

## Quality Management Enhances Competitiveness and Market Share of BRI Savings

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### Abstract

*In the context of intensifying competition within the Indonesian banking sector in Bank Rakyat Indonesia (BRI) is challenged to sustain its relevance and competitive advantage. This study investigates the strategic of quality management in enhancing the market position of BRI's savings products (case study of BRI Jakarta 1 Regional Office). Employing a qualitative research approach through a case study method, data were gathered via in-depth interviews, non-participant observations, document analysis, and focus group discussions with key stakeholders, including regional management, employees, and selected customers of BRI. The study is grounded in the theoretical framework of Total Quality Management (TQM). These improvements collectively reinforce BRI's competitive positioning in the savings market. Furthermore, enhancements in customer experience and service responsiveness contribute positively to the expansion of market share, despite persistent competitive pressures from leading private banks such as BCA and emerging fintech platforms. The study concludes that quality management serves as a critical strategic enabler for market share growth in the savings segment. Policy recommendations include the acceleration of digital transformation initiatives, upskilling of human resources, and the institutionalization of customer satisfaction monitoring mechanisms as part of a long-term quality strategy.*

### Keywords

*Bank Rakyat Indonesia, Competitiveness, Market Share, Quality Management*

## 1. Introduction

The banking industry in Indonesia, especially in urban areas such as Jakarta, faces very tight competition. Both state-owned and private banks compete to offer superior products and services to attract and retain customers. This competition occurs not only in terms of interest rates or types of products offered, but also in terms of service quality, ease of digital access, and accompanying financial technology (fintech) innovations. Large banks such as Bank Mandiri, BCA, BNI, and BRI continue to invest in the development of digital banking systems, including mobile banking, internet banking, and AI-based services to improve efficiency and customer satisfaction (Al Azhar, 2010; Pešić et al., 2012; Hong et al., 2019). On the other hand, smaller private banks are trying to stand out with more personalized and flexible services. The high expectations of customers in big cities like Jakarta require banks to continue to innovate and adapt to changes in market preferences. In addition, the emergence of financial technology (fintech) companies as an alternative financial service has also tightened the competition. In this context, the success of a bank is not only determined by the strength of its capital, but also by its ability to adapt, service differentiation, and strategic approach in building long-term relationships with customers (Azmy, 2015; Othman et al., 2020; Maulidin et al., 2024).

As one of the largest state-owned banks in Indonesia, Bank Rakyat Indonesia (BRI) is required to continue to innovate and improve the quality of its services in order to maintain its position in the market, especially in savings products such as BritAma (Hakim, 2017; Al-Shourah & Al-Shourah, 2020). Changes in customer behavior, coupled with rapid technological developments—such as the emergence of digital banking services and fintech platforms—have significantly changed customer expectations (Wahyuni & Ginting, 2017; Nuryani et al., 2023). Customers now not only want easy access and fast transactions, but also expect a personal, safe, and efficient service experience. Although digital innovation is an important aspect in facing the transformation of the banking industry, service quality remains a key element in creating customer satisfaction and loyalty. As stated by Kotler and Keller (2016), customer satisfaction is directly proportional to the quality of service provided, and customer loyalty directly impacts market share. Therefore, BRI not only needs to focus on digitalization, but also must ensure that all service points, both physical and digital, provide a consistent and quality experience. With this approach, BRI can maintain its competitiveness, strengthen the position of the BritAma brand, and remain relevant amidst the increasingly dynamic competition in the banking industry (Alzoubi et al., 2022; Dwijayanti et al., 2023).

The implementation of effective quality management is crucial in maintaining and improving the competitiveness of Bank Rakyat Indonesia (BRI), especially in Jakarta Regional Office 1. This study focuses on analyzing how the quality management practices implemented contribute to increasing competitive advantage and expanding the market share of savings products, such as BritAma. Through a

case study approach, this study explores in depth the internal processes that include operational standards, service quality monitoring mechanisms, employee involvement, and customer perceptions of the quality of service they receive. Active employee involvement in the implementation of service standards, ongoing training, and a work culture oriented towards customer satisfaction are important factors in maintaining consistent service quality. On the other hand, customer perceptions of BRI's service quality are key indicators in assessing the effectiveness of the quality management strategy implemented. The findings of this study are expected to provide a more comprehensive understanding of the relationship between quality management and competitive advantage in the banking sector. By strengthening the service quality aspect internally, BRI Jakarta Regional Office 1 has the potential to increase customer loyalty, expand the savings customer base, and strengthen its position amidst the increasingly competitive banking industry.

## **2. Methods**

This study adopts a constructivist paradigm, which emphasizes that knowledge is not merely derived from objective facts, but is shaped through the subjective interpretation and cognitive construction of individuals involved in a social context (Wibowo, 2011). According to Bogdan and Biklen (2016) paradigm represents a loosely connected set of shared assumptions, concepts, and propositions that guide research thinking and perception. Constructivism views social reality as relatively valid and context-dependent, constructed through the interaction between the researcher and the subject. This paradigm aligns with the nature of this study, which aims to explore the subjective meanings, interpretations, and experiences of BRI employees and customers regarding the role of quality management in enhancing competitiveness and market share. By adopting this paradigm, the researcher acknowledges the importance of understanding how individuals cognitively process and assign meaning to events, experiences, and organizational practices within the dynamic environment of Jakarta's banking sector. This research adopts a qualitative approach using a case study design, as recommended by Creswell and Poth (2018), to provide an in-depth understanding of how quality management is practiced within BRI Regional Office Jakarta 1. This research adopts a qualitative approach using a case study design, as recommended by Creswell and Poth (2018), to provide an in-depth understanding of how quality management is practiced within BRI Regional Office Jakarta 1.

This study employed in-depth interviews, direct observation, and document analysis as primary data collection methods, which are common techniques in qualitative research (Miles et al., 2014). Data collection methods include: In-depth interviews with management, employees, and selected customers, Direct observation at branch offices and digital platforms, Documentation review (e.g., internal reports, policy documents), Focus Group Discussions (FGD), Data analysis used thematic

analysis to identify recurring themes related to quality practices, competitive advantage, and market share. Triangulation was employed to ensure validity by comparing findings across multiple sources and methods.

### **3. Results and Discussion**

Total Quality Management (TQM) in Banking Services, Total Quality Management (TQM) is a holistic approach to organizational improvement that focuses on long-term success through customer satisfaction and employee involvement (Sugandhi, 2019; Ali et al., 2020). ISO 9001:2015 further institutionalizes quality principles such as process orientation, continuous improvement, and evidence-based decision-making. In the banking industry, TQM has been linked to improvements in operational efficiency, innovation, and service consistency (Tjiptono & Chandra, 2019; Kutnjak et al., 2019). These elements are essential in enhancing service delivery and customer trust in highly competitive financial markets. Service Quality, Customer Satisfaction, and Loyalty Parasuraman et al. (1985) developed the SERVQUAL model, identifying five key dimensions of service quality: tangibility, reliability, responsiveness, assurance, and empathy. Their later studies (2005) and those by Zeithaml et al. (1996) demonstrated that high service quality increases satisfaction, leading to stronger loyalty.

This aligns with the satisfaction-profit chain model Anderson & Mittal (2000), which posits that improvements in customer experience ultimately enhance profitability. In the digital era, loyalty is increasingly tied to service personalization and digital responsiveness (Reichheld & Scheffer, 2000; Slamet & Rahardjo, 2018). Competitive Advantage in the Indonesian Banking Sector In Indonesia's banking industry especially in Jakarta state-owned banks like BRI face growing competition from private banks (e.g., BCA) and fintech platforms. According to Porter (1985), competitive advantage can be achieved through cost leadership, differentiation, or focus. For BRI, service quality and customer-oriented innovations are vital components of differentiation. Quality management becomes a strategic asset in reinforcing this advantage, especially in the savings product segment where customer trust and satisfaction are paramount (Kotler & Keller, 2016; Pambreni et al., 2019).

The findings of this study affirm that quality management is a fundamental driver of competitive advantage and market share growth in the banking industry. The consistent application of Total Quality Management (TQM) principles such as customer focus, employee involvement, and continuous improvement was found to significantly improve service performance and customer satisfaction at BRI. Enhanced service quality not only strengthens customer loyalty but also positions the bank as a trustworthy and reliable institution, especially in its core retail and rural markets. BRI's widespread branch network and strong customer base remain its critical assets in maintaining its competitive edge.

However, the research also highlights a growing challenge in urban environments like Jakarta, where customer expectations are evolving rapidly due to the rise of digital banking. Urban customers increasingly demand faster, more innovative, and seamless digital experiences (Prasta, 2024; Ferdiansyah & Sudarso, 2024). This shift implies that traditional strengths such as physical presence and personal service must now be complemented with agile digital solutions. To remain competitive and grow its market share in these dynamic urban settings, BRI must accelerate its digital transformation while maintaining the high standards of quality that define its brand.

As such, quality must be complemented with digital agility to remain relevant. The study supports previous research Parasuraman et al. (1985) and Zeithaml et al. (1996) which emphasizes the impact of service quality on customer satisfaction and market performance. BRI's strategy needs to evolve by strengthening integration between traditional quality values and digital transformation goals. Quality management as a driver of competitiveness.

These findings support the principles of Total Quality Management (TQM), which emphasize customer orientation, continuous improvement, and employee participation as essential to enhancing organizational performance (Tjiptono & Chandra, 2019). BRI's competitive positioning Despite strong competition from private banks and fintech services, BRI maintains a competitive edge through its reputation, trust, and extensive national presence. Digital transformation challenges. One of the main challenges identified is the pace of digital innovation, particularly in urban areas like Jakarta, where customers demand fast, seamless digital experiences. Integrating quality with innovation Sustaining and expanding BRI's market share will depend on its ability to integrate traditional service excellence with agile digital strategies, ensuring relevance in a rapidly evolving banking environment.

#### **4. Conclusion**

This study concludes that quality management is the main driver in creating competitive advantage and expanding market share in the banking industry. At BRI Jakarta 1 Regional Office, the implementation of Total Quality Management (TQM) principles has succeeded in improving service quality, which has a direct impact on increasing customer engagement and loyalty. In facing a dynamic and increasingly digitalized banking environment, BRI needs to accelerate technology adaptation without ignoring the consistency of service quality. To maintain sustainable growth, several strategic recommendations are proposed. First, BRI must strengthen its digital service infrastructure to ensure ease and speed of service access for customers. Second, improving employee capabilities through ongoing training needs to be carried out continuously so that human resources are ready to face challenges and technological changes. Third, integrating customer feedback into the strategic decision-making process will strengthen customer orientation and help create more

responsive and relevant services. By implementing these steps consistently, BRI is not only able to maintain service quality, but can also strengthen its competitiveness in an increasingly competitive banking market, while expanding its customer base through continuous and quality-oriented innovation.

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