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***Correspondence:**

sri.wahjuni.latifah-
2021@feb.unair.ac.id

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Office:

Department of Accounting
University of
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GKB 2 Floor 3.
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Malang, East Java,
Indonesia

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THE USE OF SHARIA FINTECH ON MSMEs PERFORMANCE: MEDIATION OF INTEREST IN USE OF TRANSACTIONS

Sri Wahjuni Latifah^{1*}, Ahmad Waluya Jati²

^{1,2}Faculty of Economic and Business University of
Muhammadiyah Malang, Malang, Indonesia

ABSTRACT

Purpose: *This study was conducted to examine the use of Sharia fintech mediated by an interesting use of transactions to improve the performance of MSMEs.*

Methodology/approach: *The survey was conducted on MSMEs in Malang Raya. The sampling technique using purposive sampling obtained 70 respondents. Data analysis and hypothesis testing using SEM assisted by Smart PLS software.*

Findings: *The results showed that ease of use and trust have an effect on interest in using Sharia Fintech. However, service features and risk security have no effect on interest in transactions using Sharia fintech. This study proves that the use of Sharia Fintech with the mediation of interest in use is proven to have an effect on the performance of MSMEs.*

Practical implications: *The implication of this research for MSMEs is that MSMEs should choose Sharia fintech under the supervision of the OJK. The implication for Sharia fintech companies is that they can create features that are easy for users to understand.*

Originality/value: *This study offers a mediation model of interest in the use of transactions on the use of Sharia fintech and the performance of MSMEs*

KEYWORDS: *Use of Sharia fintech; Interest in the use of transaction; MSMEs Performance.*

ABSTRAK

Tujuan penelitian: Penelitian ini dilakukan untuk menguji penggunaan fintech syariah yang dimediasi minat penggunaan bertransaksi untuk meningkatkan kinerja Usaha Mikro Kecil Menengah(UMKM).

Metode/pendekatan: survey dilakukan pada UMKM di Malang Raya. Tehnik sampling menggunakan purposive sampling diperoleh 70 responden. Analisis data dan pengujian hipotesis menggunakan SEM dibantu dengan software Smart PLS.

Hasil: Hasil penelitian menunjukkan bahwa kemudahan penggunaan dan kepercayaan berpengaruh terhadap minat menggunakan Fintech Syariah. Namun fitur layanan dan keamanan risiko tidak berpengaruh terhadap minat bertransaksi menggunakan fintech syariah. Penelitian ini membuktikan bahwa penggunaan Fintech Syariah dengan mediasi minat penggunaan terbukti berpengaruh terhadap kinerja UMKM.

Implikasi praktik: Implikasi penelitian ini bagi UMKM adalah, sebaiknya UMKM memilih fintech syariah yang berada di bawah pengawasan OJK. Impikasi untuk perusahaan fintech syariah dapat membuat fitur-fitur yang mudah dipahami oleh pengguna.

Orisinalitas/kebaharuan: Penelitian ini menawarkan model mediasi minat penggunaan bertransaksi terhadap penggunaan fintech syariah dan kinerja UMKM

KATA KUNCI: Fintech syariah; Minat penggunaan bertransaksi; Kinerja; UMKM.

INTRODUCTION

The use of fintech can increase the success of MSMEs in achieving goals, including ease of obtaining funds, ease of payment, and increasing the number of sales which in turn can improve their performance. Proven research results from Siti, Hanifa, Muhammad, and Jufrizen (2022) that the opportunity for Sharia financial technology for Sharia banking is how financial technology as a newcomer can synergize with financial institutions, especially Sharia banking.

Therefore, the decision to use Fintech is a crucial decision for MSMEs. Unfortunately, many MSMEs in Indonesia do not know or use them to support Fintech efforts (Muthaiyah & Zaw, 2020). The impact is that it is difficult for MSMEs to grow and develop their business due to limited access to capital, access to financing, and access to markets. This is due to a lack of knowledge about Fintech and distrust in Fintech banking applications (Rumondang, Sudirman, Effendy, Simarmata, & Agustin, 2019). Especially in the current state of the COVID-19 pandemic, according to KemenkopUKM, around 37,000 MSMEs are reporting that they are seriously affected by this pandemic, which is marked by about 56 percent reporting a decline in sales. However, during this COVID-19 pandemic, MSMEs can still survive compared to large companies. This is because MSMEs use local resources and marketing systems. However, the unstable economic condition due to the COVID-19 pandemic has brought problems to MSMEs regarding the ability to use financial technology. Many MSMEs do not understand and have never even used Fintech.

The benefit of using fintech is that it can increase users' success in achieving their goals, including the ease of obtaining funds, and ease of payment for customers so that they can increase the number of sales, which in turn can improve their performance. Another benefit of using Sharia fintech is that it allows Sharia finance practitioners to choose which fintech components to include or develop in practice in the service, to increase their efficiency and inclusion by sticking to Sharia and Sharia values (Alam, Gupta, & Zameni, 2019).

Various fintech models according to Bank Indonesia: Crowdfunding and Peer to Peer, namely as a mediation that finds investors with capital seekers; Peer to Peer is a fintech service that helps MSMEs so they can borrow money quickly without having to have an account at a bank; Market Aggregator acts as a comparison for financial products, where fintech and collects financial data to be used as a reference by users; Risk and Investment Management functions such as a digital financial planner; Payment, Settlement and Clearing fintech on payment models such as payment gateways and e-wallet (Aprianti & Nurfadilah, 2019).

Sharia fintech is a new financial technology categorized under sharia (Alam et al., 2019). Sharia fintech provides sharia-based financial services that use technology such as payments, remittances, digital wallets, and others that comply with sharia law by prohibiting and preventing themselves from activities such as gambling. The main goal of Sharia fintech is to provide digital Sharia financial services with simple and easy accessibility.

This sharia fintech is regulated in the DSN-MUI fatwa No. 116 / DSN-MUI / IX / 2017 concerning Sharia electronic money. Sharia electronic money is a means of payment that meets the following elements: Issued based on the nominal amount of money paid in advance by the issuer; The slight amount of money is stored electronically in registered media; The

slight amount of electronic money managed by the issuer is not a deposit within the meaning of banking law, and used as a means of payment for sellers who are not e-money issuers.

In Indonesia, MSMEs are proven to provide solutions to economic problems, ranging from reducing the number of unemployed, increasing people's income, alleviating poverty, reducing income distribution gaps to community welfare (Saripudin, Nadya, & Iqbal, 2021). To provide maximum results, the MSMEs sector requires encouragement by many factors, namely the use of facilities and the use of technology that continues to develop, supporting information to be accessed more quickly, as well as the establishment of more active communication and the provision of ease of borrowing business capital (Trimulato, 2020). However, there is a problem that delays the development of MSMEs, namely the source of capital financing. This is because MSMEs in the micro category it challenging to obtain financing facilities from the banking sector (Yahya, Affandy, & Narimawati, 2019). Apart from borrowing capital, the marketing of MSMEs products that are less easily accessible is also an obstacle to the development of MSMEs.

But this is no longer a problem now because technological advances marked by innovation have also encouraged the growth of fintech, which offers solutions to reduce the gap between financial institutions and parties that require business costs. The advantage of fintech is that it reaches various groups by making it easier for MSMEs business actors to develop their businesses in obtaining investment. Then it is practical and fast in online loan services compared to conventional banks. It is also encouraged by the existence of sharia fintech, which promotes the distribution of sharia-based funding, so there is no need to worry about the halalness of conducting transactions

Research on the performance of fintech and MSMEs has not been consistent. Billah and Nuntupa (2021b) found that the role of fintech can help MSMEs actors in increasing their finances so that fintech can encourage developed countries. Likewise Mujiatun, Jasin, Fahmi, and Jufrizen (2022) that the use of fintech can increase the success of MSMEs. Yahya et al. (2019) found that Islamic fintech can improve the performance of loan obligations. In contrast to the findings of Giudici, Hadji-Misheva, and Spelta (2019) that peer-to-peer lending fintech platforms have a higher risk. Likewise, Rahmawati, Rahayu, Nivanty, and lutfiah (2020) that community constraints are still lagging behind in culture and don't want to change so that it hinders progress. Meanwhile, the results of the Risk Management Analysis of Murabahah Financing in Islamic Banks by Budiwati, Junaidi, and Nugroho (2020) found factors that cause financing risk, including HR (Human Resources) risk and operational performance risk.

This is possibly another factor, namely the low interest in using fintech. So this research tries to explore the interest in using sharia fintech as a mediation to achieve MSMEs performance. Research on interest in using fintech has been carried out by researchers in 2020. This research on fintech customers in Malang found that ease of use, service features, and security risks had a positive and significant impact on interest in transacting using financial technology during the covid-19 pandemic (Latifah & Khomariyah, 2020). So, Pirdayanti and Wiagustini (2021), found that perceived risk has positive effect on the fintech usage, perceived of usefulness has positive effect on fintech usage and perceived ease of use has positive effect on fintech usage.

Research result E. A. Firmansyah, M. Masri, M. Anshari, and M. H. A. Besar (2022b), the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT) are the most used theoretical foundations. The factors that influence the use of fintech can be observed from the Theory Plan Behavior (TPB). Research with the

theme Theory Plan Behavior (TPB) has been carried out by several previous researchers such as (Astuti, Musadieq, & Utami, 2021a). The research confirms the suitability of TPB and TAM as appropriate models in explaining individual attitude in adopting internet banking. Attitude and trust have a significant effect on interest in using internet banking.

Nangin, Barus, and Wahyoedi (2020a) uses a trust variable with PEOU, security and promotion indicators. This research examines trust in fintech adoption. the results of the study show that trust has an effect on fintech adoption, but security has no effect on fintech adoption. But findings of (Baber, 2020) that among the three TPB factors, attitudes and subjective norms significantly influence the intention to make transactions.

So, the formulation of the problem in this research is: Does the ease of use, service features, security risk, and trust adopted by the use of sharia fintech with transactional interest as a mediating variable affect the performance of MSMEs?

The effect of ease of use on interest in transacting using Sharia Fintech

Technology acceptance model (TAM) is a model for understanding human behavior towards potential acceptance or rejection of technology introduced by Fred Davis in 1985 (Marangunic´ & Granic´, 2015). The strength of this model confirmed by many studies can be applied to various technologies. Fred Davis proposed a conceptual model that the actual use of the system is a response that can be predicted by the user's motivation and an external stimulus consisting of actual system features and capabilities. Later Fred Davis refined his conceptual model by proposing that user motivation can be explained by three factors: perceived ease of use, perceived usefulness, and attitude toward use.

Based on consistent findings that perceived benefits are the main determinant of intention to use, Venkatesh and Davis proposed the TAM 2 development model. TAM 2 identifies variables that affect perceived benefits, consisting of: subjective norms, namely the influence of others on users to use or not use technology, the user's desire to maintain favorable, output quality, namely the technology can perform the required tasks, and result demonstrability.

Ease of use is defined as an individual's level of belief that using technology will bring them free from physical and mental effort. The definition of "ease of use" can be interpreted as a measure of user confidence in using a particular system (Samlawi, Susilo, Prabowo, Taman, and Pustikaningsih (2019). Based on definition "ease" means free from difficulty or without effort. So, based on Davis(1989), in Samlawi et al. (2019) that technological applications or systems that provide convenience will be more acceptable to users. Research on ease of use has been carried out by previous researchers including Samlawi et al. (2019). Research findings Samlawi et al. (2019) show that there is no difference in the ease of using the Gopay and OVO fintech applications. Nangin et al. (2020a) confirms that perceived ease of use (PEOU) and promotions have a positive and significant effect on customer trust, thus impacting the use of fintech. TAM has three main directions of expansion so a large number of studies use it. The first is related model factors such as subjective norms, behavioral control, and self-efficacy. Second, additional beliefs such as trialability, visibility, result demonstration capability, and content richness. Third, the external variables are perceptions of usability and ease of use (Marangunic´ & Granic´, 2015). Based on the TAM someone will choose to use fintech because of external factors, namely ease of use. So the formulation of the hypothesis is:

13.2 H1: Ease of use positively affects interest in transactions using Sharia Fintech

The effect of service features on interest in transacting using Sharia fintech

Service features are a means to differentiate digital platform products from their competitors products. Features created by fintech companies must be attractive, innovative and make it easier for users. This is because features are services for interaction with fintech companies. Service features are essential factors to foster trust for consumers in deciding whether to make online transactions. Service features are essential factors to build trust for consumers in deciding whether to use fintech. As found by Samlawi et al. (2019) found that good features can increase customer orders. This is supported by research (Rithmaya and Chitra (2016) which states that service features significantly influence re-interest in using fintech e-banking. The results of Kurnianingsih and Maharani (2020) on e-money users in Central Java that the effect of perceived usefulness, ease of use, service features and trust has a positive effect on interest in using e-money.

In accordance with TAM that the motivation of fintech users can be influenced by ease of use. So that interesting and innovative service features will make it easier for users who will eventually be interested in using fintech. Based on this description, the proposed hypothesis is:

H2: Service features positively affect interest in transactions using Sharia Fintech

The effect of security risk on interest in transacting using Sharia Fintech

Risk as an important factor affecting the decisions of fintech users. Risk is usually thought of by users as uncertainty about the possibility of negative consequences (Liao, Lin, & Liu, 2010). The results of research by Liao et al. (2010) show that perceived prosecution risk has an impact on the intention to use pirated software, and psychological risk is a strong predictor of the use of pirated software. This is one of the proofs that security against risk is an important factor to consider in the decision to use or not use sharia fintech.

Risk is an expectation of loss, where individuals conduct the assessment of losses subjectively. If the greater the loss, the greater the risk exists. In the world of technology, the risk of information security is a significant problem that often occurs. Customers are less likely to adopt fintech services due to concerns about security, confidentiality of information, and limited government control. Thus security has an effect on fintech adoption (Mahmud, Joarder, Joarder, & Muheymin-Us-Sakib, 2023). Research on risk safety was conducted by (Pillai, Kim, Haldorai, & Kim, 2022). The results of this study indicate that participants who live in the United States have proven that perceived risk influences the decision to transact online food delivery services and consumers' purchase.

Based on TPB that behaviour is a direct function of behavioural intention and behavioural control. Behavioural intention is shaped by a person's attitudes, subjective norms and behavioural controls regarding beliefs about possible outcomes and possible risks. So that fintech users will have the intention and behavioural control to choose fintech with low risk security. Based on this description, the proposed hypothesis is:

H3: Security risk has a positive effect on interest in transactions using Sharia Fintech.

Trust has a positive effect on interest in transactions using Sharia Fintech

Government supervision and protection are needed to mitigate the risks of using fintech. This can increase the confidence of fintech users that users are legally protected, which in turn users are interested and interested in making transactions with fintech. This has been responded by the Financial Services Authority (OJK) as digital literacy develops and the level

of use of digital financial products and services, OJK prioritizes a digital trust system to increase public trust in the digital financial industry. OJK continues to develop a financial technology ecosystem that is innovative, responsible, and prioritizes consumer protection aspects.

Trust is an important factor for fintech implementation. This is evidenced by the findings of Kurnianingsih and Maharani (2020) that trust has a positive and significant effect on interest in using e-money in Central Java. This is in accordance with the development of TAM that there are external variables that influence a person to accept or reject technology, namely trust (Marangunic' & Granic', 2015). The higher the public trust in fintech products, the higher the interest in using someone to use the fintech.

This is evidenced by Kurnianingsih and Maharani (2020) that trust has a positive and significant effect on interest in using e-money in Central Java. This is in accordance with the development of TAM that there are external variables that influence a person to accept or reject technology, namely trust (Marangunic' & Granic', 2015). The higher the public trust in fintech products, the higher the interest in using someone to use the fintech. Trust is more important than other variables because customers face risk and uncertainty in their money (E. A. Firmansyah, M. Masri, M. Anshari, & A. Besar, 2022a).

Astuti et al. (2021a) found that trust has a significant effect on the perceived benefits of internet banking. Trust is the foundation of business. Business transactions between two or more parties will occur if each of them trusts the other. The results of research by Firmansyah et al. (2022a) that Trust is a factor that positively influences the adoption of Sharia fintech in Pakistan. Based on this description, the proposed hypothesis is:

H4: Trust positively affects interest in transactions using Sharia Fintech

Interest in transactions using Sharia Fintech has an effect on MSMEs performance

The performance of MSMEs has not yet been agreed upon by researchers. According to Islami A.C., Kunaifi A., and J. (2017), MSMEs measure performance can be financial and non-financial performance. Financial performance includes: profit, cash flow position, and budget vs actual. And non-financial performance is customer trust. Pirdayanti and Wiagustini (2021) uses MSMEs performance consisting of several indicators, namely: business growth, namely the ability of a business to increase sales, total business income comes from the company's main activities, total orders and cash position

According to the theory of Technology Acceptance Model (TAM), a model introduced by Davis (1989) that explains the behavioral aspects of information system users. TAM is a model used to predict user acceptance of information systems based on perceived usefulness and ease of use. If the user sees the benefits and ease of using the information system, it will cause the user to accept the use of the information system. If someone considers a fintech to be helpful and the ease of using it, it causes someone to use and transact so that there will automatically be an increase in sales because the marketing area is getting wider.

Liao et al. (2010) based on social psychology developed a theory of reasoned action (TRA). TRA is a theory that explains that well developed and validated intentions have been proven successful in predicting and explaining a person's behavior. Behavior a person is driven by intention then the individual's intention and attitude will influence behavior to do or not to do. In 1985, Anjen expand the theory of planned behavior (TPB). TPB is a development of TRA by adding behavioral controls that can facilitate or inhibit behavior.

This is proven by Irimia-Diéguez, Velicia-Martín, and Aguayo-Camacho (2022) that the Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) confirm their robustness in predicting fintech intentions and usage. Empirical evidence of findings Astuti, Musadieq, and Utami (2021b) that usefulness significantly influences one's intention to use internet banking and trust significantly influences customer intention in using internet banking. Based on this TRA and TPB, an entrepreneur will intend to choose or not choose to transact with fintech to improve the performance of MSMEs. So the research hypothesis:

H5: The use of Sharia Fintech through an interest in transactions using Sharia Fintech affects MSMEs performance

METHODS

The scope of this research was carried out on MSMEs in Malang Raya, namely MSMEs registered with the MSMEs Association in Malang City, Malang Regency, and Batu City. The sample selection was carried out using a purposive technique, namely MSMEs that had used Sharia fintech and had operated for at least one year. The determined respondents were: MSMEs leaders or owners or financial employees at MSMEs who already knew or had used fintech. The number of samples processed was 70 respondents.

The independent variables in this study are ease of use, service features, security risk, and trust adopted from Samlawi et al. (2019) and (Nangin et al., 2020a). The dependent variable is the performance of MSMEs Islami A.C. et al. (2017), Pirdayanti and Wiagustini (2021) (Billah and Nuntupa (2021a). The mediating variable in this research is the interest in transactions using sharia fintech Latifah and Khomariyah (2020) The variable measurement scale uses a 5-score Likert scale, namely: strongly agree (5), agree (4), agree enough (3), disagree (2), and strongly disagree (1).

Research data collection was carried out online by distributing questionnaires via Google form and coming directly to MSMEs actors in Malang City, Malang Regency, and Batu City for 5 months from May to September 2022. Before testing the hypothesis, the data quality test was conducted first. Data analysis and hypothesis testing with SEM were assisted by Smart PLS software. The Smart PLS analysis is divided into two stages: making the outer model (model measurement) and the inner model (model structure). The outer model is used to get the value of validity and reliability. The inner is used to get predictions about the relationship between latent variables. The use of PLS has a purpose for stepwise analysis and a recursive form of modeling, and the variables in the modeling are latent (Ghozali, 2014). The validity measurement uses convergent and discriminative indicators and their reliability composition as the block indicator. The evaluation of the model structure is seen from the percentage calculated through the test, and the effect is the original sample (O) from the bootstrapping process. If the value of t statistic > t value (1.96) and significance < 0.05, the hypothesis is accepted. The goodness-of-fit evaluation is calculated through the value of R2.

RESULTS AND DISCUSSIONS

Respondent Demographics

Business Establishment	Total	%
Less than 2 years	33	47 %
2 years – 4 years	19	27 %
4 years - 6 years	5	7 %
More than 6 years	13	19 %
Total	70	100%

Table 1.
Length of Establishment of the Business

Asset Category	Total	%
Less Rp. 50 million	60	86 %
Rp.50 million - Rp.500 million	5	7 %
Rp.500 million - Rp. 10,000 million	5	7 %
Total	70	100%

Table 2.
Demographics by Asset Category

Turnover Category	Total	%
less than Rp. 300 million	65	93%
Rp. 300 million - Rp. 2,500 million	3	4%
more than Rp.2,500 million	2	3%
Total	70	100%

Table 3.
Demographics by Turnover Category

Based on table 1, it shows that the respondents of this study include MSMEs that have just been established and started a business because the most dominant are MSMEs aged less than 2 years, which is 47% or 33 MSMEs.

Based on table 2 above, it shows that the largest number of respondents in this study (86%) are micro-enterprises because the asset category is less than Rp. 50 million.

Based on table 3 above, it shows that most of the respondents in this research are micro-enterprises because the asset category is less than Rp. 300 million per year (93%). Which includes small businesses by 4% and which includes medium enterprises by 3%.

Descriptive statistics

Variabel and Indicator	Respondent's answer					N	Skor	Mean
	STS	TS	N	S	SS			
Use of sharia fintech:								
Work in MSMEs faster	0	4%	7%	32%	27%	70	292	4,17
Easy to learn	3%	1%	4%	42%	20%	70	285	4,07
more flexible	1%	4%	4%	36%	25%	70	296	4,22
Can do all kinds of things	1%	2%	3%	45%	19%	70	289	4,12
Accurate	1%	2%	4%	45%	18%	70	286	4,08
Complete	1%	2%	6%	44%	17%	70	284	4,05
Relevant	1%	1%	5%	45%	18%	70	294	4,2
Easy to use	1%	2%	3%	45%	19%	70	289	4,1
Cost is cheaper	1%	6%	14%	39%	10%	70	261	3,72
Complete facility	1%	3%	10%	42%	14%	70	275	3,92
Personal data policy	0	3%	17%	36%	14%	70	271	3,87
Password	0	0	5%	44%	21%	70	296	4,22
Clear payment terms	1%	0	8%	45%	16%	70	291	4,15
Timely receipt of goods	1%	0	7%	49%	13%	70	283	4,04
Trust government	1%	2%	28%	34%	5%	70	250	3,57
Trust companies	1%	2%	25%	38%	4%	70	258	3,68
Information trust from OJK	2%	1%	16%	41%	10%	70	266	3,8
Sharia fintech information	1%	2%	19%	40%	8%	70	262	3,74
Good service MSMEs	2%	1%	7%	46%	14%	70	279	3,98
Performance:								
Customer	1%	1%	10%	46%	12%	70	277	3,95
Income	1%	1%	10%	45%	13%	70	284	4,05
Interest in Transactions Using Sharia Fintech:								
Continuing to transaction	2%	3%	8%	40%	17%	70	275	3,92
Feeling comfortable	1%	3%	9%	43%	14%	70	276	3,94
Recommending others	1%	5%	17%	34%	13%	70	269	3,84

(Source: data processed with Smart PLS 2022)

Table 4.
Descriptive Statistics

Based on table 4 above, it can be said that based on seventy respondents, MSMEs owners as fintech users said that the use of fintech helps work to be faster, can do all the work, is accurate, complete, relevant and easy to use because the mean value of the indicator is greater than 4 which means means agree. Meanwhile costs,

completeness of facilities and personal data policies are only sufficiently understood with a mean value of more than 3. Security risk is considered good because the mean value is above 4. Trust is still low with a mean value of more than 3. The performance of MSMEs based on the increase in the number of customers and the increase in income is considered good with a mean value of 4. Interest in Transactions Using Sharia Fintech is still quite adequate with a mean value of more than 3. Overall it can be said that the respondents had the intention to use sharia fintech in a good category and the performance of MSMEs increased from using this sharia fintech.

Outer Model Test

The reliability test for each variable can be seen in table 5 below. A research instrument is said to be reliable or reliable if a person's answer to a statement is consistent or stable from time to time (Ghozali, 2014). A construct or variable is said to be reliable if it gives a Composite Reliability value > 0.70 (Ghozali, 2014).

Table 4 above is a summary of the results of the reliability test. Based on the test data, it can be seen that all variables in this study are reliable because the Composite Reliability value is > 0.07.

Validity test is used to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the question or statement on the questionnaire is able to reveal something that will be measured by the questionnaire (Ghozali, 2014). The validity test is carried out by looking at the results of the Average Variance Extracted (AVE) and it can be said to be valid if the value of the AVE is > 0.05 (Ghozali, 2014). Table 6 below is a summary of the results of the validity test on the questionnaire. Based on these data, it can be seen that all variables in this study are valid, this is evidenced by the results of the validity test with an AVE value > 0.05.

Variable	Composite Reliability	Explanation
User Ease	0,909	Reliable
Service Features	0,963	Reliable
Security risk	0,865	Reliable
Adopted trust	0,915	Reliable
Interest in Transactions Using Use of Sharia Fintech	0,931	Reliable
MSMES Performance	0,948	Reliable

Table 5.
Reliabilitas Test Result

(Sumber : Olah data *Smart PLS*, 2022)

Table 6.
Validity Test
Results

Variable	Average Variance Extracted (AVE)	Explanation
User Ease	0,719	Valid
Service Features	0,813	Valid
Security risk	0,622	Valid
Adopted trust	0,684	Valid
MSMES Performance	0,819	Valid
Interest in Transactions Using Use of Sharia Fintech	0,858	Valid

(Source: Smart PLS data processing, 2022)

Table 7.
Determinant
Coefficient
Results (R-
Square)

Variable	R-Square
Interest in Transactions Using Sharia Fintech	0,576
MSMEs Performance	0,562

(Source: Smart PLS data processing, 2022)

Evaluation Inner Model

This test was conducted to detect the correlation of all variables in this study. The following are the results of the Determinant coefficient test:

Table 7 above shows that the R-square value for the Interest in transactions using Sharia Fintech is 57.6%. This value means that Interest in Transactions Using Sharia Fintech can be predicted by the variables of User Ease, service features, Security risk and adopted trust of 57.6%. Then the test results on the R-square variable MSMEs performance of 56.2%, meaning that the performance of MSMEs can be predicted by the variable using Sharia fintech with interest in transacting using Sharia fintech by 56.2% and the rest explained by other factors not examined in this study.

Hypothesis testing is done by calculating using the Smart PLS program, which will later perform a bootstrap test. The results of the analysis obtained can be seen in the data table as follows:

Variable	Original	Sample	Deviasi	T	P	Description
				Statistics	Value	
User Ease → Interest in Transactions Using Sharia Fintech	0,457	0,446	0,201	2,275	0,023	Significantly influential
Service Features → Interest in Transactions Using Sharia Fintech	0,070	0,049	0,209	0,332	0,740	No effect
Security risk → Interest in Transactions Using Sharia Fintech	-0,176	-0,110	0,185	0,949	0,343	No effect
Adopted trust – Interest in Transactions Using Sharia Fintech	0,540	0,507	0,167	3,23	0,001	Significant Influence
Implementation of Sharia fintech → Interest in Transactions Using Sharia Fintech -> MSMEs Performance	0,757	0,745	0,082	9,262	0,000	Significant Influence

(Source: Smart PLS data processing, 2022)

Table 8.
Summary of Hypothesis Testing

The criteria for testing the hypothesis use a significance of 0.05 or 5%. What if the p value <0.05 and the t-count value is greater than the t-table (1.96) then the independent variable affects the dependent variable (the hypothesis is accepted). Meanwhile, if the p value > 0.05 and the t-count value is less than the t-table (1.96), then the independent variable has no effect on the dependent variable (the hypothesis is rejected). Based on table 8 above, the following are the results of the hypothesis test:

Based on the test results on the first hypothesis, it shows that the variable ease of use has a significant effect on the variable interest in transactions using Sharia fintech. In accordance with the results of the p value which shows 0.023 or 2.3% < 5% and the t-count value is 2.275, the value is more than the t-table (1.96). So it can be concluded that the first hypothesis is accepted. Based on the test results on the second hypothesis, it shows that the variable service features has no effect on the variable interest in transactions using sharia fintech. In accordance with the results of the p value which shows 0.740 which means > 5% and the t-count value is 0.322, the value is less than the t-table (1.96). So it can be concluded that the second hypothesis is rejected. Based on the test results on the third hypothesis, the results show that the variable security risk has no effect on variable interest in transactions using sharia fintech. In accordance with the results of the p value which shows 0.343 which means > 5% and the t-count value is 0.949, the value is less than the t-table (1.96). So it can be concluded that the third hypothesis is rejected.

Based on the test results on the fourth hypothesis, the results show that the variable adopted trust has a significant effect on the variable interest in transactions using sharia fintech. In accordance with the results of the p-value which shows 0.001 which means <5% and the t-count value is 3.321, the value is greater than the t-table (1.96). So it can be concluded that the fourth hypothesis is accepted. Based on the test results on the fifth hypothesis, the results show that the variable of using sharia fintech with mediation of interest in transactions using sharia fintech has a significant effect on the performance of MSMEs. In accordance with the results of the p value which shows 0.000 which means < 5% and the t-count value is 9.262, the value is greater than the t-table (1.96). So it can be concluded that the fifth hypothesis is accepted.

Discussion

Based on the results of an analysis of the use of Islamic fintech with a mediating role in transaction interest, it is evident that ease of use and trust affect the interest in transacting using Islamic fintech. This is reinforced by the results of descriptive statistics in which more than 50% of respondents said that fintech is easy to use, can help work become faster, easy to learn, flexible, can be used anywhere, accurate, relevant, complete, and the cost is quite cheap. MSMEs using Sharia fintech have confidence in the government, fintech companies, and information from the OJK and believe in the timeliness of delivery of goods to consumers. The trust that is trusted by MSMEs is proven to be able to increase the performance of MSMEs by expanding the marketing area and increasing income. The results of this study strengthen the findings of [Samlawi et al. \(2019\)](#) that ease of use has a positive and significant effect on the fintech transaction. Also supports the research findings of [Nangin, Barus, and Wahyoedi \(2020b\)](#) which states that trust has a significant effect on fintech adoption.

In accordance with TPB that behavior is a direct function of intention and perceived behavioral control. Behavioral intention is shaped by a person's attitude, subjective norms and behavioral control which is determined by behavioral beliefs. If an entrepreneur has an intention to use fintech and has beliefs about fintech, an attitude will form to choose to use sharia fintech. An entrepreneur who intends to have the attitude to choose to transact with fintech with the aim of improving the performance of MSMEs.

This study found that service features had no effect on the intention to transact using Islamic fintech. Someone is interested in transacting with Islamic fintech not because of its features but more because of its usability. It was also found that according to the results of descriptive statistics, 21% of respondents said that Sharia fintech requires high costs so respondents did not consider service features in transactions. This is in accordance with the theory of the Technology Acceptance Model or abbreviated as TAM, which is a model put forward by Davis, Bagozzi, and Warshaw in 1989 which discusses the theory of acceptance of new technology. That someone's satisfaction with using technology is due to its ease of use and usability, not because of its service features. There are other possible factors that influence the use of fintech, such as the findings of [Leniwati, Brilyan, and Wahyuni \(2021\)](#), including privacy, need, and risk.

Likewise, the security risk is proven to have no effect on interest in transactions using Sharia fintech. This is reinforced by the results of descriptive statistics, as many as 80% of respondents stated that Islamic fintech entered personal data so respondents did not like and felt worried about the security of personal data when using Islamic fintech. Likewise, 80% of respondents consider Islamic fintech to have a high risk of losing money. In addition, there is a sense of concern for fintech users regarding regulatory and security issues that can harm users. The results of this study support the research conducted by [Giudici et al. \(2019\)](#) that the Peer-to-peer lending platform poses a higher risk in the form of credit risk because it is not owned by the lender and systemic risk due to the high interconnection between borrowers generated by the platform.

CONCLUSION

Based on the data analysis, it can be concluded that the ease of use and the adopted trust affect the interest in using sharia fintech. However, service features and security risks do not affect the interest in transacting using sharia fintech. This study also proves that the use of sharia fintech with mediation of interest in using has proven to have an effect on the performance of MSMEs. Some supporting evidence is that the respondents in this study are dominated by MSMEs which have only been established for about 2 years, so they have adapted to the use of information technology. However, respondents also have the opinion that service features and security risks are not a consideration for interest in using sharia fintech because they believe that sharia fintech is under the supervision of OJK.

This research is useful for fintech users in conducting business transactions that using fintech is proven to be able to improve the performance of MSMEs from the aspect of increasing the number of customers and the amount of income. However, it is necessary to consider that the selection of Sharia fintech used must be a company under the supervision of the OJK so as to prevent the use of online loan services that contain the risk of fraud. Suggestions for fintech companies should be to create complete and attractive features that make it easier for users.

This research has a limited number of respondents which are relatively small and SMEs are only in the Greater Malang area. Data collection is still limited from a questionnaire that is not equipped with in-depth interviews related to the results of this study. Future research can expand the number of respondents and add other variables such as sharia fintech literacy in MSMEs

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