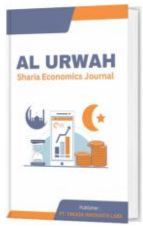
Al Urwah: Sharia Economics Journal
https://journal.takaza.id/index.php/alurwah
Vol. 2, No. 1, 2024, pp. 142-150
E-ISSN: 3025-9398
Email: alurwah@takaza.id



BMT UGT Nusantara Pick-Up Marketing Strategy in Increasing the Saving Participation of Traditional Market Traders (Case Study of Kebalen Market, Malang City)

Soviatur Rohma[1], **Moh. Aan Sulton**[2]
[12] Universitas Islam Raden Rahmat Malang
Corresponding Author e-mail: sopheerv@gmail.com

Article History:
Received: 12-09-2024
Revised: 15-09-2024
Accepted: 29-09-2024

Keywords: *pick-up strategy, saving participation, traditional market traders, BMT UGT Nusantara, sharia economy.*

Abstract: *The study analyzes BMT UGT Nusantara's pick-up strategy to increase the savings participation of Kebalen market traders based on the perspective of sharia economics. It was found that in 2008, BMT employees were difficult to accept by the market community, so marketing strategies needed to be adapted to the local culture. This research uses a qualitative approach with a case study method, collecting data through observation, interviews, and documentation. The results showed that the pick-up strategy increased saving participation from 20% to 80% with adjustments to appearance, communicative language, and a personal approach. The application of the Mudharabah Musytarakah contract to savings also increases public trust. This research emphasizes the importance of adapting social, cultural, and religious-based marketing strategies.*

Introduction

The development of Islamic financial institutions in Indonesia shows quite rapid growth in supporting the economic empowerment of the community, especially the micro and small business sector. The presence of Islamic financial institutions is not only an alternative for people who want to avoid the practice of usury, but also a means to improve economic welfare through a financial system based on sharia principles. One of the Islamic microfinance institutions that has an important role in community economic empowerment is BMT UGT Nusantara. According to (Shulthoni et al., 2023), BMT is present as a financial institution that provides sharia-based deposit and financing services with the principles of justice, help-help, and profit-sharing system.

According to Philip Kotler, marketing is a social and managerial process that is carried out to meet the needs and desires of consumers through value creation and long-term relationships with customers. The concept shows that the success of marketing is not only determined by the quality of the product, but also by the ability of the institution to understand the characteristics of the target community. In the context of Islamic financial institutions, marketing strategies are not only profit-oriented, but also pay attention to the values of ethics, honesty, and sharia principles in each of their activities. (Madhavaiah & Rao, 2007) Explains that long-term relationships with customers are an important factor in building public loyalty and trust in financial institutions.

Traditional markets are one of the centers of community economic activity that has distinctive social and cultural characteristics. Traditional market traders generally have dense activities so they often experience limited time to come directly to the office of financial institutions. In addition, most market traders have relatively low levels of administrative and financial literacy, especially elderly traders who are less familiar with the written administration system. This condition causes Islamic financial institutions to need to implement a marketing strategy that is more flexible, communicative, and close to the community. According to research (Agus Makinuddin, 2023), an adaptive marketing strategy based on the needs of the community is able to increase member participation in Islamic financial institutions.

One of the strategies implemented by BMT UGT Nusantara is the pick-up strategy. The pick-up strategy is a marketing and service approach by visiting customers or prospective customers directly at their place of activity. This strategy aims to make it easier for people to make savings transactions and withdraw funds without having to come directly to the BMT office. In addition to providing easy access to services, the pick-up strategy is also a means to build emotional relationships and trust between institutions and the market community. (Az-Zahra, n.d.) states that the marketing strategy Door-to-door or picking up the ball is effective in building personal closeness and increasing public trust in Islamic financial institutions.

Various previous studies have shown that marketing strategies have an important influence on increasing public interest in using the services of Islamic financial institutions. Research on BMT generally addresses marketing strategies through a marketing mix approach (Marketing mix), such as promotions, products, prices, and service quality. According to Kasmir, service quality is an important factor in increasing people's interest in saving in financial institutions. In addition, the Relationship Marketing able to build community loyalty through personal communication, emotional closeness, and long-term relationships between institutions and customers (Nashih, n.d.).

However, most previous research has focused on marketing strategies in general and has not studied a lot of pick-up strategies in the context of traditional markets that have different social and cultural characteristics. Previous research also discussed more aspects of promotion and service quality without examining in depth how the adaptation of marketing strategies is carried out in accordance with the social perception of the traditional market community. In fact, according to (Lubis, n.d.), the marketing success of Islamic financial institutions is greatly influenced by the institution's ability to understand community culture, communication patterns, and social conditions of the market environment.

This phenomenon can be seen at BMT UGT Nusantara Kebalen Branch in Kebalen Market. At the beginning of its establishment around 2008, BMT experienced obstacles in marketing directly to market traders. BMT employees who at that time used sarongs and skullcaps when promoting directly to the market were considered as parties who asked for donations by the market community. As a result, the existence of BMT has not received a positive response from market traders. This condition shows that the marketing strategy of Islamic financial institutions cannot be carried out conventionally without considering the social and cultural perception of the target community.

If these problems are not addressed immediately, BMT has the potential to experience difficulties in increasing the number of members and building trust in the traditional market community. The impact is not only felt by the BMT institution itself, but also by market traders who have lost the opportunity to obtain safe, usury-free, and profit-sharing-based Islamic financial services. Low participation in community savings can also hinder efforts to improve the economic welfare of market traders and narrow the development of Islamic financial inclusion in small communities (Agus Makinuddin, 2023).

As a form of adjustment of marketing strategy, BMT then changed its approach in promotional activities. BMT employees began to use more general clothes so as not to cause negative perceptions in the community. In addition, BMT also combines promotional brochures with momentum brochures of Islamic holidays such as Isra Mi'raj and Islamic New Year to attract the attention of market traders. This strategy is combined with a pick-up approach through direct-to-market service, the use of language tailored to the customer's background, and a more intimate and familial personal approach. Once the strategy was implemented, the saving participation rate of market traders increased significantly from around 20% to around 80%.

From a sharia economic perspective, the pick-up strategy implemented by BMT is also supported by the use of the Mudharabah Musytarakah contract on sharia general savings products. According to (Shulthoni et al., 2023), the implementation of the contract shows that the management of customer funds is carried out in a sharia manner without using the interest or riba system so that it can provide a sense of security and increase public trust in Islamic financial institutions.

Theoretically, this research is supported by marketing theory (Marketing theory) which emphasizes the importance of understanding consumer needs in creating long-term relationships with customers. This study also uses marketing mix theory (Marketing mix theory) which emphasizes the elements of promotion, service, and human resources as important factors in marketing success. In addition, the concept Relationship Marketing used to understand how personal relationships and emotional approaches can increase public trust in Islamic financial institutions. (Madhavaiah & Rao, 2007) Explains that emotional closeness and personal communication are important factors in building customer loyalty.

Based on this description, this study aims to analyze the implementation of the pick-up strategy carried out by BMT UGT Nusantara in increasing the saving participation of traditional market traders in the Kebalen Market of Malang City, find out the response of traders to the strategy, identify supporting and inhibiting factors for its implementation, and examine its suitability with sharia economic principles. This research has novelty because it emphasizes the adaptation of marketing strategies based on social, cultural, and religious approaches to traditional market societies. Thus, this research is expected to make a theoretical contribution to the development of the marketing study of Islamic financial institutions and a practical contribution for Islamic microfinance institutions in designing marketing strategies that are more contextual, effective, and in accordance with the characteristics of local communities.

Research Methods

This study employed a qualitative approach with a descriptive research design to gain an in-depth understanding of the pick-up strategy implemented by BMT UGT Nusantara in increasing the saving participation of traditional market traders. The research was conducted at BMT UGT Nusantara Kebalen Branch, located in the Kebalen Market area, because it actively applies a direct pick-up marketing strategy based on personal relationships with the market community. The research subjects consisted of BMT employees involved in marketing and pick-up services and traditional market traders who were members or customers of BMT. Informants were selected through purposive sampling based on their experience and knowledge related to the implementation of the strategy. The study utilized both primary and secondary data sources, with primary data obtained through interviews and field observations, while secondary data were collected from internal documents, brochures, activity reports, books, scientific journals, and previous studies related to Islamic financial institution marketing strategies. Data collection techniques included observation, semi-structured interviews, and documentation to obtain comprehensive and valid information regarding the implementation of the pick-up strategy, community responses, supporting and inhibiting factors, and its conformity with sharia economic principles. Data analysis followed an interactive model consisting of data reduction, data presentation, and conclusion drawing, which was conducted continuously throughout the research process. To ensure data validity, source triangulation and technique triangulation were applied by comparing information from different informants and various data collection methods. The fieldwork activities were carried out in three stages: planning, implementation, and evaluation. During the planning stage, preliminary observations, literature reviews, research focus determination, informant selection, and interview guideline preparation were conducted. The implementation stage involved direct participation in BMT's pick-up services, observations of marketing and savings collection activities, and interviews with employees and traders. Finally, the evaluation stage consisted of analyzing all collected data to assess the effectiveness of the pick-up strategy, identify its supporting and inhibiting factors, and evaluate its alignment with sharia economic principles, with the findings compiled into the final research report.

Result and Discussion

Overview of Research Locations

This research was conducted at BMT UGT Nusantara Kebalen Branch which is located in the Kebalen Market environment. BMT is one of the sharia microfinance institutions that focuses on serving small communities, especially traditional market traders (Bari, Sa'di, et al., 2024). The existence of BMT in the traditional market environment aims to make it easier for people to access Islamic financial services such as savings and financing without having to come directly to the office. Products that are widely used by market traders include sharia general savings and Eid al-Fitr savings.

According to the head of BMT, the branch of the sharia general savings branch at BMT Kebalen uses the Mudharabah Musytarakah contract, which is cooperation between customers as fund owners and BMT as fund managers with a profit-sharing system according to the agreed ratio. The savings collected are then managed by BMT in the form of financing to other members so that the profits obtained can be shared back to customers. This system is one of the attractions for the market community because it is considered safer and free from usury.

The Application of the Pick-Up Strategy by BMT in Attracting Traditional Market Traders to Save

The results of the study show that the pick-up strategy is the main strategy used by BMT UGT Nusantara in increasing the savings participation of traditional market traders. This strategy is carried out by BMT employees visiting traders directly in the market to carry out savings services and withdrawals. Through this strategy, market traders do not need to come directly to the BMT office so that their trading activities are not disrupted.

At the beginning of the establishment of BMT Cab. Around 2008, BMT's marketing strategy has not received a positive response from the market community. BMT employees who use sarongs and skullcaps when promoting directly to the market are actually considered as people who ask for donations by market traders. As a result, the existence of BMT is less trusted and it is difficult to get new members.

Seeing these conditions, BMT then made changes to its marketing strategy. BMT employees began to use more common clothes such as pants and shoes to make them more acceptable to the public. In addition, BMT also conducts promotional innovations by combining BMT brochures with brochures on the momentum of Islamic holidays such as Isra Mi'raj and Islamic New Year. This strategy has succeeded in attracting the attention of market traders so that the public is starting to be interested in knowing the products and services offered by BMT.

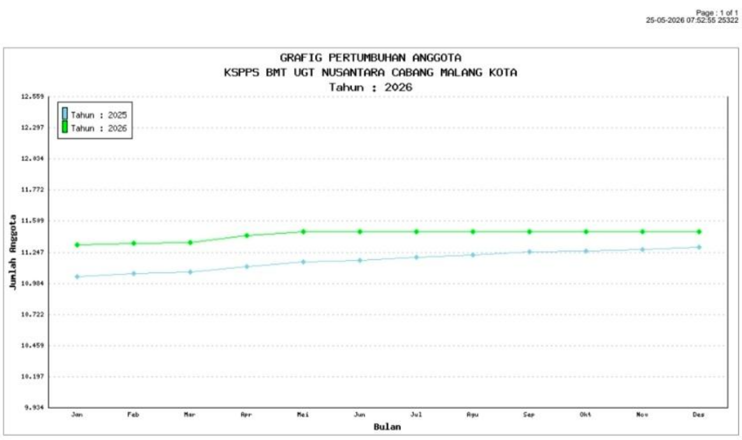


Figure 1. Growth Chart of Members of KSPPS BMT UGT Nusantara Malang City Branch in 2025–2026

To support the results of this study, data from BMT UGT Nusantara's internal documentation shows that there will be an increase in the number of members in 2025–2026 as seen in the Figure. 1. The graph indicates that the number of members in 2026 is higher than in 2025 and has experienced relatively stable growth throughout the year. Although BMT UGT Nusantara Kebalen Branch has been operating since 2008, data on member growth recorded and accessible by researchers is only available for 2025–2026. Thus, this graph serves as supporting data that shows that the service and marketing strategies implemented by BMT, including the pick-up strategy, are still effective in maintaining and increasing the number of members to date.

In addition to changes in promotional media, the pick-up strategy is also carried out through a personal communication approach. BMT employees adjust the language of communication to the customer's background. If the customer uses Javanese, the employee will use the Javanese language, while if the customer uses the Madurese language, then the employee will adjust to the Madurese language. This approach is carried out so that the relationship between employees and the market community becomes more intimate and less formal.

The results of this study are in line with the theory Relationship Marketing submitted by (Madhavaiah & Rao, 2007)that personal relationships and good communication are able to increase customer loyalty and trust in the institution. BMT's pick-up strategy shows that emotional approaches and direct service are important factors in attracting the interest of traditional market people.

Market Traders' Response and Perception of the Pick Up Ball Strategy

Based on the results of the interviews, most market traders gave a positive response to the pick-up strategy carried out by BMT. Traders feel helped because they do not need to leave trading activities to come to the BMT office. In addition, direct service in the market is considered more practical and in accordance with the conditions of traders who have limited time and administrative skills.

Some traders also stated that the existence of BMT employees who regularly come to the market creates a sense of security and emotional closeness. The relationship that is established regularly makes the market community more trusting BMT than other financial institutions. In fact, some traders admitted that they felt lost when BMT employees did not come for several days because they were used to saving regularly through the ball pick-up service.

The results showed that the saving participation rate of market traders increased significantly after the pick-up strategy was applied more adaptively. At the beginning of operations, the merchant participation rate was only around 20%, but after a change in marketing strategy was made, the number of participation increased to around 80%. This shows that social approaches and personal communication have a great influence on the trust of traditional market people.

This research is in accordance with the opinion (Nashih, n.d.) which explains that the Relationship Marketing Able to increase member loyalty due to the emotional closeness and good interpersonal relationship between the institution and the customer. In the context of this study, relationships built through direct service are an important factor in increasing the interest in saving in the market community.

Supporting and Inhibiting Factors of the Ball Picking Strategy

The results of the study show that there are several supporting factors in the implementation of the ball pick-up strategy by BMT. These supporting factors include flexible services, a family approach, the use of language that is easy for the public to understand, and the ease of transactions without having to come to the office. In addition, the profit-sharing system applied in sharia general savings is also a factor that increases public trust in BMT.

On the other hand, there are several inhibiting factors in the implementation of the pick-up strategy. One of the main obstacles is the limitation of human resources because employees have to go directly to the market every day to carry out services. In addition, most market traders have a low level of administrative literacy so the transaction process is still done manually. Another factor that is an obstacle is the unstable condition of traders' income so that the amount of people's savings often changes.

BMT also faces obstacles in the financing process if there are members who experience payment delays. Under certain conditions, BMT provides relief to members who are really experiencing economic difficulties, such as being sick or unable to work. However, if the member deliberately does not pay even though he is able, BMT will take a persuasive approach to legal action according to the applicable procedures.

The findings of this study are in accordance with the research (Az-Zahra, n.d.) which explains that the door to door strategy is indeed effective in improving relations with the community, but it requires more manpower and consistent service readiness on the field.

Suitability of the Pick-Up Strategy with Sharia Economic Principles

Based on the results of the research, the pick-up strategy implemented by BMT UGT Nusantara is in accordance with sharia economic principles. This can be seen from the use of the Mudharabah Musytarakah contract on sharia general savings products that use a profit-sharing system and do not apply interest or riba. The customer's savings fund is managed by BMT in the form of business financing, then the profits obtained are distributed to the customer according to the agreed ratio.

In addition, BMT's marketing strategy also prioritizes ethical values and humanistic service. BMT employees do not force the public to save, but use a persuasive approach, polite communication, and friendly service. This approach reflects sharia values such as trust, honesty, and helpfulness in economic activities.

The results of this study are in line with the opinion (Shulthoni et al., 2023) which explains that sharia marketing must be carried out based on the principles of honesty, good service, and harmonious social relations with the community. The pick-up strategy implemented by BMT shows that sharia marketing is not only profit-oriented, but also aims to build community welfare and increase Islamic financial inclusion in the traditional market environment.

Analysis of Research Results

Based on the results of the study, it can be seen that the success of the pick-up strategy is not only influenced by the savings products offered, but also by BMT's ability to understand the social characteristics of traditional market people. The change in marketing strategy carried out by BMT shows that there is a process of adaptation to the culture of the community so that the institution is more easily accepted by market traders.

A personal approach, direct service, the use of appropriate language, and the application of sharia economic principles are the main factors that increase people's participation in saving. This shows that the marketing strategy of Islamic financial institutions must be carried out contextually and based on social relationships in order to be able to build public trust in a sustainable manner.

Conclusion and Recommendation

ConclusionBased on research at BMT UGT Nusantara Kebalen Branch, the pick-up strategy is very important to increase the saving participation of traditional market traders in the Kebalen Market. BMT employees go directly to traders to provide savings services, which are effective given the time and busy trading activities. Initially, this strategy did not receive a positive response because employees were considered to be asking for donations. BMT then adjusts its marketing strategy to changes in employee appearance and combines promotional brochures with the momentum of Islamic holidays, as well as using appropriate personal communication.

This change increased the participation in saving from 20% to 80%. The pick-up strategy creates an emotional connection and trust between employees and the community, making traders feel comfortable saving without abandoning their activities. From a sharia economic perspective, this strategy is in accordance with sharia principles because it uses the Mudharabah Musytarakah contract and does not apply usury. Research shows that the success of sharia marketing is influenced by an understanding of the social and cultural conditions of the community. Further research is expected to explore this strategy in other areas and study the digitalization of Islamic financial services.

Bibliography

Agus Makinuddin. (2023). Optimizing Marketing Strategies To Increase Community Participation In Kspps Bmt Nu Kediri. Salimiya: Journal of Islamic Religious Studies, 4(3), 201–217. https://doi.org/10.58401/salimiya.v4i3.1549

Az-Zahra, Q. (n.d.). Faculty Of Islamic Law, Sharia Economic Law, University Of Muhammadiyah Surakarta.

Bari, A., Rahman, F., Ramsi, M., & Salehoddin, S. (2024). Implementation Of Mudharabah

Savings With A Ball Pick-Up System At Bmt Ugt Nusantra Waru Branch. Prospects: Proceedings of Sharia Economic and Financial Service, 2(1), 379–391. https://doi.org/10.32806/pps.v2i1.295

Bari, A., Sa'di, M., & Riadi Al-Haq, M. (2024). The Contribution Of Baitul Maal Wa Tamwil (Bmt) Integrated Joint Venture (Ugt) Nusantara In Empowering Micro Traders. Prospects: Proceedings of Islamic Economic and Financial Service, 2(1), 392–400. https://doi.org/10.32806/pps.v2i1.296

K. Khairan, K. K. (2024). Strategy of the Ball Pick-Up System in Increasing Customer Motivation to Save at BMT UGT Nusantara Kediri Branch. Journal of At-Tamwil: A Study of Sharia Economics, 6(1), 90–110. https://doi.org/10.33367///at.v6i1.1493

Lubis, V. K. (n.d.). Sharia Marketing Strategy In Building Customer Loyalty In Sharia Banking.

Madhavaiah, C., & Rao, S.D. (2007a). Defining Relationship Marketing: A Research Review. Asia Pacific Business Review, 3(2), 64–76. https://doi.org/10.1177/097324700700300207

Mursid, F. (2020). A review of the National Sharia Council's fatwa on mudharabah. TAWAZUN : Journal of Sharia Economic Law, 3(1), 107. https://doi.org/10.21043/tawazun.v3i1.7847

Nashih, M. (n.d.). The Effect Of Service Quality And Relationship Marketing On Customer Loyalty With Company Image As A Moderation Variable (Study on Baitul Maal wat Tamwil (BMT) Maslahah Wagir Branch, Malang Regency, East Java).

Shulthoni, M., Hermawan Adinugraha, H., Rumiyati, E., Imani, F., & Achmad, D. (2023). What is the Sharia Marketing Model in Islamic Microfinance Institutions? Journal of Digital Marketing and the Halal Industry, 5(1), 23–40. https://doi.org/10.21580/jdmhi.2023.5.1.15351