

Proposed Livin Digital Banking Product Development Strategy at PT. Bank Mandiri Tbk

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ABSTRACT

The purpose of this research is to develop a digital product development strategy for Livin by Mandiri. Research Context: In this study, the aim is to examine the development strategy of digital banking through SWOT analysis to overcome competition related to the development of digital banks. Importance of Research: Understanding how technology affects the development of digital banks and preparing strategies for digital bank development. Livin By Mandiri can improve operational efficiency, reduce operational costs, and increase employee productivity. The use of artificial intelligence (AI) technology and data analytics also helps provide more personalized and relevant banking services to customers. In addition, digital technology also allows Livin By Mandiri to expand its market share by reaching a wider customer segment, including millennials who are more likely to use technology-based banking services. One of the strategic steps taken is to integrate digital technology in all lines of their banking business. In this transformation process, Livin By Mandiri does not only focus on developing application-based banking services or digital platforms, but also strives to strengthen its IT system, so that it can support banking operations as a whole

INTRODUCTION

According to Law No. 10 of 1998, a bank is an organization that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and other means to improve people's lives. Over the past ten years, especially since banking regulation and supervision shifted from Bank Indonesia (BI) to the Financial Services Authority (OJK), competition in the Indonesian financial and banking industry has become very dynamic. Technological advances and globalization are also unavoidable. Digital banking service strategies are designed by the banking industry to meet this market demand. According to POJK number 12/POJK.03/2018 on the Implementation of Digital Banking Services by Commercial Banks, Digital Banking Services are electronic banking services designed to optimize the use of customer data to provide services that are faster, easier, and in accordance with customer needs (customer experience).

The growth of digital banking supported by technological advances, increased e-commerce, and lifestyle changes, the banking industry has benefited from increased total management funds of low-cost funds (savings and spin), increased commissions, reduced transaction costs, business growth, and increased customer loyalty. (Purwokoadi, 2014). Besides, transacting freely, not limited by time or place, becomes easier with digital banking (Suharbi, 2022). Bank Mandiri's commitment in encouraging digitalization has also recorded significant growth. One of them, the *Livein'* by Mandiri Super App, which is the company's mainstay in meeting the financial and non-financial transaction needs of retail customers, has been downloaded more than 32 million times since its launch. As for Digital Wholesale Super Platform *Kopra* by Mandiri, it has managed Rs13.950 trillion transactions by September 2023 or has grown 1.3 times since its release in October 2021. The growth of users of *Kopra* by Mandiri, which has now also been present in the mobile version of the app, also increased 132% YoY to 158 thousand more users. As for the total third-party funds (DPK) by consolidation Bank Mandiri has grown positive 6.6% YoY from Rs1.361.3 trillion in September 2022 to Rs1.451.7 trillions at the end of September 2023. These figures are backed by low-cost funds or current accounts and saving accounts. The total cheap fund of Bank Mandiri is Savings and Giro managed to penetrate Rs1.070 trillion, up by 12.8% YoY

Bank of Indonesia (BI) noted, the collection of third-party funds DPK in the banking amounted to Rs 6.708.3 trillion in July 2021. That figure is growing 10.7% year on year/yoy, but it's slower than the previous month, which reached 11.7% (yoy). According to the central bank, a slowdown in CPI growth in July 2021 occurred on futures, both in rupee and foreign currency. In detail, futures stocks grew 2.6% (yoy) to Rs. 2,716 trillion last month, slower than in June 2021 that reached 5.6% (yoy). The growth of future stocks in the form of rupee was recorded at 4.6% (yoy) to Rs 2.416 trillion in July 2021, slower than the previous month, which was 6.7% (yoy). Meanwhile, foreign currency (foreign currency) futures deposits fell 11.1% (yoy) to Rs 300 trillion in July 2021, deeper than the previous month's 2.4% contraction. (yoy). Depending on the population, the slowdown in future savings growth occurs in corporate and individual

customers. This is accompanied by a decrease in savings interest rates. Meanwhile, DPK derived from savings grew 13.3% to Rs 2.267.4 trillion by July 2021

SWOT analysis is part of strategy analysis, but it is not the only type of analysis used in formulating strategy. SWOT analysis is used to evaluate the Strengths, Weaknesses, Opportunities, and Threats that affect a particular organization or project. There are several reasons why this thesis uses swot analysis. SWOT analysis is relatively simple and easily understood by various parties involved in the strategic planning process. The SWOT analysis process involves various parties within the organization, including management, employees, and other stakeholders. This makes it possible to obtain a comprehensive view of the internal and external factors that affect the organization's performance and strategy. Collins and Montgomery (2011) describe several reasons why strategies are less effective. First, because of the weak supporting elements of the strategy itself. Second, because between one strategy and another strategy does not run in the same direction. Third, because the existing strategy is partial and not comprehensive. Finally, because the existing strategy is not responsive to rapidly changing external conditions.

The focus of research to be researched in this thesis is the development strategy carried out by PT Bank Mandiri in facing the right to achieve a digital bank with the launch of Livin by Mandiri products. This is also related to how Bank Mandiri maintains the strategies that have been used to survive in the digital bank business world and become a winner in the digital bank business competition. The limitation of this thesis is to find out how the digital bank development strategy implemented by Bank Mandiri in the form of the Livin by Mandiri application. This research aims to identify the trend of conventional banks switching to digital banks. There are several research questions that will be the benchmark for how the research will be carried out, namely as follows:

1. What are the developments that have been made by PT Bank Mandiri in the face of digitalization which is poured into Livin by Mandiri products?
2. Is Bank Mandiri's strategy in improving digital banking development optimal and in line with the company's strategic focus?

Research problem: The very dynamic industry conditions are the reason for the author to evaluate the implementation of strategies to improve and develop digital banking at Bank Mandiri, both in the consumer banking directorate and other directorates related to low-cost fund management and digital banking utilization. The expected solution is to find out what strategies are carried out by PT Bank Mandiri in the face of digitalization as a reference to outperform competitive advantages in the future. The purpose of this research is to develop a product development strategy for digital livin by Mandiri.

LITERATURE REVIEW

Strategy Management Concept

Strategy is the goal of the company. This concept has evolved along with the changes that have occurred throughout time (Moridu, 2020). Strategy is a medium for creating competitive advantage. Stakeholders such as, debt, managers, employees, and consumers can be motivated by strategy (Hayat & Busman, 2023). Strategic management includes the efforts of management, marketing, finance, manufacturing, research, and information systems to formulate, execute, and evaluate cross-functional decisions that enable an organization to achieve its goals.

Definition of Strategy Management

Strategic Management is defined by Pierce and Robinson (1995) and Thompson et al., (2015) as a series of decisions and actions on the results of planning designed to achieve goals, surpass competitors and gain superior profits to create a competitive advantage. The series of decisions and policies must be able to do nine things as follows:

1. Formulate the company's mission and vision, which states the company's future goals, what must be achieved to achieve these goals and why the company must achieve them in the future.
2. Developing a company profile that reflects its internal capabilities and resources
3. Analyze the company's external environment, both in relation to industry competition and more generally.
4. Analyze strategic options that align the external environment with resources.
5. Identifying the most viable options to pursue and those most aligned with the company's mission
6. Establish long-term measures and grand strategies to achieve company goals
7. Implement short-term measures and annual strategies that are in line with the long-term strategy and grand strategy.
8. Implement the strategies that have been set in accordance with the existing budget allocation.
9. Evaluate the strategy process that has been running as a basis for determining further strategies in the future.

According to Thompson et al., (2015) the level of strategy can be divided into two, namely strategies in companies with many business units (diversified company) and strategies in companies with one business unit (single business company). The company used in this study is a company with many business units. For companies with many lines of business, several stages of strategy can be divided into:

1. Corporate strategy, is the way taken and the actions and decisions taken by the company in creating value through coordinating activities and configuring activities within the company.
2. Business strategy, strategy at this level emphasizes decisions made for the benefit of a business unit or division

3. Functional strategy is a strategy that emphasizes managerial plans for certain departments within a company with the aim that these departments can be better developed and can be directed to help achieve company goals.
4. Operational strategy, is the strategy implemented in a unit on how to handle operational tasks and daily business activities.

Benefits of Strategic Management

The primary use of strategic management is to help organizations make better strategies by using a more systematic, logical, and rational approach to making strategic decisions. The ability of the process to provide space for individuals to be empowered is also an advantage. There are two advantages of implementing strategic management: financial and non-financial advantages (Wahyuni, 2023). According to the Management Dictionary, "strategy" is a careful plan of activities undertaken to achieve specific goals and their relationship in time and size. Strategy, according to Putra Budi Ansori, (2023), is the most important component for a company to achieve their goals. Strategy can explain how the business will run in a particular environment. It is also a guideline for dividing the business resources of an organization (Tambunan, 2022). Long-term excellence can only be achieved through achieving aboveaverage performance (AAP), or above-average performance, and sustainable competitive advantage (SCA). A superior strategy must be adapted to the internal and external circumstances of the company, and build a sustainable competitive advantage (Sari & Fasa, 2023). To gain a competitive advantage, strategic planning is needed (Lubis & Batubara, 2023).

SWOT Analysis

SWOT analysis stands for the first letters of the words Strengths, Weaknesses, Opportunities, and Threats. In Indonesian, this can be interpreted as Strengths, Weaknesses, Opportunities, and Threats. The strategic planning of a company must look at the strengths, weaknesses, opportunities, and threats of the company (Tiya Marliyana, 2023). SWOT analysis consists of four factors, namely:

1. Strength, The condition of the strengths that exist within the existing organization, project or business concept. The strengths analyzed are factors within the body of the organization, project or business concept itself.
2. Weakness, A condition of weakness that exists within an existing organization, project or business concept.
3. Oppurtunities, Factors within the organization, project or business concept itself.
4. Threats, Things that can disrupt the organization, project, or business concept itself (Aji et al., 2023)

1. Digital Banking

Digital banking in Indonesia means digital banking services conducted through electronic or digital means owned by banks. This service can be done independently by customers and allows prospective customers or bank customers to get information, communicate, register, open accounts, conduct banking transactions, and close accounts, including getting additional

information besides banking products (Harahap, 2020). The benefits of digital banking are:

1. Improving Mobility

With digital banking, banking is no longer difficult; various features have been added, allowing us to enjoy our mobility and activities to the fullest. One of the reasons digital banking is so helpful is the increase in shopping opportunities.

2. Easy and Practical

The main goal of digital banking is to make customers feel comfortable and have an easy user experience. With its many features, banking transactions are now easily done by simply installing a mobile app. Moreover, digital banking has been made so that it is accessible to people of all ages by providing fast, easy and superior banking services.

3. Environmentally Friendly

Innovation not only offers convenience but also seeks to provide clearer value. Every time they make a transaction, many bank customers feel stressed by the amount of paper used for various documents (Marlina & Humairah, 2018).

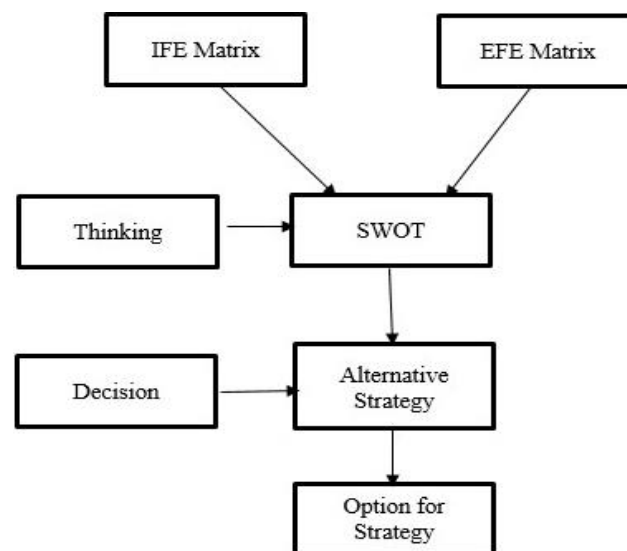


Figure 1. Conceptual Framework Description

Analyzing how conventional banks switch to digital banks through proper strategic management, good formulation and referring to the development of digital banks, and analyzed by SWOT analysis to find out the extent to which the strategy is appropriate for the company's goals and commitments.

METHODOLOGY

The research used is qualitative research where this research looks at the natural conditions of the object. Researchers use important instruments in sampling data sources, which are carried out purposively, snowball, and triangulation with inductive or qualitative analysis. The research design used is using quantitative research design (Suharbi & Margono, 2022). The research design used in this research is quantitative research questionnaire method. Digital Banking Development Strategy (Living By Mandiri) is the unit of

analysis of this research. The unit of analysis used in this research is Bank Mandiri.

The research subjects to be taken are informants, namely several employees involved in the development strategy of Bank Mandiri in Jakarta. (Ananda & Ciptono, 2019). In this study, data analysis was carried out using SWOT analysis by calculating IFAS (Internal Factors Analysis Strategic) EFAS (External Factors Analysis Strategic) funds using a linkert model scale. With this scale respondents are asked to put a mark (v) on one of the five possible answers available "Strongly agree, Agree, Certainly not, Disagree, Strongly Disagree. The linkert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena (Sugiono, 2017).

According to Wahyu (2010), "IFAS is a form of strategic analysis of the internal factors of the organization/company" while "EFAS is a form of strategic analysis of the external factors of the organization/company".

Table 1. IFAS EFAS Matrix

GROWTH Concentration through vertical integration	GROWTH Concentration through horizontal integration	RETRENCHMENT Turnaround
STABILITY Be careful	GROWTH Concentration through horizontal integration STABILITY No change in strategy	RETRENCHMENT Captive company or divestment
GROWTH Concentric diversification	GROWTH Conglomerate diversification	RETRENCHMENT Bankruptcy or liquidation

IFAS Result

EFAS Result

SWOT Analysis

According to Husein (2010, 86) explains the form of the SWOT matrix chart

Table 2. SWOT Matrix

Internal	Strength (S) Compile a list of the company's internal key strengths	Weakness (W) Compile a list of the company's key internal weaknesses
External	SO strategy Generate strategies that use strengths to capitalize on opportunities	WO Strategy Generate strategies that minimize weaknesses to take advantage of opportunities.
Opportunities (O) Compile a list of the company's external key opportunities		
Threat (T)	ST strategy	WT Strategy

Compile a list of the company's external key threats	Generate strategies that use strengths to overcome threats	Generate strategies that minimize weaknesses and avoid threats
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RESULTS

Table 3. Analysis of Strengths and Weaknesses of Digitalization Strategy

Power	Weaknesses
☐ Market leader in public utility payments The Bank has implemented a Big Data Platform strategy.	☐ To analyze customer behavior, no external data or unstructured data is used. The external data required takes a
☐ One of the banks is transitioning from a closed banking system to an open banking system. The bank has a fintech/Startup development center, so the development within the company is growing rapidly and professionally. Most IT applications are developed within the company.	☐ long time to collect, search and analyze customer needs. Customers can only use banking; they cannot use insurance, financial consulting, or leasing. This feature is needed by customers because there are some customers who need this feature to fulfill their obligations to pay their bills. There is no clear understanding of how digital transformation can generate economic value. ☐ The bank does not have staff with digital expertise such as SCRUM Masters, UX Designers, Data Scientists, etc. ☐ Agile Development has not been adopted, and e-channel product development still uses the Waterfall pattern.

The table above shows that there are several strengths and weaknesses and strengths of digitization. This becomes a reference for how digitization will be carried out. The explanation of this table is how the utilities that must exist in digital products. An example is in strength. Banks that want to digitize must have big data to store data from consumers and ensure that the data is safe and there is no deviation or violation of data privacy. Banks must have strong marketing both open and closed, and most applications have undergone IT development and implemented convenience in their use. For one of the weaknesses that must be overcome is the in-depth observation of consumer behavior from external and internal, so that digital products are more focused and well modeled. This is emphasized directly in order to get maximum results in digital products.

Table 4. Analysis of Opportunities and Threats of Digitalization Strategy

Opportunities	Threat
□ In the livin by Mandiri □ application, several service suppliers such as PLN, Pertamina, Universities, PLN, DGT, Pertamina, BPJS Employment are directly connected to Living By Mandiri, making it very easy for customers who need these features to meet their needs. - The government's policy is quite helpful in deterring many	□Switching costs incurred by consumers are small, consumers can enjoy banking services along with consumer activities on application platforms such as online transportation and marketplaces without having to switch to banking channels, the smaller the cost or cost used in operating the service, the customer will also feel
□ newcomers from □ experimenting. □ Competition for raw material acquisition (biller, payment gateway, host to host cooperation) does not really affect the company because Livin By Mandiri already has a strong relationship with raw material providers. Consumers are not at the level of corporations and there is no consumer dominance. - Government policy on capital adequacy to have a license to operate electronic money and online loans	□comfortable on other □platforms so that this is a □threat to the livin by mandiri application in the future. With less stringent regulations, startups and fintechs have more freedom to innovate their products. With digital marketing models that are more effective and efficient compared to offline marketing, Startups and Fintechs are very active in marketing and pose a threat to Living By Mandiri. The ability to capitalize on gadget-addicted customers, through big data analytics and push notifications, allows customers to become more personalized with the newcomer's app platform, and creates high customer loyalty. □Especially for the recruitment of employees with digital capabilities such as digital marketing, mobile programmers, data scientists is a threat, because Startups and Fintech can provide better

	income and freedom at work, so that the work of employees who have special skills is maximized and does not produce bad work and performance can continue to grow every time.
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In the table above, there are some analysis results from the list of opportunities and threats of digitalization products. This is analyzed to find out how opportunities and threats are likely to occur in the future if the bank wants to focus on becoming a digitalization product. One of them is how livin by Mandiri provides several services such as PN, Pertamina, University payments, DGT, BPJS and several other products, these products have not been covered by other banks' digitalization products, this can be a good opportunity for livin to implement. One threat is the switching cost incurred by small consumers, as a result consumers can enjoy banking services along with consumer needs such as online transportation and marketplaces. With regulations that are not yet strict. Start-ups and fintech are more free to invade products, this makes digital products a red ocean product because there are no limits and regulations on product development and creates a lot of competitors.

Table 5. Internal Factors of Digitalization

Variables	Internal Factors	Weight	Rating	Score
S1	The Bank has a strategy to utilize the Big Data Platform	0,22	4,6	1,002
S2	Market leader in the public utilities payment business.	0,22	4	0,871
S3	The Bank is migrating its Core Banking System from a closed system to an open system.	0,19	4,4	0,828
S4	Bank has Fintech/Startup incubation.	0,19	4,8	0,903
S5	The majority of IT Application development is done Inhouse	0,19	4,6	0,865
				4,469
W1	Utilization of external data and unstructured data for customer behavior analysis has not yet been carried out	0,21	4,6	0,945
W2	Customers only have access to banking, no other financial access (insurance, financial advice, leasing).	0,2	4,6	0,904
W3	Lack of a clear view on how to translate digital transformation into economic value	0,21	4,6	0,945
W4	The Bank does not have employees with specialized digital competencies such as UX Designer, Data Scientist, Social Media Marketing, SCRUM Master, etc.	0,2	4,2	0,825
W5	E-channel product development still uses the Waterfall pattern, has not adopted Agile Development.	0,2	4,2	0,825
				- 4,443

The results of the internal factors that have been analyzed previously show that the strength variable gets a value of 4.469 with a strong indicator. This is the initial foundation for how banks become digital products. The internal factor is directly related to the big data platform. The weakness variable has a value of -4.443, this explains that the weaknesses that must be of full attention to

the bank to overcome this weakness. This weakness must be fixed immediately with a strategy and development of big data that is directly related to consumer data so as to increase consumer confidence in this digital product. Banking products must provide direct access to consumers to other financial access such as insurance, financial advice and leasing. Another weakness that must be corrected is not having a clear view of digital transformation. This is very dangerous because if the bank does not have a broad view of the digital product, it will greatly affect the economy of the bank. The next weakness is employees who do not have special expertise in ui/ux design, social media marketing. This is also one of the weaknesses that must be corrected so that digital products are increasingly recognized by the public. Advertising through social media will be a good provision so that the marketing carried out is maximized and directed. The design of the ui/ux design will directly affect how the impression of consumers using the digital product, because an attractive appearance will be a good start for digital products to be recognized among consumers.

Table 6. External Factors of Digitalization

Variables	External Factors	Weight	Rating	Score
O1	Existing <u>suppliers</u> telecommunications, electricity, PDAM Service suppliers such as PLN, <u>Pertamina</u> , DGT, <u>Pertamina</u> , BPJS are already connected	0,2	4,4	0,888
O2	The government's policy is quite helpful in deterring many newcomers from experimenting.	0,2	4,8	0,969
O3	Competition for raw material acquisition does not really affect the company	0,2	4,6	0,928
O4	Consumers are not at the level of corporations and there is no consumer dominance.	0,29	4,2	0,809
O5	Government policy on capital adequacy to have a license to operate electronic money and online loans.	0,2	4,4	0,888
				4,483
T1	Switching costs are small, consumers can enjoy banking services at the same time as consumer activities on the application platform	0,19	4,8	0,910
T2	With less stringent regulations, Startups and <u>Fintechs</u> are more free to innovate products	0,18	4,8	0,869
T3	With a more effective and efficient digital marketing model, Startups and <u>Fintechs</u> are very active in marketing and pose a threat to <u>Livin Mandiri</u> .	0,22	4	0,862
T4	The ability to capitalize on customers who are addicted to gadgets, and create high customer loyalty.	0,22	3,6	0,776
T5	Especially employees with digital capabilities such as digital marketing, mobile programmers, data scientists are a threat, because Start-ups and Fintech can provide freedom in work.	0,2	2,6	0,516
				- 3,933

The total internal factor evaluation score is 4,469. The results of the evaluation of internal factors show that internally the company is in a position above the average of >2.5 in using strengths and minimizing weaknesses. The total evaluation score of external factors is 4.483 above the average of >2.5. The results of evaluating external factors show that the company can take advantage of opportunities and can avoid threats. As for the results of the analysis of alternative strategies, there is a dominant value where the value shown is in the strategy item. Streamlining and digitizing conventional bank systems and procedures with the aim of agility, effectiveness and efficiency with the use of

technology used by Fintech / Startup with a score of 24.00, where this strategy is very appropriate to be taken into consideration by the management team in improving their products and services.

In the banking industry, digitalization is about giving customers a customizable experience with the financial company's brand through all channels and interaction points supported by analytics and automation. To realize demonstrable and sustainable economic value, this requires changes to products and services, information technology, organization, and human resources. Quality, efficiency, and digitalization are the buzzwords that Living By Mandiri has chosen to drive their performance growth in both the short and long term. This is a sign of the disruption era characterized by the presence of digital banking industry, financial technology industry, and highly dynamic political economy conditions. The organization believes that these three components are strategic choices that must be implemented to anticipate the banking business environment that is starting to enter maturity. Digital is focused on digitizing internal business processes as well as developing products and services that meet market needs. This is suitable for the current era of disruption, where digitalization is not only aimed at customers, but also includes internal digitalization.

DISCUSSIONS

People increasingly expect convenience and speed in conducting financial transactions, and want services that can be accessed anytime and anywhere. To deal with these changes, traditional banks such as Livin By Mandiri must adapt and innovate to remain relevant in an increasingly competitive industry. Another challenge is to adapt existing infrastructure and systems to new digital technologies. Livin By Mandiri must ensure that its IT systems are able to support the increasingly complex and high-security needs of digital banking services. In addition, digital banking also brings cybersecurity challenges, as the risk of data and transaction hacking is increasing. Therefore, Livin By Mandiri needs to invest resources to ensure the security of customer data and their transactions are maintained. On the other hand, digital transformation also brings great opportunities for Livin By Mandiri. By utilizing technology, Livin By Mandiri can improve operational efficiency, reduce operational costs, and increase employee productivity. The use of artificial intelligence (AI) technology and data analytics can also help Livin By Mandiri in providing more personalized and relevant banking services to customers. In addition, digital technology also allows Livin By Mandiri to expand its market share by reaching a wider customer segment, including millennials who are more likely to use technology-based banking services.

One of the strategic steps taken by Livin By Mandiri is to integrate digital technology in all lines of their banking business. In this transformation process, Livin By Mandiri does not only focus on developing application-based banking services or digital platforms, but also strives to strengthen its IT system, in order to support banking operations as a whole. The application of artificial intelligence (AI) technology and data analytics is one of Livin By Mandiri's priorities to provide

more personalized and relevant services to customers. By utilizing data and analysis, Livin By Mandiri can provide product or service recommendations that match customer needs and preferences, thereby increasing customer satisfaction.

Impact and Benefits of Digital Transformation for Livin By Mandiri The digital transformation carried out by Livin By Mandiri has had a significant impact on the company and its customers. One of the most striking positive impacts is the increase in operational efficiency. By leveraging technology, Livin By Mandiri has been able to automate many of its business processes, thereby speeding up response times and reducing human error. With the application of AI technology and data analytics, Livin By Mandiri can provide more personalized and relevant services according to customer needs. This also opens up opportunities to increase cross-product sales, as Livin By Mandiri can provide more targeted product recommendations to customers. In addition, digital transformation has also expanded Livin By Mandiri's reach, especially in reaching out to millennials and generation Z. Through the utilization of social media and other digital channels, Livin By Mandiri can communicate with a wider audience and get direct feedback from potential customers. Digital transformation at Livin By Mandiri is a strategic step taken by the company to face challenges and take advantage of opportunities in an increasingly digital banking industry. By integrating digital technology in all lines of business, Livin By Mandiri has succeeded in increasing operational efficiency, improving customer experience, and expanding market share.

CONCLUSION AND RECOMENDATION

Conclusion

To survive in a changing business environment that is getting tighter every day, companies that face business competition must have a competitive advantage in terms of product development, service development, and continue to grow to be able to get new customers and retain old customers and can continue to increase the popularity of banking in an increasingly advanced society. This advanced society must be supported by fast-paced and instant technology. Prioritizing customer satisfaction, such as building trust, digital services, Mandiri has a competitive advantage. Customers who want speed, convenience and comfort can open an account through Mandiri m-banking or through Mandiri subsidiaries through the Livin By Mandiri application.

Recomendation

Digital transformation is inevitable for companies, including in the banking sector such as Bank Mandiri. Based on the case study towards future banking services that have been undertaken by Mandiri, here are some recommendations that can be taken to strengthen digital transformation and achieve better future banking service goals.

1. Strengthen Technology and Security Infrastructure

Mandiri's system needs to continue investing in a robust and reliable technology infrastructure to support their digital transformation. Fast and stable networks, resilient servers and integrated systems are critical in providing high-quality digital banking services. In addition, Mandiri must continue to prioritize system and customer data security. Advanced security technology and the use of

two-factor authorization systems must continue to be strengthened to protect customers from increasingly complex cyber threats.

2. Improve HR Skills in the Digital Field

Successful digital transformation relies heavily on human resources that have strong capabilities and understanding in digital technology. Mandiri must invest in the training and development of its people, particularly in information technology and digital innovation. Employees need to be given the opportunity to continue learning and keep up with evolving technology. The creation of a team dedicated to innovation can also help in finding new and creative solutions to the challenges of digital transformation.

3. Focus on Better User Experience

A seamless and satisfying user experience is key to success in digital transformation in the banking sector. Mandiri needs to continue to identify areas that can be improved to provide a better experience for their customers. Improvements in mobile and internet banking applications, user interface (UI/UX) enhancements, and ease of transaction processing should be prioritized. The use of artificial intelligence (AI) technology and data analytics to provide more personalized and relevant services should also be enhanced to improve customer satisfaction.

4. Developing Innovative Banking Services

Mandiri needs to continue to innovate and develop more innovative banking services that follow the latest technology trends. The utilization of blockchain technology to improve transaction security and efficiency, the development of Internet of Things (IoT) based banking services, as well as the exploration of new technologies such as digital payments and electronic money can be innovative steps that will benefit customers and provide added value to the company.

5. Collaborate with Technology Ecosystems

Mandiri should be open to collaborating with the technology ecosystem and startups in the fintech space. Through strategic partnerships, Mandiri can utilize other companies' technological expertise to improve their banking services. Collaboration with fintech companies can help Mandiri to more quickly adapt to the latest trends and innovations in the banking industry.

6. Increase Customer Awareness of Services

Digital Transformation will be successful if customers can adopt and feel comfortable using digital banking services. Therefore, Mandiri needs to increase customer awareness on the benefits and security of digital banking services. Effective education programs and marketing campaigns can help inform customers about the advantages of digital services offered by Mandiri.

7. Evaluation and Analysis of Digital Transformation Performance

Mandiri must continue to evaluate and analyze the performance of their digital transformation. This assessment should include the extent to which digital transformation has successfully achieved business objectives and whether there are areas that need to be improved or enhanced. With proper analysis, Mandiri can continue to optimize their digital transformation strategy and face market changes more readily. Digital transformation at Bank Mandiri towards future banking services is a strategic and important step to stay competitive in this

digital era. By following the recommendations mentioned above, Mandiri can strengthen their digital transformation and create banking services that are more efficient, innovative, and relevant to customer needs. A sustainable and customer-oriented digital transformation will be the key to Mandiri's success in achieving the vision of smarter and more connected future banking services.

PENELITIAN LANJUTAN

This research still has limitations, so it is necessary to carry out further research on the topic of Livin Digital Banking Product Development Strategy Proposals in order to perfect this research and increase insight for readers.

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