

ADAPTATION OF MSME BUSINESS ACTORS TO SHARIA DIGITAL FINANCE

(Case Study On “Cuan Store” Business Actors In Samarinda City)

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ABSTRACT

Purpose: The purpose of this study is to identify how micro, small and medium enterprises "Cuan Store" adapt to using Sharia Digital Finance in their business operations.

Design/Methodology/Approach: This research used a descriptive approach along with a qualitative data analysis approach in this study, data collection using interview techniques, observation and literature study.

Findings: The results of this study that micro, small and medium enterprises "Cuan Store" have successfully adapted in applying sharia digital finance as a medium in running their business, then the factor of using sharia digital finance in micro, small and medium enterprises is very significant because many "Cuan Store" customers have used sharia digital finance as a payment transaction, as for the impact on the use of sharia digital finance has a positive influence on micro, small and medium enterprises "Cuan Store".

Research Implications: The existence of sharia digital services encourages micro, small and medium enterprises to continue learning about sharia principles. Due to the fact that many customers of "Cuan Store" have used Islamic digital finance as a way of payment, the factor of using Islamic digital finance on micro, small and medium enterprises is very significant. In addition, the effect of using Islamic digital finance has a positive impact on the micro, small and medium enterprises of "Cuan Store", because the existence of Islamic digital services encourages micro, small and medium enterprises to continue learning about sharia principles.

Keywords: UMKM; Cuan Store; Islamic Digital Finance; M-Banking

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ABSTRAK

Tujuan Penelitian: Tujuan dari penelitian ini adalah untuk mengidentifikasi bagaimana usaha mikro, kecil dan menengah (UMKM) “Toko Cuan” beradaptasi dalam menggunakan Keuangan Digital Syariah dalam operasional bisnisnya.

Desain/Methodologi/Pendekatan Penelitian: Penelitian menggunakan pendekatan deskriptif disertai pendekatan analisis data kualitatif dalam penelitian ini, pengumpulan data menggunakan teknik wawancara, observasi dan studi pustaka.

Hasil Penelitian: Hasil penelitian ini bahwa usaha mikro, kecil dan menengah (UMKM) “Toko Cuan” telah berhasil beradaptasi dalam menerapkan keuangan digital syariah sebagai media dalam menjalankan usahanya, kemudian faktor penggunaan keuangan digital syariah pada usaha mikro, kecil dan menengah (UMKM) sangat signifikan karena banyak nasabah “Toko Cuan” telah menggunakan keuangan digital syariah sebagai transaksi pembayaran, adapun dampak terhadap penggunaan keuangan digital syariah memberikan pengaruh positif terhadap usaha mikro, kecil dan menengah (UMKM) “Toko Cuan”.

Implikasi Hasil Penelitian: Adanya layanan digital syariah mendorong pelaku usaha mikro, kecil, dan menengah untuk terus belajar tentang prinsip-prinsip syariah. Mengingat banyaknya nasabah "Toko Cuan" yang telah menggunakan keuangan digital syariah sebagai alat pembayaran, maka faktor penggunaan keuangan digital syariah terhadap pelaku usaha mikro, kecil, dan menengah menjadi sangat signifikan. Selain itu, pengaruh penggunaan keuangan digital

syariah berdampak positif terhadap pelaku usaha mikro, kecil, dan menengah "Toko Cuan", karena adanya layanan digital syariah mendorong pelaku usaha mikro, kecil, dan menengah untuk terus belajar tentang prinsip-prinsip syariah.

Kata Kunci: MSME; Cuan Store; Islamic Digital Finance; M-Banking

INTRODUCTION

Due to uneven access to banking in cities and rural areas, there is no high financial inclusion and literacy. In 2016, the Financial Services Authority (OJK) conducted a study to determine the extent of understanding and involvement of the Indonesian people in terms of financial literacy and inclusion. The results showed that financial literacy was 29.66 percent and people's financial inclusion was 67.82 percent. Meanwhile, Islamic financial literacy is only 8.1 percent and sharia inclusion is only 11.06 percent. There needs to be a special way to make the public understand more about Islamic financial products and services by utilizing the information shown. Using digital technology is something that Islamic finance businesses and practitioners can do (Ramadhani et. al. 2021). Digital Finance develops new innovations to improve services and make it easier for customers to make transactions through smartphone applications without the need to come to banks or other financial institutions (Lubis et. al. 2020).

As we know, currently many individuals make buying and selling transactions using Islamic Digital Financial payments, especially MSME players who sell their products and offer digital payments called cashless. Consumers also use Islamic Digital Finance more often because they better understand what usury is and low administrative costs. Because business growth is very fast and dynamic, business actors, especially MSMEs must quickly keep up with the times, Micro, Small and Medium enterprises at this time are businesses that many people like. The goal is to expand business networks and retain customers and markets (Kurniawan, 2022).

Ideas and creativity in product creation can be an invisible potential if MSMEs do not find ways to compete in local, national, and international markets. This is due to the rapid development of technology, along with the increasing competition in the industry. MSMEs must innovate to take advantage of these challenges and opportunities. To boost the economy, reduce poverty, and increase employment, changes to Islamic digital finance are needed (October 2023). Therefore, it is very important to see how small and medium businesses (MSMEs) adjust to Islamic digital finance.

The study, published in the Journal of Islamic Economics & Economics, found that knowledge of Islamic finance and innovation is essential for the growth of Islamic small and medium enterprises (MSMEs). In addition, it is considered that Sharia Fintech has the ability to offer solutions to MSMEs (Menne, 2023). However, further research is needed on how MSME players can adjust to Islamic digital finance. The purpose of this study is to increase our understanding of how Micro, Small and Medium Enterprises (MSMEs) adjust to the concept of Digital Finance based on sharia principles. It is hoped that this article will provide useful information for academics, relevant parties, and policy makers through analysis of the Indonesian context. This study aims to evaluate the level of adaptation of MSME actors "Cuan Store" to the use of Islamic digital finance.

LITERATURE REVIEW

Digital Financial Services Program

A new financial industry called digital finance uses technology to increase financial activity. Fintech can be seen as a sophisticated idea that makes the way financial services better by providing technological solutions for various business needs. Advances in electronic finance technology (E-Finance) and mobile devices in the financial industry, which led to the

birth of fintech, flourished after the global financial crisis in 2008. This development is characterized by a combination, innovation, in the field of E-Finance, internet technology, social networking services, social media, artificial intelligence, and big data analysis (Harahap, right.).

Banking acts as an institution that carries out buying and selling and payment activities, as well as collecting and providing funds to the public. The banking and non-bank sectors are now faced with the need to be more creative in presenting cashless payment variations, such as transfer systems and payments using electronic cards that are safe, fast, and efficient. All this is accessible all over the world, thanks to advances in information technology and the increasing level of competition among banks.

Digital Financial Services (LKD) is a way to take care of financial affairs without the need to come to the office. This is done through technology, such as applications on mobile phones or over the internet, and involves third parties or agents. The main targets of Financial Services are individuals who have not been secured or under-fulfilled by traditional Banking Services (unbanked and underbanked), as defined by Bank Indonesia. The purpose of this service is to provide financial access in previously hard-to-reach areas. To achieve this, telecommunication networks are used through cellular phone devices.

In the context of financial management training, Digital Financial Services (LKD) refers to payment and financial services run through partnerships with third parties, using Mobile or Web-based technologies. The goal is to increase financial inclusion. In the regulatory aspect, Bank Indonesia has enacted Bank Indonesia regulation No.16/8/2014 which regulates the implementation of Sharia Digital Financial Services (DFS) for banks, including regulations related to E-Money. Service program In financial management training, Digital Financial Services (LKD) consists of four stages, starting from the initial stage involving basic connectivity, continued with LKD for Transfers, then LKD which provides comprehensive services such as Savings, Crediting, and Insurance services. The fourth phase includes in-store digital purchases which include transactions for the capital market and E-Commerce, especially for micro, small and medium enterprises (MSMEs) (Seftarita & Azra, t.t.). In order to increase financial inclusion and reduce potential deviations, the government has begun to adopt electronic money in the implementation of preventive social programs for people in need. For example, the distribution of Family Hope Program (PKH) funds is carried out through the Healthy Family Card (KKS), issued by the State Bank Association (Department of Economics, Faculty of Economics and Business, University of Indonesia et al., 2019). The benefits of using Digital Financial Services (DFS) can be felt in various aspects:

1. Nationally: Contribute to equitable economic growth, with positive impacts for all levels of society.
2. Government: Provide financial services to low-income citizens, support economic growth, create jobs, increase financial understanding across countries, channel distribution of government programs, reduce the number of individuals unable to access banking services, and ensure that public data is well recorded.
3. Telecommunication Companies: Opening doors to new market segments, increasing customer loyalty, and increasing revenue.
4. Banks: Open new markets at affordable costs, increase customer loyalty, and increase efficiency.
5. Company: Speed up payment processing and improve smooth cash flow.
6. Society: Providing payment options and fund storage facilities, also providing new opportunities in the world of work.
7. Retail Agents: Attract more visitors and increase revenue significantly.

8. Bank Indonesia: Reduce cash expenditure, support economic development, provide support for assistance programs for the underprivileged, and cooperate with other programs implemented by Bank Indonesia (Seftarita & Azra, t.t.).

Public acceptance of electronic money innovation in the payment system in Indonesia is very positive. The use of electronic money has increased every year from 2008 to 2015. Not only for users, electronic money also opens up potential and opportunities for service providers, including financial institutions and non-bank entities. This can be seen from the number of electronic money service providers that have obtained licenses from Bank Indonesia until 2015 (Anggraeni, 2018).

Sharia Digital Financial Services

Islamic digital finance, which operates through an online platform, is part of banking services that follow sharia principles. By using digital information technology capabilities, Islamic digital banks improve the efficiency and practitioners of banking services. Various types of transactions can be carried out by this service, such as payments via the internet, money transfers between accounts, investments through applications, digital insurance, and sharia-regulated digital technology-based fund management. The purpose of Islamic digital financial services is to increase public financial engagement and support the distribution of government assistance. In Indonesia, Islamic digital financial services have grown rapidly. They offer convenience, comfort, and security for customers when transacting with sharia principles. Islamic banks and Islamic financial institutions must be able to demonstrate that economic activity is profitable and that transactions with sharia principles are easier to carry out (Arfaizar et. al. t.t.).

By using Islamic digital banking, customers can take advantage of various services offered by banks, including internet banking. This service is in great demand and is often chosen by customers because it can be accessed via the internet using devices such as laptops, notebooks, or mobile phones. Customers can access the following digital services from the bank:

1. Account: Displays account and portfolio categories that include funds (such as savings, current accounts, and time deposits) and loan facilities (such as credit cards, home loans, and so on). Transaction details include today's activities, this month, and the previous month.
2. Fund Transfer: This favorite transfer option is especially helpful for routine sending activities that have been stored in the database. Users can easily make transfers to their own accounts without the need to click the account number. In addition, there is an internal transfer option within the bank to facilitate the transfer of funds within the same institution. Direct interbank transfer processes, as well as topping up E-Wallet balances such as Gopay, OVO, Paytren, Isaku, Doku Wallet, and E-Money can all be accessed. This also includes transfer requirements that are in accordance with the LLG and SKN schedules. Virtual Account can be used for VA payments that have partnered with banks. If there is a need for foreign exchange transfers, it can be done according to the hours of the selling and buying rates of the treasury. All of this is designed to make the fund transfer process easier to understand and efficient, without worrying about writing account numbers over and over again.
3. Purchases: The most preferred purchases are those that are made regularly and have been stored in the bank's database. These purchases include electricity tokens, top-up vouchers, prepaid PLN, insurance policies, a wide variety of mutual funds covering more than 25 types, and government securities.
4. R transaction: R transaction is used to process payments at shops or businesses that accept payments through Qris.

5. Others: Information on foreign exchange rates, ATM card activation, online account opening application process, transaction options, at branches (cash withdrawal, foreign currency transfer, SKN/LLG transfer, bank reference letter, investment and insurance ratio, and card management) (Yusuf & Komarudin, 2022)

Clients benefit from using digital banking services, including:

1. Increased Mobility: With digital banking, banking matters have become simpler. Innovative features have allowed us to manage transactions without the need to spend time on a physical visit to the bank thus giving complete freedom to enjoy activities and mobility optimally.
2. Enlarging Opportunities: One of the reasons digital banking is so helpful is the increased opportunity to shift from conventional spending habits to online shopping.
3. Easy and Practical: The main goal of digital banking is to make customers feel comfortable and have an easy user experience. With its many features, banking transactions are now easy to do by simply installing a mobile app. In addition, digital banking has been made so that it is accessible to people of all ages by providing fast, easy, and superior banking services.
4. Eco-Friendly: Innovation not only promises convenience but also seeks to provide more tangible added value. Every time they make a transaction, many bank customers feel pressured by the amount of paper used for various documents.

Sharia digital banking services aim to enrich public understanding and involvement in sharia-based financial aspects through increasing the competitiveness of sharia banking products (Aripin et. al. 2022)

In Indonesia, there are various opportunities to develop the sharia financial and economic sector, including sharia Fintech. This is driven by a fatwa that Indonesia has the largest Muslim population in the world. Basically, Sharia Fintech and conventional Fintech provide financial services, but Islamic Fintech follows Islamic sharia principles in its contract. The legal basis of sharia Fintech is stated in the Financial Services Authority Regulation (PJOK) number 77 of 2016 concerning Information Technology-Based Money Lending and Borrowing Services. In addition, the Fatwa of the National Sharia Council of the Indonesian Ulema Council No. 117 of 2018 concerning Information Technology-Based Financing Services Based on Sharia Principles is also a guideline for Sharia Fintech (Rasidi et. al. 2021).

Shari'a Digital Connectivity Against UMKM

In the first part, Article 1, Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs) interprets the term "MSMEs" as follows;

- 1) Micro Business refers to productive activities owned by individuals or individual business entities that meet the criteria as Micro enterprises as stipulated in this law.
- 2) Small Business refers to productive activities that stand alone and are operated by individuals or companies that do not belong to subsidiaries or branches of medium enterprises or large enterprises. This small business can be owned, controlled, or become a part, either directly or indirectly of medium enterprises or large enterprises, by meeting the criteria set forth in this Law.
- 3) Medium enterprises refer to productive economic activities established by individuals or business entities that are not subsidiaries or branches of the Company that can be owned, controlled, or become a part, either directly or indirectly of small businesses or large businesses with the amount of net worth or annual sales proceeds stipulated in the Law.

With reference to this understanding, Micro, Small and Medium Enterprises are basically productive economic activities carried out by individuals or individual business entities that meet the requirements as Micro, Small and Medium Enterprises (Horpsrn, t.t.).

Since the Covid-19 pandemic, cashless payment methods have become popular, gradually replacing conventional payments as people prefer to use digital payments (Nurohman et. al. 2022). Digital business has become easier thanks to economic advancements. Starting in 2014, the government together with Bank Indonesia initiated the National Non-Cash Movement (GNTT) with the aim of advancing the digital payment system to facilitate transactions. Since the start of the Covid-19 pandemic in 2020, digital transactions have become the main option in making payments to other parties (Ulfi, 2020).

Improving the digital economy through digitalization is the main focus in the development of the Islamic economy. Several strategies have been designed to utilize digital technology in efforts to develop the Islamic economy. One of the steps taken is to increase understanding of the concept of digital Islamic economy through increasing Islamic digital economy literacy. In addition, efforts can be focused on digital transformation to support Micro, Small and Medium Enterprises (MSMEs), with the aim of strengthening the halal value chain at the national level. There is also a strategy oriented towards digital infrastructure development and innovation, which aims to support the development of the halal value chain through the growth of the digital economy. Industrial progress is used to encourage the growth of the MSME industry. Next, there are efforts to support improvements in financial, regulatory, and ecosystem aspects in line with sharia principles in the context of the digital economy (Aripin et. al. 2022).

RESEARCH METHODS

In this study, researchers utilize qualitative data analysis approaches and descriptive methods. Qualitative research is carried out in a certain environment in real (natural) life. What happens, why it happens, and how the phenomenon occurs is the purpose of this study. Qualitative research is based on the concept of going exploring, which involves in-depth research centered on one or more cases. As a result, the goal of qualitative research is to gain a better understanding of social and human problems (Fadli, 2021). Researchers also collect data through observation, interviews, and literature studies.

This research requires careful selection of participants, with researchers choosing to involve micro, small and medium enterprises (MSMEs) from "Cuan Store" in Rapak Dalam Village, Loa Janan Ilir District, Samarinda City, who have adopted the use of Islamic digital finance in their business operations. The focus of this research is to identify how MSMEs, especially "Cuan Store", adapt to the use of Islamic digital finance in running their business operations. "Cuan Store" itself is an MSME business that specializes in selling various beauty products, including skin and body care. In addition, they also provide cash deposit services

RESULT AND DISCUSION

Research Result

Basically, interviews were conducted to collect information on: a) Adaptation of business actors to Islamic digital finance, including: The extent to which MSME business actors are aware of Islamic digital finance as an option, what are the obstacles faced in adopting Islamic digital finance, b) Decision-making factors, including: what encourages business actors to choose Islamic digital finance c) The impact of adaptation on the business of MSME actors, Includes: How these adaptations affect the performance and growth of micro and small enterprises.

1. Adaptation of Micro, Small and Medium Enterprises

- 1) Since when did you start making Islamic digital finance an option in marketing your business?
"Since 2022, business actors have started using Islamic digital finance in running their businesses"
- 2) What types of Islamic financial services do you most often access or use through digital platforms?
"Business actors often use the Transfer, Cash Withdrawal, and Qris features as well as for PPOB (Payment Point Online Bank) payments such as PLN, PDAM, Telkom bill payments."
- 3) Are there any challenges or obstacles faced in using Islamic digital finance?
"Business actors revealed that there are obstacles, namely BSI admin fee discounts are greater than conventional banks, then there are often disturbances in M-Banking that hamper transaction activities and the lack of BSI ATM facilities in providing Cash Deposits, so if you want to make cash deposits, you can only visit the bank's Teller."
- 4) Have you experienced an increase in using financial transaction features through Islamic digital channels?
"Business actors feel an increase in applying the transaction features available on the Sharia M-Banking platform. What initially only used it for PPOB payments has now started using other features for their business purposes."

2. Decision-Making Factors

1. What are the factors that prompted you to start using Islamic digital finance?
"There are business interest factors that make business actors start using BSI M-Banking in implementing Islamic digital finance for their business needs."
2. To what extent do these factors influence your decision in choosing Islamic digital financial solutions?
"This factor is very significant because many customers have also used Islamic digital finance as payment transactions. Thus, business actors try to adjust to customer needs so that the admin costs borne by customers are not too large."
3. Are there certain values from the principles of Islamic finance that are the main factors in your decision to choose Islamic digital finance?
"Certain values of Islamic finance principles that are the main factors for business actors choosing Islamic finance are avoiding transactions that have elements of riba in them such as deposits at conventional banks."
4. How does Islamic digital finance facilitate your transactions with Islamic finance principles?
"There is a profit-sharing system that is in accordance with Islamic law."
5. How does Islamic digital finance facilitate your transactions with Islamic finance principles?
"There is a profit-sharing system that is in accordance with Islamic law."
6. Are security and trust factors your main considerations in choosing Islamic digital finance? And how does Islamic digital financial technology provide a sense of security in conducting financial transactions?
"Business actors expressing security and trust are also factors that make them choose to use Islamic digital finance. From BSI itself, the admin is more open. The pieces were clearly notified via SMS. Whereas in conventional banks sometimes it has been cut off by itself without notice."
7. Does the availability of Islamic financial services and products also influence your decision?

"The availability of financial services and products does not really affect these MSME business actors. According to business actors, the services and products owned by Islamic digital finance are almost the same as conventional finance."

8. Have you ever considered a conventional financial solution?

"Business actors have considered and used conventional digital finance as their digital financing. And even now it still uses it. However, in running his business, he often uses Islamic digital finance."

3. Impact of Adaptation on Business

- 1) Does digital finance affect the performance and growth of your business? "The adaptation of Islamic digital finance greatly affects the performance and business growth of business actors so that their business can develop as it is now"
- 2) How does this strategy affect your market share and business competitiveness? "Since providing BSI services, people have become more interested in making transactions because the transfer fees are cheaper if transfers are made to fellow banks"
- 3) Are there any changes in business processes that make operations more efficient? "The use of Islamic digital finance makes business operations more efficient with features that make it easier for business actors to run their business."
- 4) Do you see an increase in revenue after switching to Islamic digital finance? "Business actors revealed that there was an increase in income after they switched to using Islamic digital finance."
- 5) Is there a change in customer satisfaction levels? "There must be, especially for customers who also use BSI. Before businesses run BSI agents, customers feel that higher admin costs burden them."
- 6) How do customers respond to the application of Islamic digital finance in the services or products offered? "Customers find it easier to transact. Because BSI cards are often rejected by machines in EDC (Electronic Data Capture) conventional banks. However, since business actors have their EDC machines, customers have become easier to use BSI."
- 7) Is there an increase in the number of customers or market share after using Islamic digital financial services? "From 2022 to the end of 2023, there is a fairly rapid increase in the number of customers from the business he runs after using Islamic digital finance."

Discussion

Adaptation of Micro and Small Enterprises

In living life, everyone needs to show an attitude of adaptation to the surrounding environment. The length of this adaptation process can vary from individual to individual, with some people able to quickly and easily adapt, while others may have difficulty or not adapt immediately. The importance of this adaptation process is because it has a positive impact on health. The adaptation process includes all human interactions with their environment (Tangkudung, 2014). Adaptation involves a number of restrictions that can be identified as follows:

1. Efforts to overcome environmental obstacles.
2. Adjustment to the norm to reduce pressure.
3. Process Change: A change that results in a change in state.
4. Modifications with the aim of meeting the conditions created
5. Utilizing limited resources for the sustainability of the system and the environment (Pamekas et. al. 2019).

The focus of this research is changes in the application of Islamic digital finance in the form of banking finance from the perspective of MSME business actors "Cuan Store" who use BSI Mobile digital finance. M-Banking BSI (Bank Syariah Indonesia) is a sharia digital finance that offers a variety of financial services through the internet and mobile applications. BSI Mobile has developed various digital financial services that allow customers to access various financial services (Aziz, 2022). Through mobile banking, customers can make transactions similar to those normally done at ATMs. Moreover, digital banking has the characteristic of no physical branches. Digital banking refers to banking services that use electronic or digital technology owned by banks, allowing customers to carry out various banking activities independently (Fatimah & Hendratmi, 2020).

Banking provides mobile banking services (BSI Mobile) to its customers supported by security and various attractive features. Features in the Mobile service include information services such as balances, account transaction history, credit card billing details, and the location of the nearest ATM or branch. In addition, there are transaction services such as fund transfers, both to fellow Bank Syariah Indonesia (BSI) accounts and to other banks. Bill payment is also an integral part by covering PLN payments, postpaid bills, telephone, academic bills, institutional bills, insurance, internet, electronic commerce (E-Commerce), zwaif donations, BPJS, Hajj and Umrah, multi-payments, and others. Purchases can also be made through the purchase of HP vouchers, E-money, data packages, e-money Top Up, just link, Go-pay, Ovo, and ShopeePay. There are also cardless cash withdrawals, Ziswaf sharing, and various other features that provide benefits to users. (Suwandi & Abin, 2023). In addition, M-Banking BSI offers payment methods that use Qris (Quick Response Code Indonesia Standard). Qris is a cashless payment system that uses QR Codes that comply with Indonesian standards, and all digital wallet applications that use QR Codes are regulated according to Qris standards. Banks are also using these technological advancements because they want to always make it easier for customers by offering the latest product innovations (Sherlyani & Andriasari, 2023). However, there are some obstacles to be aware of when using it. These include slow internet networks, high levels of competition against conventional banks, lack of human resources for digital transformation, and lack of Islamic financial support for the halal industry (Winarto, 2020).

In accordance with the results of interviews from business actors who have implemented sharia digital finance in the form of BSI Mobile, it was found that Islamic financial services through digital platforms, with a focus on features such as transfers, cash withdrawals, and Qris are more often accessed by "Cuan Store" business actors. In addition, PPOB payments such as PLN, PDAM, and Telkom bills are also services that are often accessed to facilitate the bill payment process. Despite the adaptation, business actors also face several obstacles, one of which is the BSI admin fee discount which is considered larger than conventional banks and often disruptions in M-Banking and the lack of BSI ATM facilities for cash deposits are challenges in smooth transactions. Despite the challenges, business actors feel an increase in the use of transaction features in the Sharia M-Banking platform.

Decision-Making Factors

BSI (Bank Syariah Indonesia) M-Banking Finance has the opportunity to become a trusted and safe tool for customers, especially because of several things that affect the sustainability of using BSI M-Banking services:

1. Quality of service: Customers feel better about financial M-Banking when they receive good service. This shows that Islamic banks must ensure customer service is always of high quality to maintain customer trust (Ramadhan & Priyono, 2022).

2. **Effective communication:** Effective and open communication can influence customers' perception of M-Banking finance. Therefore, Islamic banks must communicate their financial policies well and clearly.
3. **Ease and Security:** The ease and security of BSI's M-Banking service affects how long people use it. Islamic banks must provide secure and easy-to-use services while maintaining the interests of customers and their confidentiality.
4. **Financial Literacy:** Knowledge of finance increases the desire to use mobile banking. Therefore, Islamic banks must teach customers how to use mobile banking better.

There are also Fintech benefits from BSI M-Banking including:

1. **Helping MSME actors.** Banks have many more complex provisions for applying for funding to MSMEs, making sharia Fintech an optimal solution to obtain funding, because the process is simpler, economical, fast, and efficient.
2. **Sharia fintech has a main focus on three sharia principles that do not contain "Maghrib" elements, namely Maysir, Gharar, and Riba.** Thus, Islamic Fintech is considered safer because it is not involved in interest rates. The benefits obtained by sharia Fintech come from the concept of profit sharing, where profit and risk sharing are carried out together. Therefore, MSMEs that get funding from sharia FinTech do not need to worry about constraints or failures in initial capital payments, because the approach is fairer and oriented towards sharia principles.
3. **Bring benefits to various parties.** Fintech plays a role in maintaining a balance between fund providers and those who need funds, so as to provide even benefits from the upper middle class with optimal financial hasl. In addition, fintech also contributes to improving economic welfare in the Micro, Small and Medium Enterprises (MSMEs) community.
4. **Easy process.** The simple Fintech process can be accessed online anytime and anywhere. By using a smartphone and internet connection, financial transactions can already be done through Fintech services.
5. **Safer.** Without usury, Islamic Fintech becomes safer because involving the element of interest can cause an imbalance of profits and losses between the parties involved. In addition, there are regulations that must be complied with in the sharia Fintech business, including the obligation to follow regulations from the National Sharia Council-Indonesian Ulema Council (DSN-MUI) and the Financial Services Authority (OJK) (Rasidi et. al. 2021).

In accordance with the results of interviews from business actors who have implemented sharia digital finance in the form of BSI Mobile, it was found that business interest factors were the main driver in their decision to start using sharia digital finance, especially BSI M-Banking. The existence of customers who also use Islamic digital finance encourages business actors to adjust so that the administrative costs borne by customers are not too large. The existence of certain values from Islamic financial principles, especially to avoid transactions with usury elements such as deposits at conventional banks, is a major factor in the decisions of business actors. Islamic digital finance is considered to facilitate transactions with Islamic financial principles with a profit-sharing system in accordance with Islamic law. Security and trust are also the main considerations for business actors in choosing Islamic digital finance. They highlighted the clarity of fee cuts and transparency provided by BSI, which is considered better than conventional banks. Although there are questions about the availability of Islamic financial services and products, business actors stated that this does not have much influence on their decisions, because Islamic financial services and products are considered almost the same as conventional finance. Although

business actors have considered and used conventional financial solutions, they more often choose and use Islamic digital finance in running their business.

The development of new financial practices can be carried out without violating sharia law if concepts such as usury, mayshir, gharar, dharar, tadbis, and so on are adhered to. Technology must always consider sharia standards and ethics in every transaction to achieve the objectives of sharia enforcement. In the sharia perspective, we can use various means, goods, or financial solutions as long as we follow the principles of sharia (Amrullah & Hasan, 2021). The profit-sharing system or ratio in Islamic digital finance is usually used as a substitute for interest in the conventional financial system because customers share profits and risks with banks when conducting financial transactions. This concept corresponds to religious prohibitions against usury, interest, and speculation (Arief, 2013). Here are some examples of Islamic financial products that often use the profit-sharing principle:

1. Sharia savings: provide benefits in the form of profit sharing
2. Shariah financing: providing financing to clients using the principles for revenue (Solihin, 2001).

Islamic financial institutions must also comply with sharia law, such as prohibiting investments that are contrary to the law. The aim is to ensure customer funds are used halally and in accordance with Islamic law. To increase public trust in their services, Islamic financial institutions need to ensure transparency and quality of service (Eviyanti et. al. 2022). Some of the factors that influence customer interest in Islamic banks include profitability of results, ease of service, and safety between customers and Islamic banks in the face of business risks.

In addition, developing Islamic digital financial services requires trust and security, which includes service quality, transaction security, and personal data protection. This can strengthen customer confidence in the service (Anggreni & Taufiq, 2022). The development of Islamic digital financial services must consider security and reliability to ensure customer satisfaction and public trust in services. The security factor has a crucial role in internet banking services because it can increase customer confidence to continue to use it. The more layers of security provided to customers and users of Mobile Banking, the more customers will want to make transactions. (Mukhtisar et. al. 2021).

Security is very important for customers who want to make transactions through Mobile Banking. However, many customers still wonder about the security of the service. Security is a major issue, and news about security issues in the media often reduces customer trust in internet banking. Service providers must use the right approach to increase the trust of their customers. Because it is more secure and private, customers tend to use online banking. In addition, customer trust relies heavily on their personal innovation and social network data. Therefore, trust is very important in a customer's decision to use online financial services (Ghofur & Kurniawan, t.t.).

Impact of Adaptation on business

After MSMEs implement Islamic digital finance in their operations, there are several significant consequences, such as:

1. Increased productivity: By using digital technology, businesses can optimize production and sales processes to increase productivity.
2. Global market opening: The digitalization of the Islamic economy allows businesses to enter the global market.
3. Cost minimization: Digitalization helps companies reduce operational costs, such as organization and labor, by making production and sales processes more efficient.

4. Increased economic resilience: businesses can use Islamic digital finance to improve their economic resilience (Nurjanah et. al. 2023).

Implementing digital finance for MSMEs has many benefits, such as increasing operational efficiency, reducing risk, increasing the availability of financial services, and simplifying the decision-making process (Raharjo et. al. t.t.).

In accordance with the results of interviews from business actors who have implemented sharia digital finance in the form of BSI Mobile, it was found that the adaptation of sharia digital finance has a very positive impact on the performance and growth of micro and small business businesses. Islamic digital financial strategy, especially through BSI services, influences customer interest in making transactions. In addition, cheaper transfer fees between banks are a factor in increasing interest, which in turn increases business competitiveness. The adaptation of Islamic digital finance also provides operational efficiency with features that make it easier for business actors to run their business. The increase in revenue after switching to Islamic digital finance shows that this strategy contributes positively to the financial aspects of micro and small business businesses.

Changes in admin fees and ease of transactions through Islamic digital finance create an increase in customer satisfaction and customers feel helped by more economical and efficient solutions. The positive response of customers to the application of Islamic digital finance in the services or products offered as well as the ease of transacting and accepting BSI cards at conventional bank EDC machines make customers feel easier and more comfortable. There has been a rapid increase in the number of customers and business market share of business actors after using Islamic digital financial services.

A study shows that the use of digital finance, including in the context of MSMEs, can have an impact on users' business performance and growth (Pramaswara & Athoillah, 2023). Digitalization of Islamic finance also encourages Islamic economic growth and financial performance of MSMEs. The digitalization of small and medium enterprises (MSMEs) opens up many opportunities for business growth. Using digital technology and online platforms allows MSMEs to reach potential customers from different regions and expand their market reach. In addition, digital technology allows MSMEs to become more efficient in running their operations. Although facing several obstacles, the digital era also opens up great opportunities for Indonesian MSMEs to expand market share both at the national and international levels. By understanding how to market business strategies and promote MSME products through internet social media, online marketing strategies allow businesses to be accessed at any time around the world. (Djamaludin et. al. 2016).

The use of digital finance, including Islamic digital finance, can affect the performance and growth of MSME businesses. The OVO and CORE Indonesia study shows that 70% of MSME partners who use digital financial services experience an increase in daily income after using them. In addition, Bank Indonesia research shows that the use of digital technology increases MSME income. Kotler states that customer satisfaction refers to the feelings of pleasure or disappointment that arise after comparing how a customer sees or experiences the performance (or results) of a product with the expectations he has. Instead, Oliver says that customer satisfaction is the result of meeting his needs (Amanah, 2022).

Customer satisfaction can be measured in several ways, namely:

1. Long-term loyalty
2. Welcoming additional products when the company releases new ones
3. Talk positively about the Company and its products
4. Lack of interest in other products and not paying much attention to price
5. Provide ideas for company products

6. Perform transactions regularly (Apriliani et. al. 2023).

CONCLUSION

Based on our analysis of adaptation, factors, and impacts that influence MSME Business Actors to use Sharia Digital Finance in running their business, namely "Cuan Store". With these three points, it has an influence on the growth of the MSME business "Cuan Store" and provides satisfaction to consumers "Cuan Store". The use of Sharia Digital Finance is not only related to profits, but has sharia principles. Currently, MSME players are starting to implement sharia digital finance because the owner of "Cuan Store" is starting to understand the prohibition of riba in transactions. With the existence of sharia digital services, it encourages MSME business actors to continue to learn about sharia principles.

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