

CHAPTER I

INTRODUCTION

A. Research Background

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia are one of the fields that help develop the national economy because MSMEs are the backbone of a populist economic system that is not only aimed at reducing economic problems, such as gaps between opinions, poverty alleviation, and so on.¹

Figure 1.1
The Data of MSMEs 2018-2023

Year	2018	2019	2020	2021	2023
Number of MSMEs (millions)	64,19	65,47	64	65.46	66
Growth (%)		1,98%	- 2,24%	2,28%	1,52%

Source: KADIN Indonesia

Based on the following data, the role of MSMEs is enormous for the growth of the Indonesian economy with a number reaching 99% by contributing 97% of the workforce and 61% of GDP from large business units in Indonesia. So this business sector is important to develop to become a bigger business than before.² The growth of MSMEs in Indonesia has developed, although the MSMEs are growing, most of them still have fundamental problems such as finances that are managed less efficiently, lack of innovation, and

¹ Siti Turyani Marfuah and Sri Hartiyah, "Pengaruh Modal Sendiri, Kredit Usaha Rakyat (KUR), Teknologi, Lama Usaha, dan Lokasi Usaha Terhadap Pendapatan Usaha (Studi Kasus pada UMKM di Kabupaten Wonosobo)", *Journal of Economic, Business And Engineering I*, No. 1(2019), p. 183-195.

² KADIN Indonesia, Indonesia Chamber of Commerce And Industry, 2023, Data dan Statistik UMKM, <<https://kadin.id/data-dan-statistik/umkm-indonesia/>>, viewed 29 Juni 2024.

limited sources of financing from financial institutions still limited to access such as banks.³

Meanwhile, according to AFPI data, around 46.6 million Indonesian MSMEs did not have access to capital from banks and non-bank financial institutions in 2020, out of 64 million MSMEs. The financing obstacles experienced by most MSMEs are the basis for the government to provide other financing facilities, including through the partnership and community development program (PKBL), Mekaar PNM, Micro Waqf Bank, Ultra Micro Financing (UMI), and People's Business Credit.⁴

Sharia Micro Credit (KUR) is the distribution of money to MSME players through loans or loans supported by productivity guarantees. The program is carried out in financial institutions, both banks and non-banks. Financial institutions have an important role in helping the wheels of the community's economy to help the community's standard of living in a better direction, one of which is in terms of funding. In this funding, many customers operate in conventional-based financial institutions but several financial institutions such as banks or non-banks use the Sharia economic system.

Non-bank institutions such as special financial institutions (LKK) consist of several institutions or companies established to carry out specific tasks and functions, generally related to efforts to support government programs for the community's welfare.⁵ Judging from OJK data, among these special financial institutions (LKK), pawnshops have assets number two after the Indonesian Export Financing Agency (LPEI). Assets of financial institutions have

³ Zefanya Aprilia, CNBC Indonesia, 8 September, *Banyak UMKM Sulit Dapat Kredit, Fintech Cari Celah* <<https://www.cnbcindonesia.com/market/20230908114441-17-470708/banyak-umkm-sulit-dapat-kredit-fintech-cari-celah>> viewed 29 Juni 2024.

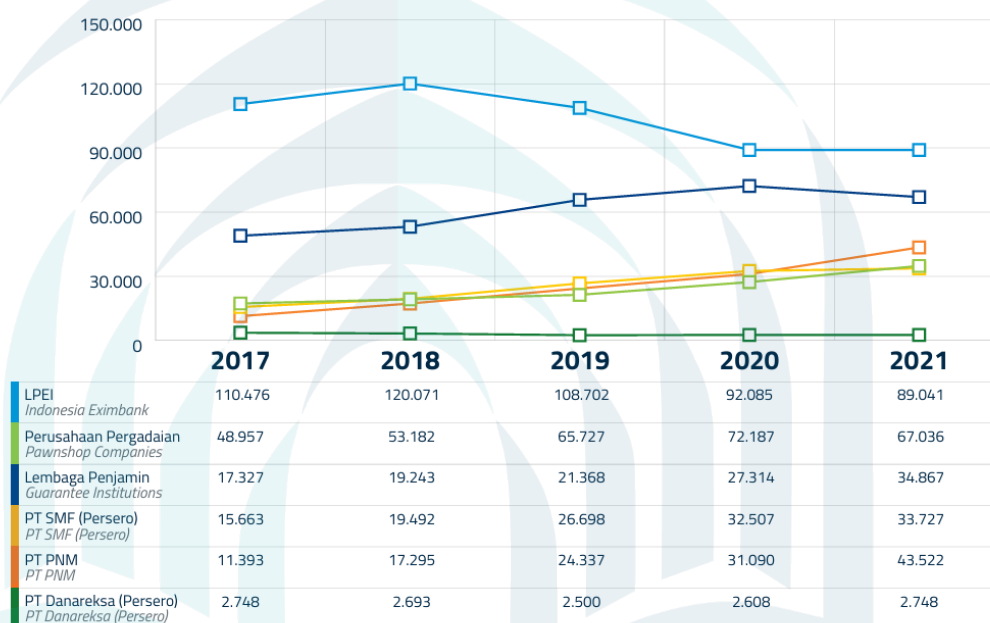
⁴ KADIN Indonesia, *Indonesia Chamber of Commerce And Industry*, 2023, Data dan Statistik UMKM, <<https://kadin.id/data-dan-statistik/umkm-indonesia/>> viewed 29 Juni 2024.

⁵ Otoritas Jasa Keuangan (OJK), Lembaga Keuangan Khusus, <<https://www.ojk.go.id/id/kanal/iknb/Pages/Lembaga-Jasa-Kuangan-khusus.aspx>> viewed 30 juni 2024

continued to increase over the past five years with an average growth of 7.6% annually.⁶

Figure 1.2

Assets of Specialized Financial Institutions 2017-2021 (billion rupiah)



Source: OJK Data on Specialized Financial Institutions Statistics 2021

PT Pegadaian is one of Indonesia's non-banking financial institutions (LKNB), engaged in three business fields: guarantee, funding, and administration. Establishing a pawnshop is a form of assistance in national economic development that exists to prevent loan sharks and dishonest money lending, advance the welfare of small people, and support government programs in the field of economy and national development.⁷

In implementing of existing programs, pawnshops have a central vision of becoming the most valuable financial company in Indonesia and the community's first choice for financial inclusion. The mission of the pawnshop

⁶ Otoritas Jasa Keuangan, "Statistik Lembaga Keuangan Khusus 2021", (Jakarta: Direktorat Statistik dan Informasi IKNB, 2021), p. 3.

⁷ Sahabat Pegadaian, "Mengenal Pegadaian Syariah : Solusi Keuangan Sesuai Syariat," , <<https://sahabatpegadaian.com/artikel/inspirasi/mengenal-pegadaian-syariah-solusi-keuangan-sesuai-syariat>> viewed 30 Juni 2024.

is to provide optimal benefits to stakeholders, expand the MSME service network through ultra-micro synergies to increase value for customers and stakeholders, and provide excellent service with a focus on customers.⁸

Services carried out in pawnshops usually use conventional services, but now there are Sharia services where all products and services are guided by Islamic law. Pawnshops with a sharia system provide financial solutions to customers by offering several products and services based on Islamic law. There are pawn and non-pawn loans, and one of the non-pawn loan products is the Sharia Micro Credit (KUR) pawnshop. This product is a loan program that strongly supports microfinance businesses.⁹

The main business conducted in pawnshops is to provide conventional and Sharia loans usually supported by movable goods. The companies supported by Sharia pawnshops include Sharia gold pawning, Sharia non-gold pawning, hajj portion financing, Sharia business loans, gold payments and savings, micro-business financing, payment services and so on that are Sharia-based. In running its business successfully, this pawnshop always adheres to the principles of good corporate governance, upholding the company's core values of honesty, independence, transparency, and accountability.

This Pawnshop issued a new product Sharia KUR financing, which appeared at the end of July 2022. However, this program was only well implemented in several branches of Pawnshop units in 2023. The application that runs everything about this KUR Syariah is called Arrum Express Loan. The Sharia Micro Credit (KUR) financing program is a program that is very helpful to the community. As working capital intended for the addition of supplies and capital for small and medium-sized businesses.¹⁰ In addition, Sharia KUR

⁸Pegadaian, "Visi Dan Misi Pegadaian," accessed Januari 21, 2024, <https://www.pegadaian.co.id/profil/visi-dan-misi> viewed 30 Juni 2024.

⁹ Mongkito, et al. Implementasi Pembiayaan Kredit Usaha Rakyat (KUR) Mikro Syariah Dalam Pengembangan Usaha Mikro, *Robust : Research of Bussiness and Economics Studies*, Vol.1, No.1, 2021, p. 91.

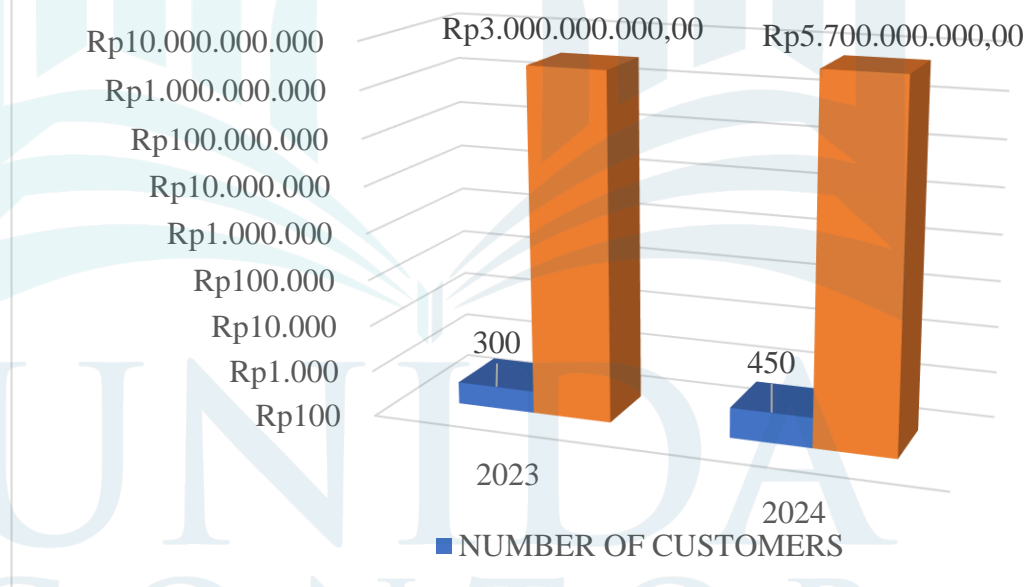
¹⁰ Natasya Gustiana, Havis Aravik, dan Meriyati, "Peran Pembiayaan Kredit Usaha Rakyat (KUR) Syariah Terhadap Perkembangan Usaha Mikro Kecil Dan Menengah (UMKM) Di Bank

products are also one of the derivative programs from the government aimed at helping the community's economy during the Covid-19 pandemic, especially for MSME players at the super micro level where this Islamic pawnshop acts as a bridge or intermediary in the development of MSMEs.

We can see in terms of economic growth in the second quarter of 2020, which experienced a contraction of 5.32%, and the cumulative first half of 2020 contraction of 1.26%.¹¹ This is due to the COVID-19 pandemic, which has caused many sectors of the economy to decline, so the government is looking for ways to provide customers with the capital they need.

Table 1.1

Table of Number of Sharia People's Business Credit (KUR) Customers at PT Pegadaian Blora



Source: Blora Pawnshop

Based on data obtained from Blora Pawnshop, the number of customers using KUR Syariah in 2023 was 300 people, and in 2024 there were 450 people

Sumsel Babel Syariah Kantor Cabang PIM Palembang,” *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA)*, Vol.2, No.2, (2022), <https://doi.org/10.36908/jimpa.v2i2.79>.

¹¹ Andi Triyawan dan Zuhdiana El Ummah Fendayanti, Dampak Pandemi Covid-19 Terhadap Keberlangsungan Perusahaan Jasa Konstruksi, *Forum Ekonomi*, Vol.23, No. 2, 2021, p. 224.

so there was an increase in customers for the two years running. In addition, it also affects the turnover of KUR Syariah financing, namely in 2023 as much as 3 billion and in 2024 as much as 5.7 billion. With this data, it can be seen that the Sharia KUR program has increased during the 2 years the program has been running.

In this study, the things that were observed and can be seen from the results of the graph of the number of customers in the Blora Pawnshop have increased by 50% in the use of the Sharia Micro Credit (KUR) program since the program was first held in the Blora pawnshop. According to Deani Dhiwanti and Soelaman, taken from previous research, some factors significantly influence purchasing decisions, namely promotion and service quality, which occurred at one of the Islamic banks in Bandung.¹²

In addition, according to Anjar Sari and Sri Abidah Suryaningsih in previous research, there are independent variables, namely Islamic promotion and Islamic service quality, and the dependent variable is the purchase decision, which is aimed at Pawnshop Syariah gold savings customers in Gresik Regency. But in this study Islamic promotion does not affect customer decisions, only Islamic service quality.¹³ Therefore, this study uses these independent variables, namely promotion and service quality on the dependent variable, namely the interest of Sharia KUR customers at PT Pawnshop Blora.

These promotional factors and service quality are taken as factors that influence the interest of pawnshop customers as consumers, which are related to consumer behavior and utility. Behaviorism is a learning theory based on the idea that all behavior is acquired through conditioning and occurs through interaction with the environment. In addition, this school is a school of

¹² Deani Dhiwanti and Soelaeman Sukmalana, "The Influence of Service Quality and Promotion on Customer Decisions (Study on One of Islamic Banking in Bandung)", *Jurnal Ekonomi Bisnis & Entrepreneurship*, Vol. 15 No. 2, 2021, p. 69–79.

¹³ Anjar Arista Sari dan Sri Abidah Suryaningsih, "Pengaruh Promosi Islami dan Kualitas Pelayanan Islami Terhadap Keputusan Nasabah Memilih Tabungan Emas Studi Pada Pegadaian Syariah Kabupaten Gresik, *Jurnal Ekonomika dan Bisnis Islam*, Vol. 3 No. 2, 2020, p. 187-199.

psychology that views people as reactive beings who respond to their environment and past experiences, and maintenance will shape their behavior.¹⁴ So this theory considers the psychological and emotional factors that influence individuals. Meanwhile, utility in economics is a term that refers to the satisfaction received when consuming or using a product or service. This utility also measures how much satisfaction is obtained from consuming goods or services. So behavior and utility have a close relationship in the context of understanding how humans make economic decisions.

In this study, the researchers wanted to examine the product because they saw the position of Sharia Micro Credit customers in pawnshops in the past two years had increased by approximately 50% even though it was not during the COVID-19 pandemic. Researchers are interested because they want to know whether the promotion and quality of pawnshop services affect customer interest in continuing to use the program even though it is not during the pandemic. In addition, what we don't know is that this conventional pawnshop not only implements conventional programs but also provides Sharia-based services. The pawnshop still offers customers products based on sharia and conventional principles. However, many customers are interested in Sharia-based products. Sharia Micro Credit products in this pawnshop are known as Arrum Express Loan.¹⁵ The location of this pawnshop is also strategic to be reached by customers in the city of Blora.

Therefore, it can be concluded that the author is interested in what has been explained, so the author conducts this research titled **"Analysis of The Effect of Promotion and Service Quality on Consumer Interest in Sharia Micro Credit (Case Study of Blora Pawnshop)"**.

¹⁴ Idi Warsah dan Mirzon Daheri, *"Psikologi Suatu Pengantar"*, (Yogyakarta: Tunas Gemilang Press, 2021), p. 39.

¹⁵ Wawancara Manager dengan Arvin, Pada Tanggal 15 November 2024.

B. Research Question

Based on the research background that has been explained above by answering the existing problems, the researcher determines the problem formulation, which is the focal point of this discussion, is

1. Does promotion affect customer interest in Sharia Micro Credit (KUR) at PT Pawnshop Blora?
2. Does service quality affect customer interest in Sharia Micro Credit (KUR) at PT Pawnshop Blora?
3. Do promotion and service quality affect customer interest in Sharia Micro Credit (KUR) at PT Pawnshop Blora?

C. Research Objectives

The purpose of this study is to determine and analyze the effect of promotion and service quality on customer interest in Sharia Micro Credit (KUR) pawnshop at PT Pawnshop Blora.

D. Research Limitations

In this study, the authors will examine and analyze the effect of promotion and service quality on customer interest in Sharia Micro Credit (KUR) products at PT Pawnshop Blora. The author only discusses Sharia Micro Credit (KUR) which runs in the pawnshop.

E. Research Benefits

In this study, it is hoped that readers will benefit from academic and practical knowledge. The benefits of this research are:

1. Academic Benefits

This research is expected to provide knowledge about the Sharia KUR pawnshop. It can also add to the literature and encourage other researchers to continue developing their research specifically in this field.

2. Practical Benefits

This research is expected to further describe the KUR Syariah warehousing program in this Pergadaian. It can provide solutions to economic problems that occur at this time.