



ANALYSIS OF RAHN'S STRATEGY TO INCREASE PROFITABILITY AND COMPETITIVENESS AT KSPPS NURI

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Abstract: This study aims to comprehensively analyze the marketing and financing strategy of the Rahn contract (pawn) as the main instrument in increasing the profitability and competitiveness of KSPPS NURI in the Islamic financial market. In the context of increasingly fierce competition in the Islamic finance industry, it is important for KSPPS to adopt effective strategies to maintain and improve its position in the market. Akad Rahn, as one of the leading products in sharia financing, offers great potential in creating a stable source of income while attracting consumer interest. This study uses a qualitative descriptive approach with a case study method at KSPPS NURI. Data was collected through in-depth interviews, observations, and document analysis related to the implementation of Rahn's marketing and financing strategies. The results of the study show that the structured marketing strategy and synergy with Rahn's financing significantly increase the profitability of KSPPS NURI. In addition, the effective implementation of the Rahn contract also contributes to increasing the competitiveness of cooperatives in the Islamic finance market. However, the study also found some challenges, such as the need for innovation in products and improved service quality to maintain the sustainability of competitive advantage. Therefore, a sustainable strategy is needed to ensure the growth and sustainability of KSPPS NURI in the future.

Keywords: Marketing Strategy, Rahn Financing, Profitability, Competitiveness

INTRODUCTION

In recent years, the development of the Islamic finance industry in Indonesia has shown an increasingly positive trend, supported by increasing public awareness of sharia-based financial principles. Sharia Microfinance Institutions, such as KSPPS (Sharia Savings and Loan and Financing Cooperatives), play an important role in providing financial access for the community, especially among micro, small, and medium enterprises (MSMEs). One of the products that has great potential in supporting the financial performance of KSPPS is the Rahn (pawn) contract, which not only meets the financing needs of members but also offers opportunities to increase profitability (Ramin, 2023).

The development and development of global Islamic finance in the last 4 years shows a rapidly growing trend (Bardos dkk., 2020). More than 100 countries in the world have chosen Islamic economic and financial institutions. This shows that Islamic economics and finance increasingly play a very important role in building the community's economy. In this case, the microeconomy plays a role in supervising and paying attention to its duties as an Islamic microfinance institution that can collect and channel its funds to the community to prosper human resources (Fauji dkk., 2022). Marketing strategy is an important factor for business success today. This refers to a series of corporate efforts such as: first, the promotion of product results that attract potential buyers. Second, competitive prices (Rahman, 2022). Third, the marketing strategy that we are discussing is a Sharia marketing strategy wherein the implementation process uses Sharia principles as the basis and purpose, or can be known as the Sharia Financial Institution or KSPPS. Sharia marketing strategy in other words is a way

used by companies to inform and offer products made by the company to the public to increase profits (Rahman dkk., 2023). The type of business of Islamic financial institutions that is in great demand by the public and is trending is Sharia Savings and Loan and Financing Cooperatives (KSPPS).

KSPPS (Sharia Savings and Loan and Financing Cooperative) is an independent business entity that has activities to develop various productive business activities with the intention of improving the quality of economic activities carried out by small communities and also entrepreneurs to support their economic activities. KSPPS is an institution that is not only business-oriented but also social, and also an institution that does not concentrate wealth on a small number of people but an institution whose wealth is distributed equally and fairly. KSPPS is the largest number of Islamic financial institutions compared to other financial institutions. This development occurred because of the performance of KSPPS which always improves every year and also the system adopted by KSPPS is very helpful to the community. In addition, KSPPS also receives deposits of zakat, infaq, alms, and waqf funds from the community and distributes them back to the community (H. Holle & Manilet, 2023).

The financing products that are currently being implemented at KSPPS NURI East Java Palduding Pamekasan Branch are:

1. Murabahah, It is the financing of the purchase of goods needed by members with an installment system and is free from usury.
2. Mudharabah- Musyarakah, It is business capital financing to business actors (members) and other businesses with a sharia system and free from usury.
3. Rahn (Gadai), It is financing by pawning valuable goods and being free from usury.

KSPPS NURI, as one of the Islamic microfinance institutions operating in the midst of fierce competition, faces challenges in maintaining its competitiveness in the Islamic financial market. For this reason, an effective marketing strategy and optimal implementation of Rahn contract financing are needed. The combination of the right marketing strategy and efficient management of Rahn products is expected to increase profitability and strengthen KSPPS NURI's position in the market. This study aims to comprehensively analyze the marketing and financing strategies of the Rahn contract implemented by KSPPS NURI in an effort to increase profitability and competitiveness in the Islamic finance market. Using a qualitative descriptive approach, this study will delve deeper into how marketing strategies are prepared and implemented, as well as how Rahn contract financing is managed so that it can make an optimal contribution to the financial performance and competitiveness of KSPPS NURI. The findings of this study are expected to provide strategic recommendations for KSPPS NURI in facing

market dynamics and future challenges.

METHOD

The method applied in this study on the Marketing Strategy of Pawn Financing Contracts (Rahn) at KSPPS NURI in Increasing Profitability uses a descriptive qualitative method. The descriptive method can be summed up as a method that aims to describe the situation in the field systematically with facts with proper interpretation and interrelated data, as well as not only to seek absolute truth but in essence to seek observational understanding (Fauji dkk., 2021). The research data was collected using the documentation method. The type of data used is in the form of secondary data, namely data that has been further processed and presented by the primary data collector or other parties through a literature review from various sources about the provisions of Sharia fatwas, Sharia standards, laws, and regulations, operational standards and practices in Islamic financial institutions, as well as the results of relevant research or publications (H. Zuchri, 2021).

Data collection techniques include:

1. Observation

Observation according to Nasution states that observation is the basis of all science. The research begins by recording, analyzing, and then making conclusions about the implementation and results of the program as seen from the existence or absence of business development owned by learning residents (Jaya, 2020).

2. Interview

An interview is a meeting of two or more people to exchange information and ideas through questions and answers. So, with interviews, researchers will know deeper things about information in interpreting situations and news that occurs. The purpose of the interview is to dig up information directly and in-depth from several parties involved. The interview was conducted by the researcher, namely face-to-face with the manager of KSPPS NURI.

3. Documentation

Documentation according to Bogdan the data collection technique used by the author is documentation. Documentation is collecting a number of documents that are needed as information material according to the research problem, such as pictures, tables, and so on. The documents listed are in the form of data, photos/drawings, and so on as evidence from the researcher (Jaya, 2020).

This study uses the data triangulation method as a technique to measure the validity of the data. Triangulation is a research approach that uses a combination of more than one strategy in one study to capture data/information. By collecting and comparing data with each other,

triangulation helps eliminate threats to the validity and reliability of the data. This study uses the triangulation method. The triangulation method is done by comparing information or data in different ways. Researchers used different techniques to obtain data from the same source. Researchers can use observations, in-depth interviews, and documentation. Through various perspectives, it is hoped that results that are close to the truth will be obtained. Therefore, triangulation at this stage is carried out if the data or information obtained from the subject or research party is doubtful of its truthfulness. This study was conducted by comparing the data of the marketing strategy of contract financing (pawn) at KSPPS NURI in increasing profitability obtained through interviews, documentation, and observation techniques. The researcher conducted interviews with managers and employees about each of these components. Then to check the veracity of the interview results, the researcher used observation by directly looking at the condition of KSPPS NURI.

RESULT AND DISCUSSION

Marketing implementation carried out by KSPPS NURI

Marketing strategy is a very important strategy for every Islamic financial institution, something important is generally not easy to apply. An in-depth analysis is needed to reduce the uncertainty or risks that may be faced by each strategy to be implemented. So the marketing carried out by KSPPS NURI concerns various aspects of life, including the economic and social fields. With marketing, KSPPS can also establish friendships with the community, so that they get to know each other. Because the closer the bond of brotherhood between Muslims, there will be many new series of lives that will be found. There are several marketing implementations implemented by KSPPS NURI, including:

1. Community: The community is one of the supporting factors for KSPPS NURI to develop the economy. KSPPS NURI is present because of the trust given by the community because of the community for the community. The motto of KSPPS NURI is "Careful to Prosper the People".
2. Social Media: Social Media is a medium to socialize with each other and is done online allowing people to interact with each other without any restrictions by space and time. This social media also makes it easier for KSPPS NURI to market its products. And make it easier for people to find information on their needs without having to come to the office directly.

Marketing Relations of Rahn (Pawn) contracts in Financing

Relationship marketing is the process of creating, maintaining, and improving strong relationships with customers to achieve a defined goal. These goals are fulfilled by

understanding the needs of the community or members. Definition of Financing is a funding activity carried out by one party which is then given to another party to support the planned investment, either done by itself or by an institution. Financing is one of the main activities for the operations of Islamic financial institutions such as KSPPS NURI.

So, the relationship between marketing in financing is very close, because if there is no marketing done, financing is not done. Therefore, the marketing relationship to the Rahn (pawn) contract in financing at KSPPS NURI suggests that when there are members who need funds or business capital, then KSPPS NURI directs the Rahn (pawn) contract to apply for financing for the funds or business capital needed by the member. Several stages must be carried out by prospective members in applying for financing at KSPPS NURI, namely:

1. Must be a member of KSPPS NURI first,
2. Then members fill out the form that has been provided by KSPPS NURI for financing applications. In the form, the member's name, home address, term, nominal, and purpose of financing are attached.
3. The data that must be included are 1 copy of the spouse's ID card, 1 copy of the family card (KK), 2 copies of marriage certificates, 2 copies of BPKB (collateral), 2 copies of the latest tax registration certificates, 2 copies of the latest tax registration certificates. Members who are not yet married must have a parental consent letter
4. Members provide information about the financing application to KSPPS NURI, as well as provide what type of contract will be used by the member if the application is approved by KSPPS NURI.
5. The marketing department came to the member's home to survey according to the data filled in by the member when submitting.
6. The KSPPS NURI conducted a financing feasibility assessment whether it was appropriate for the member to be given financing or not.
7. KSPPS NURI conducts a Rahn (Pawn) contract between KSPPS NURI and members, namely members provide collateral to be pawned, such as BPKB, Gold, or other securities such as term deposits that have been stored in KSPPS NURI
8. After making a contract, the member can immediately disburse the funds that have been agreed upon at the beginning of the agreement. The above are the stages of financing the rahn contract (pawn) for each member who wants to apply for financing to KSPPS NURI.

Strategies Carried Out by KSPPS NURI in Increasing Profitability

Strategy is the art of individuals or groups utilizing their abilities and resources to achieve target targets through procedures that are considered effective and efficient to achieve the expected goals. Strategy is also defined as a tool of the organization to achieve desired goals, for long-term purposes, and is also used for the management of resource allocation. Profitability is the ability of an organization to generate profits over a certain period at a certain level of sales, assets, and share capital. The profitability ratio can describe the performance of management and carrying out its duties by looking at the amount of profit earned by the company. So according to the theory used by Syaiful Bahri Marketing through members to increase profitability will be generated as follows:

1. Maximizing financing, The more KSPPS NURI maximizes financing to members, the financing sector will increase in KSSPS NURI from year to year. Maximizing financing also means avoiding a lot of expenses, namely by saving the available budget.
2. Marketing through social media, social media is a medium on the internet that allows users to interpret themselves to interact, collaborate, and communicate with other users virtually. In addition to attracting the hearts of prospective members, social media can also build credibility and wider relationships.
3. Offering Rahn (Pawn) financing to members who have a business. Informing or offering such financing to traders or partners, to attract prospective members to join KSSPS NURI.
4. Using the strategy of "Getok Tular (Word of Mouth / WOM)" In the great Indonesian dictionary, the meaning of getok tular is word of mouth, such as the spread of news, invitations, and so on. So, viral getok is an informal communication term. This model of communication is usually established from direct interpersonal relationships, often face-to-face, and more new customers get information from existing customers who join KSSPS NURI.

The definition of a pawn in Islam is called Rahn, which is an agreement to hold an item as debt-dependent. The word rahn in the language means "fixed", "ongoing" and "holding". Meanwhile, according to the term, it means to make something of value according to the view of sharia" as a debt liability with the existence of debt dependents that all or part of the debt can be accepted (Haris dkk., 2020). The definition of ar-rahn according to the term Kurniawati & Nasution, (2021) is to withhold something because there is a right that allows the right to be fulfilled from something. It means making al-Aini (goods, assets whose goods are in concrete

form, the opposite of ad-Dain or debt) that have value according to the view of sharia" as watsiqah (confirmation, guarantee) of debt if the goods can be used to pay all or part of the existing debt. As for something that is used as watsiqah (collateral) it must be something that has value, so it is to exclude unclean al-Ain (goods) that are unclean and goods that are subject to impurities that are impossible to remove because these two forms of al-Ain (which are impure and impurities that cannot be removed) cannot be used as watsiqah (collateral) of debt.

Pawn is a legal act regulated in the Civil Code (KUHPdt) article 1150, namely a debt-receivables agreement with a movable object guarantee, the existence of the guarantee so that the goods that are the object of the guarantee can be under the power of the pawnholder (Idri, 2017). Pawn transactions in Indonesia are carried out by the Pawnshop Company. The legal basis of the Pawnshop Company is Article 150 of the Civil Code (KUHPdt). The main task of Pegadaian is to provide loans to the community on the basis of pawn law. Pegadaian Public Company (Perum) which was established by Government Regulation Number 10 of 1990 concerning the Transfer of the Form of the Pegadaian Public Company (Perjan) into a Pegadaian Public Company (Perum), as it has been replaced by Government Regulation Number 103 of 2000 concerning Pegadaian Public Company (Perum), needs to change the legal entity form of the Pegadaian Public Company (Perum) to a Company (Persero) as regulated in Government Regulation Number 51 of 2011 concerning Change of Legal Entity Form of Perum Pegadaian to Company Company.

Sharia pawnshops are carried out based on the provisions of Islamic Law, namely the Quran and hadith, as well as the fatwa of the National Sharia Council of the Indonesian Ulama Council. Sharia pawning activities are a newly born economic phenomenon since the regulation of Law Number 7 of 1992. Law Number 10 of 1998. Law Number 21 of 2008 concerning Islamic banking. This regulation was responded to by the National Sharia Council by issuing fatwa Number 25/DSN-MUI/III/2002 on Rahn and fatwa Number 26/DSN-MUI/III/2002 on Golden Rahn.

Rukun and Conditions of Rahn (Pawn)

In general, the aspects of Islamic civil law (*fiqh mu'amalah*) in terms of transactions in the form of buying and selling, renting, pawning and the like require legal and legal conditions including pawn transactions. Likewise, the rights and obligations of the parties who carry out pawn transactions are expressed as follows:

1. Rukun Rahn, 5 pillars of pawn are quoted Bari dkk., (2024) among which are:
 - a. Rahin (the one who performs)
 - b. Murtahin (the person who receives the pawn)

- c. Marhun (pawned item)
- d. Marhun bih (debt).
- e. Shigat (Pawn statement)

2. Pawn Conditions, In every contract, its elements and pillars must meet the requirements According to Haris dkk., (2020) Among the conditions for the pawnbroker (rahin) and the pawnbroker (murtahin) are:

- a. Sensible
- b. Already puberty
- c. Not Under Coercion/ Not Forced

Based on the agreement of the ulama, the conditions related to the goods that are pawned or that are collateral for the debt are the same as the conditions for the goods that are the object of buying and selling. This is because the collateral must be able to be sold by the guarantor or (apostasy) when the person who pawns is unable to pay the debt. The conditions related to the goods that are the object of sale and purchase are:

1. The goods that are pawned must exist and be real. Transactions on goods that are not real or non-existent are illegal, as well as goods that are not certain, such as animals that are still in the womb of their mother. The object of the transaction is in the form of goods that are assessed, halal, can be owned, can be stored and used as they should, and do not cause damage.
2. The goods that are used as the object of the transaction are legally owned and fully owned. Based on this condition, it is not legal to pawn sand in the middle of a field or seawater that is still in the sea or pawn the heat of the sun, because there is no perfect ownership.
3. Objects must be deliverable at the time of the transaction. Based on this condition, it is illegal to pawn wild animals, fish, or birds in the awing, because they cannot be handed over to the buyer. In addition to the above conditions, there is one more condition that must be met, namely that the pawned goods must be durable and not easily damaged, such as gold, silver, precious metals, vehicles, and so on. Based on this condition, it is not valid to make a perishable meaning, such as a wet cake as a guarantee for debt, because it does not last long.

In addition to the above conditions, there is one more condition that must be met, namely that the pawned goods must be durable and not easily damaged, such as gold, silver, precious metals, vehicles, and so on. Based on this condition, it is illegal to make perishable food, such as wet cakes as collateral for debt, because it does not last long. The conditions related to debt

(Marhun bihi) are:

- a. Debt is a right that must be paid.
- b. The amount exceeds the value of the goods that are collateral.
- c. The debt rights must be clear.

Rahn (pawn) is one of the financing products that members are interested in. Rahn financing (pawn) has become a trend among the lower middle class because of its profitable, easy, and accessible character. Below is a table of financing products at KSPPS NURI.

Table 1. Akad Rahn (Pawn) Financing Account January-February 2024

TYPES OF FINANCING	PERCENT
MURABABBAHAH	15 %
MUDHARABAH - MUSYARAKAH	15 %
RAHN (GADAI)	70 %

Source: interview February 6, 2024

Looking at the table above, it can be seen that Rahn financing (pawn) is the most dominating so it can be used to increase profits. Because Rahn (pawn) is the most flexible and easy to apply. Members entrust collateral such as BPKB and Land Certificates, KSPPS NURI asks for financing to maintain the collateral. For example, a member needs a capital of IDR 5 million in 12-month installments, and KSPPS NURI asks for financing every month, and the financing is determined at 1.2% per million if 5 million means IDR 12,000 rupiah every month. The members pay off according to the period agreed upon in advance. Based on the discussion above, the author is interested in conducting research entitled: Comprehensive Analysis of the Marketing and Financing Strategy of akad Rahn as the Main Instrument in Increasing the Profitability and Competitiveness of KSPPS NURI in the Sharia Financial Market.

CONCLUSIONS

This study has comprehensively analyzed the marketing and financing strategies of the Rahn contract implemented by KSPPS NURI in increasing profitability and competitiveness in the Islamic financial market. The results of the study show that the implementation of effective marketing strategies and synergy with the financing of the Rahn contract plays a significant role in increasing the profitability of KSPPS NURI. A marketing strategy that is structured and tailored to market characteristics has successfully attracted the interest and trust of members, while the proper implementation of the Rahn contract has provided a stable and sustainable source of income. However, this research also identifies several challenges that need to be overcome, such as the need for product innovation and service quality improvement to maintain a competitive advantage in the midst of increasingly fierce competition. In addition, improved

coordination between marketing and risk management teams is also needed to ensure that the strategy can run optimally and sustainably. Overall, this study concludes that the marketing and financing strategy of the Rahn contract is the main effective instrument in increasing the profitability and competitiveness of KSPPS NURI in the Islamic financial market. In the future, KSPPS NURI is advised to continue to develop adaptive and innovative strategies and improve operational efficiency to maintain business growth and sustainability in the future.

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