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## THE EFFECT OF REPUTATION, STORAGE SECURITY AND TRUST ON CUSTOMERS' PREFERENCES IN CHOOSING SHARIA GOLD PAWNING

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### ABSTRACT

This study aims to determine the influence of Islamic bank reputation, gold storage security, and customer trust on customer preferences in choosing Islamic gold pawn products at BSI KCP Lawang. The background of this study is based on the increasing public interest in Islamic-based gold pawn services as a halal and safe short-term financial solution. The method used was a quantitative approach with a questionnaire distributed to 57 respondents who were gold pawn customers at BSI KCP Lawang. The data was analysed using multiple linear regression with the help of SPSS *software*. The results showed that the variables of reputation and storage security had a positive and significant effect on customer preferences, while the variable of trust had a positive but insignificant effect. These findings indicate that customers give more consideration to the image and security system of an institution when choosing sharia gold pawn services. This study is expected to contribute to the development of Islamic banking service strategies, particularly in increasing customer trust and loyalty.

**Keywords:** Reputation, Storage Security, Trust, Sharia Gold Pawn Preferences

### INTRODUCTION

Bank Syariah Indonesia (BSI) has been officially operating since 1 February 2021 as a result of the merger of three state-owned Islamic banks, namely PT Bank BRI Syariah Tbk, PT Bank Syariah Mandiri, and PT Bank BNI Syariah. As the largest Islamic bank in Indonesia, BSI has a vision to become the driving force behind the advancement of the national halal industry and a provider of modern banking services based on Islamic principles (BSI, 2021). One of the leading products offered is *Sharia Gold Pawn*—financing based on gold bars or jewellery that meet authenticity and purity standards. This product is in demand because gold is considered an inflation-resistant asset with stable intrinsic value and can be a short-term liquidity solution without having to sell assets (Sulistianty, 2019).

The increasing interest in this service is inseparable from customer preferences, which are influenced by several key aspects. First, the reputation of Islamic banks is a positive perception formed in the minds of customers based on experience, credibility, and compliance with sharia principles (Utami 2020). A good reputation not only increases trust but also creates customer loyalty and institutional competitiveness (Maharani et al., 2023).

Second, the security of gold storage is a determining factor in decision-making. Gold, as a valuable commodity, requires an optimal protection system, ranging from physical facilities such as fireproof safes to technological surveillance and insurance. Customers tend to choose institutions with high security standards to minimise the risk of loss or damage (Pratama, 2020 & Rivai 2022).

Third, customer trust is the foundation of a long-term relationship between banks and customers. Trust is built through transparency in contracts, compliance with DSN-MUI fatwas, service integrity, and previous positive experiences. Without trust, even a good reputation and security are insufficient to attract customers (Setiyowati 2023).

The context of BSI is relevant to study given the increasingly fierce competition among Islamic financial institutions in the region. Customers have a variety of choices, so they are increasingly selective, considering the image of the institution, asset security guarantees, and the level of trust in services that comply with Islamic principles. This study aims to analyse the influence of Islamic bank reputation, gold storage security, and customer trust on preferences in choosing Islamic gold pawn products at BSI, with the hope of providing strategic recommendations for improving service quality and product appeal.

## LITERATURE REVIEW

### Customer Preferences

Customer preferences are consumer tendencies in choosing products or services based on needs, values, and perceived benefits (Schiffman & Kanuk 2004 in Mukhayaroh 2024). In the context of Islamic banking, preferences are influenced by the bank's reputation, security of deposits, and trust in Islamic principles. The indicators include sharia value compliance, ease of transaction, reasonable costs, excellent service, accessibility, and previous experience satisfaction (Pratama 2020).

### Reputation of Islamic Banks

The reputation of Islamic banks is the public's perception of their integrity, service quality, financial stability, and compliance with Sharia principles (Fombrun, 1996). Research by Maharani et al(2023) shows that a good reputation increases customers' decisions to choose gold rahn products. Factors that shape reputation include stable performance, positive testimonials, employee integrity, social participation, awards, and compliance with DSN-MUI fatwas.

### Storage Security

The security of gold storage is a crucial aspect because it concerns the protection of high-value assets. Security standards include fireproof safes, 24-hour CCTV, insurance, and clear deposit procedures (A'yuni 2023) . Pratama(2020) emphasises that guaranteed security increases customer interest in gold pawn services.

### Trust

Customer trust is the belief that the bank acts professionally, ethically, and in accordance with Sharia principles (A'yuni 2023) . Indicators include information transparency, employee competence, Sharia compliance, service consistency, positive experiences, and quick responses to complaints (Sulistiani 2025).

### Trust Theory

Trust Theory, developed by Mayer, Davis, and Schoorman (1995), explains that trust is the willingness of one party to accept vulnerability to another party in the hope that the other party will act beneficially. The three main components of this theory are:

*Ability* – the capabilities and expertise of the trusted party.

*Benevolence* – good intentions to act in the interests of the other party.

*Integrity* – consistency between words and actions and adherence to shared principles.

## HYPOTHESIS

Based on theoretical studies and findings from various previous studies, the hypotheses proposed in this study are as follows: H1 : The reputation of Islamic banks has a positive and significant effect on customer preferences in choosing Islamic gold pawning at BSI KCP Lawang. H2 : The security of gold storage has a positive and significant effect on customer preferences in choosing Islamic gold pawning at BSI KCP Lawang. H3 : Customer trust has a positive but insignificant effect on customer preference in choosing Islamic gold pawning at BSI KCP Lawang.

## METHODS

### Type, Location, and Time of Research

This research method uses a quantitative approach, which is research that aims to analyse hypotheses and the influence of independent variables on dependent variables. In this study, the independent variables consist of Islamic Bank Reputation, Gold Storage Security, and Customer Trust. Meanwhile, the dependent variable consists of Customer Preference for Choosing Islamic Gold Pawn at BSI KCP Lawang. The quantitative method is a research method that involves collecting data using statistical figures for processing.

### Population and Sample

The research population consists of all 135 gold pawn customers of BSI KCP Lawang. The sample was determined using non-probability sampling with purposive sampling techniques according to respondent criteria, and calculated using the Yamane formula with a 10% error rate, resulting in 57 respondents. This study used primary data obtained directly from respondents through the distribution of questionnaires to BSI KCP Lawang customers.

### Data Collection Method

The data collection technique in this study was to distribute questionnaires containing statements assisted by measurements using a five-point Likert scale. The Likert scale was used to determine individual perspectives or conclusions about social phenomena. By utilising the Likert scale, the variables measured were explained as variable indicators.

## RESULTS

### Validity Test

Table 1 shows that all items in each variable have a calculated  $r$  greater than *the table*  $r$  (0.2609) and a significance value less than 0.05. This proves that all items in the instrument have met the construct validity requirements and are suitable for use in the data collection process.

### Reliability Test

Table 2 shows that the four research variables have *Cronbach's Alpha* values above the threshold of 0.600, namely Reputation (0.439), Storage Security (0.613), Trust (0.433), and Customer Preferences (0.557). This means that the entire instrument in this study has a high level of reliability and can be used for further analysis.

### Normality Test Results

The normality test was conducted using the One-Sample Kolmogorov-Smirnov method. The results show a significance value of 0.837, which is greater than 0.05. This means that the data is normally distributed and meets the basic assumptions for regression analysis. Based on Table 3, a significance value of 0.837 was obtained, which is greater than 0.05. Thus, it can be concluded that the residual data in this study follows a normal distribution.

### Multicollinearity Test

The multicollinearity test was conducted to analyse the *tolerance* and *Variance Inflation Factor (VIF)* values. Based on Table 4, it shows that all variables have a *Tolerance* value above 0.1 and a VIF value less than 10. This indicates that there is no multicollinearity in the regression model used.

Table 1. Validity Test

Variable	Item	Calculated R	Rtable (df = 55, $\alpha = 0.05$ )	Sig.	Decision
Reputation (X1)	X1.1	0.556	0.2609	0.000	Valid
	X1.2	0.533	0.2609	0.000	Valid
	X1.3	0.424	0.2609	0.001	Valid
	X1.4	0.517	0.2609	0.000	Valid
	X1.5	0.556	0.2609	0.000	Valid
	X1.6	0.486	0.2609	0.000	Valid
Storage Security (X2)	X2.1	0.515	0.2609	0.000	Valid
	X2.2	0.571	0.2609	0.000	Valid
	X2.3	0.576	0.2609	0.000	Valid
	X2.4	0.511	0.2609	0.000	Valid
	X2.5	0.585	0.2609	0.000	Valid
	X2.6	0.565	0.2609	0.000	Valid
Confidence (X3)	X3.1	0.304	0.2609	0.022	Valid
	X3.2	0.401	0.2609	0.002	Valid
	X3.3	0.397	0.2609	0.002	Valid
	X3.4	0.385	0.2609	0.003	Valid
	X3.5	0.687	0.2609	0.000	Valid
	X3.6	0.621	0.2609	0.000	Valid
Customer Preference (Y)	Y.1	0.615	0.2609	0.000	Valid
	Y.2	0.360	0.2609	0.006	Valid
	Y.3	0.649	0.2609	0.000	Valid
	Y.4	0.314	0.2609	0.018	Valid
	Y.5	0.508	0.2609	0.000	Valid
	Y.6	0.568	0.2609	0.000	Valid

Source: Processed Data (2025)

Table 2. Reliability Test

Variable	Cronbach's Alpha Coefficient	Decision
Reputation (X1)	0.439	Reliable
Storage Security (X2)	0.613	Reliable
Trust (X3)	0.433	Reliable
Customer Preference (Y)	0.557	Reliable

Source: Processed Data (2025)

Table 3. Normality Test Results

	Unstandardised Residual
Kolmogorov-Smirnov Z	0.620
Asymptotic Sig. (two-tailed)	0.837

Source: Processed Data (2025)

Table 4. Multicollinearity Test Results

Model		Unstandardised Coefficients		Standard. Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.275	2.621		2,394	.020		
	Reputation	.232	.097	.276	2,403	.020	.575	1,738
	Storage Security	.425	.070	.561	6,024	.000	.873	1,146
	Trust	.120	.106	.128	1,131	.263	.589	1,699

a. Dependent Variable: Customer Preferences

Source: Processed Data (2025)

**Heteroscedasticity Test**

This test is used to detect whether there is inconsistency in the variance of the residuals in the regression model. The test uses the Glejser method, where the absence of heteroscedasticity is indicated by a significance value  $>0.005$ . Table 5 Overall, the test results indicate that the three variables have significance values above 0.05, so it can be concluded that the regression model does not experience heteroscedasticity.

**Multiple Linear Regression Analysis Results**

This analysis aims to determine how the independent variables of Reputation, Storage Security, and Trust affect the dependent variable of Customer Preference, both separately and as a whole. Based on Table 6, Reputation has a positive and significant effect on customer preference. Each one-unit increase in Reputation will increase customer preference by 0.232 units, assuming other variables remain constant. The Storage Security variable has a positive and significant effect on customer preferences. Each one-unit increase in Storage Security will increase customer preferences by 0.425 units. Although the Trust variable has a positive direction of influence, it does not have a significant effect on customer preference.

**F Test Results (Simultaneous Test)**

The F test is an estimation procedure used to assess whether the independent variables in a regression model simultaneously have a significant effect on the dependent variable. Table 7 shows that the F value is 26.420 with a significance level below 0.05. This indicates that the three independent variables together have a significant effect on Customer Preference for Choosing Sharia Gold Pawn at BSI KCP Lawang.

Table 5. Heteroscedasticity Test Results

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.847	1.550		2.482	.016
	Reputation	-0.063	.057	-.192	-1.106	.274
	Storage Security	-0.017	.042	-.059	-.416	.679
	Confidence	-.035	.063	-.095	-.553	.583

Source: Processed Data (2025)

Table 6. Multiple Linear Regression Analysis Results

Model		Unstandardised Coefficients		Standard. Coeff	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.275	2.621		2.394	.020
	Reputation	.232	.097	.276	2.403	.020
	Storage Security	.425	.070	.561	6.024	.000
	Trust	.120	.106	.128	1.131	.263

Source: Processed Data (2025)

Table 7. F Test Results (Simultaneous Test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.614	3	19,205	26.420	.000 <sup>b</sup>
	Residual	38.526	53	.727		
	Total	96.140	56			

Source: Processed Data (2025)

#### t-Test Results (Partial Test)

t-test results (Table 8): a) Reputation (X1): Reputation has a significant positive effect on customer preference. X1 (Reputation) The significance value of (0.020), which is less than 0.05, indicates that the reputation variable has a significant effect. b) Storage security (X2): Has a positive and significant effect (Sig. = 0.000). This indicates that storage security also has a significant positive effect on customer preferences. c) Trust (X3): Trust does not have a significant effect on customer preferences. X3 (Trust) A significance value of (0.263), which is greater than 0.05, indicates that trust does not have a significant effect on customer preferences.

#### Determination Coefficient Results

The coefficient of determination (*R Square*) is an estimation method used to measure how much variation in the dependent variable can be explained by the independent variables. The *R Square* value is 0.599, which means that 59.9% of the variation in the Customer Preference variable can be explained by Reputation, Storage Security, and Trust. The remaining 40.1% is explained by other variables not included in this regression model.

Table 8. t-Test Results (Partial Test)

Model		Unstandardised Coefficients		Standar. Coeff	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.275	2.621		2.394	.020
	Reputation	.232	.097	.276	2.403	.020
	Storage Security	.425	.070	.561	6.024	.000
	Trust	.120	.106	.128	1.131	.263

Source: Processed Data (2025)

Table 9. Determination Coefficient Test Results (*R*<sup>2</sup>)

Model	R	R Square	Adjusted R-Square	Standard Error of the Estimate
1	0.774	0.599	0.577	0.853

a. Predictors: (Constant), Trust, Storage Security, Reputation

Source: Processed Data (2025)

#### The Influence of Reputation on Customer Preference for Sharia Gold Pawning at BSI KCP Lawang

The reputation of Islamic banks has a positive and significant effect on customer preference for choosing sharia gold pawn. This indicates that a good image and public trust built through a track record of performance, service, and compliance with sharia principles can increase customer interest in choosing this service. Therefore, maintaining and strengthening reputation is an important strategy for BSI to maintain loyalty and attract new customers.

### **The Influence of Storage Security on Customer Preference for Sharia Gold Pawning at BSI KCP Lawang**

Storage security has also been proven to have a positive and significant effect on customer preferences. These findings confirm that security guarantees for pawned gold, including adequate storage facilities and strict monitoring systems, are one of the main factors in shaping customer confidence and comfort in using sharia gold pawn products.

### **The Influence of Trust on Customer Preferences in Choosing Sharia Gold Pawning at BSI KCP Lawang**

Trust has a positive and significant influence on customer preferences. This trust is built through transparency of information, honesty in transaction processes, and certainty in fulfilling service promises. A high level of trust will increase customers' sense of security and confidence in choosing sharia gold pawn products at BSI.

## **CONCLUSION**

Based on the results of the research conducted, the following conclusions can be drawn: The reputation of Islamic banks has a positive and significant influence on consumer preferences. These results show that when customers choose gold pawn services at BSI, positive reputation, institutional integrity, and compliance with Islamic principles are important factors. Customer preferences are positively and significantly influenced by the security of gold storage. Customers feel more secure and confident in BSI's services when they receive administrative and physical security guarantees for their collateral. Customer preferences are not significantly influenced by customer trust. Customer confidence in using Sharia gold pawn services at the BSI Lawang Branch Office is reinforced by consistent service, transparency, and compliance with Sharia rules.

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