

Digital Landscape Design for Infrastructure Business on Islamic Financial Technology Platforms in Indonesia

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Received : 11th 07 2022

Revised : 12th 09 2022

Approved : 20th 10 2022

Abstract

The trend of digitization has been a fairly popular phenomenon in the last five years, where this phenomenon has entered all sectors, including the financial sector. The emergence of sharia financial technology innovation is proof that the digitalization phenomenon has entered the financial and banking sector. Therefore, this innovation is not only present to provide financial services but must be able to provide solutions, especially for micro, small, and medium enterprises as in the sharia fintech business segment. Currently, the problems of the small business industry are not only faced with capital problems but also with business development and marketing problems. Of course, the Sharia fintech industry must be able to prepare a sharia fintech platform that can answer the problems faced by MSMEs. The research method used in this study is a descriptive qualitative approach. The result of this research is the design of the structure of the sharia fintech application feature to answer the problems that occur in MSMEs.

Keywords: *Sharia Fintech, Micro, Small and Medium Enterprises, Digital Business Infrastructure.*

INTRODUCTION

In recent years the trend of digitization has entered several sectors including the financial sector. Evidence of digitization in the financial sector is technological innovation in the financial sector, namely financial technology. Financial technology can be interpreted as a media that comes from a combination of technology and finance that changes business from traditional to a much more practical form (Marzuki, 2019). Innovation is widely used in various economic fields including banking and trade (Anshari et al., 2020).

This financial technology innovation, apart from being motivated by financial digitization, is also due to problems in the financial system that can be solved with the help of technology (Syarifuddin et al., 2021) . Currently, this innovation model is also widely developed by new startups where this is marked by the increasing number of fintech companies emerging (Amalia & Maika, 2020). The phenomenon of the emergence of many fintech companies shows that currently fintech innovation services are very welcome in the community. There is a shift in people's lifestyle patterns that tend to be practical, supported by the dominance of technology, making fintech currently a part of community transaction activities (Marisa, 2020).

In Indonesia, this financial technology innovation is developing quite rapidly where in the last few years the development of the fintech industry has experienced a significant development. The domestic fintech industry that is currently starting to be developed is the sharia fintech industry. Sharia fintech is sharia fintech which can be interpreted as financial technology innovation that offers financial service products that aim to simplify business processes and transactions based on sharia principles (Yarli, 2018). The presence of this innovation is expected to be a solution in facilitating the community in carrying out economic activities and transactions in accordance with sharia principles (Fitrijanti, 2020).

The presence of this financial technology innovation can also be widely used to move the community's economy. For example, this technological innovation can be a driving force for the community's economy, especially small businesses, by providing capital services like small businesses through fintech financial technology innovations (Siharis, 2019). Not only limited to providing financial services for small businesses, the presence of fintech must be able to help small businesses to expand their marketing network (Fajar & Larasati, 2021). The increase in public financial inclusion which is still low must also be answered with this innovation.

Therefore, to answer the challenges and all the problems that must be answered by this innovation, a good digital infrastructure landscape is needed. Especially for sharia fintech innovation, the preparation of a good digital infrastructure is very necessary in order to provide more benefits for users or the community. Digital business infrastructure can be interpreted as a combination of hardware such as servers and networks with other software to provide services to users (Syahchari, 2019). Digital business infrastructure must be a special concern for management in the midst of today's massive business transformation (Schwertner, 2017). Business digital infrastructure innovation in financial institutions is considered important because it can meet consumer demand and improve services to customers.

On the other hand, studies on the digital infrastructure business in the Islamic financial technology financial industry have not been widely carried out and one example of a study entitled Transformation of the Baitul mal wal tamwil business model through the platform design model. In this study, the focus of the researchers discussed the mapping of the business model of Islamic financial institutions, namely Baitul mal wal tamwil if they were to transform the digitalization business (Monica, 2021). The difference in the study in this study is how to create or design a good digital infrastructure business on sharia financial technology innovation to answer business problems in the MSME business. The digital design of infrastructure business in the field of sharia financial technology is manifested in several features of sharia fintech application services. This feature is made as a representation as a solution to MSME problems and it is hoped that the features provided can be a solution to MSME problem.

RESEARCH METHODS

Research Approach Design

The research design in this study is to use a descriptive qualitative approach where this approach can be interpreted as a term used in qualitative research for descriptive research (Yuliani, 2018). This approach is used to describe the problems that occur in SMEs to create solutions to these problems. The first line of this research focuses on the discussion of problems, namely capital, accounting and marketing issues. Of the three problems will be raised as material to create innovative solutions that can be answered by Islamic financial technology. The topic and limitation of this research is how Islamic financial technology through digital business infrastructure must be created properly.

Data Types and Sources

In this study the type of data used in this study is secondary data. Secondary data can be interpreted as . The data used in this study came from data on MSME problems. Not only that, this research also uses research data in the form of articles related to the Sharia fintech business in Indonesia . The data in this study are used as reference material to create the best solution to the problems raised.

Data analysis method

The research method in this study is a library research method where this method can be interpreted as a theoretical study based on references and other scientific literature that is closely related to the culture or norms that develop in the social situation under study. The library instrument used in this study aims to collect information and research data related to the theme being discussed.

RESULTS AND DISCUSSION

Business Digital Infrastructure Ecosystem in Sharia Fintech

Micro, small and medium enterprises are economic sectors that are the mainstay in boosting the Indonesian economy . This is inseparable from the size of this business unit to Indonesia's national income. However, if you look closely, small business actors often experience several obstacles in running their business. This obstacle, of course, if not addressed immediately will have an impact on the development of the business it runs. Based on survey data conducted by the Mandiri Institute on 505 MSME business actors, it is explained that there are four main problems in MSME business.

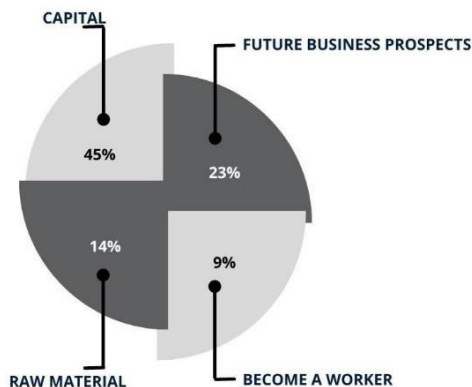


Figure 1. Indonesian MSME Problems

In Figure 1 it is explained that the main problem for MSMEs is capital where as many as 45% of Indonesian MSME actors still consider capital problems as the main problem. The second problem is related to the future prospects of the business they run. The COVID-19 pandemic that has hit Indonesia in recent years has made business people worried about the business they run. Raw materials are also an obstacle where 14% of respondents admitted to stopping their business because of difficulties in finding raw materials. The problem that arises next is the number of business actors who switch professions to become workers.

Responding to the detailed dynamics of MSME problems, a solution is needed that can accommodate all MSME problems. Sharia Financial technology innovation, which is actually present as a MSME capital solution, must be able to accommodate all the solutions needed by MSME actors. To build solutions that can accommodate MSME capital problems and other problems faced in MSME business development, a good business ecosystem is needed.

Figure 3 will illustrate the fintech business ecosystem. In this ecosystem there are several parties involved in it. First, the banking industry as a party that can cooperate with the fintech industry in distributing capital assistance to business actors in need. The banking industry can channel the process of distributing capital assistance to the sharia fintech industry. On the other hand, the sharia fintech industry cannot be alone in distributing capital assistance to small business actors.

The second ecosystem involves the sharia fintech industry as the main business actor in this process. Not only carrying out the process of distributing aid, including screening beneficiaries and distributing capital assistance, but also being able to carry out the process of business assistance. The process of business assistance is important so that businesses that receive capital assistance can be successful. So that in the end the main program objectives of capital assistance can be successful.

Business actors are also involved in the sharia fintech business ecosystem where the role of business actors is highly expected in implementing the programs provided by sharia fintech. The programs that have been provided by sharia fintech are expected to run well so that the business that is run can be successful. In addition, regulations and government support are also needed. With easy regulation, it will certainly have an impact on the business operations of the sharia fintech industry.

Of course, this ecosystem cannot be implemented without the preparation of a good sharia fintech infrastructure. The sharia fintech infrastructure itself can include the preparation of a good application platform. Where this is the key to the success of the business

processes run by sharia fintech. This platform also functions as a liaison between the sharia fintech industry and users in providing sharia fintech services.

Sharia Fintech Feature Landscape

Islamic financial technology is a financial technology innovation that provides technology-based financial services. In running a business run by sharia fintech, it uses a mobile application platform that functions to connect sharia fintech industry players with users. On the other hand, the function of the application platform is as a means of connecting sharia fintech actors with sharia fintech service users.

The purpose of this sharia fintech application platform is to facilitate all economic transactions for its users. The sharia fintech application platform is required to provide convenience for its users. Not only required to be able to provide convenience for users. This application platform is required to be able to answer user problems that can be solved with sharia fintech innovation services.

In this study, we will discuss the digital landscape of the sharia fintech infrastructure business which is realized through several features of the sharia fintech application. These features were created as an answer to the user's economic activity problems that can be answered through sharia fintech. Sharia fintech features can be explained in the image below.

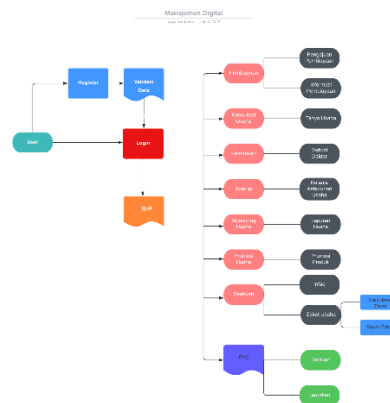


Figure 2. Sharia Fintech Features

On the sharia fintech application platform that has been designed, there are seven sharia fintech features that can be used to serve users of this technological innovation. Meanwhile, to access this application platform, there is a register menu for users who do not have an account. For registration at this sharia fintech, the first thing the user must do is fill in the user's biodata in the form of filling in the full name, phone number and domicile. This aims to find out the user profile of this sharia fintech application. Furthermore, after registering the user will be transferred to the next layer in the form of a One Time Password (OTP) code request.

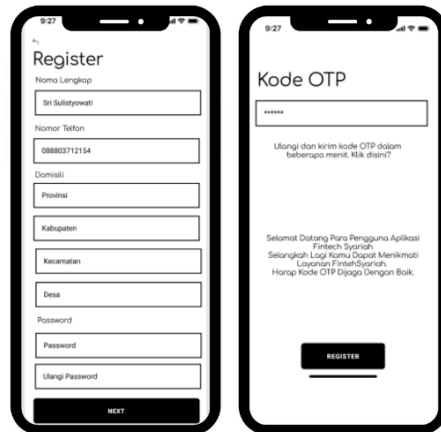


Figure 3. Sharia Fintech Application Registration

The next stage is that users can login to the application by accessing the login feature on this sharia fintech application. If the user has difficulty logging in, then there is a help feature that will help the user to login to this application. This help feature can help users if they forget the password that has been created. Not only that, if there are login problems, such as not being able to log in to the account that has been created, you can use this help feature.



Figure 4. Sharia Fintech Application Login Features

For features in this sharia fintech application, there are 7 features that can be used by users of this application. The features in this application are divided into two parts, the first is the main feature in this sharia fintech application and the second is the supporting features of the main features that have been designed. The main feature offered by the financing feature is that with this feature users can apply for financing to sharia fintech. The second main feature is about business development including business consulting, business monitoring and business promotion. These three features are designed not to be combined because they have their respective functions .

The business consulting feature can be used by users if in running a business the user experiences difficulties in business development. While the business monitoring feature serves to determine the extent of the business development being financed. To make it easier for users to promote their business products, there is a business promotion feature. This feature will display business products from users and other users can also buy products that have been promoted. From this promotional feature, it is hoped that fintech will not only become a medium in the process of gaining access to capital, but can also be used as a medium in the process of buying and selling transactions between fellow sharia fintech users.

Figure 5. Sharia Fintech Application Home View



For supporting features, there are three features, namely Health, shopping and alms features, where these features have their respective functions. The shopping feature has a function to make it easier for users, especially in getting stock of goods that can be resold. This feature displays items at low prices and accompanied by discounts that can be resold by users. The next feature is the Health feature as a facility provided by the fintech industry to users so that users' health can be maintained so that in running their business there are no obstacles. The last feature is the alms feature, where this feature makes it easier for users to carry out socio-religious activities.

CONCLUSION

The phenomenon of digitalization in Indonesia itself has entered the line of the economy, including the financial and banking sectors. The presence of Islamic fintech is proof that digitalization has entered the financial sector. Currently, sharia fintech is present as a solution for MSME capital. Not only as a solution to MSME capital problems, this innovation must also be present to answer other problems faced by MSMEs such as business development problems and MSME product marketing. To answer all of that, a sharia fintech ecosystem is needed which includes banking, sharia fintech, MSME actors and the government. The implementation that can be done is to create a feature landscape that can answer MSME business problems. This feature is expected to be able to answer the problems faced by MSMEs.

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