

## The Influence of Promotion, Service and Estimated Value on Customer Decisions in Choosing Gold Pawn Products at PT. Trenggalek UPC Pawn Shop

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Article Information		Abstract
Submission date	13 Desember 2023	<p><b>Research Aim:</b> The aim is to find out the influence of promotion, service and estimated value both partially and simultaneously on customers' decisions in choosing gold pawn products on the market. pawned</p> <p><b>Design/Method/Approach:</b> to answer the problem in this elite research, a quantitative approach is used with multiple line regression analysis tools. The population in this elite company are customers who use gold pawn financing. The sample was determined to be 80 samples taken using the accidental sampling technique. The t test is used to find out the influence of promotional variables, service, and partial estimates on customer decisions. While the F test is used to see the joint influence of all independent variables on the dependent variable.</p> <p><b>Research Finding:</b> This research shows that promotion, service, and estimated value have a significant influence on customers' decisions in choosing gold pawn products.</p> <p><b>Theoretical contribution/Originality:</b> promotion, service and task value can influence customers' decisions in choosing gold pawn products as an alternative to meet financial needs in life.</p> <p><b>Practitioner/Policy implication:</b> this research provides practical implications for PT. Pegadaian UPC Trenggalek in increasing the number of customers who pawn gold.</p> <p><b>Research limitation:</b> this research only discusses the influence of service promotion and estimated value as the dependent variable. There are still other variables that need to be researched further.</p>
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### Introduction

Humans throughout their lives have various needs that must be met, both material and non-material needs. As a manifestation of meeting these needs, humans try to work and look for financial solutions from other parties such as financial institutions and banks that offer emergency funding needs. One alternative offered for people to get out of these financial problems is to use pawn services. Pawning is a process carried out by two people (parties) where one person acts as the owner of the movable goods and is also the party who owes the funds obtained by the person who owes the movable goods. According to Soemitra in Rientiwi (2020), a pawn is a right handed over by a person or other party on behalf of a person who is then in the position of the person who owes the debt for movable goods (property), and by granting this

right the power is also given to take and pay off the goods, by reducing costs for costs incurred to save the item [1].

Institutions that carry out the practice of pawning are hereafter referred to as pawnshops. The pawn shop is the only business entity in Indonesia that officially has a license to carry out financing activities in the form of channeling funds to the public on the basis of pawn law [2]. One of the pawnshop product developments that is commonly used is gold pawning. The gold pawn product exists/is created with the aim of meeting the needs of society with the principle of mutual help. This is due to the existence of gold pawn products offered by PT. Pegadaian helps many people, the majority of whose customers are mothers to fulfill their daily needs and other basic necessities. Gold pawning is closely related to customers of female in general in Indonesian society, gold is more commonly used or owned by female or mothers, especially in the rural areas.

As an institution that provides financial services among many other institutions with unique services, pawnshops need promotional media to attract customers to use the services offered. Promotion for companies can also be a way to introduce the products they have to potential customers. Promotion is an important activity for companies to carry out in marketing the products and services offered by the company [3]. According to [4] marketing strategy is defined as the initial planning of a marketing activity aimed at increasing consumer interest by offering products to consumers. In other words, promotion or marketing strategy is carried out specifically in order to attract the interest of consumers as potential marketers and/or users of the goods/services offered.

In addition to promotion, customer interest can be attracted or triggered by providing optimal service. With a good service system that meets standards, it is hoped that customer/consumers will be comfortable with what the product provides so that in the future they will carry out re-services or even carry out reforms to people around them so that they can attract more customer customers to use these tier products. Service quality is also defined as the expected level of excellence and control over the tier level of excellence to fulfill customer desires [5].

Tier consumer interest in goods/services can also grow when the price or value offered by the product is suitable or meets the customers' expected expectations, the tier includes the financial business sector (pawnshop). Customers will be inclined to choose a manufacturer that is able to offer a higher price for goods that the customer offers as collateral (pawn) compared to a manufacturer that has a lower value for the same item. Research conducted by Iolieh Putri (2022) regarding the estimated value and interest in pawning gold shows a positive and significant relationship. When the estimated value offered for gold or other valuable goods to be pawned by clients is high, then consumers' interest in placing a tier pawn on these tier items will also be higher.

Pegadaian UPC Trenggalek promises to provide comfort, convenience and security for customers which is realized from the service of employees who are polite, friendly, responsive, professional and able to serve quickly and precisely on every priority that is needed in applying for pawns and other services. Besides that, PT. Pegadaian UPC Trenggalek also offers easy transactions using an application in the form of PDS (Pegadaian Digital Service), so that customers can carry out and use pawnshop services including paying bills, extension of loan seniority, or savings without having to come directly to the Pegadaian office ([www.Pegadaian.co.id](http://www.Pegadaian.co.id)).

PT. Pegadaian UPC Trenggalek located at Jalan Veteran Nomor 29, Sosutan, Ngantru

Trenggalek. With a fairly large number of customers each year in the range of 1,220 to 1,600 customers in the three final tier years calculated from 2021 to 2023, the tiers seen in the table below are as follows:

**Table 1.1**  
**Table Number of Gold Pawn Customers PT. Pegadaian**  
**UPC Trenggalek Year 2023**

No	Year	Amount Customer
1	2021	1283
2	2022	1371
3	2023	1693

*Source: interview with pawn UPC Trenggalek, 2023*

Based on the results of tier research observations of PT. Pegadaian UCP Trenggalek is aware that customers of gold pawning products will experience an increase in 2023. The large number of requests for gold pawning from the community can be utilized by both business players by providing services or service products that are similar to gold pawning which will then make the community as consumers have quite a lot of choices to pawn gold. These tiers will ultimately become a consideration for consumers in choosing which institution to use. In other words, there will be more and more other institutions offering gold pawn services as part of PT. Pegadaian.

The tier condition is said to be a challenge for PT. Pegadaian UPC Trenggalek to be able to compete in attracting customers' decisions to use gold pawn services with the consideration of various aspects of priority, service (service quality) and estimated value that can influence customers' decisions in choosing gold pawn products at PT. Pegadaian.

#### **Statement of Problem**

Gold pawn services are one of the products provided by PT. Pegadaian UPC Trenggalek. However, there are still many people who don't know that product exist and can be used to help with their financial needs. It is necessary to analyze how the variables of priority, service and estimated value are used to determine whether we have a level of influence on the gold pawning decision at PT. Pegadaian UPC Trenggalek.

#### **Research Objectives**

The purpose of this research is to find out how much influence the price, service and estimated value influence the decision to pawn gold at PT. Pegadaian UPC Trenggalek.

#### **Method**

To answer the problem in this research, the researcher uses a quantitative causality approach with multiple linear analysis techniques. Causality research is research that explains the causal relationships between variables that influence hypothesis. Meanwhile, quantitative research is defined as research that is measurable, rational and systematic because it uses research data in the form of numbers which will then be analyzed statistically [7]. The sample determined was 80 respondents, namely all active customers at PT. Pegadaian UPC Trenggalek, using the purposive accidental sampling technique. Purposive accidental sampling is used to find out the influence of priority variables, service and partial tier estimated values on customer decisions. Meanwhile, the F test is used to see the mutual influence of all tier independent variables on the

dependent variables. The types of data used are primary and secondary data.

### Results and Discussion

This research currently uses 80 PT's customers. Pegadaian UPC Trenggalek is a sample and also a research respondents. Of the 80 people in the total tier, 18 are men and 62 are women. 8 people are customers aged less than 25 years, 11 customers aged between 26-30 years, 41 customers aged between 31-35 years, 15 customers aged between 36-40 years and 5 other customers aged more than 40 years. Based on the final education tier, the education tier consists of 5 students with junior high school education, 20 students with high school education, 45 customers with D3 graduates, 10 students with bachelor's degree education. If we look at the type of work, the respondent tier consists of 23 housewife (IRT) customers, 23 other customers are self-employed, 17 customers each are employees and civil servants (PNS).

Before the hypothesis was carried out to show the relationship between the variables used in the research, a research instrument test was carried out which consisted of a validity test and a reliability test. The results of the validity and reliability tests show that the variables X1, X2, The reliability results for each variable can be seen on the table:

**Table 3.1**  
**Cronbach's Alpha Reliability Test Results**

Variabel	Alpha Cronbach Value	Keterangan
X1	0,817 (82%)	Reliabel is very high
X2	0,565 (57%)	Reliabel enough
X3	0,614 (61%)	Reliabel is high
Y	0,491 (50%)	Reliabel enough

*Data source: processed primary data, 2024*

The classical assumption test in tiered research consists of the data normality test, the heteroscedasticity test, the multicollinearity test and the autocorrelation test. From these four tests, the model in this study was declared to have passed the test so that the resulting regression model was declared suitable for use in explaining the relationship between variables. The results of the double linear research test in research can now be seen in the following table:

**Table 3.2**  
**Result of the t-test Regression Model**

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	23,748	4,635		5,124	0,000
X1	0,120	0,059	0,218	2,039	0,045
X2	0,224	0,072	0,340	3,113	0,003
X3	0,191	0,090	0,229	2,125	0,037

*Data source: processed primary data, 2024*

Based on the regression model results from the table above, it is known that the significance (sig.) of (X1) has a value of 0.045; (X2) service value of 0.003 is less than significant 0.05 and (X3) estimated value 0.037 is less than significant 0.05. Because the

variables X1, X2 and X3 partially (separately) have a significant influence on the customer's mortgage decision (Y). So is stated that the hypotheses H1, H2 and H3 are accepted. Meanwhile, 4th hypothesis, namely the relationship between X1:

**Table 3.3**  
**Regression Model t-test Results**

		<i>ANOVA<sup>b</sup></i>				
<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	102,926	3	34,309	4,732	0,004 <sup>a</sup>
	Residual	551,074	76	7,251		
	Total	654,000	79			

*Data source: processed primary data, 2024*

Based on the F-test results in the table above, you can see that the significance value (Sig.) is 0.004, which is smaller than the significance value of 0.05. So the variables priority (X1), service (X2) and estimated value (X3) have a positive and significant influence simultaneously on the pawn decision (Y). Regression model in this research is as follows:

$$Y = 23.75 + 0.12 X1 + 0.22 X2 + 0.19 X3$$

Based on the Regression model above, the relationship between the variables can be interpreted as follows:

- The value 23.75 indicates that the kinetics of the variables X1, X2 and
- A value of 0.12 on the price ratio (X1) indicates that if the price ratio increases by 1 unit, the customer's pawn decision (Y) will increase by 0.12 units.
- The value of 0.22 for service (X2) indicates that when the quality of service increases by 1 unit, the customer's mortgage decision (Y) will increase by 0.22 units.
- The value of 0.19 on the estimated value (X13) shows that when the estimated value increases by 1 unit, the customer's pawn decision (Y) will increase by 0.19 units.

### **Influence of Priority (X1) against the Gold Pawn Decision (Y)**

Based on the results of the analysis test (t-test), it can be concluded that the priority as a variable (X1) has a significant positive influence on the gold pawning decision. In other words, the higher the intensity of prioritization carried out by PT. Pegadaian, UPC Trenggalek, the higher (larger) number of customers who decide to pawn gold. This result is in line with research [8] which states that price differentiation has a positive and significant relationship with mortgage demand.

The same thing was also shown in research [6] and [9] which showed similar results, that the quality of prioritization carried out by Pegadaian will significantly increase customers' pawning decisions. This means that the more frequent prioritization is carried out, the more it will increase the customer's decision to pawn gold. This also applies vice versa. When PT. Pegadaian carry out promotions less and less, so customers' interest and decision to pawn will decrease.

### **Impact of Service (X2) regarding the Gold Pawn Decision (Y)**

Based on the results of the analysis test (t-test), it can be concluded that service as a variable (X2) has a positive and significant influence on customers' gold pawning decisions (Y). This has the meaning of service ethics provided by PT. The better the Trenggalek UPC Pegadaian is, the more customers' decisions to pawn gold will increase. The results of this research are supported by the results of previous research conducted by Seftiani in 2018, Cahyo in 2023 and Ningsih in 2023, resulting in the conclusion that service or quality of service has a positive and significant influence on customers' decisions regarding pawning [10][11][12].

Positive and significant relationships also have the opposite effect. This means that the service ethics provided by PT. Pegadaian UPC Trenggalek UPC shop is not good and/or does not meet the customer's expectations, so the customer's decision to pawn gold will also decrease even further and it could even result in customers not being able to pawn gold due to unpleasant service. This is certainly one of the things that company should pay attention to. Pegadaian UPC Trenggalek, because the services provided to customers will be directly related to the customer service of that tier. By increasing customer satisfaction with the services provided, the decision to pawn gold will also become easier to achieve (more customers will decide to pawn).

### **Effect of Estimated Value (X3) level Against Gold Pawn Decision (Y)**

Based on the results of the analysis test (t-test), we can conclude that the estimated value (X3) has a positive and significant relationship to the customer's gold pawning decision (Y). If the estimated value offered by PT. Pegadaian UPC Trenggalek is higher compared to other technical institutions, so the customer's gold pawning decision will also be higher. This also applies in reverse, when the estimated value offered by PT. Pegadaian UPC Trenggalek is lower than other reputable institutions and/or much lower than the market price, so the customer's gold pawning decision will be lower.

The results of this research are supported by previous research carried out by Rahmawati and Mutaminah in 2020 and Kartika et al in 2023, resulting in the conclusion that the higher the estimated value offered by the Pegadaian, the higher the mortgage decision made by the customer [8][13]. Similar results were also shown in Putri's research in 2022 which concluded that the relationship between the estimated value of the tier and the customer's interest or decision to pawn gold is positive and significant [6].

### **Effect of Promotion (X1), service(X2) dan Estimated Value (X3) Against the Gold Pawn Decision (Y)**

Based on the results of the analysis test (f-test), we can conclude that the three independent variables consisting of price (X1), service (X2) and estimated value (X3) together (simultaneously) have a positive and significant influence on customer decisions. in pawning the gold (Y). Where tiers are referred to as product pricing factors, the quality of service from tier vendors to customers as well as the offer of a higher and/or better estimated value for collateral. So the customer's decision to make a pawn will also be higher.

Based on research conducted by Anisa in 2020, it was concluded that priority variables, estimated value and service quality have a significant influence on interest in gold pawning at sharia Pegadaians [14]. The same thing was shown in research by Hazirah et al in 2019 that the estimated value, product quality and price and service simultaneously (together) have a significant influence on customers' decisions in taking financing services at Pegadaian [15].

### **Conclusion**

Based on the results of the research that has been carried out, it can be concluded that the four research hypothesis are declared acceptable. The priority variable (X1) has a positive

and significant influence on the decision to pledge gold (Y) separately. Variables such as service (X2) and estimated value (X2) also show a positive and significant influence on the decision to pledge gold (Y) in a separate (partial) manner. The same results were also shown for the influence of the variable variable (X) on Y simultaneously, where the results of the f-test test resulted in the conclusion that X1, X2 and X3 had a significant influence on Y simultaneously.

It is hoped that the results of this research can become a source of consideration for PT. Pegadaian UPC Trenggalek to analyze which variables need to be improved in order to attract more customer interest in deciding to use gold pawn products. An example of this is in prioritization variables, where the significant value produced in the regression test almost reaches a significant value, namely 0.045, while the significant value is 0.05. In this way, priority activities must be improved and paid more attention. Both in terms of how the promotion will be carried out or to whom and how the promotion will be carried out directly on the intended target market.

The current limitation in research is the variant of the global variables used. Many previous researchers have used price, service and estimated value variables to analyze gold mortgage decisions. It is hoped that in future research there will be other variables that can be used to explain mortgage decisions and customer/customer decisions in consuming or using certain products or services.

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