SUMMARY

PUTRI RAMADHANI SARAGIH. Mudharabah Saving Demand Elasticity Analysis for Market Share Improvement. Supervised by JAENAL EFFENDI and IMAM TEGUH SAPTONO.

Sharia banking has been arising for 26 years in Indonesia. Its market share is still lower than 5%. All the time, sharia banking has a higher growth than conventional banking. That high growth has not been able to sharia banking success, the growth was not arise same as a market expectation.

Study about sharia banking’s market share is always an interesting observation. Mudharabah savings as one of the third party fund has a significant role to improve market share by low cost fund type. As a backbone of low cost fund, it was important to study about mudharabah saving elasticity. That elasticity include independent and dependent factors.

The objectives of this study are to analyze mudharabah savings elasticity, significant independent factor to it and initial market share improvement strategies. The methods used to combine vector error correction model (VECM) and business model canvas (BMC). This research concludes that conventional bank rates (X2) and sharia bank outlets (X4) have a relationship with mudharabah contract savings demand. Furthermore, mudharabah savings has a substitute relation with conventional saving by negative cross elasticity. Elasticity demand to X2 variable is 0.41 (e<1) and X4 is 1.29 (e>1). The results are combined with business model canvas (BMC) to describe mudharabah saving business model as a managerial action.

Keywords: business model canvas (BMC), demand elasticity, market share, mudharabah savings, sharia banking