

The Utilization of Digital Technology in Transforming Banking Institutional Services (Case Study: Blu by Bca Digital)

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The development of digital technology is now occurring across various fields, including banking services. Changes in consumer behavior that increasingly desire fast, efficient, and technology-based services become both a challenge and an opportunity for the banking industry to innovate. The main problem raised in this research is how digital technology affects the transformation of banking services and forms new patterns of social interaction between banks and customers, especially among the younger generation. This study aims to examine the utilization of digital technology in banking services through a case study of Blu by BCA Digital, a digital bank that operates fully online without physical branch offices. The method used is a descriptive case study with a qualitative approach referring to Andreas Hepp's theory of mediatization. Data were collected through secondary sources such as journal articles, official pages, Blu's social media posts, and observations of Blu's application features and interface. The results indicate that Blu by BCA Digital not only facilitates financial activities but also mediates social practices, shapes new habits in financial management, and creates a digitally based social structure. The mediatization process is visible from two aspects: materialization through the use of technology and digital infrastructure, and institutionalization through the emergence of new norms and expectations in financial services. In conclusion, Blu is not merely a financial aid tool but also an agent of change that reflects a paradigm shift in social interactions around banking, also supported by adaptive public regulations and policies responsive to the developments of the digital era.

Keywords: *digital transformation, digital bank, Blu by BCA, mediatization, young generation*

INTRODUCTION

In the rapidly developing digital era, technology has brought major changes in various aspects of human life, including the economy, particularly banking services. The digitalization of banking is crucial to address contemporary challenges and meet public expectations for services that are fast, practical, easy, and efficient. This transformation not only changes how banks operate but also changes how customers interact with banking services. Banks that previously relied on physical branches have begun transitioning to more flexible and efficient digital platforms.

One form of this transformation is the emergence of digital banks. Digital banks are clearly different from mobile banking applications. A digital bank is a type of bank where all services are provided online without physical branch offices. All customer activities, from opening accounts to carrying out banking transactions, can be done entirely through an application without needing to visit a bank branch in person.

Conversely, mobile banking is one of the service features of conventional banks that still have physical branch offices. Through mobile banking, customers can perform a number of banking activities online. However, for certain types of services, customers still need to visit a branch in person. This is because not all banking services can be accessed via mobile banking, for example, passbook printing services.

One form of digital banking service is the Blu by BCA Digital application from PT Bank Digital BCA, a subsidiary of BCA Group, which operates fully online without physical branch offices. Through the Blu by BCA Digital application, customers can open accounts, save, perform transactions, make deposits, and manage finances easily and practically. The account opening process requires only an e-KTP and video call verification, without the need for an initial deposit.

Overall, Blu by BCA Digital offers a more modern, efficient, and personal banking solution with a focus on ease of access, low cost, and innovative features tailored to the needs of today's digital lifestyle. Some examples of its flagship features include:

1. **Blu Saving:** a savings account feature that can be named according to customer needs. This feature allows customers to create up to 20 different savings within one blu account, enabling separation of funds for various purposes to be more organized. For example, savings for vacations, emergency funds, education, shopping, etc.
2. **Blu Gether:** a single-account savings feature with the concept of a treasurer account that can invite up to 24 other customers. The account owner is called the *creator*, while invited customers are called *members*. This feature is suitable for activities such as rotating savings (arisan), petty cash, pooled contributions, and similar.
3. **Blu Virtual Card:** a virtual debit card that can be used for online transactions (without a physical card). This feature is suitable for activities such as shopping on e-commerce platforms, streaming services, and others.
4. **Blu Gift:** a unique feature to send money digitally with a personal greeting card via a link through WhatsApp or other social media without needing to know the recipient's account number.

The four flagship features mentioned above have proven to provide new conveniences for customers in conducting transactions. Blu by BCA Digital highlights a modern, user-friendly, and contemporary application appearance with attractive animations. This intuitive interface design aims to provide an easier and more enjoyable banking experience for its users. Therefore, Blu by BCA Digital targets users from the millennial and Gen Z generations, who are known to prefer practical, visual, and daily-life-relevant solutions.

METHOD

A descriptive case study is the approach used in this research. A descriptive case study is a research approach intended to describe a case in detail, thus researchers are required to begin the study from theoretical foundations and present research results clearly (Ilhami et al., 2024). The case object used in this study is Blu by BCA Digital, which is a banking service that operates entirely online without physical branch offices. Blu by BCA was chosen because it represents transformation in digital banking services and the utilization of media to build relationships with Gen Z and millennials.

The analysis in this research uses Andreas Hepp's mediatization theory, which states that mediatization encompasses how technologies and media logic shape social practices over time. Data used were collected through secondary sources, such as articles, official social media posts from Blu by BCA (e.g., Instagram and TikTok), as well as observations made on the Blu application, such as the features and interface it contains.

2.1 Research Theory

Mediatization is a long-term shift in social life where media become part of the practical structure of life, no longer understood merely as an external influence. Media become part of a broader social configuration, not as the center, but as an element embedded in the ways people act, communicate, and engage socially (Hepp, 2013). Media logic is the manner in which media frame communication possibilities through the forms and structures they provide. Media have the capacity to shape possibilities (molding capability) of interaction rather than being coercive. In this theory there are two main aspects: materialization and institutionalization.

Materialization is the process whereby communicative practices depend on technical infrastructure that can indirectly limit how individuals communicate (Hepp, 2013). In this regard, media can be understood not only through message content but also through devices, networks, and digital systems used in everyday life. Institutionalization is the process in which media practices and logic become stable parts of social life, not only in formal

institutions such as education or government but also within families or individuals in daily routines (Hepp, 2013). These two processes are closely interrelated and occur simultaneously. Social practices develop through material infrastructures that enable and limit how routines are carried out and normatively formed.

Hepp's theory relates to the case study adopted in this research. The materialization process in the Blu by BCA case can be seen through the use of digital infrastructure such as online banking applications, customer service (CS) in the form of chatbots, and financial features within the application that support today's cashless lifestyle. The institutionalization process in Blu by BCA's case is visible through blu users' lifestyles that now rely on digital media as a means to access daily banking services, such as fast and practical transfers and automatic budgeting. Through this theory, Blu by BCA is an example of a banking institution that has undergone mediatization. This makes media not only a tool but also a structure that shapes how people communicate and interact with each other in the banking world.

RESULTS AND DISCUSSIONS

Blu by BCA represents how the development of digital technology now not only facilitates banking processes but also shapes new interaction patterns, financial lifestyles of the younger generation, and drives structural change through the mediatization process. As a digital bank, blu has distinct differences from other banks. All blu by BCA services are online-based without physical branch offices. All customer activities, from opening accounts to banking transactions, can be carried out via the application without needing to visit a bank branch directly. According to the Financial Services Authority (OJK) (2016), digital banking services are banking activities accessible independently using electronic means, either through customers' digital media, prospective customers' devices, or the bank's own digital media. Unlike mobile banking from conventional banks, which still requires direct interaction at branch offices for certain services, blu allows all processes to be completed digitally. The existence of blu marks a shift from a location-based banking system to a digital financial ecosystem that prioritizes efficiency, accessibility, and convenience.

Blu by BCA Digital clearly positions Gen Z and millennials as the main segments in its growth strategy. As of November 2024, Blu's customer base surpassed more than 2.3 million, and interestingly around 90% of this total are millennials and Gen Z. This makes blu by BCA have specific promotional strategies to attract younger users, such as several promotions in the form of special cashback at airports and KCJB Halim station, cashback up to 40% for purchases at Kopi Kenangan, Wingstop, XXI, Grab, and Indomaret, as well as collaborations with various favorite brands like Garuda Indonesia and Kopi Kenangan.

As part of a differentiation strategy, Blu presents several innovative features tailored to the digital lifestyle of society, especially millennials and Gen Z. The bluSaving feature allows users to set flexible saving slots for various needs. Through this feature, customers can create up to 20 different savings within one blu account to separate funds for various goals (for example, emergency funds, vacation, education) more organized. Another feature, bluGether, allows shared saving within one account that can be transparently supervised by all members—very suitable for communal activities such as rotating savings or group cash. This feature adopts the concept of a “treasurer account” which can invite up to 24 other customers. The account owner is called the *Creator*, while invited customers are called *Members*. This feature allows several people (up to a maximum of 49 customers) to save and monitor transactions within the same savings transparently.

Additionally, the bluVirtualCard feature offers the convenience of online transactions without needing a physical card, making transactions more practical, and the bluGift feature adds an emotional dimension to money transfers through personal greeting messages that

make fund transfers more memorable. These features demonstrate how digital technology not only simplifies banking activities but also shapes a more personal, social, and emotionally connected financial experience. Blu becomes not only a financial tool but also an agent that shapes new habits and values in financial management. Together with its interactive app design and financial management features, blu creates a subtle social pressure whereby users are indirectly influenced to be more aware of expenditures, save in a structured manner, and live more frugally.

In the context of mediatization, this indicates that digital media can shape new social norms not through direct coercion but through internalization of values conveyed by the digital system itself. The digital communication occurring on blu by BCA shapes the newest banking and economic experiences for society and supports practical lifestyles or habits in this highly digital life.

Mediatization Process in Bank–Customer Interaction

Within Andreas Hepp's mediatization theory framework, blu exhibits two main processes: materialization and institutionalization. Materialization occurs when financial interactions are fully mediated by digital devices, applications, internet networks, and biometric-based security systems. Institutionalization appears in newly formed collective habits such as expectations for instant transfers, real-time balance monitoring, and automatic budgeting. These two processes not only change how customers interact with banks but also shape ways of thinking and acting in daily financial life. Features such as bluGether and blu's digital communication system create translocal digital communities, i.e., communities not bound by geographic borders but connected through digital platforms. These communities are formed based on collective interests such as group fund management, online rotating savings (arisan), and economic solidarity.

The effects of these communities include increased mutual trust in digital contexts, the growth of collective financial literacy, and the creation of new spaces for social participation that transcend physical boundaries.

Regulatory Support and Public Policy

The development of blu by BCA as a digital bank is inseparable from formal regulatory support by the government and financial institutions such as the Financial Services Authority (OJK) and Bank Indonesia. Policies such as OJK regulations regarding digital bank governance and the Personal Data Protection Act (Undang-Undang Perlindungan Data Pribadi) serve as legal umbrellas that enable Blu to operate legally and reliably. Furthermore, blu strategically utilizes social media to build closeness with young people through light, visual, and interactive digital campaigns. They also collaborate with influencers to enhance public trust. Using casual communication can make audiences like young people feel closer and more engaged with the brand. This has made Blu by BCA Digital very popular among today's youth.

Blu does not explicitly state political support through its collaboration programs, but the collaborative programs it runs have synergized with public policy and social activities that align with national development goals for Indonesian society. For example, Blu's collaboration with the Talenta Nusantara application aims to support vocational high school (SMK) students in managing finances digitally. This supports government policies in increasing financial literacy among young people and preparing them for better work and financial life. This shows that digital transformation in the banking sector is driven not only by technology but also by a regulatory ecosystem and national development agendas.

DISCUSSION

Blu by BCA Digital is a concrete representation of structural transformation in the banking services sector in the digital era. As a pure digital bank operating entirely without physical branch offices, Blu presents a banking service system that is fully application-based. By upholding principles of ease of access, efficiency, and pleasant user experience, Blu by BCA is able to meet the needs of modern society, especially millennials and Gen Z who are closely attached to technology and a digital lifestyle. Innovations offered through features such as bluSaving, bluGether, bluVirtualCard, and bluGift not only answer basic financial needs but also shape new ways of interacting socially through finance. These features make financial activities feel more personal, collaborative, and relevant to users' daily lives.

Within Andreas Hepp's mediatization theory framework, Blu is a clear example of how digital media not only act as tools but also shape social practices, norms, and patterns of relationships between individuals in the financial context. This mediatization process is visible through two main aspects: materialization and institutionalization. Materialization is reflected in the utilization of digital infrastructures such as mobile applications, internet networks, chatbots, and biometric-based security systems that enable customers to perform various banking activities quickly and practically. Meanwhile, institutionalization is reflected in the formation of new habits and social expectations, such as the need for instant transactions, real-time balance monitoring, and structured, automatic budget management. This indicates that digital media not only facilitate interactions but also create new social structures that govern how people think, act, and interact in their financial lives.

Furthermore, Blu's existence shows that digital transformation in banking is not solely driven by technology but also supported by regulatory frameworks and public policies that allow the digital banking ecosystem to develop legally, safely, and reliably. Policies from the Financial Services Authority (OJK), Bank Indonesia, and the Personal Data Protection Act reinforce Blu's operational legitimacy. Additionally, Blu's involvement in financial literacy programs, such as cooperation with Talenta Nusantara for vocational school students' financial education, reflects synergy between business objectives and national development agendas.

With all of these aspects, it can be concluded that Blu by BCA Digital not only functions as a digital banking service provider but also as an agent of social change that encourages the formation of new norms in managing finances more consciously, independently, and adaptively to technological developments. This transformation simultaneously poses a challenge for conventional banking institutions to adapt in order to remain relevant amidst a paradigm shift toward increasingly digital and emotionally connected financial services.

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