Effect of References And Services on Customer Decisions in Selecting Rahn Products

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ABSTRACT: Many people have lost their livelihoods due to the COVID-19 pandemic. BMT carries out fundraising activities by the community, distributes funds to the community and provides services in its functions as a non-bank financial institution. KSPPS BMT NU is one of the sharia-based financing solutions in Sumenep and is expected to minimize loan shark practices or even eliminate moneylender practices in villages in the Sumenep district. The method used is quantitative. Explanatory research type. Data collection techniques using questionnaires and documentation. A population of 1,081 was taken in the last six months, from July to December 2021. The sampling technique used non-probability sampling was 92 respondents. Furthermore, the validity and reliability tests were carried out with SPSS version 21. The results showed that the reference effect did not have a positive and significant impact but partially influenced customer decisions in choosing rahn products. This means that reference groups cannot always control a consumer, but it depends on whether the consumer wants to select the product or not with various considerations. Meanwhile, service has a positive and significant effect on customer decisions in choosing rahn products. That way, the higher the quality of service a company performs, the higher the customer's decision to select rahn products at KSPPS BMT NU Pragaan branch.

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**Keywords:** Customer Decisions, Rahn Products, References and Services.

I. INTRODUCTION

The ongoing Covid-19 pandemic has significantly impacted all aspects of life. Starting from its appearance in 2019, various countries worldwide have begun to deal with this pandemic so that it ends soon frantically, and Indonesia is no exception. One of the significant impacts of the Covid-19 pandemic is on the economic sector. This pandemic even brought Indonesia into an economic recession (Baskara, Budiartaha, and Ujianti 2021). As a result, many large companies suffered huge losses and even had to lay off many employees who depended on their place of work for their survival (Nazwar and Anwar 2022).

Not only big companies but the people of Indonesia also feel the impact of this ongoing pandemic (Ningsih 2021). Many people have lost their livelihoods due to this pandemic. They are starting from traders who have lost their customers to tourist attractions that must be closed to break the chain of the spread of Covid-19 (Kusno 2020). At least more than 3.5 million Indonesians have lost their jobs, forcing them to survive at all costs (Rama 2022).

In making a purchase, a consumer often imitates or imitates the parties he uses as a role model in purchasing decisions. Customers or potential consumers usually often ask for someone’s opinion as a reference or reference in deciding to buy a product. The people or individuals whose opinions are consulted are called reference groups. A reference group is a group of individuals who directly or indirectly influence a person's behaviour or attitude (Julianto and Setyabudi 2018).

The services provided by BMT will have an impact on customer satisfaction. Customers who are satisfied with the services offered by BMT will indirectly influence other customers in making their choices in using the products and services sold by BMT (Hadiwidjaja 2017).

Baitul Maal wat-Tamwil (BMT) is a microfinance institution (LKM) developed in Indonesia and managed by the community. Linguistically, baitul maal wat-tamwil comes from Arabic whose editorial consists of the words: *bait* (house), *maal* (wealth), *wa* (and), *attamwil* (management). In the Arabic-Indonesian dictionary, *maalun* is also interpreted as hooked (Sumardi and Zulpahmi 2017). The etymological view of *maalun* implies that humans have a powerful love for wealth, so it is like food that humans like.
Etymologically, *bait maal wa attamwil* can be interpreted as a place or media for financial management (Siswanto 2008).

BMT carries out fundraising activities by the community, distributes funds to the community and provides services in its functions as a non-bank financial institution. The economic goals of BMT consist of two things. *First*, provide easy access to the economy for the lower middle class regarding the need for funds. This means that people who need access to the world of banking or other financial institutions due to various administrative requirements that are not easy can quickly obtain funding assistance. *Second*, encourage the participation of middle to lower-class economic institutions. People with excess capital can invest it in BMT, of course, with a relatively affordable nominal. Therefore, in general, people can easily participate in building an economic institution. Mass community involvement in depositing funds at BMTs will create a new culture for them and, at the same time, contribute to the rise of sharia-based economic institutions (Hamzah 2020).

KSPPS BMT NU was born by a director of MWC Nahdlatul Ulama Gapura for the condition of the people of Sumenep, who are generally under pressure from the rampant practice of moneylenders with an average interest of above 50% per month, which can kill their businesses and make it challenging to develop.

KSPPS BMT NU is one of the sharia-based financing solutions in Sumenep and is expected to minimize loan shark practices or even eliminate moneylender practices in villages in the Sumenep district. KSPPS BMT NU is developing widely and evenly in remote areas of the town. One of its branches is in Pekamban Laok, Pragaan Sumenep sub-district. Customers or member partners of the KSPPS BMT NU Pragaan branch are not only middle to lower MSME actors but also farmers, students, entrepreneurs and civil servants. KSPPS BMT NU Pragaan branch carries out business activities, namely savings (funding), financing (lending) and services.

Of the three business products offered by the Pragaan branch of KSPPS BMT NU, the second most popular product for partners is financing with a pawn agreement. The movement in the number of partners in pawn financing products is shown in the following table.

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Number of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2018</td>
<td>1.367</td>
</tr>
<tr>
<td>2</td>
<td>2019</td>
<td>1.448</td>
</tr>
<tr>
<td>3</td>
<td>2020</td>
<td>1.542</td>
</tr>
</tbody>
</table>

Sumber: data KSPPS BMT NU cabang Pragaan tahun 2021

The table shows a significant increase in the number of partners using pawn financing products at the KSPPS BMT NU Pragaan branch. Sharia pawn or known as *rahn* is holding the borrower’s goods or assets (*rahin*), either in the form of material or certain benefits...
as collateral (marhun) for the loan or debt (marhun bih) he receives. The goods or assets that are pawned must be economical so that the party that gets the pledge (murtahin) obtains a guarantee to take all or part of the goods or assets from the party that pawns (rahin) if the party that means cannot pay off or cannot pay for the items that are pawned on time (Arcarya 2006).

In this study, researchers wanted to determine and analyze whether reference groups and services impacted members in choosing rahn products at the KSPPS BMT NU Islamic financial institution, Pragaan branch.

**Variable X Theory Study**

1. Reference Group

In their book marketing management, Kotler and Keller define a reference group as a group or group of people who have an indirect or direct (face-to-face) influence on a person's behaviour. Reference groups inform a new behaviour and lifestyle to new people, affecting one's personality attitude (Kotler and Keller 2017)

This reference group acts as a comparison and a source of new information for a consumer. The higher the level of trust an individual has in a group as a trustworthy source of information, the higher the probability of joining the group.

According to Ujang Suwarman, reference groups can provide three types of influence, including (Suwarman 2011):

a. Normative Influence
   The influence of the reference group on individuals through social rules that must be obeyed occurs when someone follows group rules to get rewards or avoid punishment.

b. Effect of Value Expression
   It gives influences individuals when expressing goods that have value. For example, with luxury goods. Because the value of his valuables makes consumers try to own luxury goods so that they are not looked down upon.

c. Information Influence
   Influence consumers with brand or product choices with their knowledge of these products or brands. With good information and knowledge, the reference group is trusted for its advice.

2. Service Quality

Service quality must start with consumer needs and end with customer responses. This is related to the quality image of a company, where a good company is based on something other than a customer's point of view or response. In his study, Pasuraman classifies five dimensions of service quality:

a. Physical evidence (tangibles)
   Namely the ability of a company to show its existence to external parties. Capabilities, facilities and infrastructure, the appearance of the company and the circumstances in the environment around the company are clear evidence of the
services provided by the service owner. Among them are physical facilities such as equipment, employees, communication facilities, buildings, etc.

b. Reliability
That is a company's ability to provide promised services accurately, promptly and satisfactorily. The same punctuality and highly sympathetic attitude to all consumers without any mistakes is the company's performance to the expectations and desires of consumers.

c. Responsiveness
Namely an ability to help and provide appropriate and fast (responsive) service to consumers with clear explanations.

d. Guarantee (assurance)
Namely politeness, knowledge and ability of the company's staff to increase consumer confidence. It consists of several components: security, communication, courtesy, competence and credibility.

e. Empathy
They are namely giving personal and sincere attention to customers or consumers by trying to understand the wants and needs of consumers.

The definition of service quality focuses on efforts to meet the wants and needs of consumers and the accuracy of their services to respond to consumer expectations.

**Variable Y Theory Study**

1. Purchasing Decision Theory

Philip Kotler states five stages of the mechanism of the consumer buying decision-making process. The stages in making purchasing decisions consumers are shown in the following figure (Kotler and Armstrong 2018):

![Figure 1. The stages of the decision-making process](image)

In detail the stages of the decision-making process can be described as follows:

a. Problem recognition
The first stage of the decision-making method is when consumers become aware of a need problem. Consumers feel something different between the natural state (need) and the state of desire. At this stage, they must study the needs of customers or consumers to find the type of need or problem that will occur so that with this problem, consumers are motivated to choose products to solve their problems.
b. Information search

The second stage of the decision-making method begins when consumers who already have an interest allow these consumers to seek more information. If consumers get a strong urge to buy products or services that meet their needs, they will likely buy them. If not, consumers will easily store these needs in their memory.

c. Alternative evaluation

The third stage of the decision-making process is in which consumers use the information they get to provide an alternative brand assessment in a choice.

d. Purchase decision

The fourth decision-making process is where consumers want to buy the product. Consumer purchasing decisions will usually be implemented to buy the most preferred brand. However, two factors can arise in purchasing decisions, including the first factor is the attitude of other people. If the closer the relationship between the two and the greater the encouragement from others, the greater the influence. And the second factor is an unexpected situation.

e. Post purchase behavior

The final stage in the decision-making process must be carried out by the marketing party, not ending when the product has been purchased. Consumers will feel the impact of the products they have purchased that have been handled. There is a possibility that the buyer feels dissatisfied after buying and using the product because it does not match expectations or previous descriptions, and so on.

2. Rahn’s Financing Theory

a. Definition of Sharia Pawn

The definition of rahn, according to syara’ terms, is to hold something (goods) because there is a right that allows that right can be fulfilled from that thing (goods). The intention is to make al-Ain (substantial tangible assets or interests) which have a value or price according to the syara’ view as a watsiqah (collateral) of debt if the item allows it to be used to pay part or all of the existing debt. As for something that can be used as collateral for a debt, it must be an item that has a price or value, and this is to exclude unclean pawned goods and unclean items that are impossible to remove because these two forms of al-Ain (the unclean and the impure to remove uncleanness) then it cannot be used as collateral for a debt.

b. The foundation of Sharia ar-Rahn

The legal basis regarding ar-Rahn as explained in the Qur’an surah al-Baqarah verse 283:

وَإِن كُنتُمْ عَلَى سَفَرٍ وَلََْ تََِدُواْ كَاتِبًا فَرِهَانٌ مَّقْبُوضَةٌ فَإِنْ أَمِنَ ب َعْضُكُم ب َعْضًا ف َلْي ُؤَدِّ الَّذِي اؤُُِْنَ أَمَاَ َتَُ ُ وَتَّقِ اللَّّ رَبَُّ وَلاَ تَكْتُمُواْ الشَّهَادَةَ وَمَن يَكْتُمْهَا فَإِلَّا قَلْبُ الَّذِي يَتِمُّ أَمْثَالَهَا قَلْبُ اللَّهَ وَلَا نَكُنُمُواْ السَّهَادَةُ وَمِن يَكْتُمُهَا فَإِلَّا قَلْبُ الَّذِي يَنْفَعُهَا وَعَمْلُونَ عِلْمٍ
“If you are on a trip (and don’t do mu’amalah in cash) while you don’t get a writer, then there should be dependents held (by the creditor). However, if some of you believe in others, let him fear Allah his Lord; do not you (witnesses) hide testimony. And whoever conceals it, indeed he is a sinner in heart, and Allah knows best what you do.”

c. **Rahn’s aims and benefits**

**Rahn’s goals are as follows:**

1) Participate in implementing and upholding the implementation of government program policies in the field of economy and national development in general through channeling financing money or loans on the basis of pawn law.

2) Prevention of debt bondage practices, illegal pawnshops and other improper loans.

3) The use of interest-free mortgages on Islamic pawns has a social safety net effect because people who need urgent funds are no longer subject to loans or interest-based financing.

4) Help people who need loans with easy conditions.

The benefits of **Rahn** are as follows:

1) For customers, the availability of funds with relatively simple procedures and faster than bank financing or credit. Besides that, customers also benefit from a professional appraisal of the value of a valuable item, as well as a secure and trustworthy movable safekeeping facility.

2) For the Company, income comes from fees paid by customers to obtain certain services. KSPPS BMT NU Pragaan Branch can benefit from charging a rental fee for storing collateral items.

II. **METHOD**

The method used in this research is quantitative. The technique used to find knowledge is using data in the form of numbers to analyse information to find out what you want to know. Research approach with the type of explanatory research. Research that aims to test a theory or hypothesis to strengthen or even reject the idea or results of pre-existing hypotheses (Noor 2011).

The population in this study were customers who chose rahn products at KSPPS BMT NU Pragaan branch in the last six months, from July to December 2021, namely 1,081. The sampling technique used in this study was non-probability sampling, which did not provide equal opportunities for each element or member of the population to be selected as a sample. The number of pieces is obtained using the Slovin formula. I got a model with a total of 91,532, so the results are rounded to 92. So in this study, a sample of 92 respondents was taken.
The sampling technique in this study used an accidental sampling technique. That is a sampling technique based on random or coincidence. That is, customers who accidentally meet researchers can be used as samples. If by chance, the person met is suitable as a data source, the researcher will give a questionnaire to be filled in by the respondent. This study used a questionnaire with a closed model, making it more accessible in the calculation process. Researchers will also conduct validity and reliability tests to find valid and reliable results (Ikhwan 2021).

III. RESULT AND DISCUSSION

The Effect of Referrals on Customer Decisions in Choosing Rahn Products

The study results show that the Reference Effect does not have a positive and significant effect but partially impacts customer decisions in choosing rahn products.

Table 2. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>8,754</td>
<td>2,671</td>
<td>-0.13</td>
</tr>
<tr>
<td>Referensi</td>
<td>-.012</td>
<td>.083</td>
<td>-.013</td>
</tr>
<tr>
<td>Pelayanan</td>
<td>.453</td>
<td>.070</td>
<td>.564</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Keputusan nasabah (Source: Output SPSS.21, 2022)

This is evidenced by the results of the t test for the Reference variable, which obtained a t count value of -0.149 and a t table of 1.661 with a significant level of 0.882, because t count is smaller than t table (- 0.149 <1.661), significantly greater than 0.05 ( 0.882 > 0.05), and the coefficient of determination has a positive value, so this study was not successful in proving the hypothesis which states "References have a positive effect on customer decisions in choosing rahn products".

According to Kotler and Keller, a reference group is a group or group of people who have an indirect or direct (face to face) influence on a person’s behavior. Reference groups inform a new behavior and lifestyle to new people, giving effect to one’s personality attitude (Kotler and Keller 2017).

The Effect of Service on Customer Decisions in Choosing Rahn Products

Table 3. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
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<td>.564</td>
</tr>
</tbody>
</table>
a. Dependent Variable: Keputusan nasabah (Source: Output SPSS.21, 2022)

The results of the study show that service has a positive and significant effect on customer decisions in choosing Rahn products. This is evidenced by the results of the t-test of 6.424 and t table 1.661 with a significant level of 0.000; because t count is greater than t table (6.424 > 1.661), the significance is less than 0.05 (0.000 < 0.05), and the coefficient of determination has a positive value, so this study succeeded in proving the hypothesis which states "Service has a positive effect on decision customers in choosing rahn products".

Kotler defines service as an activity or action that can be recommended and is intangible from one party to the consumer and does not have any ownership impact. Apart from being present as the main product, services are a form of complementary service in physical purchases. Currently, customers or consumers are not only tangible products but also all areas of service or services that are closely related to these products, starting from before the purchase until the product purchase deal occurs. From the explanation above, service quality is an advantage of something offered to other parties, namely customers or consumers (Soemitra 2009).

The Effect of References and Services on Customer Decisions in Selecting Rahn Products

The results of this study support and reject previous research conducted by Elma Juliani Mutia with the title "The Influence of References and Services on Customer Decisions in Choosing Murabahah Financing Products (At Bmt Al-Aqobah Palembang)". This research is quantitative research with a descriptive method. The study results show that references and services positively and significantly impact customer decisions.

The results of this study support previous research conducted by Rani Anggelina with the title "The Influence of Reference Groups, Lifestyle and Attitudes on Purchase Decisions for Oriflame Products in the People of Pekanbaru City", the results of the study showed that the reference group did not have a positive and significant influence, but had a part to the purchase decision.

IV. CONCLUSION

Several conclusions can be drawn based on the research and discussion results. The results of the regression analysis of the reference variable prove that the reference group has no significant effect on customer decisions in choosing rahn products at the KSPPS BMT NU Pragaan branch. Not for any reason. The service variable regression analysis results prove that service quality influences customer decisions in choosing rahn products at KSPPS BMT NU Pragaan branch, which means that the Ha stated is accepted. That way, the higher the quality of service a company performs, the higher the customer’s decision to choose rahn products at KSPPS BMT NU Pragaan branch.
V. REFERENCES


