

The Effectiveness of Direct Marketing and Digital Marketing (Case Study: Pt. Pegadaian Cabang Syariah Gorontalo)

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ABSTRACT

In the era of digitalization that continues to grow rapidly, transformation in marketing strategies is something that must be faced by companies, including Islamic financial institutions. PT Pegadaian Syariah Gorontalo Branch, which is under Pegadaian Gorontalo Area Office, is faced with the challenge of optimizing an effective marketing strategy to improve the company's performance and competitiveness. The two main approaches that are often used are direct marketing and digital marketing. This research was carried out using a qualitative method. Data collection was done through interviews with 6 informants, consisting of 3 key informants (customers) and 3 supporting informants (employees). The results of this study reveal that direct marketing is a more effective marketing strategy in PT. Pegadaian Cabang Syariah Gorontalo. However, it does not mean that digital marketing strategies are not able to play a good role, both strategies have their own advantages and disadvantages. The direct marketing approach remains the key in converting awareness into real transactions, while digital marketing functions more as a way to expand information and increase the dissemination of products among the wider community.

INTRODUCTION

In an era of rapidly evolving digitalization, transformation in marketing strategies is something that companies must inevitably face, including sharia financial institutions such as PT. Pegadaian Syariah Gorontalo Branch. Marketing strategies play a key role in a company's success to attract customer attention, increase sales, and expand market share. The two main approaches that are often used are direct marketing and digital marketing. Each of these approaches has its own advantages and challenges that need to be carefully considered to ensure the effectiveness of the marketing strategy implemented.

(Rahman, 2021) highlights that the marketing strategy for gold savings products at the Pegadaian Syariah Gorontalo Branch, which includes price fluctuations and promotional approaches, has a significant impact on customer transaction interest.

Marketing activities do not always go according to plan as initially thought. The emergence of various challenges and obstacles is not unlikely to occur. In research (Sugesti, Kusniawati, & Prabowo, 2019), It was revealed that although omnichannel marketing strategies hold great potential, their implementation still faces barriers, such as a lack of digital education for customers and limited technology infrastructure. This indicates the need for a thorough evaluation of the effectiveness of direct and digital marketing sustainability in a local context, such as PT. Pegadaian Area Gorontalo

LITERATURE REVIEW

Marketing is a discipline that is constantly evolving, in line with changes in technology, consumer behavior, and the dynamics of competition in the business world. The concept of marketing has undergone evolution over time, adapting to the needs and challenges faced by organizations.

According to Philip Kotler dan Kevin Lane Keller (2016), marketing is defined as a social and managerial process undertaken by individuals or organizations to acquire what they need and want through the creation and exchange of value. This perspective highlights marketing as a process that is not only

transaction-oriented but also focused on building long-term mutually beneficial relationships between companies and customers. Kotler also emphasizes the importance of marketing in understanding consumer needs and wants as the foundation of a successful marketing strategy.

Direct marketing is a marketing strategy that focuses on two-way communication between the company and customers without intermediaries. (Thomas & Housden, 2011) defines that this strategy is a part of the discipline of marketing that allows us to perform certain marketing tasks more efficiently. This is done by collecting, analyzing, and using information about customers and potential customers on an individual basis. This information enables us to identify who from the list of potential customers is likely to be interested in specific products, services, or offerings. The success of direct marketing greatly depends on the company's ability to deeply understand the needs and preferences of customers.

Digital marketing uses digital technology to reach consumers more widely and efficiently. According to Chaffey and Ellis-Chadwick (2019), digital marketing includes strategies such as social media marketing, email marketing, and interactive online advertising. The main advantage of digital marketing is the ease of measuring campaign results in real-time and its relatively lower costs compared to traditional marketing. One of the main strengths of digital marketing is its ability to reach a specific and measurable audience. Through digital platforms, companies can collect detailed demographic, geographic, and behavioral data about consumers, allowing them to develop more targeted marketing strategies.

The effectiveness of marketing is defined as the level of success of marketing strategies in achieving objectives, such as increased sales, customer satisfaction, or brand awareness. According to Rust and Huang (2021), marketing effectiveness can be achieved by understanding customer needs and choosing the right communication channels. Evaluation of marketing effectiveness is often carried out through measurement of results and accurate data analysis. To achieve optimal marketing effectiveness, companies must ensure that their marketing strategies align with business goals and customer needs. This can be achieved through comprehensive data analysis, ongoing testing and experimentation, as well as adjustments to strategies based on feedback and learning obtained.

METHODOLOGY

This research uses a qualitative method. Data were collected through in-depth interviews with 3 key informants (customers) and 3 supporting informants (employees of Pegadaian). The research instruments refer to the indicators of interaction frequency, customer satisfaction, sales conversion, and loyalty.

RESULT

Company Profile

PT. Pegadaian is a State-Owned Enterprise (SOE) in Indonesia that operates in the pawn-based financing services sector. The history of PT. Pegadaian's establishment in Indonesia is closely tied to the development of the pawn system during the Dutch colonial era. PT. Pegadaian was first introduced in Indonesia by the Dutch colonial government in 1746 in Batavia (which has since changed to Jakarta). However, PT. Pegadaian officially became an institution on April 1, 1901, when the Dutch East Indies Government established Pandhuisdienst, which was a state pawnshop institution, to regulate and control pawn activities that had previously been managed freely by private parties. Several reasons for the establishment of PT. Pegadaian include the prevention of usury, loan sharking, and other unfair loans, with the hope of improving the welfare of the small people. Additionally, it aims to support government programs in the fields of economy and national development.

Informant Description

The six informants in this study consist of 3 (three) key informants who are customers of PT. Pegadaian Syariah Gorontalo. And 3 (three) supporting informants, which consist of 2 (two) leaders of PT. Pegadaian Cabang Syariah Gorontalo, and 1 (one) Marketing department staff of PT. Pegadaian Cabang Syariah Gorontalo. In-depth interviews were conducted by the author with the intention of clarifying and strengthening field data. On April 25, 2025, the author conducted an interview with the 4 informants. Then on the following day, interviews with the other 2 informants were conducted.

DISCUSSION

The Effectiveness of Direct Marketing

Based on direct observations and in-depth interviews with informants, the results found indicate a routine and recurring number of direct interactions between customers and the marketing team. The face-to-face quantity occurs at least once a month, or it can even communicate up to 1-2 times a week. Interactions in direct marketing activities are predominantly proactive, which means that the pawnshop marketing team more often contacts their customers first.

"For me personally, I usually actively communicate with the marketing team once every 1 to 2 weeks. Because there are several items of mine that I often pawn. So there are usually monthly reminders for

payment due dates, as well as several promotions that are always offered.” (Clarissa, Customer, Interview 25 April 2025)

The direct marketing strategy of this company is embodied through an approach of Islamic financial literacy to the community/customers, door-to-door visits, seminars at educational institutions and communities, as well as business to business to various agencies. The direct marketing activities that frequently occur in this company certainly always involve customers. (Abbas & Riono, 2023) explain that every company strives to attract more customers to ensure the sustainability of the company's business.

Regarding customer satisfaction itself, the marketing team of this company is regarded well by several informants who were interviewed, this was mentioned by Mrs. Megawati Marhun in her interview as follows.

“Yes, this marketing team is able to provide such helpful answers. As for my level of satisfaction, I feel quite satisfied because the marketing team explains the marketing material as detailed as possible, and if there is anything I don't understand, they will patiently repeat it slowly while providing examples.” (Megawati Marhun, Customer, Interview April 25, 2025)

Customer satisfaction defined by (Riono, 2022) is interpreted as a measure that determines how well a company's products or services meet customer expectations. Based on the interview, it shows that the satisfaction felt during the interaction related to direct marketing between customers and the marketing team can be considered satisfactory. The communication technique used by the marketing team is assessed as quite informative, where they are able to market the pawnshop products themselves using easily understandable language, and the appropriateness of the answers provided as solutions to the issues presented is very precise.

From key informants who express satisfaction with the direct marketing by PT. Pegadaian Cabang Syariah Gorontalo, a somewhat different perspective is conveyed by Vibrainy regarding the shortcomings of the marketing team, as stated in the following interview quote.

“When it comes to satisfaction, it depends on the situation. However, this company may still have some shortcomings, for example, there are friends from other finance or maybe from other banks who both have the same product, where the competitor looks more refined when they start offering products. So maybe friends of the Gorontalo sharia pawnshop can improve customer improvisation skills which can make it seem as if customers can easily make transactions at the sharia pawnshop itself.” (Vibrainy, Customer, Interview 26 Apr 2025)

Based on the informant's statement, it can be seen that customer satisfaction does not always mean feeling satisfied. In this case, the skills possessed by the marketing team of this company are considered still lacking in smoothness for approaching customers. There is a need for updates and improvements in the communication skills of the marketing team to better understand customer needs in accordance with what they require.

The strong emotional formation resulting from this direct marketing activity has a significant impact on attracting the buying interest of pawnshop customers. The trust given by customers to this company often enables the pawnshop to achieve large sales targets, which is due to the word-of-mouth testimonials provided by its customers. In addition, customer loyalty is measured when they repeatedly use the same products, as well as their enthusiasm for the emergence of new products. This is in line with the statement of Mrs. Megawati Marhun in the following interview quote:

“About 90% I feel attracted to the products presented. For the 10%, it's more about waiting for the right time to make a transaction.” (Megawati Marhun, Customer, Interview April 25, 2025)

The findings of the research presented here show that the percentage of interest in purchasing the product after direct marketing has reached an almost perfect value, ranging from 90-95%. This means that the communication of the marketing team during direct marketing activities is considered quite good, as it succeeded in convincing customers to use the pawnshop products.

Next, the author wants to know the level of customer loyalty generated after direct marketing conducted by the marketing team of PT. Pegadaian Syariah Branch Gorontalo. One aspect is based on customers' willingness to purchase or regularly use products. The following statement explains customer loyalty:

“So far, yes. Because I've gotten to know the marketing team well, and when I have extra funds, I always prioritize buying gold at the pawnshop. So without any offers from the marketing team, I always buy pawnshop products.” (Vibrainy, Customer, Interview April 26, 2025)

From the interview, it was found that there is a desire from the customers themselves to continuously use the same products. According to Kumar & Reinartz (2021) in Customer Relationship Management, customer loyalty is formed stronger from consistent and satisfying personal interaction experiences, not just from discounts or promotions. The effectiveness of direct marketing can be concluded that the frequency of regular interactions, even if not always intense, is effective in maintaining customer engagement. This aligns with the theory of Batra and Keller (2021) in Building Brands in a Digital Age, which explains that regular direct contact frequency helps increase top-of-mind awareness and strengthens customers' emotional closeness to the products marketed by PT. Pegadaian Cabang Syariah Gorontalo.

The Effectiveness of Digital Marketing

The emergence of PT. Pegadaian, particularly the Sharia Branch in Gorontalo, on social media has had many positive impacts, as it is considered to make it easier for customers to obtain information while being far from the PT. Pegadaian Sharia Branch in Gorontalo. Moreover, the use of various social media such as Whatsapp, Instagram, Facebook, and TikTok demonstrates the company's seriousness in adopting digital channels as part of an integrated marketing approach. PT. Pegadaian Sharia Branch in Gorontalo actively uses Whatsapp for delivering promotional broadcasts, reminders for due dates, and updates on the latest gold prices to customers. This platform is considered the most effective due to its more personal nature and direct connection with customers. According to Mrs. Lusyana Adella Camaru as the marketing team of Pegadaian, she explains that:

"We use all available social media, starting from Facebook, Instagram, and also TikTok. Because now we are in an era where many influencers are emerging who have a significant impact on social media." (Lusyana Adella Camaru, Customer Relationship Officer, Interview April 26, 2025)

The interview provides findings related to the company's efforts to respond to digital transformation, where the company follows the trends of modern communication that are more mobile and faster.

Customer involvement in supporting the existence of the company in the online world is realized by customers following various social media accounts of the company. In an interview with Mrs. Clarissa, she expressed her enthusiasm for the pawnbroker on social media: "Of course, I follow all the pawnbroker accounts on my personal Instagram. Because I think from those accounts I can obtain a lot of up-to-date information." (Clarissa, Customer, Interview April 25, 2025)

Based on the interview, it shows results that support the theoretical concept from Chaffey & Ellis-Chadwick (2019) in Digital Marketing, where this theory emphasizes that effective social media is not only for product promotion but also for building relationships and expanding reach to new audiences. However, the level of customer engagement in digital campaigns shows a varied pattern. Different conditions are demonstrated by Megawati Marhun, who prefers using WhatsApp as the main medium for direct interaction with the marketing team, and is less active in connecting with other social media of the pawnshop. This is outlined in the following interview quote: "For my digital platform, maybe I'm not active in that regard. I communicate more on WhatsApp with the marketing team in this company." (Megawati Marhun, Customer, Interview April 25, 2025)

This shows that customer involvement is still higher through platforms that are more personal, compared to public social media such as Instagram, Facebook, and TikTok. According to Kotler et al. (2021) in Marketing 5.0, consumer engagement in the digital era is significantly influenced by the relevance and personalization of content, so more intimate platforms like WhatsApp tend to generate higher engagement compared to public social media.

Next is related to the sales conversion rate from digital marketing activities, presented by Mrs. Vibrainy in the following interview excerpt: "As for myself, I have known about pawnshops for a long time. Therefore, my decision to purchase pawnshop products is not based on its digital marketing; I adjust it to my personal needs. Perhaps the promotional content from the pawnshop is more specialized for recommendations to my other relatives. As for its influence on my purchasing decision, it does not have much impact solely because of the promotional content." (Vibrainy, Customer, Interview April 26, 2025)

A different thing was conveyed by Mrs. Clarissa in the interview quote as follows: "Yes, of course I have. Especially regarding gold, there was a time when I planned to buy a product, before that purchase I happened to see a post containing a gold promotion, and finally, with that post, I changed my mind about buying the product and immediately bought the gold product featured in that post. Because according to that post, it made me confident that investing in gold is indeed more profitable." (Clarissa, Customer, Interview April 25, 2025)

Based on the observations from both customers, it was found that digital marketing supports the increase of interest and awareness among customers regarding pawn shop products; however, it has not yet been fully effective in driving direct transactions. This supports the findings from the Statista Report (2023), which states that digital conversion, especially in the financial services industry, requires a combination of online exposure and offline follow-up to translate into real transactions. Overall, the digital marketing strategy of PT. Pegadaian Cabang Syariah Gorontalo is on the right track in enhancing customer awareness and engagement. However, to improve effectiveness to the stage of transaction conversion, the company needs to strengthen the integration between digital marketing and personal services, such as conducting direct follow-ups via WhatsApp or hybrid consultations.

Comparison of the Effectiveness of Direct Marketing and Digital Marketing

Table 1. Comparing

Category	Direct Marketing	Digital Marketing
Emotional Relationship	Very Strong (Personal, face to face)	Weak, general in nature
Market Reach	Limited to certain areas	Global, without geographic boundaries
Operating Costs	High (human resource needs, transportation, time)	Low (depending on the platform)
The Speed of Information Dissemination	Slow, sequential	Very fast, real-time
Effectiveness of Closing/Transactions	High (customers make decisions faster)	Medium (needs nurturing lead)
Measurability of Results	Difficult to measure quantitatively	Easy to measure through digital analytics
Engagement	High in one-on-one relationships	Varies, depending on the platform and content

Based on the research findings, it supports the concept of hybrid marketing proposed by Kotler et al. (2021). This theory explains that companies in the digital era must be able to combine the strengths of technology and human relationships to achieve optimal marketing effectiveness. At PT. Pegadaian Syariah Gorontalo Branch, the direct marketing approach remains crucial in converting awareness into real transactions, while digital marketing serves more as a pathway to expand information and enhance product dissemination among the broader community.

CONCLUSIONS

Simply put, this study shows that direct marketing has become a more effective marketing strategy at PT. Pegadaian Cabang Syariah Gorontalo. However, this does not mean that digital marketing strategies are not capable of performing well; both strategies have their own advantages and disadvantages. The findings of this study indicate that both direct marketing and digital marketing strategies, when applied, should be tailored to the conditions or aspects.

Several activities from direct marketing, such as sharia financial literacy, face-to-face seminars, door-to-door, and community visits, have proven to be more effective in reaching customers who are not yet fully familiar with digital platforms. The trust built from direct marketing plays a significant role in enhancing loyalty and transaction conversion. This indicates that direct marketing has become a main pillar in maintaining the customer base of PT. Pegadaian Cabang Syariah, especially in the Gorontalo region, which still upholds the culture of family and personal communication.

Digital marketing strategies include the use of social media (Instagram, Facebook, Tiktok, Whatsapp), as well as influencer engagement, which contributes significantly to expanding the company's marketing reach. Digital marketing has proven effective in attracting the attention of the younger generation and urban communities that are active online. However, the effectiveness of digital marketing in creating loyalty is still limited because the relationships built are impersonal and not as strong as direct interactions.

Direct marketing excels in building emotional connections with clients, speeding up the product education process, and increasing the likelihood of closing transactions, but it has limitations in reach and high operational costs. Conversely, digital marketing is very cost-efficient and can reach a wide market in a short time, but it lacks in building emotional relationships and requires digital literacy from clients.

RECOMMENDATION

Following up on the discussion and analysis above, the recommendations that can be conveyed by the author to the relevant parties are as follows:

PT. Pegadaian Syariah Branch Gorontalo is advised to integrate direct and digital marketing strategies into a unified communication system. With an omnichannel approach, the company can maintain the strength of personalization from direct marketing while leveraging the wide reach advantages of digital marketing.

In addition, the company needs to provide ongoing training that includes interpersonal communication, education on sharia products, and digital literacy, while also being more active in increasing educational and interactive content. With the improvement of human resources, both in direct approaches and in managing digital content, the effectiveness of marketing campaigns will be more optimal.

For other researchers interested in continuing this research, it is recommended to expand the research object to other Sharia Pawnshops in Eastern Indonesia or compare it with similar Islamic financial

institutions. Additionally, a mixed quantitative and qualitative approach can also be used to statistically measure the impact of marketing strategies on revenue growth or customer loyalty levels.

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