Jurnal Masharif al-Syariah: Jurnal Ekonomi dan Perbankan Syariah
ISSN: 2527 - 6344 (Printed), ISSN: 2580 - 5800 (Online)
Accredited No. 204/E/KPT/2022
DOI: https://doi.org/10.30651/jms.v11i4.31893
Volume 11, No. 3, 2026 (674 - 682)
Received 16 Jun 2026, Accepted 14 Jul 2026, Published Online: 22 Aug 2026

THE DIGITAL TRANSFORMATION OF MSMES AND ITS ALIGNMENT WITH ISLAMIC BUSINESS ETHICS: EVIDENCE FROM THE PANJANG BEACH AREA, BENGKULU CITY

Nadia Ananda Putri [1] Romi Adetio Setiawan [2] Nurrahmah Putry [3]
Universitas Islam Negeri Fatmawati Sukarno Bengkulu
nadiabengkulu123@gmail.com [1] romiadetio@mail.uinfasbengkulu.ac.id [2]
nurrahmahputry@mail.uinfasbengkulu.ac.id [3]

Abstract

Digital transformation has become a crucial strategy for Micro, Small, and Medium Enterprises (MSMEs) to enhance their competitiveness in the era of information technology advancement. The use of social media, marketplaces, digital payments, and various online platforms provides opportunities for MSMEs to expand their marketing reach and improve business efficiency. However, the implementation of digital transformation also requires adherence to the principles of Islamic business ethics, such as honesty, trustworthiness, fairness, and transparency in all business activities. This study aims to analyze the digital transformation practices undertaken by MSMEs in the Panjang Beach area of Bengkulu City and assess their compliance with Islamic business ethics. The study employed a qualitative descriptive approach with field research methods. Informants were selected through purposive sampling, involving MSMEs actively using digital technology in their business activities. Data were collected through observation, in-depth interviews, and documentation, then analyzed using the Miles and Huberman model, which includes data reduction, data presentation, and conclusion drawing. The results are expected to provide an overview of the implementation of digital transformation in MSMEs and its level of compliance with the principles of Islamic business ethics. Furthermore, this research is expected to serve as a reference for MSMEs in developing digital-based businesses that are not solely focused on economic profit but also adhere to Sharia values in their business practices.

Keywords: Digital Transformation, Sharia Business Ethics, Digital Marketing, Pantai Panjang, Bengkulu City.

1. Introduction

Development technology information and communication in the era of revolution industry 4.0 has bring significant changes in various aspect life, including in the sector economy and business. The presence of the internet, social media, marketplaces, and various other digital platforms has change method public do activity economics. Changes the known as digital transformation, namely the integration process digital technology to in all over aspect capable business change method organization operate and provide mark to customers (Verhoef et al., 2021). Digital transformation does not Again become choice, but rather has become need for perpetrator business For maintain existence and increase Power competition in the middle increasing market competition competitive.

Digital transformation provides big impact to development of the business world, especially for Micro, Small, and Medium Enterprises (MSMEs). Through utilization digital technology, MSME actors can expand range marketing, increasing efficiency operational, speed up transaction processes, and build deeper relationship effective with consumers. Development digital technology also makes it possible perpetrator business For access a wider market wide without limited by location geographically, so that open opportunity improvement income and growth effort (Nadkarni & Prügl, 2021).

In Indonesia, MSMEs have a very important role in economy national. Based on data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia, MSMEs are dominant sector structure economy national and capable absorb part big power work. In addition, MSMEs also contribute in a way significant to Product National Gross Domestic Product (GDP). Conditions the show that the sustainability and development of MSMEs have great influence to growth Indonesian economy as a whole overall.

As it develops digital technology, MSMEs are required For capable adapt with change behavior increasingly consumers dependent on technology. Consumers moment This tend look for information product through social media, doing transaction online, as well as use various method digital payments in fulfil need they. Change behavior the push MSME actors to utilizing digital platforms as means marketing, communication, and transactions business. Therefore Therefore, digital transformation is one of the strategies that is assessed effective in increase Power MSME competitiveness in the digital era.

Utilization digital technology by MSMEs can done through various media, such as Instagram, Facebook, TikTok, WhatsApp Business, marketplaces, websites, to system QRIS and wallet -based digital payments electronic. Presence various platforms give convenience for perpetrator business in introduce product, build connection with customers, as well as increase business process efficiency. In fact, digital technology allows perpetrator business do promotion in a way more creative and interactive so that capable interesting attention consumer in more amount big (Kotarba, 2018).

Bengkulu City is one of the areas that show development use digital technology in MSME sector. One of the sufficient area active in activity economy public is Panjang

Beach area of Bengkulu City. This area known as center activity tourism and trade inhabited by various MSME actors, especially in the field of culinary, food snacks, drinks and products local others. Many MSME actors in the area the start utilise digital technology as means For increase sales and expanding the market.

Based on results observation early, partly big MSME actors in the Panjang Beach area have using social media as tool marketing main. They leveraging Instagram, TikTok, Facebook, and WhatsApp Business to promote product as well as interact with customers. In addition, some perpetrator business has also been use system digital payments and marketplace for support activity business they. Condition This show that digital transformation has become part important in development strategy MSME businesses in the Panjang Beach area.

Although digital transformation provides various benefit for MSMEs, its implementation also creates a number of challenges, especially those related to with aspect ethics in operate business digitally. Convenience access information and its extent range marketing through digital media can open opportunity occurrence practice business that is not in accordance with moral and ethical values. Some common problems found in activity digital business including delivery information products that are not in accordance with condition actually, manipulation review customers, excessive promotion, ambiguity price, up to practice fraud in online transactions (Suandhana & Arif, 2025).

In Islamic perspective, activities business No only aim get profit material only, but also must notice moral, social, and spiritual aspects. Islam teaches that every activity economy must done based on principle honesty, trustworthiness, justice, transparency and responsibility answer. Principles the known as ethics sharia business sourced from from the Qur'an and Hadith. Sharia business ethics regulates How perpetrator business operate activity business that is not only profitable in a way economy, but also provides welfare for public as well as get blessings from Allah SWT (Fauzia, nd).

Sharia business ethics have very important relevance in the era of digital transformation. Utilization digital technology must still based on sharia principles so that activities business conducted No contain element usury, gharar (uncertainty), maysir (speculation), and tadlis (fraud). In context digital marketing, actors business sued For give correct information about products sold, maintaining quality services, as well as avoid various form manipulation that can harm consumers (Sholihah, 2024).

A number of study previously show that digital transformation provides impact positive to development of MSMEs. Hasan et al. (2021) found that utilization of digital marketing is capable increase market reach and sales volume of MSMEs in general significant. Meanwhile that, Nadkarni and Prügl (2021) explain that digital transformation is factor the main driving force changes in modern business models through integration digital technology in various activity organization. Other research conducted by Suandhana and Arif (2025) shows that that practice online business in Indonesia is necessary notice implementation ethics Islamic business so that activities digital economy can walk in a way fair, transparent and appropriate with sharia principles. In addition, Khakim (2025) found that Still there is challenge in

implementation sharia values in activities digital economy as a result low digital literacy and understanding about jurisprudence digital transactions.

Study This become important Because the result expected can give contribution academic in development study about digital transformation and ethics sharia business, especially in the MSME sector. In addition, research this is also expected can become material input for MSME actors, government area, as well as party related in formulate a digital- based MSME development strategy that remains based on sharia values. Based on description background behind said, then study This aim For analyze form digital transformation carried out by MSME actors in the Panjang Beach area of Bengkulu City and study its suitability with principles ethics sharia business in activity digital business that they run.

2. Literature review

2.1. Digital Transformation

Digital transformation is a process of fundamental change in an organization or business through the integrated use of digital technology in all operational aspects. Digital transformation is not only related to the use of new technology, but also encompasses changes in business models, organizational culture, marketing strategies, and customer interaction patterns (Nadkarni & Prügl, 2021). According to Verhoef et al. (2021), digital transformation is a multidisciplinary process involving changes in a company's strategy for creating value through digital technology. These changes include the use of social media, big data, artificial intelligence, e-commerce, and various other digital platforms to improve business efficiency and effectiveness.

Digital transformation is a crucial factor for MSMEs because it can increase business competitiveness amidst increasingly rapid technological developments. Through digital transformation, MSMEs can reach a wider market, increase productivity, and strengthen customer relationships through faster and more efficient communication (Kotarba, 2018). In the context of MSMEs, digital transformation serves not only as a marketing tool but also as a tool to improve service quality, accelerate transaction processes, and simplify business management. Therefore, digital transformation is a crucial strategy in facing the challenges of the modern economy (Hasan et al., 2021).

2.2. Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) are productive businesses owned by individuals or business entities that meet the criteria stipulated in Law Number 20 of 2008 concerning MSMEs. MSMEs play a strategic role in the national economy because they absorb a large workforce and contribute to regional and national economic growth (Santoso, 2021). According to Krisdayanti and Dewandaru (2023), MSMEs are an economic sector that boasts significant resilience in the face of various economic crises. This is due to their high flexibility in adapting to market changes and consumer needs.

In addition to creating jobs, MSMEs also contribute to increasing community income and reducing poverty. Their presence can promote equitable economic development, even in areas untouched by large-scale industry (Munthe et al., 2023).

However, MSMEs still face various challenges, such as limited capital, low-quality human resources, limited access to technology, and limited ability to utilize digital technology. Therefore, digital transformation is one solution that can help MSMEs increase their competitiveness in the digital economy era (Santoso, 2021).

2.3. Sharia Business Ethics

Sharia business ethics is a set of moral principles derived from the Quran and Hadith that serve as guidelines for conducting business activities. Sharia business ethics emphasizes a balance between economic gain and moral responsibility, ensuring that business activities are oriented not only toward profit but also toward blessings and well-being (Fauzia, n.d.).

According to Sholihah (2024), Sharia business ethics aims to create fair, honest, and responsible economic activities. In Islam, business is viewed as an act of worship, so every business activity must be conducted in accordance with Sharia principles.

Sharia business ethics plays a crucial role in the digital era, as technological developments often present various moral challenges, such as online fraud, information manipulation, misleading promotions, and unclear transactions. Therefore, the implementation of Sharia business ethics is crucial for maintaining consumer trust and business sustainability (Suandhana & Arif, 2025).

3. Research methods

This study uses a qualitative descriptive approach aimed at in-depth understanding of the digital transformation phenomenon undertaken by MSMEs and its compliance with Sharia business ethics. This approach was chosen because it provides a comprehensive overview of the experiences and business practices of MSMEs in the field. Research informants were selected using a purposive sampling technique, with the criteria being MSMEs actively using digital media such as Instagram, WhatsApp Business, TikTok, and marketplaces to run their businesses. Eight informants, consisting of culinary and beverage business owners, were recruited. Data collection techniques included observation, in-depth interviews, and documentation. The data obtained were then analyzed using the Miles and Huberman model, which includes data collection, data reduction, data presentation, and conclusion drawing (Sugiyono, 2022).

4. Results and Discussion

4.1. Form Digital Transformation of MSMEs in Panjang Beach, Bengkulu City

Research result show that all over informant has utilise digital technology in operate his efforts. Form the most dominant digital transformation is use of social media such as Instagram, Facebook, TikTok, and WhatsApp Business as means promotion products. Most of them MSME actors stated that social media give significant benefits in increase visibility business. Through feature uploads photos, videos, and broadcasts directly, the perpetrator business can reach more consumers wide compared to method marketing conventional.

social media, some MSME actors have also utilize the marketplace to expanding the market. Digital transformation is also visible from use system digital payments such as QRIS, mobile banking, and digital wallets. The presence system digital payments

are assessed capable increase efficiency transaction as well as give comfort for consumers. Findings This in line with the opinion of Nadkarni and Prügl (2021) which states that digital transformation is not only covers use technology, but also change method organization interact with customers and manage business processes.

4.2. Compliance Digital Transformation with Sharia Business Ethics

Based on results interview, part big MSME actors have apply principle honesty in activity digital marketing. Informant state that Photo products published on social media in accordance with condition products sold to consumer. Principle trust is also visible from effort MSME actors in fulfil order customer in accordance with the time that has passed promised. If happen delay or constraint production, actors business try give information in a way open to consumers.

In aspect transparency, majority informant has list price product in a way clear on the digital platform used. Information about size, composition products and methods payment is also submitted in a way open to customers. Implementation principle justice seen from equal treatment to all over consumer without differentiate background behind social and economy. Actors efforts also avoid practice manipulation the price that can be harm consumers.

Although Thus, research find that Still there is a number of MSME actors who have not understand in a way comprehensive draft ethics digital promotion in sharia perspective. Some informant confess Once using promotional strategies that tend to excessive For interesting attention consumers.

Findings the show that digital transformation carried out by MSMEs in Pantai Panjang general has in accordance with principles ethics sharia business, especially in the aspect honesty, trustworthiness, justice, and transparency. These results in line with study Suandhana and Arif (2025) who emphasized that success digital business in Islamic perspective must based on Islamic moral and ethical values.

5. Conclusion and Suggestions

digital transformation carried out by MSMEs in the Panjang Beach area of Bengkulu City was realized through utilization of social media, marketplaces, applications message instant, and system digital payments. Digital technology has help increase effectiveness marketing, expanding market reach, and simplify the transaction process. Based on perspective ethics sharia business, some big practice digital business carried out by MSME actors has in accordance with principle honesty (shiddiq), trustworthiness, justice (al-' adl), and transparency. However however, still found constraint in the form of limitations understanding about ethics sharia- based digital promotions as well low digital literacy in some perpetrator business.

6. Bibliography

Arrofi, RA, Ajie, R., & Sutabri, T. (2024). Use of transformation Digital business for culinary MSMEs. *Journal* of *Management and Economics Research* (JRIME *), 2* (1), 180-189.

Ashari, D., Nisrohah, & Panorama, M. (2024). Business ethics in Islamic microeconomics. *Journal of Indonesian Islamic Studies (JSII), 2* (2).

Indonesian Internet Service Providers Association. (2025). *Indonesian Internet Profile 2025.* APJII.

Awa, A., Kartini, TK, Didi, D., Andriyadi, BP, Jahra, F., Sherli, APS, & Rahmawati, MM (2025). Empowerment Digitalization of Farmers and MSMEs Producing Local Tempeh Chips and Peyek Products : Empowerment Digitalization of Farmers and MSMEs Producing Local Tempeh Chips and Peyek. *CONSEN: Journal Indonesian Community Service and Involvement, 5* (2), 241-246.

Awaliyah, M., & Zakariya, N.A. (2025). The role of ethics Islamic business towards MSMEs in the digital business era. *Journal Intellect Human Scholars, 2* (6), 11870-11874.

Central Statistics Agency. (2023, February 6). *Indonesia's economy grew 5.31 percent in 2022.*

Dafitri, R., & Daryani, D. (2025). System Obstacle Layered Digitalization of Culinary MSMEs : A Qualitative Study Based TOE Framework. *Journal Business and Entrepreneurship, 21* (3), 153-164.

National Sharia Council of the Indonesian Ulema Council. (2000). *National Sharia Council Fatwa No. 04/DSN-MUI/IV/2000 concerning murabahah.*

National Sharia Council of the Indonesian Ulema Council. (2000). *National Sharia Council Fatwa No. 10/DSN-MUI/IV/2000 concerning wakalah.*

Cooperatives and SMEs Service of Bengkulu City. (2023). *Data on micro, small, and medium enterprises (MSMEs) of Bengkulu City in 2023.* Cooperatives and SMEs Service of Bengkulu City.

Fadillah, S., & Setiawan, RA (2025). The Influence of Lifestyle and Social Media on Behavior Consumptiveness in Generation *Z*. *Journal Masharif Al-Syariah: Journal of Islamic Economics and Banking, 10* (4).

Fauzia, IY, & Riyadi, AK (2015). *Principles base Islamic economics perspective Maqashid al-Shariah* (2nd edition). Kencana Prenadamedia Group.

Hasan, M., Dzakiyyah, A., Kumalasari, DA, Safira, N., & Aini, SN (2021). Digital transformation of MSMEs sector culinary in the sub-district Jatinegara, Jakarta East. *Journal Business and Entrepreneurship, 17* (2), 135-150.

Huda, N., & Putra, A. (2023). Digitalization of MSMEs from a Sharia economic perspective. *Scientific Journal of Islamic Economics, 9* (2), 1450–1460.

Imantoro, J. (2025). Business Ethics In the Digital Economy: Case Studies of Implementation Principle "Honesty on MSME *E-Commerce* Platforms in Indonesia." *Journal Accounting, Economics and Management Business, 5* (1), 204-208.

Islamiati, I., Qurrotul'Aini, S., Anisah, A., & Asman, N. (2025). The role of digitalization in empowerment MSME economy through application cashier smart. *Journal Learning Community Empowerment (Jp2m), 6* (2), 545-558.

Kirana, AA, Abdillah, S., Amalia, N., & Dewi, R., S. (2023). Transformation of Culinary MSMEs : Integrating Islamic Business Ethics and Innovation. *Al-Ihsan: Jurnal Sharia Business and Economics, 1* (1), 11-18.

Kotarba, M. (2018). Digital transformation of business models. *Foundations of Management, 10* (1), 123–142.

Krisdayanti, MH, & Dewandaru, B. (2023). The Role of Micro, Small, and Medium Enterprises (MSMEs) in Community Welfare. *BISEI: Journal Islamic Business and Economics, 8* (1), 30-37.

Mergel, I., Edelmann, N., & Haug, N. (2019). Defining digital transformation: Results from expert interviews. *Government Information Quarterly, 36* (4), 101385.

Munthe, A., Yarham, M., & Siregar, R. (2023). The Role of business micro small medium to Indonesian economy. *Journal of Business Economics, Management and Accounting, 2* (3), 593-614.

Muqsit, A., Johan, Y., Hartono, D., & Oktaviani, A. (2020). Analysis suitability area ecotourism beach in Panjang Beach, Bengkulu Province. *Journal Enggano, 5* (3), 566-586.

Mursidah. (2025). Islamic business ethics in producer-consumer relations: A study of the principles of honesty and transparency. *The Journal of Islamic Economics and Business (JOEBIS), 1* (1).

Nadkarni, S., & Prügl, R. (2021). Digital transformation: A review, synthesis and opportunities for future research. *Management Review Quarterly, 71* (2), 233–341.

Nisa, A., & Misidawati, DN (2024). Utilization of digital marketing in increase sale MSME products in Indonesia. *Sahmiyya : Journal of Economics and Business,* 184-190.

Nugraha, HP, Indarjo, A., & Helmi, M. (2013). Study of suitability and power support area For recreation beach at Panjang Beach, Bengkulu City. *Journal Study Marine, 2* (2), 130-139.

Nurhasnah, N. (2022). *Effectiveness Digitalization of Micro, Small, and Medium Enterprises (MSMEs) during the Covid-19 Pandemic in the Cooperative, SME, and Manpower Service Program (Islamic Business Ethics Analysis)* (Doctoral dissertation, IAIN Parepare).

Organization for Economic Co-operation and Development. (2023). *OECD SME and entrepreneurship outlook 2023.* OECD Publishing.

Pandary, PAY, Setiawan, RA, & Harpepen, A. (2026). Exploration Utilization Technology Information In Increasing the Competitiveness of MSMEs Islamic boarding school In the Digital Era. *JSE: Jurnal Sharia Economica, 5* (1), 408-419.

Purwana, D., Rahmi, R., & Aditya, S. (2017). Utilization of digital marketing for business Micro, small, and medium enterprises (MSMEs) in Malaka Sari Village, Duren Sawit. *Journal Civil Society Empowerment (JPMM), 1* (1), 1-17.

Putra, TWA, Solechan, A., & Hartono, B. (2023). Digital transformation in MSMEs in increase Power market competition. *Journal Informatics Upgris, 9* (1), 7-12.

Putri, IH, & Setiawan, RA (2026). The Influence Honesty Transparency and Quality of Service for Repeat Orders on GrabFood in Bengkulu City. *Journal Masharif Al-Syariah: Journal of Islamic Economics and Banking, 11* (1).

Riyadi, F. (2016). Urgency management in Islamic business. *BUSINESS: Journal Islamic Business and Management, 3* (1), 65-84.

Rozalinda. (2017). *Islamic Economics: Theory and its application to economic activities.* Rajawali Pers.

Salamah, U., Abidin, Z., & Sunarti, Z. (2025). Sharia business ethics in e-commerce: Purchasing without worry usury. *Journal Legal Analysis, 8* (1), 1-10.

Santoso, I. (2021). Descriptive Study Opportunities and Challenges for Indonesian MSMEs During the Covid-19 Pandemic. *Indonesian Journal of Economic Education. 3* (2), 279-292.

Saputra, MS, Lina, AQA, & Rohman, A. (2025). Implementation Technology Information For Increase Efficiency Operational MSMEs In Madura from a Sharia Economic Perspective. *BISMA: Journal Business and Management, 3* (2), 57-70.

Sholihah, Z. (2024). Implementation strategy ethics Islamic business for increase Feasibility of halal MSMEs in Indonesia. *Journal of Education and Economics: Edunomi, 1* (01), 56-69.

Suandhana, Uud. P., & Arif, Z. (2025). Analysis ethics Islamic business during the Umayyad Dynasty practice online business in Indonesia. *EKOMA: Journal of Economics, Management, Accounting, 4* (3), 5993-6006.

Tajvidi, R., & Karami, A. (2021). The influence of social media to performance company. *Computer in Behavior Man, 115,* 105174.

Trulline, P. (2021). Marketing MSME products through social media and e-commerce. *Journal Management Communication, 5* (2), 259.

Tulungen, EE, Saerang, DP, & Maramis, JB (2022). Digital transformation : The role of digital leadership. EMBA *Journal : Journal of Economics, Management, Business and Accounting Research, 10* (2), 1116–1123.

Verhoef, P.C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J.Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of business research, 122,* 889-901.