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Abstract
This study aimed to explore the customers' satisfaction level of the Ar-Rahnu YaPEIM service quality in the Muallim district, Perak. The CARTER model was utilized to analyse the customers' satisfaction of the Ar-Rahnu YaPEIM service quality in the Muallim district, Perak. This study used the quantitative method which involved two analysis: descriptive and inferential analysis. The findings showed that the responsive, empathy, and tangible elements were the significant variables in influencing customer satisfaction of the Ar-Rahnu YaPEIM service quality. The findings also showed that the customer satisfaction level of the service quality provided by the Ar-Rahnu YaPEIM in the Muallim district in Perak was at a high level.
Keywords: Ar-Rahnu YaPEIM, Customer Satisfaction, Service Quality

Introduction

The Islamic pawnshop or the Ar-Rahnu scheme was started in 1992 by the Muassasah Gadaian Islam Terengganu (MGIT) and Permodalan Kelantan Berhad (PKB); now other institutions are also involved in the scheme (Rahman & Kassim, 2017). However, the Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM) was one of the earliest government institutions which planned the implementation of the Islamic pawnshop scheme in Malaysia. There was some hindrance in the form of legal factors which caused YaPEIM to cooperate with Bank Rakyat and Bank Islam Malaysia Berhad (BIMB) to implement the Islamic pawnshop scheme (Yusuff et al., 2015). YaPEIM via the YaPEIM Cooperative Berhad launched its own Islamic pawnshop service in 2000 and it now has 202 branches all over Malaysia (YaPEIM, 2020).

After 30 years of the implementation, studies showed that the number of Islamic pawnshops had increased more compared to the conventional pawnshop institutions in Malaysia (Saiman & Zainuddin, 2022). Additionally, the YaPEIM pawnshop service showed better acceptance by the community members with the increasing number of branches (200 branches in early 2020). Similarly, the number of customers and loans taken showed an upward trend from time to time (Hussin et al., 2016). Based on this development, we can

conclude that the demand for Islamic pawnshops was on the rise. There was evidence which showed that the high demand was caused by the weakness in the conventional pawnshop system, which was not aligned with Syariah principles (Razak & Asutay, 2022), problems with transparency, (Bakar et al., 2018), cheating and oppression (Azli et al., 2017); these issues caused the community members especially the Muslims to turn towards the Islamic pawnshop which was fair, more transparent and responsible in offering the pawnshop services (Razak & Baharun, 2018). Currently, Islamic pawnshop is no longer considered second-class business as it is able to attract the involvement of non-Muslims in the country (Muhamad et al., 2019).

As such, Islamic finance services such as Islamic banking and ArRahnu represent the sector that could help to increase the nation's economy, especially in the financial well-being of micro-entrepreneurs in Malaysia (Razak & Asutay, 2022; Razak et al., 2017; Azman et al., 2020). The Islamic pawnshop provides many services to the users such as loans for business, education, gold purchases, and others. Therefore, the Ar-Rahnu institution should ensure that the services offered could provide high satisfaction among the customers to guarantee the continuity of the business. Thus, this research aims to investigate the customers' satisfaction level of Ar-Rahnu YaPEIM service quality in Perak and the correlation between customer satisfaction and service quality elements.

The research framework can be summarized in Figure 1.
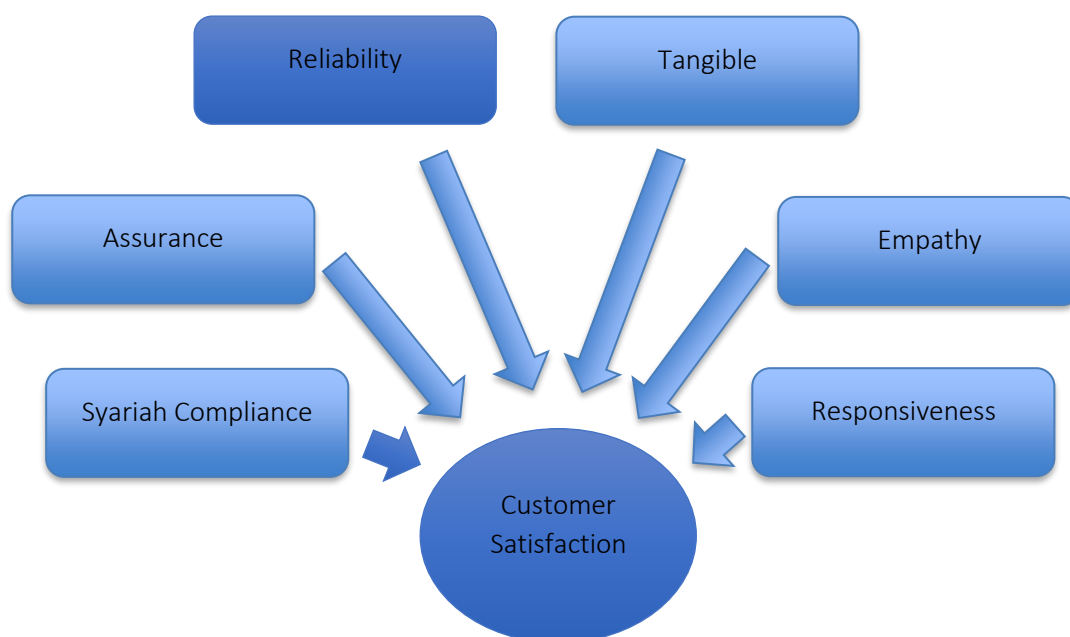
Figure 1: Research Framework

Literature Review
Service quality is an important asset for a competitive and developing organization. As such, many studies have been conducted by researchers to measure the satisfaction level of customers and the service quality of institutions which offer services such as Islamic pawnshop services (Ar-Rahnu). According to Tjiptono (2011), service quality is the expected level of excellence and control over the level of excellence to meet the level of customer

desires. If the service or service received or perceived (perceived service) is as expected, then the quality of service or service is perceived as good and satisfying.

Previous studies have looked into customer satisfaction with the Ar-Rahnu services. One of them is a study by Azman et al (2018), which aimed to analyse the significance of customer satisfaction on ar-rahnu usage. It was highlighted that customer satisfaction has a significant influence on ar-rahnu usage. Additionally, a study by Ulwiyah et al (2019) aimed to identify the service quality dimensions which influenced the customers' satisfaction in using the pawnshop services at the Kaligarang Islamic pawnshop in Semarang, Indonesia. The findings showed that Syariah compliance, tangible, and reliability had a positive and significant influence on customers' decisions, while the responsive, assurance, and empathy elements did not influence customers' decisions. The conclusion showed that service quality influenced the customers' satisfaction with using the Islamic pawnshop service in Semarang.

Bakar (2018) looked at the customers' perception of service quality provided by Ar-Rahnu YaPEIM Kuantan, Pahang, and found that 51.9 percent of female customers were more satisfied with the Ar-Rahnu services compared to male customers. Empathy was one factor that influenced customer satisfaction with the Ar-Rahnu YaPEIM services in Kuantan. The researcher concluded that the customers were satisfied with the services provided by that particular outlet in Kuantan.

Salleh (2014) also studied customers' perception of the service quality provided by the Ar-Rahnu Permodalan Kelantan Berhad (PKB) based on the demographic factors and six service quality dimensions compliance, assurance, reliability, tangible, empathy, and responsiveness. The findings showed that female customers were 5.9 percent more satisfied in using the Ar-Rahnu scheme compared to male customers. The regression analysis showed that service quality accounted for a 55 percent variance in customer satisfaction, and empathy was the most significant element. The conclusion indicated that the customers were satisfied with the service quality provided by the Ar-Rahn PKB.

Methodology
The CARTER model of service quality measurement was modified and adapted to the model used in the studies by (Othman and Owen, 2001). This study contained a set of questionnaires with three sections of questions. Section A contained six items related to the respondents' profiles. Section B contained six dimensions of service quality elements related to Ar-Rahnu YaPEIM, which were syariah compliance, assurance, reliability, tangible, empathy, and responsiveness as the independent variables. Section C contained five items about customer satisfaction towards the Ar-Rahnu YaPEIM service quality as the dependent variable.

This study utilised the quantitative approach. The population and sample were finalised according to Krejcie and Morgan table (1970). The study population comprised some 400 respondents. The respondents were the Ar-Rahnu YaPEIM customers in Tanjong Malim and Slim River. 196 sets of questionnaires were distributed to the Ar-Rahnu customers. Based on the *Cronbach Alpha* reliability test using the *Statistical Package of Science Social* (SPSS) software, the values for each item of service quality and customer satisfaction are shown in Table 1. It shows that the reliability value for each service quality variable was at a very good

level. As stated by Abdullah and Leow (2017), the Cronbach Alpha value is considered weak if the value is less than 0.6.

Table 1
Results of Reliability Test

Variable	Cronbach Alpha (α)	Number of items	Results
Syariah compliance (K)	.947	5	Very good
Assurance (J)	.910	4	Very good
Reliability (B)	.882	5	Good
Tangible (KT)	.937	6	Very good
Empathy (E)	.656	5	Moderate
Responsiveness (R)	.949	5	Very good
Customer satisfaction (KP)	.678	5	Moderate

Results
Table 2 shows the frequency and the percentage of the respondents' demographic information according to gender, age, marital status, education level, working sector, and salary, as well as their satisfaction level towards the Ar-Rahnu Yapeim services provided in the Muallim district, Perak.

Table 2
Demographic Information of the Respondents and Their Satisfaction Level

No	Demographic features / Dimension	Category/Interpretation	Frequency	Percentage
1	Gender	Male	70	35.7
		Female	126	64.3
2	Age	30 years and below	54	27.6
		31-40 years	74	37.8
		41 - 50 years	49	25.0
		51 - 60 years	10	5.1
		61 years and above	9	4.6
3	Marital status	Married	135	68.9
		Single	50	25.5
		Divorced	11	5.6
4	Education Level	Primary school	6	3.1
		Secondary school	70	35.7
		Diploma	57	29.1
		Bachelors' degree	59	30.1
		Masters and above	4	2.0
5	Working sector	Government sector	61	31.1
		Private sector	45	23.0
		Self-employed	46	23.5
		Student	15	7.7
		Housewife	29	14.8
6	Salary	Less than RM1000	46	23.5

			RM1001 - RM1500	26	13.3
			RM1501 - RM2000	35	17.9
			RM2001 - RM2500	45	23.0
			RM2501 and above	44	22.4
7	Customer Satisfaction Level		High	0.434 (Mean)	0.442 (standard deviation)

Based on Table 2, most of the respondents shown in the demographic data were 126 female respondents, while there were 70 male respondents. Most of the respondents were between 31 to 40 years old, with a percentage of 37.8 percent compared to respondents from other age groups. Additionally, most of the respondents were married (68.9 percent), while the singles were 25.5 percent and the divorcees were 5.6 percent of the population, respectively. Regarding the education level, most of the respondents (70 respondents) had a secondary school education. The highest frequency in terms of the respondents' working sector could be seen in the public sector (61 respondents), while the second highest number of respondents were self-employed (46 respondents), and the lowest number came from the private sector (45 respondents). Most of the respondents who utilized the Ar-Rahnu YaPEIM services in Perak were from the low- and average-income group with incomes not exceeding RM3000.

In terms of the respondents' satisfaction level towards the service provided, the mean acquired was 0.434, and that was considered a high satisfaction level. This indicated that the customers were very satisfied with the Ar-Rahnu services provided. Table 3 shows the findings from the Pearson correlational analysis, which indicated that all the service quality element dimensions were positively and significantly related to the customer satisfaction variables.

Table 3
The Correlational Test Results between Customer Satisfaction and Service Quality Elements

Dimension	Customer Satisfaction (KP)	Syariah Compliance (K)	Assurance (J)	Reliability (B)	Tangible (KT)	Emppathy (E)	Responsiveness(R)
Customer Satisfaction (KP)	1						
Syariah Compliance (K)	.284*	1					
Assurance (J)	.370*	.515*	1				
Reliability(B)	.421*	.300*	.501*	1			
Tangible (KT)	.455*	.215*	.463*	.459*	1		
Empathy (E)	.565*	.516*	.532*	.520*	.515*	1	
Responsiveness (R)	.576*	.44**	.514*	.473*	.499*	.765*	1

Note: *Significant at $p < 0.01$ level.

The multiple regression analysis was also conducted to identify whether the service quality elements could influence the satisfaction of Ar-Rahnu YaPEIM customers or otherwise. This could be seen in Table 4.

Table 4
Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients		
	Beta	Std. Error	Beta	T	Sig.
(Constant)	1.076	.319		3.370	.001
Syariah Compliance	-.010	.050	-.015	-.205	.838
Assurance	-.017	.077	-.017	-.218	.827
Reliability	.121	.079	.109	1.539	.125
Tangible	.154*	.070	.156	2.190	.030
Empathy	.224*	.099	.219	2.255	.025
Responsiveness	.304*	.094	.294	3.253	.001

Note: *Significant at $p < 0.05$ level.

Based on the observation in Table 4, the responsive elements recorded an *Unstandardized Coefficients Beta* value of 0.304 and a *p*-value of 0.001. This showed that the responsive element influenced customer satisfaction in a positive and significant manner. The 1 percent increase in the responsive element would cause an increase of 30.4 percent in customer satisfaction towards the service quality given. As such, the study findings proved that the responsive element was important for the Ar-Rahnu YaPEIM in order to influence customers' satisfaction towards the service quality provided. The findings were supported by a previous study conducted by Salleh (2014) which stated that the responsiveness factor had a positive and significant influence on customer satisfaction.

The empathy element recorded an Unstandardized *Coefficients Beta* value of 0.224 and a *p*-value of 0.025. This indicated that the empathy element was positive and significant in influencing the customers' satisfaction level towards the Ar-Rahnu service quality. The 1 percent increase in the empathy service quality element would cause an increase of 22.4 percent in customer satisfaction among the Ar-Rahnu YaPEIM customers in the Muallim district, Perak. As such, the findings could prove that empathy was an important element for the Ar-Rahnu YaPEIM in influencing the customers' satisfaction level towards the service quality given. The findings were supported by previous studies conducted by Salleh (2014), whereby they stated that empathy was a critical factor with a positive and significant influence on customer satisfaction.

The tangible element recorded an *Unstandardized Coefficients Beta* value of 0.154 and a *p*-value of 0.030. this showed that the tangible element was positive and significant in influencing the customers' satisfaction level. An increase of one percent in the tangible element would cause an increase of 15.4 percent in the customers' satisfaction level. As such, the findings could prove that the tangible element was important for the Ar-Rahnu YaPEIM customers in influencing the customers' satisfaction towards the service quality offered. The findings were supported by a previous study done by Ulwiyah et al (2019) which stated that the tangible element had a positive and significant element on customer satisfaction towards the Islamic pawnshop service in Indonesia.

Table 4 also showed that the syariah compliance, assurance, and reliability elements in this study were not significant ($p > 0.05$) in influencing customer satisfaction towards the Ar-Rahnu YaPEIM service in the Muallim district, Perak.

Conclusion

Generally, the YaPEIM Ar-Rahnu customers in the Muallim district in Perak were pleased with the service offered by the YaPEIM Ar-Rahnu institutions. This showed that the YAPEIM Ar-Rahnu institutions in Perak could offer quality service which satisfied the customers. The service provided by the YaPEIM institutions in Perak was as good as the service provided by the YaPEIM branch in Kuala Lumpur. Additionally, the Ar-Rahnu YAPEIM operators should also ensure that all the elements of quality service are given attention and improved from time to time as they have a significant relationship and influence on customer satisfaction of Ar-Rahnu customers in the Muallim district, Perak.

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