



## Utilization of Islamic Banking and Tiktok Shop for Micro, Small, and Medium Enterprises (UMKM) in East Jakarta

Muhammad Edo Suryawan Siregar<sup>1</sup>, Dewi Susita<sup>1</sup>, Suherman<sup>1</sup>, Destria Kurnianti<sup>1</sup>, Rahmi<sup>1</sup>, Setyo Ferry Wibowo<sup>1</sup>, Sholatia Dalimunthe<sup>1</sup>, Titis Fatarina Mahfirah<sup>1</sup>, Vidia Ratu Balqis Malzara<sup>1</sup>, Khalisatuz Zahro<sup>1</sup>, Rini Nurmala Sari<sup>1</sup>

<sup>1</sup> Universitas Negeri Jakarta, Indonesia

### ARTICLE INFO

#### Article history:

Received: 4th March 2024

Accepted: 14th June 2024

Published: 1st July 2024

### ABSTRACT

*MSME empowerment needs to be done to improve MSME's welfare. This community service team intends to provide training for MSME so they can improve their product and income. The target of this empowerment is MSMEs around the East Jakarta Industry, Trade, Small and Medium Enterprises Cooperative Office in Cakung District, East Jakarta. The training material is presented in the form of material presentation by resource persons followed by discussion. This community service activity proved to be able to provide an understanding of Islamic banking and product.*

#### Keywords:

*MSME, Syariah Banking, TikTok Shop*

**How to cite:** Siregar, M. E. S., Susita, D., Suherman, Kurnianti, D., Rahmi, Wibowo, S. F., Dalimunthe, S., Mahfirah, T. F., Malzara, V. R. B., Zahro, K., & Sari, R. N. (2024). Utilization of Islamic Banking and Tiktok Shop for Micro, Small, and Medium Enterprises (UMKM) in East Jakarta. *Jurnal Pemberdayaan Masyarakat Madani (JPMM)*, 8(1), 1-15. <https://doi.org/10.21009/JPMM.008.1.01>

\* Corresponding Author.  
[edosiregar@unj.ac.id](mailto:edosiregar@unj.ac.id) (Edo Siregar)

## INTRODUCTION

The growth of Indonesia's economy, which is based mostly on the syariah economy, is steadily increasing from year to year. According to Mujahidin (2020), over time, there has been a continuous growth in the halal industry globally. Within the halal industry, there have been innovations in the following sectors: media and entertainment, healthcare and education, tourism, fashion, cosmetics and medications, and halal food. The sharia economy, which grows annually, is the main driver of Indonesia's economic expansion. According to Haryono (2024), in 2023, Indonesia's economy and Islamic banking sector grows positively, led by the sector of the Halal Value Chain (HVC). Overall, the HVC sector contributes roughly 23% of the national economy.

In the realm of Islamic banking in Indonesia, Micro, Small and Medium Enterprises (MSMEs) play a central role in maintaining economic health. Islamic financial institutions in Indonesia also play an active role in advancing MSMEs by offering financial products and services that are in line with sharia principles. According to Law No. 21 of 2008 on Islamic Banking, an Islamic bank is defined as a financial institution that operates based on sharia values or Islamic law (Pemerintah Pusat, 2008).

MSMEs need to survive by relying on effective marketing strategies. Therefore, digital marketing, including through the TikTok Shop platform, is an important alternative for MSMEs to keep operating and growing.

According to Septiani (2024), last year, 20.87% of MSMEs chose to use TikTok Shop as their marketing tool. This figure is still lower than other ecommerce figures. In fact, digital marketing using TikTok Shop is very profitable because it has various features such as live shopping, multi-creator collaboration, and affiliate programs.

Digital marketing is in demand by the public because it is a fairly easy marketing medium because it can be done anytime, from anywhere, and also a wide range (Melinda, 2020). Through the adoption of change strategies proposed by Sartika (2023) in the context of Islamic banking, Islamic banks can play a role in supporting MSMEs engaged in the digital sector and utilizing TikTok shop as a marketing medium. Some steps that can be taken by Islamic banks to support MSMEs in utilizing TikTok shop are as follows:

**Education and Training:** Islamic banks can organize education and training programs for MSME players related to the use of social media, including TikTok shops, to expand the marketing and sales reach of their products.

**Financing and Credit:** Islamic banks can provide specialized financing and credit products for MSMEs that innovate and seek to expand their marketing through digital platforms such as TikTok shops. This financing support will help MSMEs increase their production and distribution capacity.

Partnerships and Collaboration: Islamic banks can establish partnerships and collaborations with digital platforms, including TikTok shops, to provide easy access and benefits to MSMEs that are their customers.

Digital Services: Islamic banks need to continue developing digital services that facilitate financial transactions for MSMEs. Services such as digital payments, banking through apps, and e-commerce platforms that comply with sharia principles can help MSMEs manage and expand their businesses.

With the support of Islamic banking in facilitating the utilization of TikTok shop and other social media, it is expected that MSMEs can more easily face economic challenges, including when there is a shift in marketing trends from conventional to digital. Proper application of information technology and digital marketing will help MSMEs increase competitiveness and achieve success in their business, while adhering to sharia principles. From the explanation above, this research aims to provide training to MSMEs regarding the utilization of Islamic banking and TikTok Shop in the East Jakarta Sub-Department.

## **LITERATURE REVIEW**

In terms of communicating and taking action digital technology plays a role in this. Digital technology also causes buying and selling to change, from offline to online. In this TikTok shop, it has evolved from marketing goods and services using digital channels to a broader sense, namely the process of acquiring consumers, promoting brands, retaining consumers, building consumer preferences, and increasing sales.

TikTok shop itself is conceptualized from the internet and search engines. In 2001 when internet usage was on the rise, the market was dominated by Yahoo and Google as search engine optimization (SEO). In 2006 the development of internet search, and in 2007 the explosion of mobile phone usage from all over the world, made it possible to connect with each other through social media (Khan & Siddiqui, 2013).

According to Adawiyah (2020), TikTok is "one of the most popular applications in the world and allows users to create videos with a duration of 15 seconds accompanied by music, filters and several other interesting features". This application can be used on smartphones to watch and create entertainment videos that entertain to educate the public, besides that it can also be a place to promote products, be it fashion, food, cosmetics, to furniture in an interesting way. From generation X to Z love TikTok because of its interesting features.

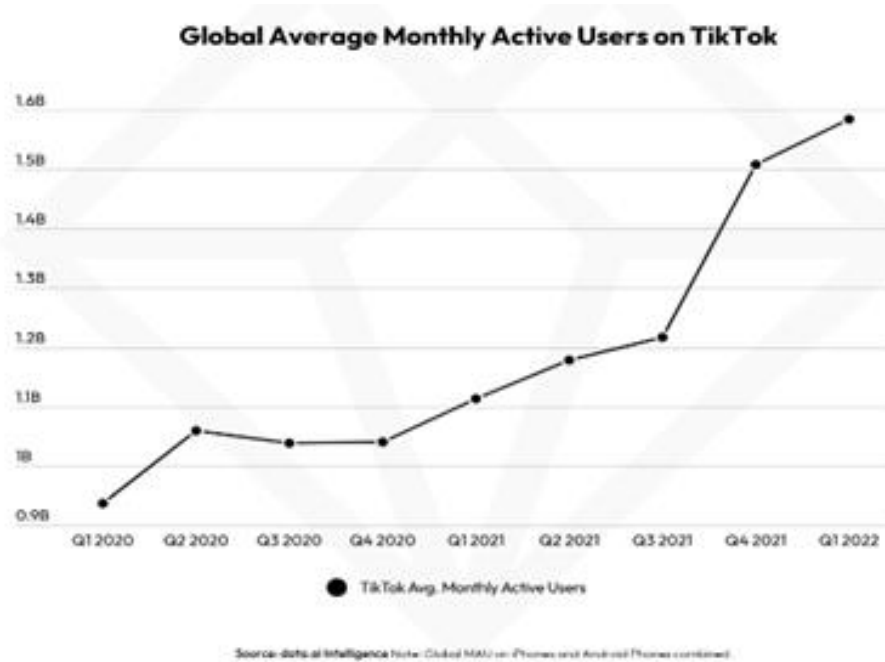
Users of this TikTok application are very many and almost all circles love this one application (Sa'adah et al., 2022). One of the features of Tik Tok that makes more and more users from day to day is TikTok shop. TikTok shop provides convenience for sellers and buyers in digital transactions.

Actually, the services provided are almost the same as e-commerce and marketplaces that are currently available. However, TikTok shop often provides lower prices than other platforms, by providing attractive promotions this makes consumers interested in buying it. Coupled with free shipping vouchers that can reach all over Indonesia, TikTok shop is increasingly in demand by the public, especially women.

According to Sa'adah et al. (2022), Business information systems combine elements of information technology and human interaction that utilize technology to support ongoing business operations. For example, in the context of the business world, there is the concept of electronic commerce. Electronic commerce refers to transaction activities or interactions between sellers and buyers that are conducted electronically. This includes sales and marketing processes that take place through internet platforms and rely on existing information systems. One obvious example of this is TikTok Shop, which is an online shop platform. Therefore, TikTok Shop can be considered a form of business information system, as in this platform, sales activities are conducted through an electronic medium that is capable of collecting, storing, and managing information related to buying and selling transactions and business activities in general.

In a survey conducted by Adweek Morning Consult, after seeing an advertisement, promotion, or review through a short video about 49% of TikTok users will buy a product. After respondents were asked about the reasons, they chose to use the TikTok Shop platform, they said the first reason is that TikTok has many active users (Zosche, 2021). TikTok ranked 2nd by downloads, and 1st by spending, and ranked 5th by average MAU (Monthly Active Users) in Q1 2022. It was predicted that TikTok would surpass the 1.5 billion MAU milestone by 2022, and in just 1 quarter of 2022, TikTok has completely broken that prediction (Bikker, 2022).

Not only does TikTok have a growing user base, the app is also driving deep engagement with global users outside of China spending an average of 19.6 hours per month on the app during 2021. While this is equal to Facebook (the #1 social app by time spent globally in 2021), TikTok's growth trajectory is unrivaled, rising 4.7x in just 4 years. In 2018, the average monthly time spent per user was only 4.2 hours. A look at the line chart shows that TikTok has increased over time in terms of active users.

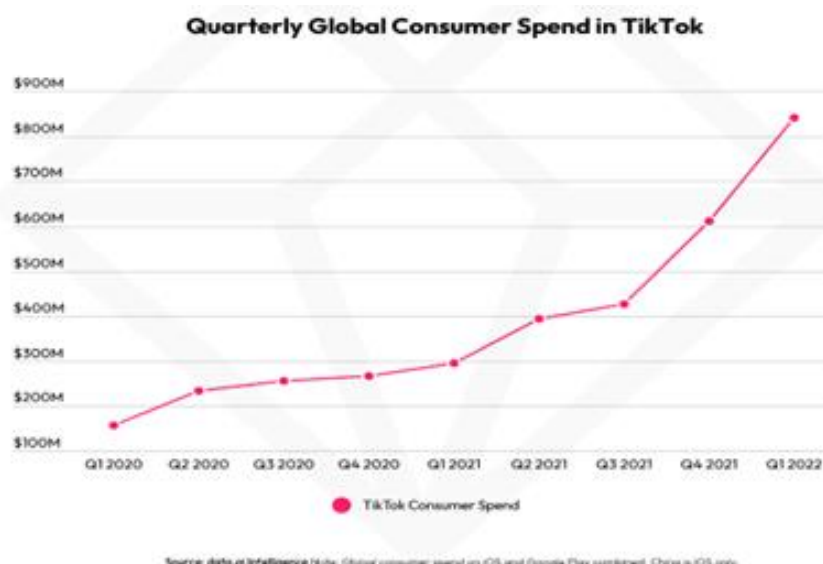


**Figure 1.**  
Global Average Monthly Active Users on TikTok

The second reason is that buyers feel TikTok shop is a safe buying and selling platform. This happens because when sellers and buyers transact in the TikTok Shop, the platform has prepared its screening to minimize fraud. However, buyers still need to be careful in the app.

The third reason is free shipping. The platform provides various high discounts and free shipping for every purchase. The amount of free shipping promos offered by TikTok Shop makes customers no longer need to complain because sellers and buyers will benefit from this feature (Solihin, 2020).

These various conveniences are certainly one of the many reasons behind the large number of products purchasing decisions on the TikTok platform. Usage decisions, also known as purchasing decisions, are an adaptive process that allows a person to collaborate among information, evaluate two or more alternatives, and finally choose one. Consumers consider several factors before making a purchase decision on a web-based platform, namely the usability of the platform, the perceived benefits of the information provided and the security risks; When these factors are met, users are likely to transact (Hikmatunnisa et al., 2020).



**Figure 2.**  
Quarterly Global Consumer Spend in TikTok

From the line chart above TikTok was ranked #1 among all apps and games by consumer spend in Q1 2022 and the previous quarter becoming the first app to beat games in consumer spend in the first select quarter in Q4 2021.

Additionally, global spend on TikTok in Q1 2022 marked the largest quarter for any app or game. The app surpassed \$840 million in consumer spending worldwide, a 40% jump from Q4 2021. The US was one of the main drivers of growth with consumer spending increasing 125% QoQ in Q1 2022.

From this data, it becomes a reference for MSMEs in Indonesia to aggressively promote and trade in the TikTok Shop application. Because it has been proven that this application encourages digital transactions easily and reliably, and is accessible to all groups anywhere and anytime.

Sharia banks, which can also be called Islamic banks, are defined in Law No.21 of 2008 on Islamic Banking, namely everything related to Islamic banks and Islamic business units, including institutions, including business activities, as well as procedures and processes in carrying out their business activities (Pemerintah Pusat, 2008). Islamic banks are banks that carry out their business activities based on sharia principles and according to their type, Islamic banks consist of BUS (Islamic Commercial Bank), UUS (Islamic Business Unit) and BPRS (Islamic People's Financing Bank).

What distinguishes this Islamic bank from other commercial banks is the prohibition of interest. In the Islamic banking sector, there is a whose duty is to oversee operations in accordance with the provisions that should be. Sharia Supervisory Board also has the responsibility of providing advice and suggestions to the leadership regarding sharia aspects. There are two types of Islamic banks, namely Islamic commercial banks (BUS) and Islamic people's financing banks (BPRS) (Ikhsanti et al., 2023). BUS is a form of Islamic bank that is active in providing payment services. Meanwhile, BPRS is not

involved in payment services. Additionally, there are sharia business units which are part of conventional commercial banks, operating under sharia principles.

Over the past 6 years, from 2016 to 2021, both BUS and UUS have also recorded a significant increase in total assets. As of May 2022, the total assets managed by BUS and UUS have reached 680,090 billion Rupiah.

**Total Aset Bank Umum Syariah dan Unit Usaha Syariah (Miliar Rupiah)**



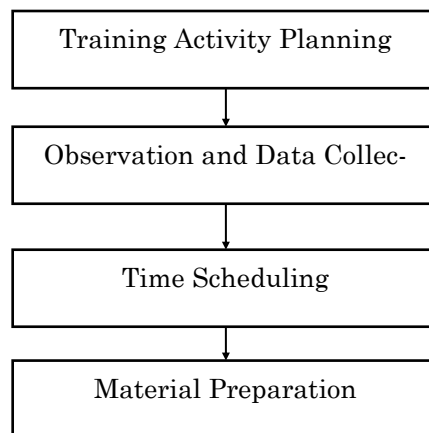
Sumber: Statistik Perbankan Syariah, OJK (2022)

**Figure 3.**  
Total Assets of Islamic Commercial Banks and Islamic Business Units

But in the payment system at TikTok shop there is no option to use Islamic banks, as can be seen the choice is only to use conventional banks if you want to make payments, this may not have been held by Islamic banks because TikTok shop is still a new application so it has not been expanded in its payment system.

**MATERIAL AND METHOD**

In the preparation stage of the activity, the implementation team will do the following:



**Figure 4.**  
Preparation Stages

1. Training Activity Planning. This activity is in the form of material delivery and discussion with MSMEs in the assistance of the East Jakarta PPKUKM Service Office. From these results, several important points were obtained, especially regarding the importance of coaching and empowerment efforts from the economic side for MSMEs. From this stage, a mapping of the activity schedule and selection of training participants will be found.
2. Observation and data collection of potential participants in training activities. This stage is the stage of selecting participant criteria and collecting data on the number of training participants. For the data collection of participants, the service team has selected 30 MSMEs. These 30 MSMEs is located around the East Jakarta Industry, Trade, Small and Medium Enterprises Cooperative Office in Cakung District, East Jakarta. These MSMEs have different types of business, starting from food and beverages, fashion, and handcrafts, ranging from different ages.
3. Scheduling the time of the training and the duration of the activities. This stage is the coordination stage with the department and MSMEs regarding the implementation of activities and how long the activities are held.
4. Preparation of materials. This stage is related to the preparation of the material to be provided and the media used in providing training which includes the core material, namely family financial management planning.

In the activity implementation stage, the implementation stage will be carried out after mapping. Based on the results of the mapping, an action plan is prepared as needed, starting from the material, method, and implementation plan. This training uses material presentation, discussion, question and answer, and simulation as needed, where participants participate directly accompanied by team members.

## **RESULT AND DISCUSSION**

This community service has the theme "Utilization of Islamic Banking and Tiktok Shop for Micro, Small, and Medium Enterprises (Umkm) in East Jakarta" with the aim of helping to improve the abilities and skills of Micro, Small and Medium Enterprises (MSMEs) assisted by the East Jakarta Investment and One-Stop Integrated Service (PPKUKM) Office. This activity focuses on two important aspects in developing MSMEs in the digital era, namely the utilization of Islamic banking as an alternative source of financing and the use of the TikTok Shop platform as a means of promoting and selling products online.

This activity was carried out at the Wood and Furniture Industry Promotion Center Building Jatinegara Kaum. The activity was carried out on Tuesday, July 25, 2023 at 09.00 WIB until 11.30 WIB. This training was attended by 30 participants who were members of Micro, Small and Medium Enterprises Assisted by the East Jakarta PPKUKM Sub-Department.



This event ran smoothly due to the cooperative participation of various parties. The organizing committee for this community service consists of a team of lecturers and students who work together with the East Jakarta PPKUKM Office. All committees actively participated starting from the planning stage, location surveys, meetings with stakeholders, to planning training events.

Community service activities are presented in the form of presentations filled by resource persons. Before the main activity, the service team organized the event preparation procedures. These procedures include room preparation, preparation of training support tools, registration, and consumption distribution.

**a. Characteristics of Training Activity Participants**

Based on the results of the training evaluation, there were 30 training participants with the following characteristics of the participant profile:

**1. Gender**

There were 24 female and 6 male members of Micro, Small, and Medium Enterprises assisted by the East Jakarta PPKUKM Sub-Department who came to the training.

**Table 1.**  
Participant's Gender Data

<b>Gender</b>	<b>Total</b>
Male	6
Female	24

**2. Seller Position**

Of the 30 training participants, 2 were distributors, 24 were business owners, and 4 were resellers.

**Table 2.**  
Seller Position

<b>Position</b>	<b>Total</b>
Distributor	2
Owner	24
Reseller	4

**b. Activity Implementation Committee**

The implementation of this community service is carried out by a committee consisting of a team of servants, namely lecturers and students and in collaboration with the East Jakarta PPKUKM Office.

**c. Activity Implementation**

Activities carried out by the committee in the form of presentations filled by resource persons. The service team organizes event preparation procedures before the main activity which consists of room preparation, setting up training support tools, registration, and distribution of consumption.



**Figure 5.**  
Plaque Hand Over

The event was opened by remarks delivered by Mr. M. Edo Siregar, S.E., MBA. As the head of the community service team of the Faculty of Economics, State University of Jakarta, then continued by Mrs. Erni as the Head of the Pulo Gadung District Executive Unit. Then the plaque was handed over to Mrs. Erni and Mr. Rico by Mr. Edo followed by a documentation session.



**Figure 6.**  
First Presentation

To achieve participants' understanding, the training material was delivered in the form of a resource person slide presentation with the help of Microsoft PowerPoint. Each slide contains basic theories about Islamic banking and TikTok Shop. The first material presented had the theme "Utilization of Islamic Banking in MSMEs". This material was delivered by Mr. Roby Try Wahyudi, S.Pd who conveyed the history of Islamic banking in the world and Indonesia, the functions and roles of Islamic banking, the role of Islamic banks in MSMEs in Indonesia, and Islamic bank products followed by a question and answer session.

After the material session was completed, it was followed by a question-and-answer session to make the session interactive and allow participants to ask or consult directly to the speaker about Islamic banking. The participants can also consult about the obstacles they face regarding Islamic banking.



**Figure 7.**  
Second Presentation

After the question-and-answer session of the first material was completed, it was continued with the second material presentation session. The next material was delivered by Mr. Ahmad Gumnizar, S.Pd who delivered material about social media users in Indonesia, the benefits of using TikTok Shop as a product marketing medium, TikTok Shop features, and marketing steps using TikTok Shop. At the end there was also a brief practice of using TikTok Shop to market products followed by a question-and-answer session.

After the material session was completed, it was followed by a question-and-answer session so that participants could ask the speaker about TikTok Shop. In this session the participants asked about TikTok Shop practices, application advantages, and how to use TikTok Shop to do affiliate marketing. At the end of the session, the service team distributed evaluation sheets to find out the profile of the participants and to get an evaluation of the course of training and delivery of material. After

completion, a certificate was handed over to the resource person and a group photo was taken.



**Figure 8.**  
Documentation

#### d. Activity Evaluation

This activity is funded by Jakarta State University and carried out by lecturers and students in accordance with the Tri Dharma of Higher Education. Community service participants are members of Micro, Small and Medium Enterprises (MSMEs) assisted by the East Jakarta PPKUKM Service Tribe. Training participants really appreciate community service activities. This can be seen from the enthusiasm of the participants who are very responsive to the speaker and busy taking notes on the material presented.

Evaluation of activities can be seen from the answers on the evaluation sheet filled out after the material session is completed. For the question "Are you satisfied with the way the speakers were delivered in this series of events?" there were 76.7% of participants who answered very satisfied. For the question "Are you satisfied with the topics in this series of events?" there were 80% of participants who answered very satisfied. For the question "Are you satisfied with the services provided by the organizers?" there were 70% of participants who answered very satisfied. Finally, for the question "Are you satisfied with the overall event?" 76.7% of participants answered very satisfied.

The findings of the evaluation sheet showed that, in general, the community service project was successful in providing satisfaction to the trainees in terms of the speakers, topic satisfaction, committee services, and the overall event.

## **CONCLUSION AND RECOMMENDATION**

The purpose of this community service is to provide an understanding of the concepts and benefits of Islamic banking in supporting the growth of MSMEs and to introduce and provide practical training in using the TikTok Shop platform to increase the visibility and sales of MSME products. This training was delivered by resource persons, who discussed the topics of utilizing Islamic banking in MSMEs and utilizing TikTok Shop in MSMEs. The material provided in this training can be applied by participants for their business development. Furthermore, discussion and question and answer sessions took place so that the participants had the opportunity to ask questions to the resource persons.

This community service activity has proven to be able to make a positive contribution in supporting the development of MSMEs assisted by the East Jakarta PPKUKM Service Tribe, so that they can grow and compete in the era of the growing digital economy. This can be seen from the activeness of the participants who were very enthusiastic about the speakers' material, took notes on the material provided, and asked questions to the speakers. In addition, through the evaluation results there were 76.7% of participants who were satisfied with the overall event. By utilizing Islamic banking and TikTok Shop, MSMEs are expected to gain wider and more sustainable opportunities in increasing the productivity and economic welfare of the local community.

## **ACKNOWLEDGEMENT**

We would like to express our deepest gratitude to the Faculty of Economics of Universitas Negeri Jakarta for its tremendous support in funding the implementation of our community service project. The project included several training sessions for families on Sharia Banking and TikTok Shop. We would like to express our deepest gratitude to the Faculty of Economics for understanding the value of Islamic banking and digital marketing and for their dedication in empowering local MSMEs. Their financial support is critical to the success of this initiative and allows us to reach a larger population with useful information and skills. This research is funded by DIPA BLU Fund SP-DIPA-023.17.2.677557/2023 revision 4 dated July 13, 2023 in accordance with the decision of the rector of Universitas Negeri Jakarta NO.923/UN39/HK.02/2023 dated 29 March 2023.

## **REFERENCES**

- Adawiyah, D. P. R. (2020). Pengaruh penggunaan aplikasi tiktok terhadap kepercayaan diri remaja di kabupaten sampang. *Jurnal Komunikasi*, 14(2), 135–148. <https://doi.org/10.21107/ilkom.v14i2.7504>
- Bikker, G. (2022). TikTok Has Seen \$3.7 Billion in Lifetime Consumer Spend Off the Back of the Biggest Quarter in Spend Among Any App or Game Ever. <https://www.data.ai/en/insights/market-data/tiktok-app-milestone-840-million-spend/>
- Fauziah, N. N. (2022). Mengenal Perbankan Syariah di Indonesia. <https://www.icdx.co.id/news->

detail/publication/mengenal-perbankan-syariah-di-indonesia

- Haryono, E. (2024). SEKTOR HALAL VALUE CHAIN TUMBUH POSITIF, DUKUNG PERTUMBUHAN EKONOMI NASIONAL. [https://www.bi.go.id/id/publikasi/ruang-media/news-release/Pages/sp\\_263924.aspx](https://www.bi.go.id/id/publikasi/ruang-media/news-release/Pages/sp_263924.aspx)
- Hikmatunnisa, H., Purwanti, R. S., & Setiawan, I. (2020). Pengaruh Green Product dan Green Advertising Terhadap Keputusan Pembelian (Suatu Studi pada Pembeli Yang Menghuni Perumahan Garden City Ciamis). *Business Management and Entrepreneurship Journal*, 2(3), 130–140.
- Ikhsanti, N., Sudrajat, A. S. S. N. S., Hergastyasmawan, A., Rusmalinda, S., Sholihah, N. A., Marlin, K., Fitria, N., Jamilah, A. Z., Wahyuni, E., & Suhendar, F. R. (2023). *Bank dan Lembaga Keuangan Syariah*. Sada Kurnia Pustaka.
- Khan, F., & Siddiqui, K. (2013). The importance of digital marketing. An exploratory study to find the perception and effectiveness of digital marketing amongst the marketing professionals in Pakistan. *Journal of Information Systems & Operations Management*, 7(2).
- Melinda, M. (2020). PEMANFAATAN INSTAGRAM SEBAGAI STRATEGI KOMUNIKASI PEMASARAN (STUDI KASUS PADA AKUN INSTAGRAM @IWISHOP\_). Doctoral Dissertation, Universitas Islam Kalimantan MAB.
- Mujahidin, M. (2020). The potential of halal industry in indonesia to support economic growth. *Al-Kharaj: Journal of Islamic Economic and Business*, 2(1), 77–90. <https://doi.org/10.24256/kharaj.v2i1.1433>
- Pemerintah Pusat. (2008). Undang-undang (UU) Nomor 21 Tahun 2008 tentang Perbankan Syariah. Pemerintah Pusat.
- Sa'adah, A. N., Rosma, A., & Aulia, D. (2022). Persepsi generasi Z terhadap fitur Tiktok Shop pada aplikasi Tiktok. *Transekonomika: Akuntansi, Bisnis Dan Keuangan*, 2(5), 131–140. <https://doi.org/10.55047/transekonomika.v2i5.176>
- Sartika, D. (2023). PT Bank Permata Strategi Perubahan di Era Society 5.0 dalam Perencanaan dan Pengembangan Karir Karyawan pada Bisnis Inklusif.
- Septiani, L. (2024). 56% UMKM Jualan Lewat Instagram, Facebook, TikTok. <https://katadata.co.id/digital/e-commerce/65b7a536d69f1/56-umkm-jualan-lewat-instagram-facebook-ttok#:~:text=Sebanyak%2056%2C3%25%20UMKM%20berjualan%20melalui%20media%20sosial%20seperti,lebih%20banyak%20ketimbang%20yang%20berdagang%20di%20e-commerce%2047%2C64%25.>
- Solihin, D. (2020). Pengaruh kepercayaan pelanggan dan promosi terhadap keputusan pembelian konsumen pada online shop mikaylaku dengan minat beli sebagai variabel intervening. *Jurnal Mandiri: Ilmu Pengetahuan, Seni, Dan Teknologi*, 4(1), 38–51. <https://doi.org/10.33753/mandiri.v4i1.99>

Zosche, C. (2021). Nearly Half of TikTokers Are Buying Stuff from Brands They See on the Platform. <https://www.adweek.com/blognetwork/nearly-half-of-tiktokers-are-buying-stuff-from-brands-they-see-on-the-platform/>