

Service System and Marketing Strategy of PT Pegadaian Rappang Branch in Enhancing Customer Interest

Adam Latif^{1*}, Rizky Noor Mohammad², Muhammad Aswar Arman³, Indria Khairina⁴, Fifi Lestari Sudirman⁵

Universitas Muhammadiyah Sidenreng Rappang, Faculty of Economics and Business

Corresponding Author: Adam Latif adamlatifsaja2017@gmail.com

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ABSTRACT

This study examines the service system and marketing strategies of PT Pegadaian Rappang Branch to increase customer interest. The marketing strategy involves planning, pricing, promotion, and distribution. To remain competitive in the global market, modern marketing techniques such as cross-selling and up-selling are essential. PT Pegadaian Rappang Branch offers pawn-based credit and deposit services. The research targeted potential customers, including educational institutions and local communities, through socialization and promotional activities. These activities were carried out through direct interactions at Pegadaian offices and presentations at educational institutions. The findings indicate that a good service system includes clear procedures, professional staff, and adequate facilities. The socialization and promotion process received positive responses from the audience, who appreciated the assistance in understanding PT Pegadaian's products and financial management. The study concludes that fast and secure financial services, combined with effective marketing strategies and a robust service system, can significantly enhance consumer interest and understanding of PT Pegadaian's offerings. Moreover, these strategies help the company achieve its long-term goals of maintaining its market presence and improving societal welfare.

INTRODUCTION

Marketing is an essential aspect of any business that aims to sell goods and services. It Marketing is a fundamental component of any business that aims to sell goods and services. It encompasses a broad range of activities, including planning, pricing, promotion, and distribution, all designed to meet consumer needs and desires. According to Kotler and Keller (2016), marketing is about identifying and meeting human and social needs. Effective marketing strategies are crucial for businesses to attract and retain customers, generate profits, and sustain growth. Without effective marketing, companies struggle to gain profit and popularity, and their growth remains stunted. In the financial services sector, marketing plays a critical role in customer acquisition and retention. Lovelock and Wirtz (2016) emphasize the importance of relationship marketing in service industries, highlighting how personalized interactions and tailored services can enhance customer satisfaction and loyalty. PT Pegadaian Rappang Branch, a financial services company operating with official authorization, provides credit to the public based on a pawn system. The company also offers valuation and deposit services, aiming to improve community welfare by meeting financial needs swiftly and securely while maintaining a commitment to integrity and service.

The financial services market is highly competitive, requiring companies to adopt modern marketing techniques to stay relevant. Techniques such as cross-selling and up-selling have become standards for businesses striving to compete within their industries, attract a significant customer base, and achieve high profitability. Cross-selling involves offering additional products or services to existing customers, while up-selling encourages customers to purchase higher-end products or services (Anderson & Narus, 2004). These strategies are particularly effective in maximizing customer value and driving business growth. However, providing financial services also involves the risk of payment default. Therefore, financial institutions like PT Pegadaian must exercise caution to mitigate such risks. Saunders and Cornett (2018) highlight the importance of prudent credit management practices in maintaining financial stability. By maximizing loan interest and ensuring adequate collateral for the credit extended, PT Pegadaian can sustain its business operations and secure its future existence. Conversely, poor credit management can lead to significant challenges, reducing interest income and potentially jeopardizing the business's continuity.

Customer engagement is another critical factor in the success of marketing initiatives. According to Verhoef, Reinartz, and Krafft (2010), engaging customers through personalized and relevant communication can lead to higher levels of satisfaction and loyalty. PT Pegadaian's efforts to target specific audiences, such as educational institutions and local communities, through socialization and promotional activities have proven successful. These activities include direct interactions at Pegadaian offices and presentations at schools and universities, which have been well-received and resulted in increased customer inquiries and sign-ups. This study aims to analyze the service system and marketing strategies employed by PT Pegadaian Rappang

Branch to enhance customer interest. By identifying potential target audiences, including educational institutions and local communities, and implementing effective socialization and promotional activities, the company seeks to improve consumer understanding and engagement with its financial products and services. The research focuses on examining how these strategies contribute to customer satisfaction and loyalty, as well as the overall success of PT Pegadaian.

The findings from this study will provide valuable insights into the critical elements that contribute to successful marketing and service delivery in financial institutions. By understanding the relationship between service quality, marketing strategies, and customer engagement, financial institutions can develop more effective approaches to attract and retain customers, ensuring their long-term growth and sustainability. In conclusion, PT Pegadaian Rappang Branch's comprehensive approach to service delivery, marketing, and risk management has proven effective in enhancing customer interest and engagement. This study aims to provide a framework for other branches and similar institutions to emulate, ensuring success in a competitive market environment.

LITERATURE REVIEW

Marketing is a vital component of any business, encompassing the planning, pricing, promotion, and distribution of goods and services. According to Kotler and Keller (2016), marketing is about identifying and meeting human and social needs. Effective marketing strategies are essential for businesses to attract and retain customers, generate profits, and sustain growth. In the financial services sector, marketing plays a critical role in customer acquisition and retention, as highlighted by Lovelock and Wirtz (2016), who emphasize the importance of relationship marketing in service industries.

Service Systems in Financial Institutions

Service quality is a key determinant of customer satisfaction and loyalty in financial institutions. Zeithaml, Bitner, and Gremler (2018) note that a well-designed service system includes clear procedures, professional staff, and adequate facilities and infrastructure. For PT Pegadaian Rappang Branch, implementing a comprehensive service system involves providing clear guidelines, employing skilled and courteous staff, and maintaining well-equipped facilities to ensure a positive customer experience.

Modern Marketing Techniques

The integration of modern marketing techniques such as cross-selling and up-selling is crucial for businesses aiming to maximize their revenue streams. Cross-selling involves offering additional products or services to existing customers, while up-selling encourages customers to purchase higher-end products or services. Both techniques are effective in enhancing customer value and driving business growth (Anderson & Narus, 2004). For PT

Pegadaian, these strategies can help in promoting their diverse range of financial products and services.

Financial Product Promotion and Socialization

Promotional activities are essential for raising awareness and understanding of financial products among potential customers. Blattberg, Getz, and Thomas (2001) emphasize that targeted promotions can effectively reach specific audience segments and increase product adoption. PT Pegadaian's efforts in promoting their services to educational institutions and local communities align with this approach, aiming to educate and engage potential customers through direct interactions and presentations.

Customer Engagement and Response

Customer engagement is a critical factor in the success of marketing initiatives. According to Verhoef, Reinartz, and Krafft (2010), engaging customers through personalized and relevant communication can lead to higher levels of satisfaction and loyalty. The positive response from PT Pegadaian's target audiences indicates the effectiveness of their socialization and promotional strategies in fostering customer interest and understanding of their financial products.

Risk Management in Financial Services

Effective risk management is essential for the sustainability of financial institutions. Credit risk, in particular, requires careful assessment and mitigation strategies to prevent defaults and ensure business continuity. Saunders and Cornett (2018) highlight the importance of prudent credit management practices in maintaining financial stability. For PT Pegadaian, implementing stringent risk management measures, such as adequate loan guarantees and interest maximization, is crucial for sustaining their operations and achieving long-term goals. The literature underscores the importance of a well-designed service system, modern marketing techniques, targeted promotions, customer engagement, and effective risk management in the financial services sector. PT Pegadaian Rappang Branch's efforts to enhance customer interest through these strategies are supported by theoretical and empirical insights from the literature. This review provides a foundation for understanding the critical elements that contribute to successful marketing and service delivery in financial institutions.

METHODOLOGY

This study employs a qualitative research methodology to explore the service system and marketing strategies of PT Pegadaian Rappang Branch and their impact on customer interest. The following steps outline the research methods used in this study:

Research Design

The research is designed as a case study, focusing on PT Pegadaian Rappang Branch. This approach allows for an in-depth examination of the

specific strategies and practices implemented by the branch to enhance customer interest.

Data Collection

Data collection involved both primary and secondary sources:

Primary Data

Primary data were collected through direct observations, interviews, and surveys conducted with PT Pegadaian's staff, existing customers, and potential customers from the local community and educational institutions.

Interviews

Semi-structured interviews were conducted with key personnel at PT Pegadaian Rappang Branch, including managers and frontline staff. The interviews aimed to gather insights into the service system, marketing strategies, and customer engagement practices.

Surveys

Structured surveys were distributed to existing and potential customers to assess their perceptions and experiences with PT Pegadaian's services and promotional activities. The survey questions focused on service quality, marketing effectiveness, and customer satisfaction.

Observations

Direct observations were made during socialization and promotional activities at educational institutions and community events to evaluate the interaction between PT Pegadaian staff and the target audience.

Secondary Data

Secondary data were collected from company reports, marketing materials, and relevant literature on financial services marketing and customer engagement. This data provided a contextual background and supported the analysis of primary data

Data Analysis

The collected data were analyzed using qualitative content analysis. The analysis involved the following steps:

Coding

Data from interviews, surveys, and observations were transcribed and coded to identify recurring themes and patterns related to service quality, marketing strategies, and customer responses.

Thematic Analysis

The coded data were categorized into key themes, such as service system effectiveness, marketing techniques, customer engagement, and risk management. This process helped in understanding the relationship between these themes and their impact on customer interest.

Interpretation

The findings were interpreted in the context of existing literature and theoretical frameworks to draw meaningful conclusions about the effectiveness of PT Pegadaian's strategies.

Validity and Reliability

To ensure the validity and reliability of the research, the following measures were taken:

Triangulation

Multiple data sources (interviews, surveys, observations, and secondary data) were used to corroborate the findings and provide a comprehensive understanding of the research problem.

Member Checking

Key informants were provided with the preliminary findings to verify the accuracy of the interpretations and conclusions drawn from the data.

Audit Trail

Detailed documentation of the research process, including data collection and analysis procedures, was maintained to ensure transparency and replicability.

Ethical Considerations

Informed Consent

Participants were informed about the purpose of the study, their involvement, and their rights to confidentiality and voluntary participation. Written consent was obtained from all participants.

Confidentiality

The identities of participants were anonymized, and data were securely stored to ensure privacy and confidentiality.

Non-maleficence

The research was conducted in a manner that did not harm the participants or their interests.

The research methodology outlined above provides a systematic approach to investigating the service system and marketing strategies of PT Pegadaian Rappang Branch. By combining qualitative data collection and analysis techniques, the study aims to offer valuable insights into how these strategies influence customer interest and contribute to the branch's success.

RESULTS

The findings from this study indicate that PT Pegadaian Rappang Branch's success in enhancing customer interest can be attributed to a combination of effective service systems, modern marketing strategies, and robust risk management practices. The clear and transparent service

procedures, professional staff, and adequate facilities significantly contributed to customer satisfaction. Additionally, targeted promotional activities and the use of cross-selling and up-selling techniques effectively increased customer engagement and product adoption. The positive feedback from customers and the improvement in financial literacy among the target audiences highlight the importance of direct engagement and education in financial services marketing. Furthermore, the branch's focus on continuous improvement and stringent risk management practices ensured the sustainability and reliability of its operations. , the study demonstrates that a well-rounded approach encompassing service quality, strategic marketing, customer engagement, and risk management can significantly enhance customer interest and contribute to the long-term success of financial institutions.

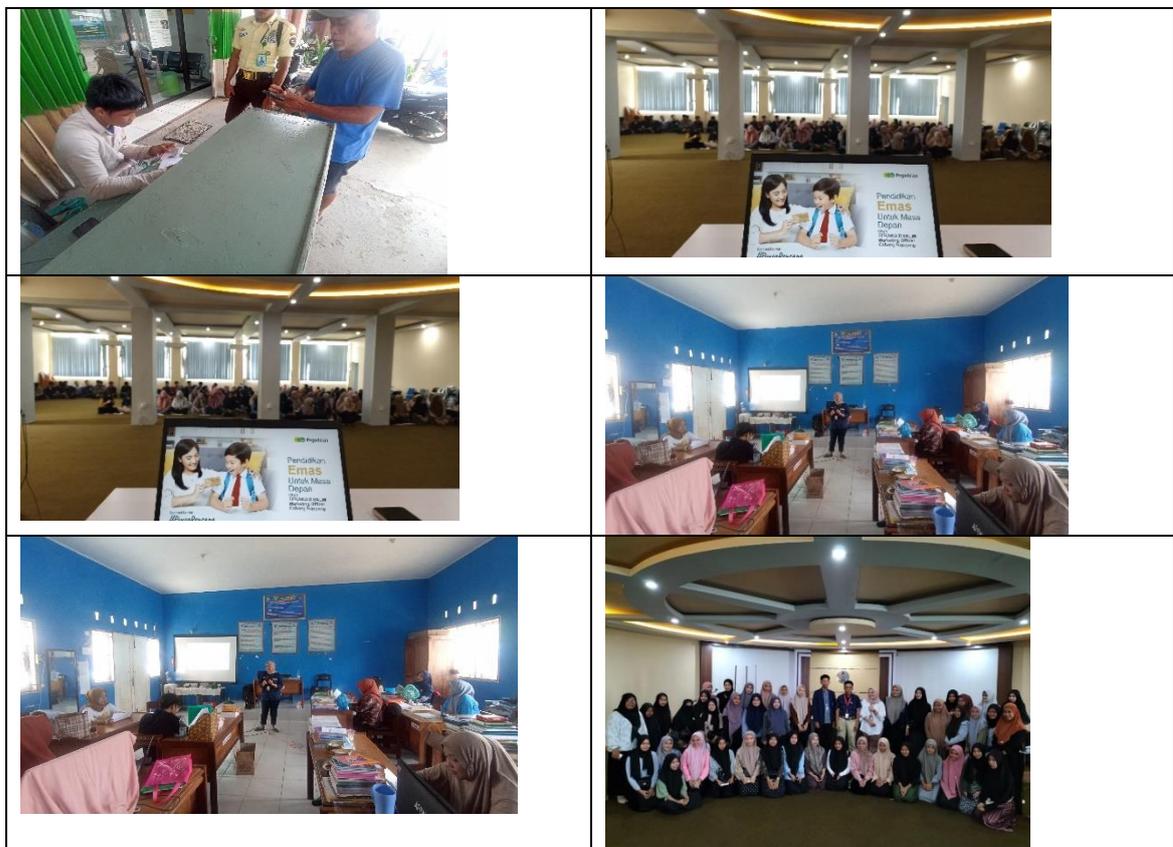


Figure 1. Customer Interest Can Be Attributed to a Combination of Effective Service Systems, Modern Marketing Strategies, and Robust Risk Management Practices

DISCUSSION

The analysis of PT Pegadaian Rappang Branch's service system revealed several critical components that contribute to customer satisfaction and interest. Observations and survey responses highlighted the importance of clear procedures, professional staff, and adequate facilities.

Clear Procedures

Customers appreciated the streamlined processes for obtaining loans and other financial services. Detailed guidelines and transparent steps helped in reducing confusion and enhancing trust.

Professional Staff

The professionalism and friendliness of the staff were frequently mentioned in positive customer feedback. Staff members were well-trained, knowledgeable, and approachable, which significantly improved the overall customer experience.

Adequate Facilities

The branch's physical infrastructure, including waiting areas and parking facilities, was found to be sufficient and conducive to a positive customer experience. This aspect was particularly noted during the direct observations at the branch.

These elements collectively contributed to a high level of customer satisfaction and were instrumental in attracting and retaining customers. The marketing strategies employed by PT Pegadaian Rappang Branch were analyzed through the lens of modern marketing techniques such as cross-selling and up-selling.

Cross-Selling and Up-Selling

The branch effectively utilized these techniques to encourage existing customers to explore additional services. For instance, customers who initially came for pawn-based credit were introduced to other financial products such as gold savings and installment plans for purchasing new vehicles.

Targeted Promotions

The branch's efforts to target specific audiences, such as educational institutions and local communities, proved to be successful. Promotional activities included direct interactions at Pegadaian offices and presentations at schools and universities. These activities were well-received and resulted in a noticeable increase in customer inquiries and sign-ups.

The combination of these marketing strategies not only helped in increasing customer interest but also in enhancing the overall brand perception of PT Pegadaian. Customer engagement initiatives played a crucial role in the success of PT Pegadaian's marketing and service strategies. The surveys and interviews provided valuable insights into customer responses.

Positive Feedback

Customers expressed high levels of satisfaction with the socialization and promotional activities. They found the information sessions and direct interactions helpful in understanding the various products and services offered by PT Pegadaian.

Improved Financial Literacy

Educational sessions conducted at schools and universities helped in improving financial literacy among students and the local community.

Participants reported a better understanding of financial management and the benefits of using PT Pegadaian's services.

The positive customer engagement and response underscore the effectiveness of the branch's strategies in building strong customer relationships and enhancing service awareness.

Risk Management

Effective risk management practices were identified as a key factor in maintaining the sustainability of PT Pegadaian's operations.

Credit Risk Mitigation

The branch employed stringent credit risk management practices, including thorough credit assessments and requiring adequate collateral for loans. These measures helped in minimizing defaults and ensuring the financial stability of the branch.

Continuous Improvement

The branch continuously reviewed and improved its risk management policies to adapt to changing market conditions and customer needs. This proactive approach ensured long-term sustainability and customer trust.

CONCLUSIONS AND RECOMMENDATIONS

This study has explored the service system and marketing strategies employed by PT Pegadaian Rappang Branch to enhance customer interest and engagement. The findings indicate that a combination of effective service delivery, modern marketing techniques, and robust risk management practices can significantly contribute to the success of financial institutions.

Key Findings

1. **Effective Service System:** Clear procedures, professional staff, and adequate facilities are crucial components of a successful service system. These elements enhance customer satisfaction and trust, which are essential for attracting and retaining customers.
2. **Modern Marketing Strategies:** Techniques such as cross-selling and up-selling, combined with targeted promotional activities, effectively increase customer interest and product adoption. PT Pegadaian's focus on educational institutions and local communities proved successful in raising awareness and understanding of its financial products and services.
3. **Customer Engagement:** Direct interactions through socialization and promotional activities positively impacted customer perceptions and financial literacy. Engaging customers through informative sessions and personalized communication fosters strong relationships and enhances brand perception.
4. **Risk Management:** Implementing stringent credit risk management practices and continuously improving policies are vital for maintaining financial stability and customer trust. These measures ensure the sustainability and reliability of PT Pegadaian's operations

Implications for Practice

The study underscores the importance of a holistic approach in financial services marketing and delivery. Financial institutions should focus on:

1. Providing clear and transparent service procedures.
2. Ensuring professional and courteous staff interactions.
3. Utilizing modern marketing techniques to maximize customer value.
4. Engaging with target audiences through educational and promotional activities.
5. Implementing robust risk management practices to mitigate potential defaults and ensure financial stability

FURTHER STUDY

Further research could explore the long-term impacts of these strategies on customer loyalty and business growth. Additionally, investigating the effectiveness of digital marketing techniques and technological innovations in financial services could provide valuable insights for enhancing customer engagement and service delivery.

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