

COMPETITIVE STRATEGY ANALYSIS IN THIRD PARTY FUNDS ABSORPTION IN BANKING INDUSTRY

(Studies in the Bank Rakyat Indonesia)

ABSTRACT

This study is aimed to analyze the competitive strategy in BRI attempt to absorb deposits from the public. Period of observation in this study is the year 2005 until the first quarter of 2010. Research conducted by collecting data from Bank Indonesia's publications, financial and annual banks reports, as well as articles related to the research.

From the results of external analysis using the five forces model, it is known that the elements of strength in the banking industry has the bargaining power or the threat level is high enough, visible from three of the five elements has a high threat level, which is the bargaining power of buyers, the bargaining power suppliers and competition within the industry. Through strategic group mapping can be known that BRI, BCA, Bank Mandiri and BNI are in the same strategic group. Internal analysis found that BRI is a bank with micro and SME sector priorities that produce the largest net profit and highest loan disbursement in the nation. BRI has the largest and widest physical working network, especially in remote areas, it makes the BRI is known as 'rural bank'. However, BRI is considered lagging behind in terms of quality service to its customers and IT implementation, including the number of ATMs owned. From the results of internal and external analysis, strategy formulation, it suggests by using the broad differentiation strategy, by providing an innovative service that will be enjoyed by all customers with different backgrounds, will make BRI as a differentiated bank with excellence. Another alternative strategy is to focus on third party fund absorption in urban areas, because it has been found in the research, that in rural areas credit has potential market, but is not capable of being a proper savings market. If this is done then, BRI will have two great power, high savings absorption among the urban communities and great credit disbursements in rural areas.

Keywords : competitive strategy, third party funds, banking industry, BRI