. Islamic economics is good because there is an element of humanity. What I reject is the establishment of too many Islamic banks in Bali. So, I propose that there is a moratorium on Islamic banks in Bali. But, if it's already in operation, let it be. What I don't want is for conventional banks to enter Bali with a sharia label. If the original is sharia, like Bank Muamalat, that's okay. After all, they have been developing a sharia economy for a long time. (Operator Republika, 2014)

Furthermore, this DPD Bali member said that: *Bali already has a brand, namely Temple Island or the Island of a Thousand Temples and the Island of the Gods. Why should we bring new branding that doesn't come from Bali? Bali is a tourism area. If introduced to sharia terms, then tourists will see it and will ask about it. I suspect that behind the sharia branding that was brought to Bali, there is a certain desire from certain parties from the actors, not the system. Although this is not a fact, I suspect that these individuals have the same views as the terrorists who bombed*

Bali. They think that Bali is an infidel country. They carry and use the term sharia to set themselves apart. That I don't want it. Don't have a hidden agenda. Therefore, as an elected senator from Bali, I have been mandated to revive BPRs and LPDs, and seven districts in Bali have agreed to reject the entry of Islamic banks. Do not enter as happened in Denpasar and Badung Regency. LPD is not a Hindu institution, let's use it. I don't want Islamic banks to be used as propaganda tools for certain religions.

Of course, this issue disturbs the life of religious tolerance and our national economic interests. The history of Indonesia records the tension relationship between religion and the state in Indonesia's metamorphosis into a modern state. This tension relationship is caused by an attempt to collide between the two. The state needs religion in managing the lives of its people, especially related to the formation of life orientation, values, ethics, and morality of its people. The historian Toinbee argues that religion is the main driving factor in the progress and glory of a civilization. No civilization in this world has ever existed and prospered without being associated with a particular religion. Vice versa, religion requires the state in the implementation of values and teachings that are universal. Some of the religious teachings require regulation through state instruments. The state is needed to achieve the noble goals of a religion. In the context of sharia (Islamic) economics, which in fact was born from Islamic teachings, for example, placing the state as an important instrument in economic activities apart from the household and market sectors. The state must give freedom to economic actors and at the same time ensure fairness in the management of economic resources.

In its development, Islamic banks have been found in all regions of Indonesia. No exception in areas where the majority of the population is non-Muslim, there are already Islamic banks, for example in Denpasar City. Denpasar City has 4 sub-districts, namely West Denpasar, East Denpasar, South Denpasar and North Denpasar. The study was conducted in West Denpasar District with a population density of 11.37 thousand per km², the densest among other sub-districts with a large number of non-Muslim residents, namely 203,451 people (BPS, 2020). In West Denpasar District there are 4

units of Islamic banks, namely Bank Sayarih Indonesia (Ex BRI Syariah, Ex Mandiri Syariah), Bank Muamalat, Danamon Syariah. The number of Islamic banks in West Denpasar District is the largest number of Islamic banks among other districts.

The presence of Islamic banks in Denpasar District initially experienced difficulties in introducing Islamic banking due to the lack of public knowledge of Islamic banks coupled with an understanding of fanaticism that is still thick in the community. This understanding of fanaticism towards Islamic banks as a market for Muslims only and as a closed market for non-Muslims. In fact, if viewed from the nature of Islamic banks have a universal nature. In addition, Islamic banks are also seen as cynical by some circles, this is because the capitalist economy that is ingrained in society causes Islamic banking to not get enough attention. (Kurnia & Tripalupi, 2021, p. 419)

Therefore, it is no longer relevant to carry out a movement to reject the presence of Islamic banks only on narrow and ideological grounds. When Islamic banking becomes a legal practice and does not violate the constitution, it will no longer be an exclusive system that can only be enjoyed by Muslims, but also by all Indonesian citizens regardless of their religion. In fact, survey data shows that many Islamic bank customers come from non-Muslims. Likewise, the issuance of State Sharia Securities (SBSN) was purchased by non-Muslim investors. The development of the sharia economy in the country is not only dominated by banking, but also sharia insurance, sharia microfinance institutions, waqf, zakat, sukuk, capital markets, and other sharia financial institutions. This diversity of Islamic financial institutions and products will ultimately benefit the Indonesian nation as a whole. This reinforces that the Islamic financial system is universally beneficial for all mankind. The Islamic economic system can work even in a non-Muslim society. (Operator, 2014) The universal nature of Islamic banks for all people, it is necessary to expand to non-Muslim communities in order to maintain the sustainability and existence of Islamic banks.

This new breakthrough regarding the merger of state-owned banks is expected to be a breath of fresh air for all circles, especially non-Muslims to be more receptive to Islamic banking. It is certainly hoped that all Indonesian citizens regardless of their religion can

accept Islamic banking as an economic system in Indonesia.

Referring to the background above, it is an economic study that needs to be researched, both from ideas, strategic management, and the views of the Indonesian people, especially in the province of Bali. The journey of Islamic banking in Indonesia, especially BUMN Sharia Banks which later evolved into Indonesian Sharia Banks which are colored by various kinds of national economic policies, is certainly very interesting to research and study, because these studies are still rare and rare so that the authors as researchers feel interested in researching this is through a business strategy management approach that examines aspects of ideas, planning and future strategies that will be carried out by Bank Syariah Indonesia. In addition, it is also about the diverse perceptions of the Indonesian people regarding this matter. So moving on from this, the researchers tried to examine this phenomenon with the title "The Existence of Bank Syariah Indonesia Post Merger in Denpasar City".

2. RESEARCH METHODS

The research method used in this paper is descriptive qualitative where the data collection techniques used are in-depth interviews and various relevant literature studies. Qualitative descriptive research method is a method used to find a knowledge of research at a certain time (Sugiyono, 2017). In determining the informants, the researcher used a purposive sampling technique. Purposive sampling is a sampling in which the selection of elements to become members of the sample is based on certain considerations, usually very subjective. This technique will produce a good forecast value if it is carried out by people who are experienced or very well versed in their field (Jonaedi Efendi, 2018). The subjects consisted of employees of the Indonesian Islamic Bank in the city of Denpasar and the people in the city of Denpasar. The time used for this research was carried out during 2022.

The data collection technique in this study used descriptive techniques to find out an explanation of data collection in order to provide an overview and analysis of the existence of the Indonesian Islamic Bank after the merger in the city of Denpasar. This data collection was obtained through observation where the authors recorded during and after the observation process related to important phenomena

that existed in accordance with the context and research subjects who would later answer research questions. Interviews were also used in this study to collect data where interviews were conducted with employees of Bank Syariah Indonesia in the city of Denpasar and the community in the city of Denpasar which aims to provide an overview of the existence of Bank Syariah Indonesia and the perception of the community after the merger in the city of Denpasar. Literature studies are also used to develop knowledge, provide evidence of effects and generate certain ideas that support the research focus. Furthermore, the data is analyzed through the stages of data collection, data reduction, data presentation, and conclusions. (Sugiyono, 2017)

LITERATURE REVIEW

Revolution Theory

Revolution is a form of social and cultural change that occurs rapidly, involving the nature of people's lives. In a revolution, change can be planned or unplanned, and can be carried out non-violently or through violence (Baharuddin, 2015). It may also take a long time to measure the actual change in relative velocity due to rotation. For example, the Industrial Revolution in England lasted decades, but was considered "fast" because it could change basic life systems that had lasted hundreds of years, such as society and the relationship between workers and employers (Villadsen, 2011).

There are several types of revolution, namely: Rapid Change Revolution (Revolution), Small Change Revolution, Big Change Revolution, Desired Change Revolution, Unwanted Change Revolution, Structural Change Revolution, Process Change Revolution (Silalahi, 2010, p. 63).

Institutional Theory

Institutional Theory (Institutional Theory) or institutional theory, namely the formation of organizations due to institutional environmental pressures that lead to institutionalization. The thinking underlying this theory is the idea that in order to survive, an organization must be able to convince the public or the public that the organization is a legitimate entity and deserves to be supported. Institutional Theory proposed by Scott (2008) explains that this theory is used to explain actions and decision making in public organizations (Scott, 2008).

Institutional theory has emerged to be famous as a reinforcing explanation, both for individual and organizational actions caused by exogenous factors, external factors, social factors, community expectations factors, and environmental factors. This institutional theory defines that organizations that prioritize legitimacy will have a tendency to try to conform to external expectations or social expectations where the organization is located. Adjustment to external expectations or social expectations can lead to a tendency for organizations to separate their personal activities and focus on systems that are symbolic of external parties. Public organizations that tend to focus on gaining legitimacy may have similarities or isomorphism with other public organizations. The perspective put forward by Ridha and Basuki (2012) states that institutional formations that are isomorphism appear (Villadsen, 2011).

Existence Theory

Existence does not only mean "to exist" or "to be" like "there" or "to be" of other things, but existence as a special meaning only for humans, namely being specifically humans. Humans who in their existence are aware of themselves being, being in the world and facing the world, as subjects who face objects, united with the surrounding reality.

Meanwhile, according to the Big Indonesian Dictionary, existence is existence, presence, which contains the element of endurance. Meanwhile, in the Lorens philosophical dictionary, existence comes from the Latin *Existere*, which is composed of *ex* which means to come out and *sistere* which means to appear or appear (Yanti, 2015, p. 40). There are several notions of existence which are explained in four terms. First, existence is what is. Second, existence is what has actuality. Third, existence is everything that is experienced and emphasizes that something exists. Fourth, existence is perfection. Rollo May said, existentialism emphasizes existence rather than essence. This shows that there is no truth or reality, unless we participate in it (Irwansyah, 2016, p. 26).

Existence is also stated by Abidin Zaenal as a dynamic process, something, becomes or exists. This is in accordance with the origin of the word existence itself, namely *existere*, which means to come out of, surpass or overcome. So existence is not rigid and stopped, but flexible or supple and undergoes development or vice versa, depending on the ability to

actualize its potentials. Existence is always historical and towards the future. (Bakker, 2018, p. 149) Philip and Duncan argued in management how to maintain a company can be done through marketing. Marketing is something that consists of all the steps used to place the goods sold into the hands of buyers or consumers. From this understanding that Philip and Duncan said that maintaining an existence can be done at all costs (Yanti, 2015, p. 43).

Perception Theory

According to the general Indonesian dictionary, perception is a response, direct acceptance of an absorption, or is the process of a person knowing things through his five senses. Perception is something that affects attitudes, and attitudes will determine behavior. In other words, it can be concluded that perception will affect a person's behavior or behavior is a mirror of his perception. Feming and Levie in Bambang stated that perception is a complex process that causes people to receive or summarize information obtained from their environment. Perception is defined as a direct response (receipt) of something or is the process of a person knowing things through his five senses. According to Gibson et al., perception is a mental and cognitive process that allows individuals to interpret and understand information about the environment, either through sight, hearing, appreciation, feeling and smell (Hermanto & Syahril, 2020, p. 78).

3. RESULTS AND DISCUSSION

The Existence of Bank Syariah Indonesia in Denpasar City

At this time Islamic banks in Indonesia have arrived at a new era that is very different from the previous times. Challenges as well as opportunities for Bank Syariah Indonesia after this merger took place to be able to provide digital-based services and meet the social needs of the community so that they can play a role in building market share growth. The public will feel the influence of rapid technological advances and digitalization on the development and growth of Islamic banking that has merged. BSI opens an online account via BSI Mobile. With the existence of BSI Mobile, it will make it easier for users to fulfill their daily needs. BSI Mobile is very unique because it has Islamic features such as Zakat, Infaq, Alms, and Waqf (ZISWAF) payment features. So during this pandemic situation, digital services such as BSI Mobile are

really needed by the community to be more effective in conducting transactions or giving charity. BSI is already included in the ranks of the world's best banks, with the inclusion of BSI in the world's best ranks, it is hoped that Bank Syariah Indonesia can advance the Islamic economy in order to prosper the people and can help restore the Indonesian economy amidst the Covid-19 pandemic.

This is in accordance with the theory of existence that as a dynamic process, something becomes or exists. This is in accordance with the origin of the word existence itself, namely *existere*, which means to come out of, surpass or overcome. So existence is not rigid and stagnant, but flexible or supple and undergoes development or vice versa, depending on the ability to actualize its potentials. Existence is always historical and towards the future. This is evidenced by the merger of 3 state-owned Islamic banks into Bank Syariah Indonesia, the existence of which is not rigid and stalled, but flexible or supple and undergoes development or vice versa, depending on the ability to actualize its potentials.

The existence of Islamic banks in Indonesia has been moving individually before the merger and after the merger, the impact of the merger operating in the sharia sector can increase the market share of Islamic banks in the banking industry. The total assets initially consisted of each Islamic Bank BSI ex BNIS assets of 19.30%, TPF 21.76%, profit 16.05%. BSI ex BSM assets 13.99%, TPF 13.61%, profit 22.66%. BSI ex BRIS assets 33.84%, DPK 44.61%, profit 238%. As a result, after the merger, there was a change in which assets dominated 61.82%, total deposits collected 66.35% and total profit was 34.29%. The purpose of the merger of Islamic Banks is so that market share can grow significantly, even though market share has so far achieved positive growth in the banking industry. So the impact of this merger is an appropriate form of innovation such as preparing three strategies to maintain business growth. First, to carry out a healthy and sustainable expansion, which is meant to carry out a goal of this strategy in an event with a broad mind. Second, carrying out efficiency management in question is to set a strategy with a good total process. Third, accelerating digital capacity in question is accelerating the strategy in improving facilities. The three strategies are to increase the market share growth of BUMN Islamic Banks.

Furthermore, when the researchers continued their research in the Province of Bali or the city of

Denpasar regarding the existence of Bank Syariah Indonesia after the merger and also during the COVID-19 pandemic, there were many interesting things to discuss, namely: As the results of an interview with BOSM (Branch Operational Sales Manager) BSI KC Denpasar By Ms. RRN's Pass explains that:

Bank Syariah Indonesia after the merger experienced a very significant increase, even though in the midst of a pandemic we were still able to survive. In the midst of the onslaught of entrepreneurs or customers whose average income is decreasing, we still exist and survive even though it is not too big. Even in Bali itself the growth rate, both in terms of assets, deposits or customers, grows 15-20% per period, financing continues to grow $\pm 5\%$, inversely proportional to the neighboring neighbor in NTB, in fact there is a decline in which the majority are Muslims. Even though we are a minority, we can still survive, because of many factors.

The factors that keep us in existence are: we implemented the government's proposal for credit relaxation to reduce bad loans, then became active in community activities, especially during this pandemic by sharing and also carrying out mass vaccination activities. And most importantly in the field of marketing, we are targeting potential customers, especially those who are immune to the effects of the pandemic."

In terms of customers, the average customer for Bank Syariah Indonesia, both financing customers and savings customers, is $\pm 60\%$, which are non-Muslim customers. Non-Muslim customers both from Hinduism, Christianity and others, $\pm 40\%$ are new Muslims. Because we are all out for all Denpasar people, regardless of their religion..

This indicates that the existence of Bank Syariah Indonesia in Bali Province or precisely in Denpasar City, is still able to survive because of their strategy which covers several aspects. This is also related to the theory of existence, according to Philip and Duncan, in management how to maintain a company can be done through marketing. Marketing is something that consists of all the steps used to place the goods sold into the hands of buyers or consumers. From the understanding said by Philip and Duncan

that maintaining an existence can be done at all costs. The following are the steps taken by Bank Syariah Indonesia in order to exist and survive during the pandemic:

a. Financing Relaxation to Reduce Bad Loans After Mergers During a Pandemic

For handling problematic financing during the merger which was accompanied by the pandemic period, Bank Syariah Indonesia adjusted to government regulations related to financing relaxation. This is in accordance with OJK regulations related to handling the effects of corona or Covid 19, to contain the further effects of the corona virus (Covid-19) pandemic. The Financial Services Authority (OJK) has released five new rules for the financial industry and capital market. The OJK regulation or POJK is an implementing regulation of Perppu No 1/2020 concerning State Financial Policy and Financial System Stability for Handling Covid-19 which was ratified by President Joko Widodo (Jokowi) March 31, 2020 (Puspaningtyas, 2020).

Policies for handling financing affected by COVID-19 through rule Number 11 /poj.03/2020 concerning National Economic Stimulus as a countercyclical policy (Stimulus Perekonomian Nasional Sebagai Kebijakan Countercyclical Dampak Penyebaran Coronavirus Disease 2019, Pasal 1 Dan 2, 2020) The impact of covid-19, which is commonly referred to by the government as relaxation or economic stimulus, is actually part of the implementation of the ta'awun principle by the government as the hisbah board which also has the responsibility to help maintain financial stability in Islamic banking as a Sharia financial institution and customers affected by COVID-19. 19, including in the city of Denpasar.

Bank Syariah Indonesia (BSI) Denpasar Area has relaxed its customers from 2020 to 2021. The first relaxation was carried out in 2020 with a period of 1 year. Likewise in 2021 relaxation 2 with a period of 1 year. According to the Micro and Pawning Area of Bank Syariah Indonesia (BSI) Denpasar Area, Sungkono revealed:

"We (BSI) have provided 2 times relaxation to customers affected by Covid-19," "Many customers have been given relaxation. First in 2020 and for this year too, there are indeed some customers who take it and there are

also some customers who don't. take a relaxation program. "Approximately 30% of customers who take from approximately 5,500 BSI customers in Denpasar in particular." (TIM, 2022)

Under current conditions, his party hopes that the quota for People's Business Credit (KUR) to BSI as one of the KUR channeling banks is increased. Because, BSI has obeyed the government's instructions regarding relaxation during this covid pandemic. Regarding the distribution of KUR, BSI continues to carry out Government policies as stated in the Coordinating Ministry for the Economy, as Chair of the Policy Committee for Micro, Small and Medium Enterprises Number 8 of 2019, regarding the guidelines for the implementation of KUR and its changes. In this regard, BSI is one of the KUR distributors, which supports MSMEs in order to increase the financing of BSI's KUR products. According to him, at BSI itself, there are 2 products offered, starting from Micro-business which has two products, the first is Micro-business and BSI KUR.

For the Micro KUR, three products are offered based on different financing limits. "There is a Super Micro KUR with a maximum loan of Rp. 10 million, then there is a Micro KUR of Rp. 10 to Rp. 50 million, while for Small KUR of Rp. 50 million to Rp. 500 million it is financed. Until now, KUR has been disbursed to the community, especially in the working area of Denpasar City from the first semester in 2021 will reach Rp132.68 billion. If you look at the distribution, it continues to increase every month. "For 6 months from the first month to the sixth month that amount (Rp132 billion-ed). From the beginning the total KUR financing disbursed was Rp 6 billion, then it continued to increase,".

The types of businesses that have been financed can be said to be very varied, ranging from trade, livestock, agriculture, fisheries and plantations. Of the several types of business, trade has been financed the most.

"If you look at the total number of customers who have been financed from KUR for 6 months in 2021, while the total is 31,451 customers. Meanwhile, the temporary total of non-KUR customers to date are 38 thousand

customers. So it can be said that despite the pandemic, the demand for KUR is increasing."

Seeing these conditions, BSI Denpasar will intensify the KUR distribution program in the future, starting by maximizing promotions by conducting webinars involving business groups, for example. In the webinar, presentations are made of what products they already have. For business actors who have received the KUR funds, at least they can manage the KUR funds properly. Thus, of course, the distribution of installments to BSI will be smoother. At least business actors can maximize the financing that has been received by customers so that the business will continue to move and profits will certainly be maximized.

b. **Actively sharing in Community Activities during the Pandemic Masa**

Even though the number of Covid-19 sufferers continues to decline, business actors' concern for handling the Covid-19 pandemic is still needed considering that there is no certainty when this virus will end. Therefore, maintaining health protocols and accelerating vaccination is one way to suppress the spread of the virus. In addition, working hand in hand to ease the burden on people affected by the pandemic must continue to be encouraged.

This is what PT Bank Syariah Indonesia Tbk has done by continuing to provide assistance to affected communities. Where the company realizes that running a business is not only looking for profit, but also sharing. Departing from concern and corporate social responsibility. One of the published activities, Bank Syariah Indonesia Tbk (BSI) Denpasar Area held a mass vaccination for employees, customers and the general public in Denpasar and surrounding areas. This vaccination activity is carried out with the aim of forming herd immunity and to reduce the spread of Covid-1

BSI invites the entire community to donate through the purchase of isoman packages for residents affected by the pandemic through the Jadiberkah.id platform owned by BSI. On this platform, people can give alms with any nominal and anywhere. As a form of the company's commitment to others, during the first semester of

2021, the total distribution of CSR funds reached Rp27.73 billion which was distributed in various humanitarian aids for COVID, construction of places of worship, 7600 food packages, development of Indonesian Prosperous Empowered Villages, and business capital assistance.

This activity is a form of commitment and support for Bank Syariah Indonesia Tbk (BSI) to the Government to reduce the rate of transmission of Covid-19. We know that the new variant of Omicron Covid-19 has recently resulted in a significant increase in cases in several regions in Indonesia. With the booster vaccination, it is hoped that there will be an increase in body resistance so that it can protect the community from several variants of the Covid-19 virus that is developing, including Omicron.

Area Manager of Bank Syariah Indonesia (BSI) Denpasar Sukma Dwie Priardi said that for the success of this vaccination event, Bank Syariah Indonesia Tbk (BSI) Denpasar Area cooperated with the Bali Province Bank Indonesia Representative Office, BMPD, and Military Resort Command (Korem) 163/Wirasatya. Booster Vaccination Activities, Bank Syariah Indonesia (BSI) at Korem 163/Wirasatya.

On this occasion, Sukma Dwie Priardi, expressed his gratitude to various parties who have supported the success of this activity. "I hope this vaccination activity can break the chain of the spread of Covid-19," he concluded.

"We will 'geber' and 'gaspol', as an effort to help the government and accelerate the implementation of this booster vaccination," said Sukma. According to him, the implementation of the booster vaccination carried out by BSI, the Bali Province Representative Office of Bank Indonesia, the Military Resort Command (Korem) 163/Wirasatya and the Regional Banking Consultative Body (BMPD) of Bali Province, is one of the efforts to support Bali's economic recovery which has been going on for two years. consecutive years of contraction.

Sukma Dwie Priardi also added that BSI will continue to support the acceleration of vaccination because it realizes that this is a key factor in

creating herd immunity and a key factor for economic revival and recovery in the future.(TIVI Bali.com, 2022)

Meanwhile, Branch Manager of KCP Kuta, Angga Wahyuda who was appointed as the person in charge of implementing the vaccine activity, hoped that this vaccination could minimize and prevent the spread of the Covid-19 virus. "We also urge employees and their families and the general public who have participated in vaccinations to maintain health protocols in an orderly manner. Bank Syariah Indonesia always invites all elements of society to make the Covid-19 booster vaccination a success, in addition to continuing to be vigilant against the spread of the Covid-19 virus, especially the Omicron variant, by continuing to apply strict health protocol discipline.

c. Indonesian Sharia Bank Business Strategy After the Merger of Denpasar City in the Pandemic Period

The business strategy implemented by Bank Syariah Indonesia Denpasar Branch during the Covid-19 Pandemic was based on the results of interviews from one of the Business divisions. Under current conditions, financing products are quite affected, where many customers who have received financing facilities are affected, making it difficult to fulfill their obligations to banks. This makes the income from banks also experience a decline. The policies implemented by the bank in order to carry out the bank's business properly, by following the instructions and POJK regarding stimulants for parties affected by COVID-19 get relief in fulfilling their obligations to the bank.

In order for the business to continue to run well, the bank will continue to improve and offer attractive products to the public so that they continue to use sharia banking services. Being selective in fulfilling the wishes of customers who apply for financing, considering the economic conditions are not as usual, it must be ensured that those who apply for financing can actually provide benefits and the rate of return is better measured. There are still many who apply for financing, it's just that banks make a selection for each proposed financing, whether it is feasible or not considering the current conditions are different from normal conditions.

It must be ensured that the business element and its ability to fulfill its obligations should not be wrong in assessing the distribution of financing which results in a slowdown in fulfilling its obligations. This business strategy will be very much needed in times like today, in addition to still considering revenue generation, but not originating in providing financing, being selective and thorough in every application obtained. In terms of office services, basically there is no change or a high enough influence, it's just that there are provisions made so that services can continue to run well in the office, especially in the application of health protocols. Several provisions in the application of health during the pandemic are carried out so that the service remains comfortable for customers. Every employee present at the office must wear a mask, take body temperature, and prepare hand sanitizer to ensure that everyone present can feel safe and cut the chain of transmission of the corona virus.

Employees are required to wear masks and in certain sections are given a barrier so that there is no direct contact between customers and employees. Social distancing is also implemented so that there are no close gatherings that can result in the transmission of the corona virus. Basically, office services continue to run as usual, nothing has changed in general, it's just the implementation of health protocol provisions in order to keep everyone who visits the office and customers feel safe when they come to the office. Maximum service, employees continue to provide the best service and serve customers well. With the implementation of the health protocol provisions, it is hoped that business can continue to increase and it will not affect the wishes of customers who want to come to the office because of fear. But still feel safe to meet their needs in the office. The next business strategy is to improve digital-based Islamic banking services, with several facilities already owned by Bank Syariah Indonesia to support customer transactions by utilizing digital technology that can be accessed at any time via the internet network. ATM facilities are always maintained so that customers can withdraw their funds or use other facilities without having to come to the office, but through ATM services that are available in several places. ATMs are now able to deposit cash, which makes it easier

for customers not only to transact using BSI ATMs, they can also withdraw cash and check balances at conventional Bank Mandiri ATMs for free.

Then the mobile banking facilities that have been owned by Bank Syariah Indonesia with more complete features can be utilized properly by customers to meet their financial transaction needs. Access to mobile banking 24 hours, making it easier for customers for every transaction they want. Complete features can meet customer needs with easier and cheaper access, without having to leave the customer's house, customers can perform banking services with adequate internet network capital. With the slogan BSI Mobile Ease of transacting, worshipping and sharing in the palm of your hand. Solutions for your convenience in transacting, worshipping and sharing through various features in one application. BSI Mobile accompanies you 24 hours and makes things more balanced financially, spiritually and socially.

Even the BSI Mobile Application belonging to PT Bank Syariah Indonesia Tbk. (BSI) was named the best mobile banking for the category of Islamic commercial banks. The award given by the 2022 Infobank Digital Brand Awards is an appreciation for BSI's hard work in developing the digital-based Islamic banking industry in Indonesia.

Digital banking facilities will continue to be improved by Bank Syariah Indonesia so that customers can feel and use them well, so that there is no need for many face-to-face transactions. Opening a new account or additional accounts can also be done by opening an online account without the need to meet face to face. Furthermore, the cash management system owned by the bank will greatly assist the fulfillment of every customer transaction. In the midst of a pandemic like today, technology-based services are a must that must be provided by banks, so that customers can make transactions easily. By preparing and providing digital facilities, the business segment will also develop. Customers who feel good and complete facilities will make it their choice in placing their funds. If customer funds continue to grow, the volume of financing distribution can also be increased so that profits can also be increased. Digital technology facilities and services are

unavoidable for now in developing the Islamic banking business. This includes maintaining business competition between banks, which compete with each other in improving services.

PT Bank Syariah Indonesia Tbk or (BSI) recorded a solid performance in the third quarter of 2021 by posting a net profit of Rp2.26 trillion, up 37.01% year on year (YoY), in line with the strategy of the largest Islamic bank in the country which focus on digitizing products and services after the merger last February 1st.(Berita Media BSI, 2021) President Director of BSI Hery Gunardi said that BSI's strategy of focusing on digitalization, both digitizing products and services to all its customers after the merger of three state-owned Islamic banks last February 1, has been able to drive net profit growth in the third quarter of this year. BSI is also committed to continuing to innovate in financial services, including digital banking in the future, thereby increasing the convenience and ease of transactions for all customers and can meet the needs of the people.

"Digital acceleration is one of BSI's focuses in boosting business. This is reflected in the cumulative transactions of BSI Mobile which reached 74.24 million transactions or grew by 133% yoy. Another thing is also shown by the increase in transactions through e-channels in September 2021 which reached 162.40 million transactions or 95% of transactions at BSI have used e-Channels. While the remaining 5% still use the service at the teller, "

Furthermore, from the marketing sector for financing, Bank Syariah Indonesia in Denpasar City targets potential customers who are immune to the effects of the pandemic, namely by doing various ways, namely:

Targeting customers for prioritized financing who have a steady or stable income in their income, not too affected by COVID-19. This is also on instructions from the central leadership. The current COVID-19 condition, he admitted, in the assessment process, prospective debtors are more careful, because they do not have problems in the future, especially regarding the ability to repay. "Almost all segments affected by COVID-19 do not recognize caste. For formal workers

who are outside the previous scenario, such as tourism, are quite hit and need to accept restructuring.

This is a policy carried out by the banking sector to be more selective in accepting prospective housing finance debtors in Islamic banking in the city of Denpasar. The prospective debtors who are in accordance with economic conditions during the COVID-19 pandemic are those who have a steady income and are not too affected by COVID-19 such as Civil Servants, Private Employees, or Entrepreneurs/Entrepreneurs who have income from businesses that still exist and survive in the future. covid-19 pandemic.

Furthermore, from the productive side, Bank Syariah Indonesia (BSI) Denpasar is targeting KUR customers for MSMEs engaged in basic necessities (necessities of life). KUR financing also grew positively. Bali, which is currently slumped because tourism as a leading sector can no longer be expected due to the Covid-19 pandemic. As a result, local government policies began to boost other sectors such as agriculture, animal husbandry, fisheries and so on.

BSI Denpasar saw the opportunity. During the pandemic, MSMEs need funds to survive. MSMEs that need funds at the same time that are able to survive and even exist are businesses in the fields of agriculture and animal husbandry because these two types of businesses are closely related to the needs of people's lives.

"We have customers, most of whom are businessmen who sell basic necessities (sembako). That's why we will give a larger portion of financing to MSMEs in the unit," said Sungkono as the Micro and Pawning Segment Manager of BSI Denpasar Area.

Apart from agriculture (groceries), continued Sungkono, livestock and fisheries are also prospective. Chicken, eggs, fish and meat are part of fulfilling basic needs other than basic necessities that never decrease. That is why many MSMEs apply for credit for the agricultural and livestock sectors in addition to others. Although agriculture, animal husbandry and fisheries are quite promising, it does not mean that SMEs operating outside of it are not potential. And we are grateful that despite the pandemic and the

slumping economy, financing growth for KUR continues to increase," continued Sungkono, who has only been in charge of BSI Denpasar for 1.5 years.

Total KUR customers until June 2021 are 5,500 people, 60% are MSMEs in the agricultural and livestock sectors, while the total KUR financing for MSMEs that have been distributed in the first semester of 2021, amounted to Rp 132.86 billion. The MSME KUR financing amounted to Rp 132.86 billion or around Rp 22 billion per month, higher than the same period last year which only reached around Rp 7 billion per month. The financing for outstanding micro, namely KUR and Non KUR, amounted to Rp. 572.75 billion. The total financing for KUR until June 2021 is IDR 253.05 billion and IDR 132.86 billion has been distributed. For Non KUR Rp 319.70 billion.(Palgunadi, 2022)

Making it easy for MSMEs to get financing through KUR is BSI's commitment to support MSMEs and government policies. "As Islamic banking, we are very supportive and committed to providing KUR financing assistance for MSMEs. Regarding the loan repayment rate, Sungkono said that in Denpasar it was quite high. Non-performing loans are not more than 0.9%. This proves that there is still an opportunity for BSI to continue to increase the amount of KUR financing.

"We are targeting an increase in the number of customers by the end of 2021 as many as 6,000 - 7,000 people. We are optimistic that this can be achieved through good service, promotion through webinars and various conveniences from the products we offer," explained Sungkono, who has served at BSI for 9 years. But a clear customer must comply with the principle of financing. According to Sungkono, the requirements that must be met by customers to get financing must meet the 5 C's, namely Character, Capacity, Collateral, Capital and Conditional Economy.

5 C is a form of BSI's prudence when it comes to distributing KUR financing. We must know a person's character, capacity (related to installments), collateral (business guarantee), capital (capital) and economic conditions. If all

the requirements have been met, the loan will automatically be realized quickly. We really support MSMEs, especially during this Covid-19 pandemic. Everything needs business capital to exist.

Public Perceptions of Denpasar City on the Existence of Bank Syariah Indonesia Post Merger

Perception is a process that is preceded by the sensing process, namely the process of receiving a stimulus by the individual through the senses, also called the sensory process. However, the process does not just stop, but the stimulus is continued and the next process is the perceptual process. Therefore, the process of perception cannot be separated from the process of sensing, and the process of sensing is a precursor to the process of perception.

According to Hitt (2002), a merger is a strategy in which two companies agree to unite their operations on a relatively balanced basis, because they have the resources and capabilities that together can create a stronger competitive advantage. the target company and only one company survives, namely the larger company while the smaller company merges with the larger company (Hitt et al., 2002).

Meanwhile, Islamic Banking is everything related to Islamic banks and sharia business units, including institutions, business activities, as well as methods and processes in carrying out their business activities. and supports the existence of this bank merger because it makes it easier for them to deal with the bank concerned because the branches are becoming more and more and the reach to the bank is getting closer.

To make it easier to map the perceptions of the people of Denpasar, the researchers focused on the perceptions of the people of Denpasar City about the existence of Bank Syariah Indonesia after the merger. Researchers look at the existence or existence of Bank Syariah Indonesia in the city of Denpasar. Bank Syariah Indonesia is still able to survive because of their strategy that covers several aspects. This is also related to the theory of existence, according to Philip and Duncan, in management how to maintain a company can be done through marketing. Marketing is something that consists of all the steps used to place the goods sold into the hands of buyers or consumers. From the understanding said by Philip and Duncan that maintaining an existence can be done at all costs. The following are the steps taken by Bank Syariah

Indonesia in order to continue to exist and survive during the pandemic.

This is related to the marketing carried out by the Denpasar City Bank BSI by carrying out the 3 strategies above. Related to this, the researchers looked at what aspects BSI gave to the public, namely dividing it into perceptions in terms of product quality and service quality, especially after the merger of Bank Syariah Indonesia.

a. Public Perceptions of Denpasar City on the Quality of Indonesian Islamic Bank Products Post-Merger

The product quality applied by Bank Syariah Indonesia KC Denpasar Bali is good and able to meet consumer needs. There is such an assumption because the interview results show that the product quality at the Indonesian Sharia Bank KC Denpasar Bali, there is an increase in product quality.

In order for the business to continue to run well, the bank will continue to improve and offer attractive products to the public so that they continue to use sharia banking services. There are four types of products and services currently available at Bank Syariah Indonesia, namely for individuals, companies, digital banking and cards. Individuals offer products and services such as savings, Hajj and Umrah savings, financing, investments, transactions, gold, business/entrepreneurs, priority. For companies, BSI offers products and services such as services, financing, savings, cash management, and treasury (foreign exchange transactions). Then digital banking products and services, namely BSI OTO through BSI Mobile, BSI Mobile, BSI Aisyah, Gold Solutions, BSI JadiBerkah.id, BSI ATM CRM, BSI Merchant Bussines, BSI Cardless Withdrawal, BSI QRIS, Open an online account, BSI Net, Mitraguna online, BSI Debit Card, BSI Debit OTP, Mobile Deposit, Griya Hasanah online, E-mas BSI Mobile. The last product and service is a card which has two types of products and services. Financing Cartoon and Debit Card.

Customers want to reuse the products and services provided by the bank if the quality of the products and services provided is in accordance with customer expectations. The quality of the products provided continues to be high so that the loyalty of customers who use products at Bank

Syariah Indonesia KC Denpasar Bali continues to increase. basically product quality ensures how product performance, where basically product quality determines how product performance, so it is very closely related to product user satisfaction which later wants to create consumer loyalty to the products used. And also the theory from Swastha and Handoko where product quality has a direct effect on customer satisfaction, and if this continues it will result in customers staying loyal to buy or use the product and usually stated if customer loyalty has been established.

Product quality affects customer loyalty with product features) provide a variety of products with good quality, because by providing a variety of product options and good quality in each of these products can make customers loyal to the industry. Not only that, the quality of the product is in the form of aesthetics, it can also affect customer loyalty, such as updating or innovating. The use of quality products that have the quality experienced by customers can also affect customer loyalty, because when customers feel the quality of the products/services available, this can create a sense of loyalty to an industry.

b. Public Perceptions of Denpasar City on Service Quality of Bank Syariah Indonesia Post-Merger

Improving service quality will affect and increase customer loyalty, on the contrary, if there is a reduction in service quality, it will affect and reduce customer loyalty. Customers will feel satisfied and become loyal to using banking services if the services provided are satisfactory. This research is also supported by research conducted by Yogi Pratatama & Rastini, which shows that service quality has a positive and significant effect on customer loyalty.

Service quality is the customer's evaluation of the services provided by the banking sector. Service quality affects customer loyalty with service performance such as good waiting room conditions, employee willingness to help customers who need help, employees provide good service as promised, employee friendliness in providing services, and employees who take customer needs seriously.

Basically, office services continue to run as usual, nothing has changed in general, it's just the implementation of health protocol provisions in

order to keep everyone who visits the office and customers feel safe when they come to the office. Maximum service, employees continue to provide the best service and serve customers well. With the implementation of the health protocol provisions, it is hoped that business can continue to increase and it will not affect the wishes of customers who want to come to the office because of fear. But still feel safe to meet their needs in the office. The next business strategy is to improve digital-based Islamic banking services, with several facilities already owned by Bank Syariah Indonesia to support customer transactions by utilizing digital technology that can be accessed at any time via the internet network. ATM facilities are always maintained so that customers can withdraw their funds or use other facilities without having to come to the office, but through ATM services that are available in several places. ATMs are now able to deposit cash, which makes it easier for customers not only to transact using BSI ATMs, they can also make cash withdrawals and check balances at conventional Bank Mandiri ATMs for free.

Then the mobile banking facilities that have been owned by Bank Syariah Indonesia with more complete features can be utilized properly by customers to meet their financial transaction needs. Access to mobile banking 24 hours, making it easier for customers for every transaction they want. Complete features can meet customer needs with easier and cheaper access, without having to leave the customer's house, customers can perform banking services with adequate internet network capital. With the slogan BSI Mobile Ease of transacting, worshipping and sharing in the palm of your hand. Solutions for your convenience in transacting, worshipping and sharing through various features in one application. BSI Mobile accompanies you 24 hours and makes things more balanced financially, spiritually and socially.

This when explained to customers of Bank Syariah Indonesia in the city of Denpasar, revealed that the perception of the people of Denpasar, especially from the aspect of good service in terms of maximum direct service, employees continue to provide the best service and serve customers well. Or online services either from digital services through wea aisyiah

services, BSI call contacts and others. ATM facilities are now able to deposit cash, which makes it easier for customers not only to transact using BSI ATMs, they can also make cash withdrawals and check balances at conventional Bank Mandiri ATMs for free. The sharia branch office which has now been merged makes it easier for customers and is not confused to provide services. Especially for SMEs, they have a big role for the economy. With BSI, of course we hope that business actors can access financial access, especially MSMEs. Not only for the business sector, the education sector, Hajj fund savings, to insurance, according to him, should also be one of the priorities.

Another positive side, namely the emergence of a corporate culture that is more Islamic and humanist, but still reaches all levels of Indonesian society, not only Muslims. In Denpasar City itself, Islamic banking customers are also dominant, many come from adherents of other religions.

Then the mobile banking facilities that have been owned by Bank Syariah Indonesia with more complete features can be utilized properly by customers to meet their financial transaction needs. Access to mobile banking 24 hours, making it easier for customers for every transaction they want. Complete features can meet customer needs with easier and cheaper access, without having to leave the customer's house, customers can perform banking services with adequate internet network capital. With the slogan BSI Mobile Ease of transacting, worshiping and sharing in the palm of your hand. Solutions for your convenience in transacting, worshiping and sharing through various features in one application. BSI Mobile accompanies you 24 hours and makes things more balanced financially, spiritually and socially.

Even the BSI Mobile Application belonging to PT Bank Syariah Indonesia Tbk. (BSI) was named the best mobile banking for the category of Islamic commercial banks. The award given by the 2022 Infobank Digital Brand Awards is an appreciation for BSI's hard work in developing the digital-based Islamic banking industry in Indonesia.

This is of course as direct evidence that Islamic banks in Indonesia in providing services to consumers, each party must work

professionally and skillfully. This professional and skilled nature is described in the Qur'an Al-Isra verse 84 which reads: Meaning: "Say: Each one works according to his form (his talent), your Lord knows better who gets a better way". (Surat al-Isra: 84)

So, it can be understood that the public perception of Denpasar City about the existence of Bank Syariah Indonesia after the merger, both seen from the increase in product quality and service quality improvement, can be seen from the public perception about the merger of 3 Islamic banks (BSI) is quite good, the majority of Denpasar people already know regarding the merger of 3 Islamic banks (BSI). They strongly support this merger because it makes it easier for them to deal with the bank concerned because there are more branches and closer reach to the bank.

The people of Denpasar stated that they admitted that with the merger of these 3 Islamic banks, they would be more confident and they also said that the services and facilities at BSI were quite good. After the merger, they felt that access to bank transactions became easier, in contrast to before the merger, which was quite difficult.

Furthermore, from the results of the interviews that the researchers collected, the public hopes that Denpasar also hopes that there will be further socialization about BSI banks carried out by the banks concerned so that the public will know more about the merger, what has changed after the demerger and the impact on the community after the third merger. the Islamic bank is conducting a merger, and to carry out financing at this time the average community is still not interested in doing so, not because they don't trust the bank in question but because they are currently still in a state of the covid-19 pandemic so that their income is reduced and not allows for financing/borrowing. So that customers or the public who have become customers or have not been able to know more about the existence or existence of Bank Syariah Indonesia in Denpasar.

4. CONCLUSION

The existence of the Indonesian Islamic Bank after the merger in Denpasar City was able to survive because of their strategy which covered several aspects by implementing the steps taken by Bank Syariah Indonesia in order to continue to exist and

survive during the pandemic. Its existence is by implementing the Financing Relaxation program to Reduce Bad Credit Post Mergers during the pandemic, Actively sharing in Community Activities during the pandemic, Business Strategy of Bank Syariah Indonesia Post Mergers during the pandemic (both in terms of survival and marketing by targeting potential customers). This is certainly a form of Islamic banking revolution. The merger of Islamic banks as a form of Islamic banking revolution in Indonesia makes it easier for Islamic banks to develop further and also Islamic Banks to change the constellation of Islamic banking in Indonesia, and form a polarization as well as a new pillar of strength in Islamic economy and finance in Indonesia. In accordance with the existence or existence of Islamic banks.

The public perception of Denpasar City about the existence of Bank Syariah Indonesia after the merger, both in terms of improving product quality and improving service quality, can be seen from the public perception about the merger of 3 Islamic banks (BSI) is quite good, the majority of Denpasar people already know about the merger of 3 Islamic banks. (BSI). They strongly support this merger because it makes it easier for them to deal with the bank concerned because there are more branches and the reach to the bank is getting closer, both for products and services.

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