



## Adjustment of Value Propositions as Company Performance Strategies in Maintaining Customers and Market Segments High-end and Anticipating New Competitors at PT. Sarana Gadai Prioritas

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### KEYWORDS:

Value Proposition11 Element, Value Proposition, Osterwalder & Pigneur (2010), Competitive Advantage, Risk Management Capability, Company Performance

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### ABSTRACT

Research was carried out to determine the strategy of PT. Sarana Gadai Prioritas make adjustments to value propositions to maintain the high-end pawn business anticipating new competitors.

This study was conducted with a deductive qualitative method, case study (single), with the final result of a proposition of competitive advantage and risk management capabilities that support the performance of PT. Sarana Gadai Prioritas.

This research discusses the adjustments made by PT. Sarana Gadai Prioritas, which are carried out and carried out to maintain customers and high-end market segments and anticipate the emergence of new competitors in the same pawn business

The results of this study are expected to provide a theoretical model concept strategy that can be applied in running a pawn business, especially for the pawn business as run by PT. Sarana Gadai Prioritas with customers and high-end market segments and as a strategic and anticipatory step in anticipating the emergence of new competitors in the same market segment.

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### INTRODUCTION

PT. Sarana Gadai Prioritas (2016), is one of the private pawn companies that became a pioneer in running a pawn business by taking the market segment for high-end financing, the strategy was taken to avoid competition that was already very tight for private pawn businesses with middle, middle – lower segments, and there is wide-open potential for that market segment and there is no pawn business in that market segment

PT. Sarana Gadai Prioritas take financing for the high-end market segment, by utilizing personal luxury goods and in personal names, which have high value such as diamonds, precious metals, gold jewelry, luxury watches, foreign currencies, luxury cars, sports cars, sports motorcycles and with certain loan limits (conditional & negotiable)

PT. Sarana Gadai Prioritas runs and develops a pawn business with a high-end market segment with Value Proposition:

1. Become the first choice pawn business for the upper class of Indonesia
2. Provide urgent loan solutions by prioritizing the quality of service for customers and maintaining their privacy
3. Become a pawn company with high growth and sustainability.
4. Provide urgent loan solutions by prioritizing the quality of service for customers and maintaining their privacy

Pawn Business Operations PT. Sarana Gadai Prioritas themselves have been running for +/- 6 years, and by looking at the market segment and the customer segment taken is for high-end, and as a private pawn company, PT. Sarana Gadai Prioritas continue to conduct research and strategic analysis of value propositions for high-end segments, then anticipate the emergence of new competitors in the high-end pawn business and maintain and develop PT. Sarana Gadai Prioritas going forward, and increasing financing portfolios, based on the nature of the pawnshop business with a high level

of mutation, short-term, so that the financing and return of loans is very active, it is necessary to take anticipatory steps to continue to exist and maintain the customer and the high-end market segment.

The above conditions are supported by the emergence of a private pawn business that plays in the high-end market segment, the pawn value max (2021) with the micro, medium-high-end market segment, and the premiere lecr pawn (2021) with the high-end high market segment that can be threatened business continuity of PT. Sarana Gadai Prioritas

## **RESEARCH METHOD**

In this study, researchers used a qualitative approach method with a case study approach (single) in PT. Sarana Gadai Prioritas, where qualitative research methods are research procedures that produce descriptive data, namely to analyze adjustments Value Proposition PT. Sarana Gadai Prioritas to anticipate competition in running a pawn business in the high-end market segment and look for a meaning from the data obtained from the results of a detailed and in-depth study (case study).

In obtaining accurate and relevant data and information, the researchers used the following data collection techniques: In-Depth Interview, Esterberg (2002) in Sugiyono (2013) defines Interview as follows: "a meeting of two persons to exchange information and ideas through questions and responses, resulting in communication and joint construction of meaning about a particular topic".

An interview is a meeting of two people to exchange information and ideas through question and answer, so that meaning can be built in a particular topic. As for the data collection technique through interviews, semi-structured interviews were used, Sugiyono (2013). The semi-structured interview model is an interview model in the in-depth interview category, where in practice the interviews are conducted in a

freer situation when compared to structured interviews. The purpose of this type of interview is to find problems more openly, where the parties invited to the interview are asked for their opinions and ideas.

In conducting interviews, researchers need to listen carefully and record things that are conveyed by informants. With semi-structured interviews, researchers do not raise questions based on a list of questions that have been prepared, but it is the topics or issues that determine the direction of the conversation (Suwartono, 2014).

Documentation, documents are records of an event that has occurred. Documents themselves can be in the form of writing, drawings, or monumental works of a person. Documents in the form of writing, for example diaries, life histories, stories, biographies, regulations, policies. Documents in the form of images, such as photographs, live images, sketches and others. Documents in the form of works, for example works of art, can be in the form of pictures, sculptures, films, and others. Document study is a complement to the use of observation and interview methods in qualitative research

Documentation is an activity to complete the information and data obtained through books, archives, data, information and reports at the place where the research is carried out. Documents have long been used in research because they can be used to test, interpret, and even predict. Documents that are the source of data in this research activity include documents, archives, product brochures, financial reports, organizational structure, legality of business licenses, market segment analysis, financing approval documents, collateral assessment and deposit files, mortgage statements, pledge agreements/agreements and regulations relating to the business activities of PT. Sarana Gadai Prioritas

Observation, observation techniques are used to directly observe events or real events that occur that are related to the focus of research. Observation is a technique that demands direct or indirect observation of the research object.

Researchers used observation techniques in this study because the research location was in an office area with researchers, so direct observations could be made at any time and did not require planning and design, but these conditions were also free from the level of busyness of the party conducting the research.

## **RESULTS AND DISCUSSIONS**

From the results of adjustments to the value of PT. Sarana Gadai Prioritas, obtained elements:

1. Facilities for high-class communities that are open to developing with customers.
2. Become a pawn company with a sustainable and high growth, taking the market potential and the need for high-end people (high-end),
3. Provide urgent loan solutions by prioritizing service quality for customers and maintaining their privacy.
4. Providing attractive and competitive interest rates and interest rates for high-end market segments,
5. Provide urgent loan solutions for customer segment needs with a mortgage financing need of 250 million-10 billion for high-end customer segment,
6. Not Compete with Fellow Business of the Power in the High-End Market Segment.
7. Adjustment of loan guarantees, with the category adjusted to the loan limit and type of guarantee so that it does not cause over/under loan to value

	Elemen	Explanation	PT. Sarana Gadai Prioritas
1.	<i>Newness</i>	Value propositions are made to address new needs of consumers who were previously not considered because there were no offers.	Provide urgent loan solutions for customer needs with a mortgage financing requirement of 10 million-10 m, for the upper community/high-end. Providing attractive and competitive interest rates for high end market segments
2.	<i>Performance</i>	Improving the performance of products/services has traditionally become a common way to make value.	Provide urgent loan solutions by prioritizing quality for customers and maintaining their privacy. Adjustment of loan guarantees, with the amount adjusted to the loan limit and type of guarantee does not cause over/under loan to value
3.	<i>Customization</i>	Make products or services that address the specific needs of individual consumers or consumer segments	Provide urgent loan solutions for customer needs with a mortgage financing need of 250 million for high-end customer segment
4.	<i>Getting the job done</i>	Sometimes the value is made by helping consumers get something they need.	Not compete with fellow pawnshops in the market segment
5.	<i>Design</i>	Design is an important but difficult element to measure. The product is striking because of a very good design.	<i>Not applicable,</i>
6.	<i>Brand/status</i>	Sometimes consumers get value from the status of pride when using certain products	<i>Not applicable,</i>
7.	<i>Price</i>	Prices can be an important element for companies target consumers who are sensitive to prices by offering the same value at lower prices.	Providing attractive and competitive interest rates for high end market segments
8.	<i>Cost reduction</i>	Helping consumers to reduce costs is an important way to make value, as consumers feel saving.	<i>Not applicable,</i>
9.	<i>Risk reduction</i>	Provision of value that minimizes risk by eliminating the possibility of risks that will occur very helpful for consumers	<i>Not applicable,</i>
10.	<i>Accessibility</i>	Providing products and services to consumers who previously did not have access are one way to be able to create value for consumers	Provide urgent loan solutions by prioritizing quality for customers and maintaining their privacy
11.	<i>Convenience/ usability</i>	Making the product more comfortable and easier to use can make value even a little.	A means for upper class communities that are developing with customers Become a pawning company with a sustainable growth, taking the market potential and the high-end people (high-end)

11 Value Proposition Elements Osterwalder and Pigneur (2010)

The application of the business model raises additional elements in the risk management (internal and external) which is carried out as an obligation that must be carried out as a companion in financial efforts.

Application of Value Proposition (adjustment) of PT. Sarana Gadai Prioritas for 11 elements of Osterwalder and Pigneur Proposition Value (2010), of the 11 elements of Osterwaldder and Pigneur Value Propositions, (2010), for value propositions (adjustments) of PT. Applicable Sarana Gadai Prioritas for 7 elements, and 4 not applicable elements, namely:

1. Design (design), because this value is often offered in the fashion industry or electronic products.
2. Brand/Brand, PT. Sarana Gadai Prioritas do not use brands/brands in running a private pawn business
3. Cost Reduction, helping consumers to reduce costs is one important way to make value, and this condition has been represented in Newness and Price Elements
4. Risk Reduction, providing value that minimizes even eliminating the possibility of risks that will occur very helping consumers, in financing activities there must be risks that will emerge and these conditions have and cannot fully eliminate risks, this condition has been represented in the performance element

The results of the research get Category Identification, Patterns and Concepts, among others customers with HNW (high net worth), high loan limits, guarantee of luxury goods, service quality and customer satisfaction, competitive pricing, dual custody and dual control operational systems, certified assessors, simple and secured legal agreements, from Data from interviews with respondents/informants (categories, patterns and concepts), found 8 concept patterns related to adjusting value propositions, which support the concept of blue ocean strategy at PT. Sarana Gadai Prioritas, including:

1. Individuals with HNW (High Net Worth)
2. High loan limit
3. Guarantee Luxury Goods
4. Service Quality and Customer Satisfaction
5. Competitive pricing
6. Dual Custody and Dual Control Operational System
7. Certified Assessor
8. Legal Agreement Simple and Secured

## CONCLUSION

This study produced two propositions, propositions 1 and 2, where the two propositions have a close relationship with decision making in adjusting the value proposition of the pawn business at PT. Facilities of priority pawn, and produce a theory building about company performance, which is supported by competitive advantage and risk management capabilities carried out by PT. Sarana Gadai Prioritas.

Seven elements of value proposition (adjustment) applied and carried out by PT. Sarana Gadai Prioritas can be used to form the best concept patterns for the company's competitive advantage, risk management capabilities and the end result is the company's performance

Relation of the concept of Individual to HNW (High Net Worth), High Loan Limit, Luxury Goods Guarantee, Service Quality and Customer Satisfaction, Competitive Pricing, (Proposition 1)

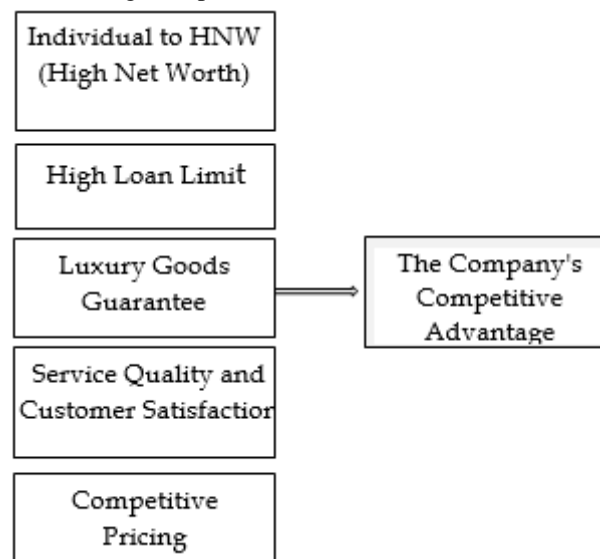


Figure 1. Relation of the concept of Individual to HNW (High Net Worth), High Loan Limit, Luxury Goods Guarantee, Service Quality and Customer Satisfaction, Competitive Pricing, (Proposition 1)

Relation of the concept of Dual Custody and Dual Control Operational System, Certified Assessor, Simple and Secured Legal Agreement (Proposition 2)

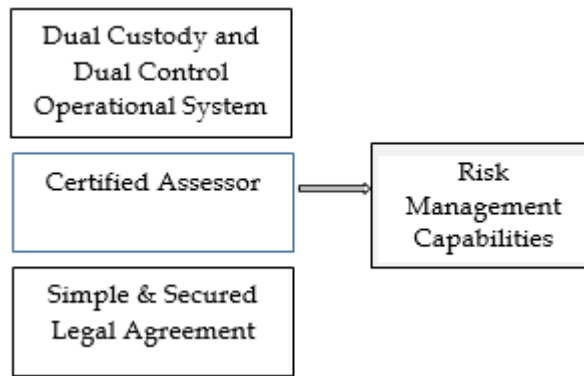


Figure 2. Relation of the concept of Dual Custody and Dual Control Operational System, Certified Assessor, Simple and Secured Legal Agreement (Proposition 2)

The relationship of all concepts that describe proposition 1 and proposition 2 PT. Sarana Gadai Prioritas

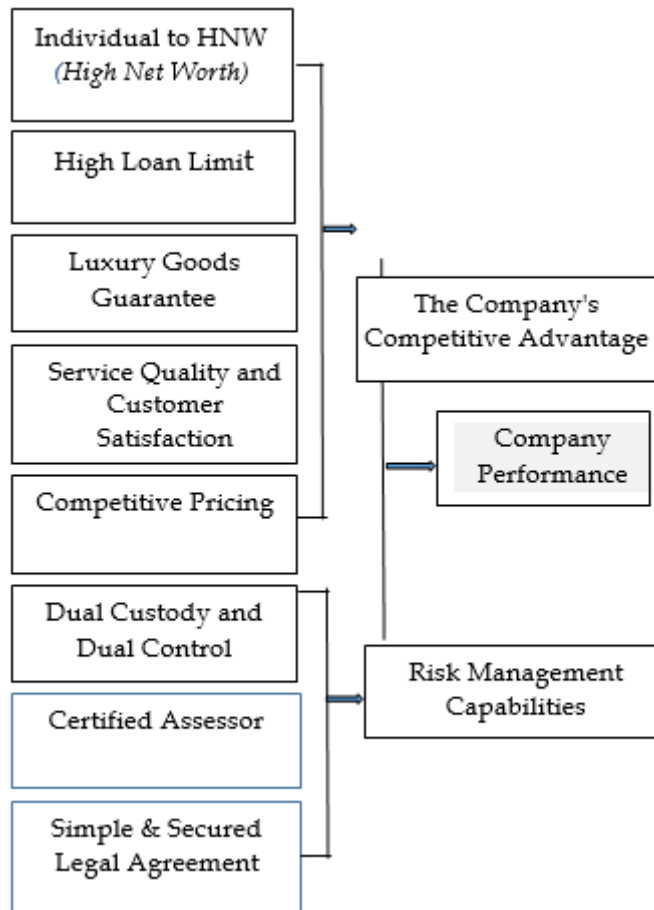


Figure 3. The relationship of all concepts that describe proposition 1 and proposition 2 PT. Sarana Gadai Prioritas

It would be nice if PT. Sarana Gadai Prioritas can apply the whole 11 existing value propositions for the future in developing a private pawn business and is possible to take similar steps or other strategic steps if PT. Sarana Gadai Prioritas to develop its private pawn business in a more modern and complex business and many business competitors have emerged in the same customer segment, so that the current value propositions can be reviewed. It needs to be considered to make new pawn products, so that it can bring up other alternative products that are more complete and competitive in serving high-end customer segments and have more value than other private pawn businesses, and can have their own brands/images as private pawn businesses with customer segments High-end

Research needs to be carried out for similar cases considering that researchers experience several obstacles, including not being able to do a focus group discussion, analyze more data because of the objection of the company to submit data openly,

the condition is possible because the company is very maintaining the confidentiality of the data, related to the strategy the business he runs and it is necessary to test the theoretical model through research with quantitative methods

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