



Go Syariah: Android-Based Application in Gaining Knowledge for MSMEs

Endang Sondari¹, Larisa Yohanna¹(✉), and Syahid Syahid²

¹ Department of English Education, Universitas Indraprasta PGRI, Jakarta, Indonesia
endang_sondari@yahoo.com, larisayohanna@gmail.com

² Department of Visual Communication Design, Universitas Indraprasta PGRI, Jakarta,
Indonesia
syahid@unindra.ac.id

Abstract. This research aims to provide knowledge about Islamic financial institutions for micro, small, and medium enterprises (MSMEs) by making the Go Syariah application android-based. This research aims to determine the level of digital literacy and the application of e-commerce for Micro, Small and Medium Enterprises (MSMEs) in Jakarta and its surroundings. The approach aims to assess literacy levels. The approach aims to assess literacy levels. The most prominent ability of respondents regarding the five questions of theory knowledge about digital literacy is in understanding and using social media, which is more due to the simplicity of operating social media applications. This research method is descriptive qualitative. The research technique is a case study. The result of this study is an increase in the number of MSMEs who understand literacy and financial knowledge. In addition, the results of this study are the increasing ability of MSME actors in digital financial literacy.

Keywords: Digital Literacy · Go Syariah Apps · Islamic Financial Institutions · Knowledge · MSMEs

1 Introduction

Due to the Covid-19 pandemic in Indonesia, especially in the Jakarta area and its surroundings, the economy has also been affected, impacting the increasing number of unemployed due to layoffs and the inability of businesses to maintain their operations, including the MSME sector. MSMEs are also one of the sectors that support the economy in the region. Therefore, a strategy to reestablish MSME businesses during the new recovery period is required, because MSMEs are a field that can decrease economic and social imbalance by expanding people's buying power for domestic goods and services. Nevertheless, MSMEs in Jakarta and its surrounding areas have faced a number of challenges in their development. Regarding this problem, Ogbuanu, Kabuoh, and Okwu state that the key challenges that MSME businesses face are inadequate cash, technology, marketing, limited access to market prospects, and human resources with low soft skills [1].

The world of trade to become increasingly fierce because of the rapid advancement of technology in the industrial revolution 4.0 and 5.0 society has caused competition. The number of activities carried out by Indonesians through the internet would bring many opportunities for the Indonesian economic sector. One of the uses of the internet is to reach a broader market in terms of selling goods or services produced by Micro, Small and Medium Enterprises. For this reason, Islamic financial institutions are currently one way out for MSME actors.

In addition, the trend of business strategy has changed, which initially used conventional methods and turned to digital. In order to optimize marketing, Micro, Small, and Medium Enterprises MSMEs have begun to take advantage of the development of digital technology, intending to open up a broader market so that they can help the development of MSMEs themselves. Small and medium-sized enterprises, or MSMEs, are at the forefront of the economic shock caused by the COVID-19 pandemic. Lockdown measures have brought economic activity to a sudden halt, reducing demand and disrupting supply chains worldwide. In the initial survey, more than 50% of MSMEs indicated that they could go out of business in the next few months. Since then, bankruptcies have piled up, and the initial rate began to crumble.

Micro, Small and Medium Enterprises, commonly abbreviated as MSMEs, are independent businesses owned by individuals or business entities. The comparison of micro, small and medium-scale businesses with other businesses make MSEs essential in developing the Indonesian economy regarding employment and their contribution. The existence of Islamic financial institutions has an essential meaning for sharia-oriented economic development, especially in providing solutions for the empowerment of small and medium-sized enterprises as well as being the core of the power of the people's economy and, at the same time, being the primary support for the national economic system. It shows that the role of sharia institutions is meaningful for the community because it is an intermediary institution that can solve the fundamental problems faced by small and medium entrepreneurs, especially in the capital sector. Islamic financial institutions function in capital distribution and handle social activities.

In Indonesia, rapid technological developments have led to various kinds of marketplaces that are the primary media in digital marketing, for example, Tokopedia, Shopee and others. Susanto et al. explain that Indonesia, one of the developing nations with 60% social media penetration, 150 million internet users, and 150 million active social media users, is a promising market for MSMEs that will use social media to promote and sell online [2]. Technology is starting to be widely used by people for their daily needs. With the existence of technology, it can make developments that continue to grow in various types and sectors, especially in the economic field. Thus, it is undeniable that digital developments can impact the attitudes and behaviour of social media users in conducting economic transactions.

The world of technology is currently getting sharper in its development. Technology studies skills in producing tools, processing methods, and object extraction to help complete the branch of science, skills and knowledge in comprehending a communication tool in the form of information technology that competes around the globe through the

internet, telecommunications, education, and information. As an economy that struggles to overcome numerous difficulties and do daily human jobs, there is no doubt that technological advancement is becoming more global by the year.

One intelligence that modern humans must possess is financial intelligence in managing personal financial assets. By applying the right way of financial management, a person is expected to get the maximum benefit from the money he has. In a person's personal life, three financial decisions are taken; the amount consumed each period, whether or not there is excess income and how the excess is invested, and how to finance that consumption and investment. Widayati Irin mentions that to be financially well-off, you need to know about money, have the right attitude, and use what you know. Financial literacy is a person's knowledge, attitude, and ability to manage money well [3]. On the other hand, according to Diana & Ayus, MSMEs need financial literacy to make informed decisions, use financial products and services that fit their needs, plan effectively, and avoid financial problems. Financial literacy is vital for business actors, including MSMEs, so that MSMEs can make choices and utilize financial products and services that suit their needs. They can do better financial planning and avoid being affected by financial problems. For instance, investing in financial instruments that are not transparent [4].

Moreover, by increasing their literacy and financial ability, the MSEs can also learn how to promote their merchandise or commodity. The use of promotional digital media by MSEs, although in the capital city of Jakarta and its surroundings as a whole, is at a reasonably low level, such as the use of websites is still at less than 10% of the total existing MSMEs, and the use of e-commerce in marketing its products is still at less than 10%. Thus, increasing basic literacy in digital marketing for MSEs is undeniably very important and must be developed to survive in the current era of uncertainty. One of the ways out is to develop digital literacy skills to improve their business. Belshaw agrees that digital marketing literacy helps business players recognize business prospects to boost product sales using existing technologies [5].

Due to technological innovations in the financial sector that are increasingly developing, the community, including MSME players, must improve financial literacy by studying and understanding every service, product, and financial decision that they will implement. It is intended so that the benefits of access to finance, including financial technology, can be felt to the maximum and do not harm MSME actors. Financial literacy itself is a skill in terms of finances that a person has. Related to this, someone with good financial literacy will be able to see money from a different perspective and control his financial condition. Related to this, Lusardi et al. state that financial literacy entails understanding compound interest, the distinction between nominal and real value, risk diversification, the time worth of money, and other concepts.[6].

In this research, the writer wants to research and build a digital application for sharia financial literacy. The name of the application would be Go Syariah. An entrepreneur must be able to turn obstacles into opportunities and present solutions to the problems around him. Ability and self-advantage must be prepared to compete in this era of globalization. In developing the sharia economy, MSMEs have a strategic role in the national economy. Empowerment and sustainable development need to be carried out so that MSMEs do not only grow in number but also develop in quality and competitiveness.

In line with this, financial literacy digital technology is also experiencing rapid development. Financial literacy digital, like Go Syariah, can bring great opportunities and potential to developing MSMEs in Indonesia. MSMEs, in general, need help in financial and capital aspects. Financial technology services can help MSMEs get convenience and efficiency in financial and marketing areas. Micro, Small, and Medium Enterprises (MSMEs) play a critical role in the Indonesian economy since they significantly impact the country's economic situation [7].

Rustiaria has also carried out this kind of research with different methods and results, explaining that Individuals with more financial understanding are more effective in financial conduct and make better financial decisions. Someone with more information can prepare by increasing their funds or insurance plans [8]. Then, as in previous research, it can also be seen from Januardin's research that financial knowledge positively affects the development of MSMEs [9].

Based on the various problems above, the researcher wants to make a study entitled "Go Syariah: Android-based Application in Gaining Knowledge for MSMEs". The problem raised in this research is: How can the Go Syariah application improve sharia-based financial literacy skills for MSME actors? This study aims to optimize the use of smartphones. In addition, To determine whether Muslim MSMEs in Jakarta and surrounding areas are familiar with Islamic financial literacy and Mobile apps based on Islamic finance.

2 Methods

Descriptive qualitative analysis is utilized as the primary instrument when researching a natural item. A *case study* is the research technique used in this study. This study's data came from street sellers and small retailers in Jakarta and nearby areas. The total number of responses was 50, with 35 from Jakarta, 12 from Bekasi, and 3 from Bogor.

3 Results and Discussion

Seeing the need for national financing for MSMEs is an opportunity for MSME business players in these 4.0 and 5.0 eras, even though they need better literacy skills. In the era of 4.0 and 5.0, many people want to be entrepreneurs because they see that entrepreneurship is one way to quickly improve the quality of the family economy. An entrepreneur or entrepreneur is a person who creates a business or business, which is expected with risk and uncertainty, to gain profits and develops the company by opening up job opportunities. An entrepreneur is an individual who always looks for business opportunities by looking at the problems in the community, then comes and offers a product or service that can be a solution.

The presence of technology, especially in the financial sector, has provided a lot of knowledge in the financial sector, making financial services easier. These three elements are sometimes tricky for MSMEs to obtain when applying for a loan from a bank. It is where the role of financial tech, especially sharia financial technology, can be a solution for developing MSME businesses in the future. The challenge is to maximize the role

of financial tech in supporting MSMEs. The fundamental challenge is the Indonesian people's access to financial services.

In essence, financial technology is an innovative technology-based financial service integrated online to make it easier for MSME actors to get the latest information and knowledge about various transactions such as instalment payments, insurance premiums, household bills, remittances, balance checks, funding investment and others. Financial technology, especially those based on Android, which is supported by innovation and technology, has helped to reach customers who cannot be run by formal financial institutions, especially those based on sharia, namely MSME actors in remote areas of Indonesia, who do not yet have the knowledge and skills, especially literacy skills. The stability aspect remains essential and should remain a significant concern, including when the role of financial technology, especially for adding knowledge and digital financial services, becomes increasingly influential in the economy. Therefore, strategies and breakthroughs are necessary so that these dynamics do not cause unexpected impacts. Financial technology facilitates convenience and effectiveness in the financial sector for MSMEs [10].

Conceptual Islamic financial literacy is a person's Ability to use financial knowledge, attitudes, and skills to manage financial resources following Islamic teachings. Sharia financial literacy is also recommended for all Muslims to have a positive impact on the world and in the afterlife [11]. The development of small and medium enterprises (MSMEs) is directed to significantly contribute to creating job opportunities and increasing competitiveness. Meanwhile, micro-scale business development contributes to improving the income of low-income people. The actual performance faced by most businesses, especially micro, small and medium enterprises (MSMEs) in Indonesia; the most prominent thing is the low level of productivity, added value, and product quality. Although it is also recognized that MSMEs employ most workers in Indonesia, their contribution to national output is low categorized.

Financial technology can help MSMEs in the field of increasing knowledge, in addition to financial facilities such as funding, non-cash transactions, payments and others. This research used primary data from interviews with micro-entrepreneurs who have small businesses. By filling out the questionnaire at the second meeting with the respondents, the researchers would like to make them know about their knowledge about financial application sharia. In this research, the researchers aim to make an application to help those improve their Ability in financial literacy. In the literature, business digitization is a trend that is currently developing.

Moreover, communication technology has matured in the last decade, along with network infrastructure built evenly in various parts of the world. Several other teams have conducted digital marketing training with a different purpose from this service program. Rahim et al. advocate for the digitization of businesses with an emphasis on the introduction of artificial intelligence, which simplifies and automates any business strategy [12].

The research respondents were carried out by considering the business owned by the respondent to the problems in the development of Islamic financial institutions in Indonesia. The number of respondents was taken from several areas, such as Jakarta, Bogor

Table 1. MSMEs Dominant Area

Respondent's area of origin	
Jakarta	35
Bekasi	12
Bogor	3

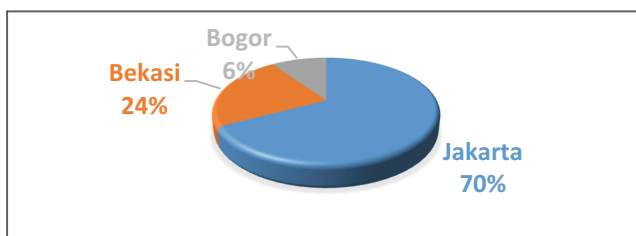
and surrounding areas. Respondents 50 people are from Bogor, Jakarta and surrounding areas (Table 1).

The application of Go Syariah application can provide several benefits, as follows:

It knows how business performance is through the preparation of profit and loss reports as an evaluation of business performance within a certain time, in this case, obtaining an accurate and efficient calculation of the profit generated from the preparation of profit and loss statements using the Go Syariah application that is under *SAK UMKM* (Micro, Small and Medium Entity Financial Accounting Standards).

Knowing the statement of financial position can reflect the actual state of the business so that the owner can make the right financial decisions. However, implementing the Go Syariah application also faces several obstacles. Business owners still need good accounting knowledge, so they have difficulty choosing which account to use at the journal entry time.

The assessment or perception of MSME actors in Jakarta and its surrounding district on the financial behavior variable of MSME actors is an average of 37 people, with the largest percentage of literacy scores, which is 67%. It shows that the financial behavior variable from financial behavior, which consists of indicators of getting capital and planning and financial budgeting, is included in the less category, which has a score of > 70% (Fig. 1).

**Fig. 1.** The Respondent's Origin Area

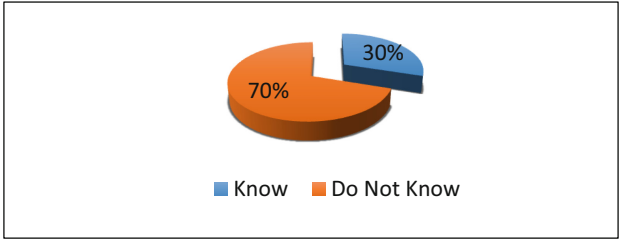


Fig. 2. Sharia Financial Knowledge

Based on the test data and questionnaire results in Fig. 2, we see that 70% of Jakarta, 23% of Bekasi, and 6% of Bogor are informants who become the research sample and have a low literacy state. This result came out based on the interview question: “Do you know what Islamic finance is?” The results of these questions and the data obtained are below (Table 2):

Table 2. Islamic Financial Knowledge

Description	Number of MSEs
People who has known Islamic finance	37
People who has not known Islamic finance	13

This problem is because the informants are street vendors or traders who trade in small stalls. For this reason, it is not surprising that they still need help filling out the given test. The results of this test become knowledge for researchers that many MSME participants still need to be more capable of financial literacy. The purpose of the cognitive aspect is oriented to the Ability to think, which includes simpler intellectual abilities, namely remembering, to the Ability to solve problems, which requires actors to connect and combine some of the ideas, ideas, methods or procedures learned to solve problems in running their business.

The second aspect that is asked is related to the android application, which is related to indicators of sharia literacy knowledge. The questions asked were: “Do you know about Islamic Finance Android Applications?”. Besides that, they must explain in-depth if the answer is “yes.” According to Fig. 3, we can see the percentage of their knowledge.

Figure 3, it can be explained that MSME actors’ ability is minimal. In fact, having high literacy skills can increase their ability to raise their standard of living in a justified way. Due to technological innovations in the financial sector that are increasingly developing, the community, including MSME players, must improve financial literacy by studying and understanding every service, product, and financial decision that they will implement. It is intended so that the benefits of access to finance, including financial

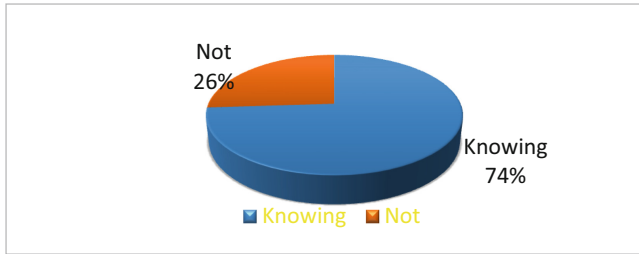


Fig. 3. Knowledge of Financial Android Application.

technology, can be felt to the maximum to reduce the losses of MSME actors. In addition, understanding the concept of financial literacy is very important for SMEs. With good financial literacy, it will be easier for them to know how the value of money will be useful today and how much influence it will have in the future. Therefore, strategic efforts are needed to improve the performance and sustainability of MSMEs. Enriching the financial knowledge of MSME actors will improve the performance and sustainability of MSMEs so that their management and accountability can be better accounted for, like big companies.

Based on the test data and questionnaire results, Table 3 shows the facts regarding knowledge needs and Islamic financial literacy guidelines for those MSME actors. This is based on the statement: “3. Do you need Islamic financial literacy knowledge and guidance?”.

Table 3. The Needs of Knowledge and Islamic Financial Literacy Guidelines

Description	Number of MSEs
People who needs	42
Not Required	8

Several components can be measured in financial literacy, namely financial knowledge and financial behavior, which can be seen from financial behavior. The second thing is a financial attitude which can be seen in managing finances. The next component is financial knowledge, namely education regarding procedures for managing personal finances to face a future with economic independence. Based on these results, it means that the average MSME actors already know about financial knowledge and also already know about the products and services of Islamic financial institutions. The more individuals increase their financial knowledge, the better they will be at developing their businesses. Financial knowledge, which each individual owns, can be a strong capital in overcoming any risks that can occur in the management and decision-making process financial decisions (Fig. 4).

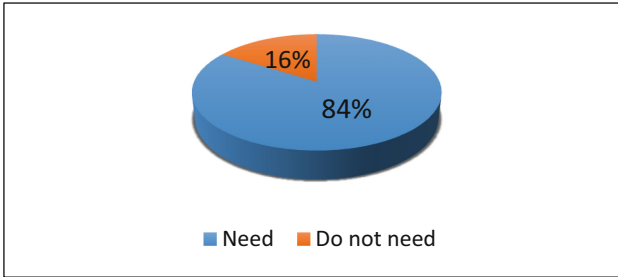


Fig. 4. The Needs of Knowledge and Islamic Financial Literacy Guidelines

So, on the test data and the questionnaire results, in Table 4, the researchers intend to see whether MSME actors know about the Go Syariah Application and what the benefits are. It refers to the question: Have you ever seen, known, or opened a sharia-based financial android application on the “Go Syariah” application?

Table 4. Seeing, Knowing, and Using Financial Education Application

Description	Number of MSEs
People who know application such as Go Syariah	3
Not Knowing	47

From Fig. 5, it is evident that many people know that the application is less than 50%. It states that the Ability of respondents to read financial knowledge, especially sharia-based ones, especially in combining various media and applications, is minimal. They can only use web media to find news or gossip and use social media. Unfortunately, because of this lack of knowledge, these MSME actors are less able to improve their living standards.

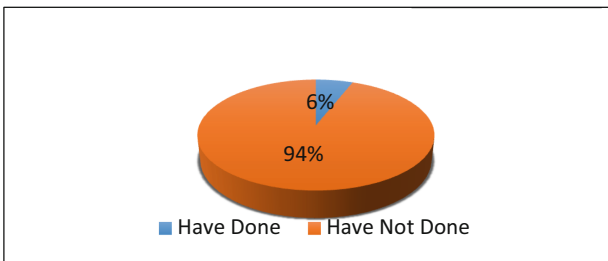


Fig. 5. See, Know, and Open Syariah Financial Application

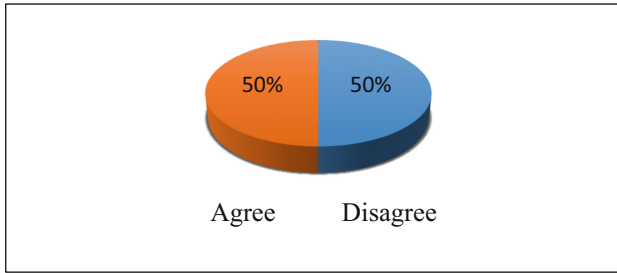


Fig. 6. Financial Activities Switch From Manual Finance To Syariah

Then the test data and the results of the questionnaire on the Fig. 6, the researchers intend to see whether MSME actors agree with the existence of the Go Syariah application. This is through the question: “Do you agree that our financial activities and education are all shifting from the Islamic finance manual?”.

The findings of the evaluations conducted in the field indicate that the implementation of this program is proceeding smoothly. Participants are passionate and can comprehend how to establish micro, small, and medium enterprises (MSMEs) to raise income to improve the community’s economy.

Next, the participants were instructed to organize themselves into smaller groups and run simulations on how to advertise their products digitally and obtain capital help from Islamic financial institutions. They gain firsthand knowledge through practical application of how to obtain financial aid from Islamic financial institutions and market micro, small, and medium-sized enterprise (MSME) products, services, or items using online media or social media.

4 Conclusions

Based on the above research regarding Islamic financial literacy on financial knowledge on the development of MSMEs in the Jakarta area and its surroundings, conclusions can be drawn, especially those based on sharia, which can improve the smoothness and lawfulness of their business.

After the research, many MSME actors know about digital financial literacy. *Financial literacy* is a vital knowledge that must be known. Financial literacy can be measured using 5 question indicators, namely basic knowledge of financial management, knowledge of digital literacy, knowledge of how to use digital financial applications, and whether they are aware of the existence of the Go Syariah application.

Small and medium-sized enterprises (MSME) in Jakarta and the neighboring areas may benefit from the introduction of new financial technology. Fintech can be a way to open access to financial services, particularly in places that do not yet have sharia-based financial services. This is especially true for areas that do not currently have sharia-based financial services. Utilizing the Go Syariah Financial platform affords MSME actors the opportunity to gain access to any and all information regarding Islamic financial institutions and the benefits they offer.

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