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A STUDY ON FACTORS THAT INFLUENCE THE USAGE OF
ISLAMIC PAWN BROKING (AR-RAHNU) IN BANK RAKYAT
BANDAR TUN RAZAK

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ABSTRACT

Pawn broking scheme is the form of secured money lending by the pawn shop in the both conventional and Islamic broking system. This paper aimed to identify the factors that influence the usage of Ar-Rahnu which is known as Islamic pawn broking. It is to determine the most and the less significant factor that influence the usage of this scheme. Several identifiable variables were selected concerning income level, transaction cost and customer service in measuring the factor that influence the usage of Ar-Rahnu in Bank Rakyat Bandar Tun Razak. Using questionnaire as research instrument, 150 sets of questionnaires had been distributed to the customer at Bank Rakyat Bandar Tun Razak.

The result showed that respondents use Ar-Rahnu because of income level. While the less significant factor is customer service. The income level was making the respondent more attract to use Ar-Rahnu. So that, the transaction cost and customer service become the less significant. The respondents did not care much about the transaction cost. It can be concluded that the organization need to increase the marketing effort to give knowledge and awareness to customer about Ar-Rahnu.

Keywords: Ar-Rahnu ,income level, customer service ,transaction cost and SPSS

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