



## Analysis of the Lack of Interest of MSMEs in Fintech In Medan Denai

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### ABSTRACT

The government will address the issue of population explosion, which will be very important for economic development especially in Medan City, the government also encourages the growth and empowerment of MSMEs. Therefore, government-owned small and medium enterprises must be developed to be empowered. People may be motivated to move forward in their business with MSMEs in Medan Denai. Until 2021, the number of fintech companies is expected to continue to grow due to a number of variables, including convenience, excellence, service features, risk, and trust. the convenience of using fintech is easy to understand and does not require a lot of work, but umkm in Medan Denai still do not understand the use of fintech. therefore the purpose of this research is to analyze the Lack of Interest of MSMEs in Fintech in Medan Denai. This research uses a qualitative approach that is descriptive and explains the study in the field. The analysis method used is an analysis of the results of interviews and field observations conducted by researchers. In addition, the study techniques include using primary data from interviews with 10 MSME players in Medan Denai in July to those who have or have not used fintech in their operations. These 10 MSMEs are MSMEs that are a requirement for this research. According to the findings of the study, 1. Intention to use fintech services is concluded that the majority of traders are aware of the existence of fintech. Personalization is concluded that for those who know fintech, they consider fintech easy to use, but there are some MSME players who do not know fintech so they cannot make conclusions. 3. The ability to access fintech, almost all of them answered that fintech can be used

anywhere, because fintech is on a cellphone that can be taken anywhere. The features that exist in fintech for them are difficult and some are not, depending on their use. 4. Technological innovativeness, namely some informants said that fintech has been able to provide services according to existing needs but some have not, it is because some of these fintechs do not have fintech guides making them feel helped in terms of buying and selling services 5. Social factors, namely for those who use fintech, they say that they use it because of the invitation of friends and people around, but there are also those who already know from the beginning. All informants said that fintech makes a business competitive and is able to make its business superior, it happens because nowadays many people make payments through fintech.

## INTRODUCTION

The growth of fintech in Indonesia is in line with the development of the fintech industry, with 359 fintech companies currently members of AFTECH, the Association of Digital Financial Innovation Organizers that has been officially appointed by the Financial Services Authority (OJK) based on PJOK No. 13/2018 (Fintech Indonesia, 2021). Like the number of digital users, the number of fintech businesses continues to grow. According to a study by Facebook and Baik & Company, Indonesia is expected to have 137 million internet consumers in 2020, up from 119 million in 2019. In addition, according to Bank Indonesia's forecast, the amount of electronic money transactions will increase from Rp 201 trillion in 2020 to Rp 266 trillion in 2021, an increase of 32.3% (Aisyah, 2020).

Governments around the world are supporting the development of fintech by creating laws and regulations to address these challenges. Very exciting business opportunities exist in Indonesia for fintech. Indonesia is a market with a promising future for fintech due to its sizable population, growing middle class, as well as the potential for unfriendly financial products (Nurbaiti, 2023). While only 36% of the population in Indonesia is banked, fintech promises to make financial services accessible to the unbanked. Fintech platforms in Indonesia often enjoy tremendous growth between 2019 and the end of 2022 (Azhar & Laily, 2019).

According to a ShopBack survey of 2,025 Indonesian e-commerce customers aged between 18 and 55 who participated between March 8 and 10, 2021, 65% of respondents use e-wallets to make payments when they buy online. According to DailySocial poll findings from 2020, 87% of respondents use GoPay, making it the most widely used digital wallet in Indonesia. OVO (80.4%), Dana (75.6%), ShopeePay (53.2%), LinkAja (47.5%), Jenius (14.2%), iSaku (10.7%), DOKU (7.5%), Paytren (6.6%), Sakuku (5.9%), Uangku (4.6%), etc (0.7%). (SME North Sumatra, 2022).

Fintech is becoming increasingly common and has emerged as a viable alternative for people, particularly SMEs. The advancement of fintech has been proven to help consumers, businesses, and the national economy, according to Bank Indonesia (2018). Reducing operating and capital costs, stopping the flow of information, and shortening the trade chain are all advantages for business stakeholders (product or service traders) (Yenni Samri Nasution, 2022). The benefits for the government include encouraging the national strategy for financial inclusion (SKNI), encouraging economic transmission policies, and increasing money circulation to boost the community's economy (Muhammad Ikhsan H, 2022). An important part of the development of SMEs is played by fintech. Fintech provides convenience and efficiency to SMEs from the perspective of technology-based financial management, such as digitalization of financial reporting, payment technology, and online-based lending. By providing convenient and simple

digital financial transaction services to the unbanked, fintech also expands the market and increases access to new clients (SME Sumut, 2022).

The government will address the issue of population explosion, which will be crucial for economic development. Specifically in Medan City, the government is also encouraging the growth and empowerment of SMEs. Therefore, government-owned small and medium enterprises should be developed to be empowered. People may be motivated to advance in their business with SMEs in Medan Denai. The number of small and micro enterprises in Medan Denai is shown in the following table.

**Table 1: Number of SMEs in Medan Denai**

No	Business Type	Number of Units			
		2019	2020	2021	2022
1	Micro Business	11	8	15	18
2	Small Business	78	65	83	107
3	Medium Enterprises	24	15	29	32
<b>Total</b>		113	88	127	157

Source: Data from the Office of Cooperatives and MSMEs of Medan City, 2023

The number of small, medium, and micro business units identified by the Medan Denai MSME Office as assisted businesses is listed in the information above. Based on the above, it is imperative for the government to collaborate in order to assist the development of SMEs in order to lift SMEs and micro-enterprises to the ladder of business leadership. If the government is committed to achieving its vision and goals, this can be achieved. Most of the city's businesses are small and medium enterprises which are scarce in Medan Denai. According to Y. Manan's research, 2019 will emphasize the beneficial impact of effective fintech implementation on the MSME sector, focusing on the importance of MSMEs as a pillar of the economy. The fintech sector benefits from disruptive technological innovation as it can result in unexpected customer value chain facilities. Adiseshann (2018) and a report released by Deloitte (2018) claim that fintech, particularly in the area of digital payments, can support further growth of MSMEs. This suggests that fintech may be useful, at the very least, in terms of the competitive benefits it can bring to micro and small enterprises in terms of payment convenience and security, better customer shopping experience, transparency and regular record-keeping, and especially value (Indriyani, 2021).

The existence of MSMEs to help revive the nation's economy can be attributed to the rise of the role of financial technology in the era of the Fourth Industrial Revolution. According to research published in (Rokan, 2012), it is crucial for micro, small, and medium enterprises (MSMEs) to adapt and utilize information and communication technology efficiently if they are to thrive in today's competitive and ever-changing business climate. With current Fintech applications, even conducting economic transactions can be done anywhere, anytime, and at the touch of a finger (Budi Dharma, 2023). Until 2021, the number of fintech companies is expected to continue to grow due to a number of variables, including convenience, excellence, service features, risk, and trust. Convenience is the idea that using fintech is easy to understand and does not require much work (Hijja Mardhiya Nasution, Sri Sudiarti, 2019). More and more SME owners are motivated to utilize fintech as a result of better perceptions of its simplicity among SME owners. This is corroborated by the research of Nurdin et al. (2020) and Yanto et al. (2020), who found that convenience positively affects interest in adopting fintech. In contrast, the results of Setiawan et al. (2020) and Marisa (2020) show that interest in utilizing fintech is not influenced by convenience.

There are many fintech companies that you can find in Indonesia. What is analyzed in this study is the type of fintech for buying and selling transactions in MSMEs, such as Dana,

Shopeepay, Jenius, Gopay, and OVO. All of them are fintech platforms that are registered with OJK and licensed to conduct financial activities legally. The reason this research analyzes fintech for buying and selling transactions is because nowadays business actors have followed existing technology to run their businesses, especially in the payment process they follow online payments. The online payment in question is by transferring the buyer's money using an application, namely fintech. Fintech helps many MSME business actors in developing their business. But there are also many MSME players who do not use fintech because of several things such as not knowing how to use it and it is also complicated.

The development of fintech in Indonesia cannot be separated from the role of information system management which is now growing rapidly. With an adequate information system, MSME business people can find fintech companies that are able to lend capital for their business. Benefit is the idea that someone has that using fintech will improve their ability to do business (Davis et al. 1989; Yahyapour, 2008). The more SME owners are encouraged to adopt fintech, the more positive their impression of the benefits of doing so. The results of Yanto et al. (2020), Prasetya & Putra (2020), and others suggest that benefits have a favorable impact on interest in using fintech. Although Fernos & Alfadino (2021) produced mixed findings, the convenience did not discourage the desire to adopt fintech.

## LITERATURE REVIEW

### Fintech

A business sector called fintech uses technology to offer banking and financial services. The purpose of fintech is to facilitate access to financial services and products for ordinary people, including making transactions. In addition, the presence of fintech is expected to increase public financial literacy (Muzdalifah, 2018).

Akram Laldin, stated explicitly that fintech is one form of application of the mashlahah value listed in Islamic sharia. Even a Muslim academic from Indonesia, Ahmad Wira, reiterated that fintech is a form of mu'amalah shari'yyah driven by the spirit of the times. However, business practices in the fintech industry must also continue to deny the prohibitions (manhiyyat) of sharia, such as: gharar (uncertainty), dharar (harm), and tadlis (ambiguity). In line with the statements of some academics, fintech has also received positive confirmation from the Qur'an although not explicitly. The confirmation is in the form of substantial value brought by fintech, namely convenience (al-yusr).

There are many areas of financial technology, but startups dominate this sector because they are pioneers in developing new technologies for those who no longer depend on the old system. According to (Asmaul Husna, Atika Atika, Syachrul Wahyudi, 2021) a startup business is a business that is in the development stage and is supported by market research.

Dubai, United Arab Emirates, is where sharia-based financial technology first emerged. In 2014, Beehive qualified to receive its first certificate using the peer-to-peer lending marketplace model. Fintech is already being used in a number of Asian countries, including Singapore and Malaysia, following Beehive. Almost 40% of Indonesians are still unbanked, according to (OJK, 2017). Yet almost everyone in Indonesia owns a smartphone. Therefore, the evolution of traditional banks in the digital era, particularly the integration of technology into their financial systems, will be influenced by the rise of fintech (Pambudy & Handayati, 2022).

### A. MSMEs (Micro, Small and Medium Enterprises)

In Indonesia, Law of the Republic of Indonesia No. 20/2008 on MSMEs regulates the definition of MSMEs. Productive businesses controlled by individuals or specialized entities that meet the legal standards for small businesses are considered small businesses under Article 1 of the Law. In accordance with the law, a small business is "a person or entity that is independently

managed, owned, controlled, or operated by a person or entity that is not a subsidiary or subsidiary of a medium or large company. productive economic business (Yulianti, 2020).

In contrast, micro enterprises are run by small businesses, micro enterprises, or by persons or legal entities that are directly or indirectly owned, controlled, or integrated with small businesses. Not a branch office or subsidiary of another company. Meeting the legal requirements for a small business by a large company is a successful independent company (Nasution, 2020).

In Indonesia, micro, small, and medium-sized enterprises dominate the economic scene. The ability of micro, small, and medium-sized enterprises to operate freely is crucial for future development. About 60% of Indonesia's GDP consisted of micro, small, and medium-sized enterprises in 1999; of these, 42% were small and micro enterprises, and 18% were medium-sized enterprises (Tri Ina Fadhila Rahma, 2022).

The development of Micro, Small and Medium Enterprises (MSEs) is crucial for predicting the future of the economy, especially for improving the national economic framework. The national economic crisis that we are currently experiencing has a significant impact on the political, economic and social stability of the country. While most MSMEs and cooperatives are still able to run their businesses, the impact on large business activities is getting worse (Republika, 2019).

The realization of resilient and independent Micro, Small and Medium Enterprises (MSMEs) that have high competitiveness and play an important role in the production and distribution of basic necessities, raw materials, and capital to face free competition is the overall goal or target to be achieved. MSMEs are independent productive business units engaged in all economic sectors and operated by people or companies. In general, the initial asset value (excluding land and buildings), average annual turnover, or number of permanent employees are used to differentiate between Micro Enterprises (UMI), Small Enterprises (SE), Medium Enterprises (UM), and Large Enterprises (Universitas Brawijaya). However, based on these three valuation methodologies, the definition of MSMEs varies per country. Therefore, it is difficult to compare the significance or function of MSMEs across countries (Nihayah, 2019).

## **METHODS**

Qualitative research is a research process to understand human or social phenomena by creating a comprehensive and complex picture that can be presented in words, reporting detailed views obtained from informant sources, and conducted in a natural setting (Walidin, Saifullah & Tabrani, 2015: 77).

- The research approach used is a qualitative approach with the type of research being descriptive qualitative.
- The subjects in this study were conducting in-depth interviews with 10 MSME players in Medan Denai, this is because the existing MSME players were randomly selected and the research location was not too wide for MSME players so that MSME players who were still selling and who had been selling for a long time were selected. including Pisang Pasir Poli, Burger Gendon, Es Doger Putri, Jus Sari, Koaki, Atika Boutique, Serba 35 Ribu, Akia Water, Buah Nabil Denai, and Fashion Parking, following the interview. The object of this research is to analyze the lack of interest of MSMEs in Fintech in Medan Denai.
- The location of this research is in Medan Denai District, the research time was conducted in July 2023.
- The data sources used are primary data sources, namely information obtained by conducting observations and interviews with MSMEs in Medan Denai. While secondary data is data obtained from journals and previous researchers.

## RESULTS AND DISCUSSION

### Intention to Use Fintech Services

In the millennial era, people have a high need for fintech or what is often known as online loans. Many young people who start businesses turn to online loan application platforms to apply for financing because they need money to run their businesses. The reason fintech is not utilized by MSME businesses is because apart from not knowing about it, fintech also presents various obstacles that MSME businesses in Indonesia may encounter.

#### Tabulation of Interview Results Indicator 1

Question	Informan 1	Informan 2	Informan 3	Informan 4	Informan 5	Informan 6	Informan 7	Informan 8	Informan 9	Informan 10
1. Did you know about fintech before?	I've heard of it	Yes, I know	I don't know	I don't know what it is, today's language is difficult	Yes, I know	Yes, I know	Yes, I know	I don't know	I don't know	I don't know
2. What types of fintech and sharia fintech do you know?	I only know Shope e yes	I don't know about Sharia funds and QRIS	Gadag who knows	No one knows	Application on cellphone for payment yes. I don't know the type of sharia fintech	Dana, genius, mban king. Don't know about sharia fintech	I only know mban king yes	I don't know the types anyway	I don't know what the fintech is like.	I know that dana, Shope e pay, and Mban king are definitely non-sharia.
3. Do you think fintech and sharia fintech have great benefits?	From my brother's explanation, I feel there are benefits	Yes, there must be benefits for everyone	From your explanation, there are benefits	After hearing your explanation, I think there is	Yes, it has benefits	Yes, there are benefits	Yes, there must be a purpose behind it.	After being explained, I think there are benefits	If something is created, there must be benefits	Yes, there are benefits
4. Do you think using Islamic fintech and fintech services can be used for various types of transactions (e.g. payments, sales, purchases, loans)?	I think it's possible because that's the goal	Yes, it must be possible because that was the	I only know about payment	Looks like it can be yes	Very much so because our store uses fintech	We can because our store uses one of the fintech.	Yes, because our store uses one of the fintech.	After being explained, I think there are benefits.	I think so, because I sell fruit using technology like	We can because our store uses one of the fintech,

		purpo se of its creati on							that.	qris
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1. As explained by one of the MSME actors, based on informant 1, said: "I have heard of fintech, but I don't use it, in my opinion also fintech must have benefits because it is from technology and technology was created to help human needs".
2. Based on informant 2, said: "I know fintech, I use funds and qris and I feel there are benefits, and fintech must have a purpose"
3. Based on informant 3, said: "I do not know fintech and do not know its usefulness and I feel that there must be benefits and I only know fintech for payments".
4. Based on informant 4, said: "I don't know what it is, today's language is difficult, I also don't know what fintech is and there must be benefits and also usually for payments"
5. Based on informant 5, said: "yes, I know fintech, applications on cellphones for payments, and there must be benefits and our shop uses fintech"
6. Based on informant 6, said: "I know fintech, I use jenius, mbanking and qris and I feel there are benefits, and fintech certainly has a purpose"
7. Based on informant 7, said: "I know fintech, I use, mbanking and I feel there are benefits, and it can be because our shop uses one of the fintechs"
8. Based on informant 8, said: "I don't know fintech, I don't use it, there are definitely benefits and it is very helpful"
9. Based on informant 9, said: "I don't know fintech, I don't know what fintech is like and I feel there are benefits, and it seems like it could be, because I don't sell fruit using technology like that".
10. Based on informant 10, said: "I know fintech, I know dana, shopeepay, and mbanking and I feel there are benefits, and it seems and can be because our shop uses one of the fintechs".

According to the statements of MSME players, internal factors such as a lack of knowledge on how to implement fintech in their business, especially for elderly MSME owners who are less responsive to technological change, also play a role in the less than optimal utilization of fintech and sharia fintech. Although MSMEs face various obstacles both internal and external, these MSME stakeholders are still interested in the promising potential that Fintech presents to support their company expansion. Based on the results of the study, it can be concluded that the majority of traders are aware of fintech, from the statements that there are traders who know the types of fintech and there are traders who do not know the types of fintech, according to them, fintech certainly has benefits and for those who use fintech, they use it for various purposes. However, the majority of explanations of MSME players lack knowledge about sharia fintech because they think that transactions that increase the value of payments are included in usury and that is definitely not the case.

### **Personalization**

Fintech came to Indonesia without being properly prepared by policymakers. There are now many types of hazards associated with its use as a result. Customer data security is one of the hazards that has received a lot of attention. Many people are also cautious and do not understand how to utilize the program due to the lack of continuous socialization from the government.

**Table 3. Tabulation of Interview Results Indicator 2**

Question	Informan 1	Informan 2	Informan 3	Informan 4	Informan 5	Informan 6	Informan 7	Informan 8	Informan 9	Informan 10
1. Is fintech a technology that is easy for you to use?	I think it's easy if you know how to use it	Easy but difficult too	I think it's difficult	it seems difficult and easy	If you can say it's easy because only transactions from cellphones don't have to meet.	Very easy, because all you have to do is click	Easy to use	It seems difficult	For people like me who are old, it's difficult, yes It's easy to use	but it's also difficult
2. Can Fintech encourage you to choose the information presented by the organizer according to what you need?	You can	Very good	I don't know Yes	I think there is a guide	Yes, so the user knows how to use it	Yes there is a guide	Yes because it must be learned first If this	I don't know enough	I don't know, yes	I can encourage it with the usage guide
3. If you use fintech, does fintech interfere with your activities with some of their notifications or sms notifications?	Yes, sometimes it's annoying	Yes, it's annoying but you can turn off the notifications	I don't use it so	I don't know	If the notification is sometimes disturbed	it doesn't bother me	Sometimes disturbed	It seems to disturb, because the ads in the game are disturbing	If the notifications may be disturbed	Disturbed anyway
4. With fintech do you feel helped?	No, because sometimes it's hard too	Very helpful	I don't know	I don't use fintech	Very helpful	Very helpful	Slightly helped	Very helpful	I don't know	it helps with our store payments

1. As explained by one of the MSME actors, based on informant 1, said: "in my opinion, it is easy if you know how to use it, and it can be used anywhere, and notes are sometimes annoying and fintech is sometimes difficult, sometimes not".
2. Based on informant 2, said: "easy but also difficult, very usable and yes it is annoying but you can turn off the notifications, and it is very helpful"
3. Based on informant 3, said: "I don't know about fintech and I don't know what it's for and I don't use it and I don't know everything about it".
4. Based on informant 4, said: "I find it difficult and easy, I don't know how to use it and I find the notifications annoying, and it helps"

5. Based on informant 5, said: "if you can say it is easy because it is only a transaction from a cellphone, you don't have to meet, I think I know how to use it, if notifications are disturbed and fintech is very helpful"
6. Based on informant 6, said: "it's very easy, because you just have to click, yes there is a guide, sometimes the notifications are disturbed and fintech helps"
7. Based on informant 7, said: "I use fintech easily, yes because it must be learned first, sometimes it's interrupted and fintech helps"
8. Based on informant 8, said: "I don't know fintech, I don't use it, if the notification is definitely disturbed and very helpful"
9. Based on informant 9, said: "I don't know fintech, I don't know what fintech is like and I feel there are benefits, and the notifications are annoying".

Although fintech has several advantages for MSME businesses, not all businesses can take advantage of it. For MSME players in Medan Denai, this could be because MSMEs lack urgency in utilizing fintech.

According to the research results, there are still a number of difficulties that must be overcome by businesses before fintech can be fully implemented, one of which is from the client side. Since it is difficult for individuals to adjust and change from one method to another, even though the new technology has several benefits that make it easier for consumers to transact, not all customers realize the need to use digital payment as a technology. Business people hesitate to adopt fintech because of low interest rates or the absence of urgent client needs.

Based on the explanation above, it can be concluded from the personalization factor, namely for those who know fintech, they consider fintech easy to use, but there are some MSME players who do not know fintech so they cannot make conclusions. Merchants can get more information from the fintech. The majority of the notes are quite disturbing for traders. The majority of them feel helped, but some do not feel helped by fintech.

**Fintech Access Capability**

Businesses that rely on the internet system for their transaction operations are often concerned about digital theft. This is what sometimes causes MSMEs to hesitate to utilize fintech based on digital payments. They only have knowledge of fintech related to electronic payments. Due to the lack of human resources, related parties have not been adequately socialized regarding the use of fintech in the SME world, so SMEs are less interested in utilizing fintech. SMEs are reluctant to use and make payments with fintech.

**Table 4. Tabulation of Interview Results Indicator 3**

Question	Informan 1	Informan 2	Informan 3	Informan 4	Informan 5	Informan 6	Informan 7	Informan 8	Informan 9	Informan 10
1. Can fintech be used anywhere?	I think it can	be anywhere	If from your explanation, yes, you can, it seems like	I think you can do it.	It's possible if there's a signal because that's the only problem.	Sometimes if you can't get a signal	Looks like it could be yes	Yes, I think so	From your explanation, I think you can do it because it's on your mobile phone.	It's either that or we're on the road

2. Fintech is an application that is difficult to use?	Sometimes it's hard	Sometimes it's hard	From the looks of it, it's hard	It seems difficult yes	It's hard to be easy	Sometimes it's easy and sometimes it's hard	Easy and hard	It's hard if you don't understand	For me, it's hard	It's so easy because it's practical
3. Why don't you use fintech?	I only use 1 of them	I have fintech	I didn't know before and I'm tech-savvy	It's complicated.	I use	I use fintech	I use fintech	I don't use fintech because I think it's difficult and my business doesn't use fintech either.	I find it complicated and difficult, and I also don't understand it.	I use fintech
4. Do you think the features in fintech are difficult to use?	Some are difficult	some are easy Some are difficult, some are easy	It's difficult in my opinion, because I didn't understand and the question earlier.	It's difficult and complicated	It's not too difficult because there is a guide	Not difficult if learnt	Not difficult it seems	It's hard	It's as hard as the name suggests	Sometimes there are features that do not match their usefulness, such as help, there is no solution but only an unclear explanation.

1. As explained by one of the MSME actors, based on informant 1, said: "in my opinion fintech can be used anywhere, sometimes it is difficult to use sometimes it is easy, and I only use 1 fintech, there are difficult and easy ones"
2. Based on informant 2, said: "it can be used anywhere, sometimes it is difficult too, I use fintech and there are features that are difficult and easy"
3. Based on informant 3, said: "from your explanation, yes, it seems that you can, it's also difficult, I'm stuttering in technology, it's difficult in my opinion, because you showed me the problem, I don't understand it"
4. Based on informant 4, said: "I think I can, and it's difficult, I don't use it because it's complicated, the features are difficult and complicated."
5. Based on informant 5, said: "it is very possible if there is a signal because the obstacle is only there, it is difficult to make it easy, I use fintech, for the features it is not too difficult because there is a guide"
6. Based on informant 6, said: "sometimes sometimes if the signal is not working, and sometimes it is difficult sometimes easy, I use fintech, the features are easy"
7. Based on informant 7, said: "it seems like it can be anywhere, easy and difficult, I use fintech, and the features are helpful"

8. Based on informant 8, said: "I think it can, I don't know fintech, I don't use it, I don't use fintech because I think it's difficult and my business also doesn't use fintech, if the feature might be easy"
9. Based on informant 9, said: "I think so, I don't know fintech, I don't use it, I don't use fintech because I think it's difficult and my business also doesn't use fintech, if it's a feature it might be easy".
10. Based on informant 10, said: "from your explanation, I think you can use the arena on your cellphone, it's difficult, I feel complicated and difficult, and I also don't understand, and it seems difficult"
11. Based on informant 11, said: "it is very possible or we are on the road, it is very easy and practical, I use fintech and fintech helps".

The limitations of MSME actors in using fintech can be used as important evidence that the convenience provided by fintech applications cannot be separated from several vulnerabilities that need to be watched out for. Since consumer trust is the most important capital to hold in terms of money, this information can also be used as evaluation material by fintech service providers to maintain their quality.

Based on the explanation above, it can be concluded that the factor of the ability to access fintech, almost all answered that fintech can be used anywhere, because fintech is on a cellphone that is usually carried anywhere, all informants said that fintech is difficult to use because sometimes there are several requirements that must be done. Those who do not use them say that fintech is difficult to understand and there are many requirements. The features in fintech for them are difficult and some are not, depending on the user.

**Technological Innovativeness**

The emergence of the industrial era 4.0, which impacts all sectors from banking to industry, technology, and education, triggered the birth of fintech. Take Traveloka, Gojek, Grab, Kredivo, or OVO. Some of these digital companies provide a number of benefits that make it easier for customers to order food, use transportation, and borrow money.

**Table 5. Tabulation of Interview Results Indicator 4**

Question	Informan 1	Informan 2	Informan 3	Informan 4	Informan 5	Informan 6	Informan 7	Informan 8	Informan 9	Informan 10
1. Has the fintech technology been able to provide the services needed or not?	Not all are able to be required	Not all are there yet	I don't think I can afford it yet.	It seems to have been	Very already	Already able to help	It seems to have been able to yes	It seems to have been able to yes	It seems to have been able to yes	Already capable yes

2. In terms of buyer service, do you feel that with fintech it is easier or otherwise?	If it helps, yes, sometimes not too	Helped a little	If the business is only ice, I don't think it's necessary to use it.	It's a hassle to sell small things like this.	For us, it's easy, because we sell online too.	It's easy because sometimes consumers pay using fintech	Yes, it was created to make things easier.	Yes, maybe it's easier	I think it's easy for young people and difficult for older people.	Yes, it's easy because all you have to do is scan and it's paid immediately.
3. Do you think fintech is a technological advancement?	Yes, because it's using a mobile phone, that's progress.	Yes, because it uses technology too	Yes	Yes, so sophisticated	Yes, so it's advanced and leading	Yes, technological advances	Yes, technological advances	Yes, progress because everything is sophisticated	Yes, technological advances	Yes, technological advances
4. Usually in fintech apps there are always new updates, does that trouble you?	Yes, sometimes I get confused.	If learnt easily	It seems difficult	I don't think it's hard to update	Not difficult	Not difficult	Don't know if it's hard or easy	I don't know how difficult or easy it is.	If it's an update, I think it's easy	It doesn't make it easier

As explained by one of the MSME actors, based on informant 1, said: "not all of them are able to be needed, if it helps, yes, sometimes not too, right, because it uses a cellphone, that's progress, yes, sometimes it gets confused, yes"

Based on informant 2, said: "not all can be used, it helps a little, yes because it uses technology too, if you learn it easily"

Based on informant 3, said: "I don't think I can afford it, if the business is only ice, I don't think I need to use it, yes, fintech is progressive and difficult"

Based on informant 4, said: "I haven't been able to, if selling a small business like this is a hassle, yes, it has become sophisticated, I don't think it's difficult to update"

Based on informant 5, said: "very much so, if we are easy, yes, because we sell online too, fintech is the progress of the times, and it is not difficult"

Based on informant 6, said: "very already, it's easy because sometimes consumers pay using fintech, yes it's the progress of the times, it's not difficult"

Based on informant 7, said: "it seems to have been able to yes, yes it was created to make it easier, I think technological progress, and fintech is not difficult"

Based on informant 8, said: "very usable, yes maybe it makes it easier, yes progress because it is sophisticated, I think it is easy"

Based on informant 9, said: "it seems to be able to yes, if I think for young people it is easy and old people are difficult, yes including technological advances, and easy"

Based on informant 10, said: "very capable, yes, it is easy because you just have to scan and pay immediately, yes, technological advances and not even make it easier".

The interview results also show how easy it is for MSMEs to collaborate with the fintech industry for digital payments and how there is no need for various forms of documents. MSMEs are only required to make an ID card as a prerequisite for registering to use the digital payment system.

The development of technology is increasing day by day, so there will always be new innovations that provide benefits to the community when using the technology. In fintech, technological innovation makes it easy for users to make transactions in everyday life. Technological innovativeness is a supporting facility in the use of fintech applications which are contained in the user's smartphone. It means that the extent to which innovation is considered consistent with the values, needs and experiences of users.

Based on the explanation above, it can be concluded that the technological innovativeness factor is that some informants say that fintech has been able to provide services according to existing needs but some have not, it is because some of these fintechs have no Fintech guidelines make them feel helped in terms of buying and selling services, they say it is easier and just click from the cellphone. They all said that fintech is a technological advancement, they concluded that the fintech application can only be used from cellphones and other technological tools. According to them with update features make it easier to use fintech.

### **Social Factors**

According to the statements of MSME players, internal factors such as a lack of knowledge on how to implement fintech in their business, especially for elderly MSME owners who are less responsive to technological changes, also play a role in the suboptimal utilization of fintech. Although MSMEs face various obstacles both internal and external, these MSME stakeholders are still interested in the promising potential that Fintech presents to support their company expansion. Besides, I think it needs to be implemented as often as possible.

**Table 6. Tabulation of Interview Results Indicator 5**

Question	Informan 1	Informan 2	Informan 3	Informan 4	Informan 5	Informan 6	Informan 7	Informan 8	Informan 9	Informan 10
1. What is your reason for using fintech? Was it an invitation from someone around you?	Yes, my friend told me	I know myself	I didn't know before	I don't use	I have been using fintech since 2018. And I learnt about it from people around me.	I use fintech because I see the convenience so I use it.	I use fintech because I was told by my bank and there is only one fintech.	I don't use fintech	I don't use fintech	I use fintech because I think nowadays the sophistication of technology is very helpful, especially for selling.
2. Do your friends use fintech a lot?	There are many, especially in this day and age of technology.	Many use	Many seem to be yes	Many	Many almost average	Many all use	Many all use	I think some of them are because my friends are older too.	I think they use them	Many all use
3. Does the bank where you save usually recommend using fintech, do you follow it?	Yes, they usually tell me to use mbanking.	It's like mbanking but I don't use it.	I was not told yesterday	Advocate and I don't use	Recommended and used by me	Recommended and used by me	Recommended and used by me	Encouraged but I said I didn't want to use it because it was difficult.	Advocated but I rejected it	I recommend and use mbanking.
4. Do you realise that with fintech, the competitiveness of a business is very strong?	Sometimes yes, sometimes no, depending on what the business is selling.	Yes, because with advanced fintech.	If the competition depends on the businesses, yes.	Yes, it seems	Yes, because it is very helpful for selling online.	Yes, because if gadget fintech becomes outdated	It seems like it's all about technology.	I think there is competitiveness, but for the sale of expensive goods, yes.	Yes, it definitely makes competitiveness yes	It is very competitive, because some consumers want to shop if a store provides online payment.

1. As explained by one of the MSME actors, based on informant 1, said: "yes, my friends told me, there are many, especially nowadays, what is all technology, they told me to use mbanking, sometimes yes, sometimes no, it depends on what business I sell."

2. Based on informant 2, said: "I know myself, many people use it, they tell me to use it like mbanking but I don't use it, yes, because fintech is sophisticated."
3. Based on informant 3, said: "I didn't know before, there are many it seems, I was not told yesterday, if the competition depends on the business, yes."
4. Based on informant 4, said: "I don't use it, a lot, recommend it and I don't use it, yes it seems"
5. Based on informant 5, said: "I have been using fintech for a long time since 2018. And I know it from the people around me, many are almost average, recommend and I use it, yes because it really helps me to sell online"
6. Based on informant 6, said: "I use fintech because I see the convenience so I use it, many all use it, recommend it and I use it, yes because if you don't use fintech, you will be outdated"
7. Based on informant 7, said: "I use fintech because I was told by the bank and yes only 1 fintech, many all use it, recommend it and I use it, it seems like yes, the arena is all technology"
8. Based on informant 8, said: "I don't use fintech, I think some of them are because my friends are also old, they recommend it."
9. Based on informant 9, said: "I don't use fintech, I think they use it, they recommend it but I reject it, yes, it definitely makes competitiveness yes"
10. Based on informant 10, said: "I use fintech because in my opinion, nowadays technological sophistication is very helpful, especially for selling, yes, many use it, recommend it and I use it, namely mbanking, it is very competitive, because some consumers want to shop if a store provides online payments."

Social factors are the influence of other people on the application of a particular system. Social factors are supported by opinions from family, friends, other companies, and even the individual's environment. This will make individuals believe that their influence provides benefits when using the technology. Social influence can be interpreted as a change that occurs in attitudes, behaviors, and opinions due to other people or the social environment.

Based on the explanation above, it can be concluded that social factors, namely for those who use fintech, they say that they use it because of the invitation of friends and people around, but there are also those who already know from the beginning. Almost the average informant said that their friends use fintech a lot, it is also caused by needs and the surrounding environment. All banks where they save tell them to use fintech, namely m-banking, this fintech is widely used today. All informants said that fintech makes a business competitive and is able to

make its business superior, it happens because now many people make payments through fintech.

## **CONCLUSION**

Based on the results of the research that has been carried out, it can be concluded that in fintech access, this is what sometimes causes MSMEs to hesitate to utilize digital payment-based fintech. For payments in the form of handling or admin fees, it is a non-sharia type. They only have knowledge of fintech related to electronic payments. Due to the lack of human resources, related parties have not been adequately socialized regarding the use of fintech in the MSME world, so MSMEs are less interested in utilizing fintech. MSMEs are reluctant to use and make payments with fintech. Those who do not use them say that fintech is difficult to understand and has many requirements. For them, some features in fintech are difficult and some are not, depending on their use.

In the innovativeness of technology is a supporting facility in the use of fintech applications which are contained in the user's mobile phone. They all said that fintech is a technological advancement, they concluded that the fintech application can only be used from cellphones and other technological tools. According to them with update features make it easier to use fintech.

According to the statements of MSME players, internal factors such as a lack of knowledge on how to implement fintech and sharia fintech in their business, especially for elderly MSME owners who are less responsive to technological changes, also play a role in the less than optimal utilization of sharia fintech. Although MSMEs face various obstacles both internal and external, these MSME stakeholders are still interested in the promising potential that Fintech and sharia fintech present to support the expansion of their companies. Islamic fintech is less heard by MSME players, so this is what makes Islamic fintech less attractive to SMEs. Social influence can be interpreted as a change that occurs both in attitudes, behavior, and opinions due to other people or the social environment. Based on the explanation above, it can be concluded that social factors, namely for those who use fintech, they say that they use it because of the invitation of friends and people around, but there are also those who already know from the beginning. All banks where they save tell them to use fintech, namely m-banking, this fintech is the most widely used today.

## **Suggestion**

Having come to their conclusion about the lack of interest in Fintech among MSMEs in Medan Denai, the authors will make recommendations on how the community can better educate themselves on the new developments due to fintech and learn more about how fintech has grown rapidly as a whole, including on the terms of financing MSMEs through fintech. In addition, future authors should focus their financial technology (fintech) studies on additional factors that will help readers understand fintech.

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