

---

## THE EFFECT OF MARGIN, SERVICE QUALITY AND COLLATERAL ON MURABAHAH FINANCING OF SMALL AND MEDIUM ENTERPRISES

Abdul Haris Ubaydillah<sup>1</sup>, Yayuk Sri Rahayu<sup>2</sup>

<sup>1,2</sup>Faculty of Economics, Universitas Islam Negeri Maulana Malik Ibrahim Malang  
Gajayana Street, No.50, Malang City, East Java, 65144, Indonesia  
[yayuk@pbs.uin-malang.ac.id](mailto:yayuk@pbs.uin-malang.ac.id)

### ABSTRACT

Financial institutions provide financing services in order to meet the public's need for capital, especially for micro, small and medium enterprises. During the Covid-19 pandemic, murabahah contract financing was the most sought after by the public. Therefore, this study aims to determine the effect of margin, service quality, and collateral on murabahah financing. This study uses a quantitative type with a survey method. The population in this study is murabahah financing customers with a sample of 104 respondents. The research instrument test was carried out to test the validity and reliability. Data analysis used multiple linear regression analysis. The results showed that margin and service quality had a significant effect on murabahah financing. Meanwhile, collateral has no significant effect on murabahah financing. Based on the results of this study, financial institutions are expected to be able to provide information about murabahah margins transparently to customers so that they can increase the amount of murabahah financing. The collateral provided is more affordable for customers so that the application for murabahah financing can be comprehensive for small and medium enterprises.

**Keywords:** Collateral; Margin; Service Quality

### INTRODUCTION

Banks provide financing products for the public to meet the capital needs of their businesses, especially for small and medium enterprises. In Islamic banking, murabahah financing has experienced significant development compared to other types of financing. Based on data from the Otoritas Jasa Keuangan (2020), it is known that during 2015-2019 the growth of murabahah financing increased by 37.7% with a trend that continues to increase every year, while musyarakah and mudharabah financing experienced fluctuations. This is because the community needs funds for business development and the risk of murabahah financing is smaller than other types of financing. The choice of type of financing is influenced by several things such as contracts, margins/ profit sharing, service quality, and collateral required by banks (Mulyawan, 2017).

Muhamad in Dwi (2020) stated that the murabahah contract was given in the form of account receivables or bills. The murabahah contract in carrying out transactions is intended to ask customers for collateral to minimize the occurrence of deviations from financing users. Collateral is a guarantee in the form of goods for customer financing to the bank. The research conducted by Syafitri and Heriawati (2016) shows a significant effect of margin on customer satisfaction in murabahah financing. Then the results of research conducted by Jaffar and Musa (2013) showed a positive and significant influence on margins on the decision to make murabahah financing. Based on several studies, it can be seen that there are different results, so further research is still needed on the effect of margin levels on murabahah financing applications.

The quality of service in banking is needed because in the banking world it acts as a company image to customers. Bagja's research (2014), shows a positive influence on the quality of services and financing products on the interest and decision to become a customer in a Sharia bank. Research with the same results also conducted by Syafitri and Heriawati (2016) shows a significant influence on product differentiation, service quality, and brand image on customer decisions to use Islamic banking services. Safitri and Nisa's research (2019) shows the positive influence of factors that affect customer interest with variables of services, products, facilities, and location access to the interests of customers of Islamic people's trust banks. Research conducted by Bonadillah & Syamlan (2019) shows the influence of 5C (Character, Capital, Capacity, Collateral, and Condition) on the provision of financing facilities. The results of research

conducted by Hanif (2018) show that there is a significant influence of customer income and margins on demand for murabahah financing, while capital and collateral do not have a significant effect on the demand for murabahah financing. The results of research conducted by Khusnul & Wahyudin (2019), show a significant influence of margin factors, personal factors, and service factors on the interest of UMKM actors to finance in Islamic banks. Based on this description, this study aims to determine the effect of margin, service quality, and collateral on partial and simultaneous submissions of murabahah financing.

## LITERATURE REVIEW

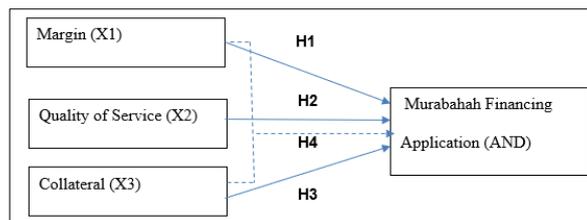
Karim (2006) defines the margin of a profit on the agreement of a murabahah contract. Murabahah is a buying and selling contract that states the acquisition price and margin agreed upon by the seller and buyer. The determination of the profit from the selling price takes into account the profit to be agreed upon, by looking at the costs that have been occurred by the seller. Aisyah (2015) further stated that for the determination of murabahah margin, the Bank can provide the selling price of murabahah offered at a low or not too high price. This is under the law of demand theory about the negative relationship between the price and the number of goods requested.

Islamic banking as a financial institution engaged in services can provide satisfactory service to customers. Satisfaction can be achieved if the Bank knows what the customer wants. Service quality is a comparison of how good the reality and expectations received by customers for the service provided are. Parasuraman in Huda (2015) stated that there are five dimensions of service quality assessment that can be used, namely first reliability is the ability to provide fast, responsive, accurate, and satisfactory services. Second, direct evidence is a facility provided to support the desired service. Third, responsiveness is a quick response as a form of satisfactory service. Fourth, guarantees are the level of knowledge, ability, politeness, and confidence that the waiter has. And fifth, empathy is the ease of relationships, good communication, personal attention, and understanding the needs of customers.

Zeintham stated in Rahayu's research (2008) that there are five types of failures in service delivery, namely, first, the gap between consumer expectations and management perceptions is caused because management does not understand the meaning of good customer expectations. the gap that appeared. In the form of appropriate service quality standards, three gaps between service quality specifications and service delivery are caused by the manager's inability to correctly understand customer expectations, and four gaps between service delivery and external communication are gaps that occur because management cannot understand what customers expect, the difference between perceived service and expected expectations. The fifth gap is due to management's lack of understanding of customer expectations. The basis for assessing the quality of service is seen from the relationship between the company and its customers that are harmonious or not, the reuse of the services provided, the creation of customer loyalty, and the formation of recommendations for the designation of one person to another person to understand the service obtained (Tjiptono in Huda, 2015).

Sagita and Mira (2019) Guarantees (collateral) serve as a bank handle for the distribution of murabahah financing from possible risks. As explained in the collateral of Pasal 8 ayat (1) UU. No. 10 Tahun 1998, financing based on sharia principles provided by banks carries risks. In reducing these risks, the lender's guarantee is based on sharia principles in the sense of the debtor's ability and ability to pay its obligations following the promised. In Islamic banking, collateral is one of the benchmarks in assessing the feasibility of financing disbursements (Dwi, 2020). Based on the literature, the conceptual framework shows in Figure 1.

Margin has a Significant Effect on Murabahah's Financing Application. Puspitasari & Jayanto (2016) stated that the margin level has no effect on members' interest in using murabahah financing. while Wahyudin and Aftoni (2017) stated that the margin level influences the interest of micro, and small businesses financing Islamic banks. This is supported by research by Puspitasari and Jayanto (2016) revealing that there is a partial significant influence of margin levels on the demand for murabahah financing. Research by Syahputra (2019) also revealed a significant influence of margin levels on increasing the distribution of murabahah financing.



**Figure 1. Conceptual framework**  
**Source: Author Analysis (2022)**

Another similar study conducted by Khusnul & Wahyudin (2019) shows that margin levels have the most influential effect on SME's interest in Islamic bank products. Based on this description, the following hypothesis is compiled: Margin has a significant effect on the application for murabahah financing (Hypothesis 1).

According to research by Wahyudin & Afthoni (2017) stated that services affect the interest of micro and small businesses in financing Islamic banks. Further studies by Khusnul & Wahyudin (2019) revealed that there is an influence of services on interest (MSMEs) in Islamic bank products. A study conducted by Bagja (2019) stated that the quality of service affects the application to become a customer of murabahah financing. Based on this description, the following hypothesis is compiled: The quality of service affects the submission of murabahah financing (Hypothesis 2).

According to Hanif's research (2018) states that collateral does not affect the demand for murabahah financing. Another study conducted by Puspitasari & Jayanto (2016) stated that collateral does not affect members' interest in using murabahah financing. According to research by Bonadillah & Syamlan (2019) stated that collateral affects applying for murabahah financing. This is also supported by Azizah dan Hidayati's research (2020) stating that the value of the guarantee (collateral) affects the smooth return of murabahah financing. Based on this description, the following hypothesis is compiled: Collateral affects the application for murabahah financing (Hypothesis 3).

According to research by Wahyudin & Afthoni (2017) stated that margin increase has an influence the interest in financing Islamic banks. A study conducted by Bagja (2019) stated that the quality of service affects the submission of becoming a customer of pembiayaan murabahah. According to Azizah and Hidayati's research (2020) states that collateral has no effect on the demand for murabahah financing. Based on this description, the following hypothesis is compiled: Margin, Quality of Servants and Collateral affect the Murabahah Financing Application (Hypothesis 4).

## METHODS

This type of research is quantitative research with the population is a customer of BRI Syariah murabahah financing has been running for 1 year, aged 17-60 years, UMKM work. The sampling technique used in this study was a purposive sampling method of 104 respondents. The data collection technique in this study used interview techniques, surveys through questionnaires, or questionnaires with a Likert scale that was distributed to respondents. The data validity test is carried out using validity and reliability tests. The data analysis method uses multiple linear regression analysis with the help of SPSS software version 26.

## RESULTS AND DISCUSION

### Result

The result of the research is shown by Table 1. Based on the table above, the multiple linear regression equation is as follows (Formula 1). Based on the regression equation, the constant value of 3,056 indicates that the value of the Murabahah Financing Application variable (Y) is the variables of free Margin (X1), Quality of Service (X2), and Collateral (X3) are considered zero. This means that if it is not affected by the free variable, the amount of the value of the

Murabahah Financing Application is 3,056. The regression coefficient on the Margin variable (X1) is - 0.507. These results show that if the Margin increases by one unit, the Murabahah Financing Application will decrease by 0.507. The regression coefficient in the Quality-of-Service variable (X2) is 0.160. These results show that if the Quality-of-Service increases by one unit, the Murabahah Financing Application will increase by 0.160. The regression coefficient of the Collateral variable (X3) amounted to - 0.054. These results show that if the Collateral increases by one unit, the Murabahah Financing Application will decrease by 0.054. So, Margin (X1) Significant and Negative Effect on Murabahah Financing Application (Y)

Based on Table 2, it can be known that the calculated t value is -7.811, so it can be concluded that the calculated t is smaller than the table t by 2.623 (-7.811 < 2.623). Thus, a hypothesis is accepted which gives the conclusion that Margin (X1) has a negative and significant effect on the Murabahah Financing Application (Y). This means that if the Margin decreases, it will affect the decline in Murabahah Financing Applications. From table 2, it is also known that the Margin variable (X1) has a Sig. of 0.000 and below 0.05. Thus, H0 is rejected and H1 is accepted which means that Margin (X1) has a negative and significant effect on Murabahah Financing Application (Y). Then, Service Quality (X2) Significant and Positive Effect on Murabahah Financing Application (Y)

$$Y = 3.056 - 0.507X_1 + 0.160X_2 - 0.054X_3 + \epsilon \tag{1}$$

Based on table 2, it can be known that the calculated t value is 6.781, so it can be concluded that the calculated t is greater than the table t by 2.623 (6.781 > 2.623). Thus, the hypothesis is accepted which provides the conclusion that the Quality of Service (X2) has a positive and significant effect on the Murabahah Financing Application (Y). This means that if the Quality-of-Service increases, it will affect the increase in Murabahah Financing Applications. From table 2, it is also known that the Quality-of-Service variable (X2) has a Sig. of 0.000 and below 0.05. Thus, H0 is rejected and H2 is accepted which means that the Quality of Service (X2) has a significant and positive effect on the Murabahah Financing Application (Y). Next, Collateral (X3) Has No Significant Effect on Murabahah Financing Application (Y). Table 2 show that the Collateral variable (X3) has a Sig. 0.195 and above 0.05. Thus, H0 is accepted and H1 is rejected which means that the Collateral is not significantly responsible for the Murabahah Financing Application.

Test F is a hypothesis test used to test the significant influence of independent variables, Margin (X1), Quality of Service (X2), and Collateral (X3) on dependent variables, simultaneous application for murabahah (Y) financing. Based on the test results of Test F, the results showed that the value of F was 42,492 with a significance value of 0.000. Because the significant value is less than 5% (0.000 < 0.05). Then H0 is rejected and H4 is accepted. This means that simultaneously the variables Margin, Quality of Service, and Collateral have a significant effect on the Murabahah Financing Application.

**Table 1. Multiple Linear Regression Analysis Results**

| Model            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|------------------|-----------------------------|------------|---------------------------|--------|------|
|                  | B                           | Std. Error |                           |        |      |
| (Constant)       | 3.056                       | 1.730      |                           | 1.766  | 0,80 |
| Margin           | -.507                       | .065       | -.528                     | -7.811 | .000 |
| Quality. Service | .160                        | .024       | .464                      | 6.781  | .000 |
| Collateral       | -.054                       | .042       | .089                      | -1.304 | .195 |

Sources: Processed SPSS (2021)

**Table 2. Hypothesis Test Results**

| Variable           | Significant Value | Result        |
|--------------------|-------------------|---------------|
| Margin             | 0,000             | Significant   |
| Quality of Service | 0,000             | Significant   |
| Collateral         | 0,195             | Insignificant |

Source: Processed SPSS (2021)

The determination test is used to find out the extent of the relationship of the free variable with the bound variable. Based on the output of the summary model, the number R Square or 56%. This shows that the application for murabahah financing is influenced or explained by the margin, quality of service, and collateral of 56%, while the remaining 44% is influenced or explained by other variables outside this regression model or outside of these independent variables.

## DISCUSSION

The results of testing the Margin variable (X1) found that the Margin variable (X1) had a negative and significant effect on the Application for Financing for Micro Enterprises in the BRI Syariah Trade Sector, Malang Branch Office. Margin has a negative and significant effect on Gold Murabahah Financing in Indonesian Islamic Banking. The higher the Islamic bank charges a financing margin, the less public interest in applying for murabahah financing. Because people are faced with the amount of payment added a high and burdensome margin to the person concerned. According to Aisyah (2015) Murabahah margin, banks can provide selling prices of murabahah offered at low or not too high prices. This is following the law of demand theory about the negative relationship between the price and the number of goods requested. "If the price is high, then the quantity requested goes down and if the price is low the quantity of goods requested is high." This is following the law of demand theory with the Murabahah Financing Margin given by the bank to small and non-burdensome financing customers. So the smaller the Margin given by the Bank, the greater the number of Murabahah Financing Applications in BRI Syariah.

The results of testing the Service Quality variable (X2) found that the Service Quality variable (X2) had a positive and significant effect on the Application for Financing for Micro Enterprises in the BRI Syariah Trade Sector, Malang Branch Office. The results of this study support research conducted by Khusnul and Wahyudin, (2019) which shows that services affect UMKM interest in Sharia Bank products. Wahyudin & Afthoni (2017), Showing Services affects the interest of micro- small businesses financing Islamic banks in Yogyakarta City. Jaffar & Musa (2014) showing the influence of attitude determinants towards sharia financing among micro and halal-certified SMEs. This shows that service quality is one of the main factors that encourage customer satisfaction. So that the better the quality of services provided by BRIS, the more it increases customer satisfaction. The results of this study support the research of Sofhian (2019) in their research stated that Service Quality has a great influence and contribution to Murabahah Financing Interest. And also supporting bagja's research (2014) mentioned that the high quality of service is increasingly likely for customers to take murabahah financing.

The results of testing the Collateral variable (X3) found that the Collateral variable (X3) had no significant effect on the Application for Financing for Micro Enterprises in the BRI Syariah Trade Sector, Malang Branch Office. The results of this study do not support the research conducted by Puspitasari & Jayanto, (2016) showing that collateral does not have a significant effect on members' interest in using murabahah financing in BMT Semarang City. Sukmana, (2019) showed that the collateral had no significant effect on the demand for financing bni Syariag KC Praya murabahah. Collateral which includes 3 indicators, namely (1) The confidence of the guarantee provided which explains how capable BRIS is to convince its customers of the collateral provided. (2) The willingness of the customer to pay off the installments explained that BRIS provides direction in the form of repayment of installments as a collateral collection. (3) The ability to pay installments according to the specified maturity which explains bris provides a period of installment payment for the collection of collateral. BRI Syariah Malang Branch Office in providing collateral to customers is equivalent, between the amount of financing proposed and the collateral provided or the greater collateral provided by the customer to the bank. So that the high collateral provided, can trigger a decrease in applications for murabahah financing. On the other hand, if BRI Syariah provides low collateral, it can increase the application for murabahah financing. The results of this research support the research of Puspitasari & Jayanto (2016) stated that the size or size of the Murabahah Financing Collateral is determined by the bank itself. Sukmana, (2019) mentioned that the amount of collateral is to determine the amount of financing offered to the Bank. Then the amount of collateral must be greater than the amount of financing submitted by the customer to the Bank.

Simultaneously the variables of Margin, Service Quality, and Collateral have a significant effect on the Application for Financing for Micro-Enterprises in the Bri Syariah Trade Sector, Malang Branch Office. The results of this study support research conducted by Khusnul and Wahyudin (2019) showing that Margin affects SME interest in Islamic Bank products. Margin affects Murabahah's Financing Demand. Wahyudin & Afthoni (2017) Showing Services affects the interest of micro- small businesses financing Islamic banks in Yogyakarta City. Based on the determination test ( $r$  square), the results showed an adjusted  $r$  square of 0.560 or 56%. This means that the application for murabahah financing is influenced or explained by the margin, quality of service, and collateral of 56%, while the remaining 44% is influenced or explained by other variables outside this regression model or outside of these independent variables.

## CONCLUSION

Margin has a negative and significant effect on the Application for Financing for Micro Enterprises in the Trade Sector. Based on the results of the discussion above, it shows that the margin of murabahah financing in BRI Syariah is small, but the provision of margin information is not transparent. So, BRI Syariah needs to explain the margin transparency taken to increase the application for murabahah financing. Service Quality has a positive and significant effect on the Application for Financing for Micro Enterprises in the Trade Sector. Based on the results of the discussion above, it shows that the Quality of BRI Syariah Services is good so that it can increase applications for murabahah financing at BRI Syariah. Collateral has no significant effect on the Application for Financing for Micro Enterprises in the Trade Sector. Based on the results of the discussion above, it shows that the collateral provided by the customer is not following the number of Murabahah Financing Applications, so that the distribution of Murabahah Financing at BRI Syariah is not good. Margin, Service Quality, and Collateral simultaneously have a significant effect on the Application for Financing for Micro Enterprises in the Trade Sector.

## REFERENCES

- Aisyah, Nur Aini (2015). Pengaruh tingkat margin terhadap keputusan pengambilan pembiayaan murabahah di BMT UGT Sidogiri Cabang Waru Sidoarjo. *El Qist* 5 (1); 947 – 961.
- Azizah, Nur. Kaban. dan Hidayati. (2020). Pengaruh omzet usaha dan nilai jaminan terhadap kelancaran pengambilan pembiayaan murabahah pada umkm di BMT. *Jurnal Ekonomi Islam dan keuangan* 4 (2); 126 – 138.
- Bagja, Sumantri (2014). Pengaruh kualitas pelayanan dan produk pembiayaan terhadap minat dan keputusan menjadi nasabah. *Jurnal Ekonomi*. 10 (2); 141 -147.
- Bonadillah, Nadhifa dan Syamlan. (2019). Analisis faktor – faktor yang mempengaruhi tingkat persetujuan fasilitas pembiayaan syariah. 6 (2); 200 – 214.
- Dwi, Pernama Rian (2020). Tinjauan terhadap konsep agunan dalam pembiayaan akad mudharabah pada bank syariah. *Economics and Business* 2 (1); 59 – 69.
- Hanif, Muhammad. (2018). Shari'ah-compliance ratings of the Islamic financial services industry: a quantitative approach. *Journal Emerald Insight* 10 (2); 162 – 184.
- Huda, Nurul D. (2015). Zakat Perspektif Mikro – Makro Riset. Kencana.
- Jaffar, Mariatul & Rosidah Musa (2013). Determinants of Attitude towards Islamic Financing among halalcertified Micro and smes: A Preliminary Investigation. *Journal ScientDirect* 130; 135 – 144.
- Karim, A. (2006). Bank Islam Analisis Fiqih dan Keuangan. Raja Grafindo Persada; Jakarta.
- Khusnul, Hidayat and Wahyudin. (2019). Micro small enterprises' interest in islamic financing: case of mses and islamics banks in Yogyakarta. *International Journal of*
- Mulyawan, R. (2017). Birokrasi dan Pelayanan Publik. U Press.
- OJK (2019). Data perkembangan keuangan syariah Indonesia di peroleh tanggal 24 Desember 2020 dari [www.ojk.go.id](http://www.ojk.go.id).

- Puspitasari, Cici dan Yudo Jayanto. (2016). The influence of selling price pricing, margin level, product quality, sharia marketing, collateral, product knowledge and risk on member's interest in using murabahah financing. *Accounting Analysis Journal* 5 (3); 229 – 237.
- Rahayu, Yayuk Sri. (2008). Kualitas jasa dan kepuasan mahasiswa perguruan tinggi swasta di Malang. *Jurnal Iqtishoduna* 4 (2).
- Safitri, Alfiana and Enneng Nisa. (2019). Pengaruh tingkat margin dan pelayanan terhadap kepuasan nasabah pada pembiayaan murabahah di BPRS Metro. *Finansia* 2 (2); 145 – 158.
- Sagita dan Mira, Chrisna. (2019). Analisis penilaian aspek agunan pada pembiayaan murabahah. *Journal feb umnul.* 16 (2); 175 – 182.
- Sofhian. Hudodo Nur. (2019). Pengaruh penerapan standart pelayanan terhadap minat pembiayaan produk bsm implan. *Jurnal ekonomi islam.* 15 (1); 66 – 88.
- Syafitri. dan Heriawati. (2016). Penilaian kualitas pelayanan digital lounge menggunakan metode servqual dan analytical hierarchy process. *Bina insani ict journal* 3 No.1; 73 – 84.
- Syahputra, Danil (2019). Pengaruh biaya promosi dan tingkat margin terhadap peningkatan penyaluran dana pembiayaan murabahah. *Jurnal : Penelitian Medan Agama* 10 (1).
- Wahyudin dan Susanto, Aftoni. (2017). The antecedent interest in micro-enterprises toward syariah bank financing in Yogyakarta. *International Journal of Economics, Business and Accounting Research (ijebar)* 4 (3); 310 – 320.

Sharia Economics,  
Islamic Banking  
And Finance