

MSME Sustainability, E-Commerce, Capital Management: An Analysis of Islamic Perspective in the Context of the Digital Economy

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Abstract

This study discusses the role of E-Commerce transactions and capital analysis in supporting micro, small, and medium enterprises (MSMEs) from an Islamic perspective. This study is qualitative with a descriptive approach, using triangulation as a data collection technique through observation, interviews, and documentation. This study focuses on culinary industry business actors in Segara Jaya Village, Bekasi City. The results of the study show that most respondents believe that the application of Islamic principles in capital and using the E-Commerce platform in business management is a good thing. This includes maintaining product quality, using halal-labeled raw materials, and prioritizing customer satisfaction. Respondents are committed to ensuring that every aspect of their business reflects the values and principles of Islamic teachings, making their business legally valid and based on Islamic ethics. These beliefs and practices positively impact the sustainability of their business. Furthermore, maximizing the potential of E-Commerce can help MSMEs adapt to the era of digital economic growth, thus providing opportunities for them to improve their business performance and sustainability in the digital world. Providing valuable guidance for entrepreneurs, governments, and related stakeholders. For culinary MSMEs, understanding that implementing E-Commerce is not a universal solution and the need for effective capital management can help in strategic decision-making. The government and MSME support institutions can utilize findings on the challenges of implementing E-Commerce to design more targeted support programs, including online marketing training and mentoring.

Keywords: E-Commerce, Capital, Msmes, Sustainability, Islamic Perspective.

JEL CODE: M13, M21, L26

1. Introduction

The 1997 monetary crisis and the COVID-19 pandemic have had serious impacts on the Indonesian economy, including SMEs. The economic crisis triggered by the weakening global economic conditions in the past posed a significant threat to the sustainability of the Indonesian economy. Therefore, structured and sustainable empowerment efforts for Micro, Small, and

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Medium Enterprises (MSMEs) are needed to maintain economic stability. Furthermore, this initiative needs to consistently stimulate and support the development of new entrepreneurs who have higher levels of economic resilience and sustainability (Thohir et al., 2023).

According to a survey conducted by the Central Statistics Agency (BPS) in 2020 on MSMEs, microenterprises, and agriculture in Indonesia with 34,559 respondents, 84.20% of MSMEs experienced a decrease in income (BPS RI, 2020). Meanwhile, as quoted by Bank Indonesia (BI), according to the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), with MSMEs accounting for 99% of the total business units, this sector is the backbone of the country's economy. Furthermore, MSMEs' contribution to the Gross Domestic Product (GDP) reached 60.5%, indicating a significant impact on national economic growth. Not only that, MSMEs also play a crucial role in job creation. With a contribution of 96.9% to the total national employment, the MSME sector is the main pillar in creating job opportunities. This not only supports economic stability but also enhances societal welfare through employment opportunities (bi.go.id, 2022).

Considering the previously presented data, it can be concluded that MSMEs not only significantly impact economic growth through their contribution to GDP but also play a crucial role in reducing unemployment rates and enhancing societal welfare through job creation. Therefore, supporting the development and maintaining the sustainability of the MSME sector is a strategic step in strengthening Indonesia's economic foundation as a whole.

The utilization of E-Commerce by MSMEs in the digital era presents new potentials and challenges, especially in the context of Islamic perspectives emphasizing business ethics such as the prohibition of usury and fair business practices. MSMEs must ensure compliance with Islamic values in all aspects of their E-Commerce operations, including payments, pricing, and transparency. Islamic banks and financial institutions support MSMEs with financing under Sharia principles, helping to avoid usurious practices. E-Commerce enables MSMEs to reach a broader and more efficient market, enhancing their competitiveness in the global market through technology.

However, MSMEs have not fully realized the potential of utilizing E-Commerce from an Islamic perspective. Some realities that must be considered include a limited understanding of Sharia principles, technological resource constraints, and financial issues. MSMEs often face uncertainties in pricing structures, difficulties accessing technology infrastructure, and constraints in obtaining financing according to Sharia principles. To address this, greater efforts are needed to educate and guide MSMEs in utilizing E-Commerce with Islamic business ethics, so that they can overcome challenges and realize their full potential.

Some MSMEs have begun to adopt online store integration with inventory management systems, enabling them to more efficiently manage product inventory, provide a better shopping experience for customers, and enhance the competitiveness and quality of MSME services in the digital era (Harto et al., 2023). Active developments in online business have a positive impact on company sustainability, involving responsibility to protect the environment, ensure global sustainability, and create balance in economic, social, and environmental aspects through the implementation of sustainability concepts in E-Commerce processes (Sun et al., 2021). Capital availability is a crucial aspect in establishing a company as it affects the company's ability to operate and the level of risk it faces (Mais et al., 2023).

Research on E-Commerce transactions in productive businesses or sectors such as micro, small, and medium enterprises (MSMEs) has been extensively conducted previously (Almunawar et

al., 2022; Budiarti & Akbar, 2021; Putranto & Rani, 2022; Rizaldi & Madany, 2021; Shahabuddin et al., 2022). Likewise, its relation to how E-Commerce or capital plays a role in the sustainability of MSMEs themselves has also been explored (Amornkitvikai et al., 2022; Gao et al., 2023; Khurana et al., 2021; M. K. Mahes et al., 2022; Phonthanukitithaworn et al., 2023; Prasanna et al., 2019; Sun et al., 2021; Vásquez et al., 2021). Although many researchers have analyzed E-Commerce transactions and capital in sustaining sustainability, resilience, income, or similar aspects of MSMEs, knowledge development through research continues to deepen our understanding of a researched topic. For example, from various perspectives such as the Islamic perspective (Fida et al., 2021; Husna, 2022; Mais et al., 2023; Nurmayantri, 2023; Putra, 2023; Viva & Huda, 2023). The previously presented research efforts serve to develop and refine our understanding of the phenomena around us. As an initial step, research is often inspired by previous findings conducted by earlier researchers. Based on this understanding, this research is inspired and emerges as an evolution of previous research investigated by Mais et al., (2023).

The researcher is interested in re-examining the findings of several previous studies, considering the selection of the research subjects in Segara Jaya Village, which has a number of culinary MSMEs utilizing E-Commerce. The case study in Segara Jaya Village reflects current business trends where many culinary entrepreneurs utilize E-Commerce platforms. This research can provide insights into the adaptation of MSMEs to technology and consumer trends, as well as the economic and social impacts of E-Commerce presence in the village community, including the potential for increased income, job opportunities, and changes in community lifestyle.

2. Literature Review

Buying and selling refer to the transaction process in which the seller delivers goods to the buyer after reaching an agreement regarding the items to be sold. This process involves organized steps, starting from offering goods, negotiation, reaching an agreement, followed by the seller's delivery of the goods to the buyer, and the buyer's acceptance of the goods as part of the previously agreed-upon agreement. This buying and selling transaction involves the exchange of goods with a certain value represented by payment or other agreed-upon compensation by both parties (Rezki et al., 2023). Buying and selling goods and services have been common activities in human life since ancient times, intended to meet needs. The passage of time has transformed the methods of buying and selling from simple bartering to more efficient online transactions, reflecting significant changes in how humans interact and conduct business. E-Commerce transactions, or online buying and selling, fall under the category of muamalah in the trade or business sector, which is the activity of individuals or groups to fulfill their respective needs (Nurmayantri, 2023).

E-Commerce is a modern form of buying and selling transactions driven by technological innovation, involving electronic agreements through online platforms without direct physical exchange between buyers and sellers. Unlike conventional trade, E-Commerce has a global scope that enables market access expansion to an international level, introducing a stronger globalization aspect in the trading world (Nurmayantri, 2023). E-Commerce is a system where goods or services can be distributed, bought, sold, and marketed through electronic platforms such as the internet. With globally accessible coverage, E-Commerce provides convenience in attracting customers and increasing revenue for businesses, creating opportunities to reach a wide customer base and expand the potential for revenue growth in business (Mais et al., 2023).

The concept of sustainability has an ambiguous meaning, but in this research, it is interpreted as the continuity, growth, development, and resilience of MSMEs. According to Islam, sustainability reflects the ability to maintain and preserve a condition or system in the long term without causing significant damage to natural resources or the quality of life for future generations. This concept is important in various fields and has broad relevance in the contexts of nature, economics, social issues, and culture. As the meaning contained in the Quran, Surah Al-A'raf verse 31, states:

“O children of Adam! Wear your beautiful apparel at every place of worship, and eat and drink, but do not be wasteful. Indeed, Allah does not like the wasteful”.

SMEs are one of the largest economic sectors in Indonesia, contributing significantly to national economic growth and playing a crucial role in creating significant job opportunities for domestic workers. This helps reduce the unemployment rate in the country (Fuadi et al., 2022). The restrictions imposed due to PSBB have resulted in a decrease in the number of buyers and the turnover of businesses, prompting SMEs to switch to E-Commerce platforms and utilize digital technology to expand their market share. From an Islamic perspective, electronic commerce is considered in line with Islamic legal principles, with moral principles and commitment in E-Commerce transactions being important (Fida et al., 2021). The empirical study by Husna (2022) indicates that technically, E-Commerce transactions such as the sale of goods or services, especially involving physical goods, can be compared to al-salam transactions regulated in Islamic law since the early development of this religion. With the condition of understanding and agreement from both parties, the use of E-Commerce in Indonesia is permitted. This research can also provide guidance to E-Commerce users in conducting their business.

The majority of SMEs have adhered to business ethics in accordance with Islamic Sharia principles, such as maintaining product quality, using high-quality raw materials, providing good and friendly customer service, and setting affordable prices. Most SMEs have also understood and implemented the bai'as-salam contract well in E-Commerce transactions, although some still require deeper understanding due to knowledge limitations (Mais et al., 2023). The presence of E-Commerce in companies can bring benefits, primarily its ability to reach a larger number of consumers and reduce excessive expenditures. In building E-Commerce, there are several aspects to consider, such as adapting to the company's scale and understanding business regulations (Rizaldi & Madany, 2021). SMEs have experienced progress and better growth through E-Commerce adoption, allowing them to leverage technology to market and expand their businesses, creating various product and service innovations (Budiarti & Akbar, 2021).

E-Commerce has a significant and positive influence and plays a crucial role in the sustainability of SMEs' E-Commerce in Thailand. It was found that out of 18 barriers reported by Thai SMEs, 13 of them were identified as the most significant obstacles to their E-Commerce sustainability. For instance, many customers are still unfamiliar with E-Commerce, and there is a belief that Thailand lacks adequate security measures to prevent hacking and malware, along with several other barriers (Amornkitvikai et al., 2022). Statistical analysis conducted by Gao et al., (2023) on 212 SMEs in three districts in Bangladesh showed that E-Commerce adoption significantly influences the financial performance and sustainability of SMEs during the COVID-19 pandemic. These findings also indicate that digital marketing strategies significantly affect the financial performance of SMEs. However, there is no significant evidence of a correlation between Digital Marketing adoption and SMEs'

sustainability. The primary role in bridging the relationship between E-Commerce adoption and sustainability is the financial performance of these micro, small, and medium enterprises.

3. Research Method

The research method employed by the researcher in this study is qualitative research of a descriptive nature. The aim is to describe and deeply understand the phenomenon of the culinary industry in Segara Jaya village. According to Fadli (2021), qualitative research focuses on gaining in-depth understanding of issues in social life. This approach involves research in realistic or natural settings with a holistic, comprehensive, and complex framework. The goal is to detail and present a comprehensive picture of the social aspects under investigation. By adopting a single case study approach, as this research addresses a single case, namely micro, small, and medium enterprises (MSMEs) in the culinary field in Segara Jaya village, Bekasi, this approach is taken to answer the research questions about how E-Commerce transactions and capital contribute to sustaining MSMEs from an Islamic perspective.

The data of MSMEs utilizing E-commerce were obtained by the researcher using a smartphone through the platforms Go-Food, Grab-Food, and Shopee-Food, totaling 50. Those registered on the Google Maps platform were only 21 MSMEs, with only 9 of them having dine-in facilities. The selection of these 6 informants was made to facilitate participatory observation or observation, aiming to enhance familiarity and trust between the researcher and informants, creating a collaborative environment conducive to the disclosure of honest, richer, contextual, and valid information.

4. Findings and Discussions

Based on the research by the informants were MSME actors in the culinary field selling their products through E-Commerce platforms in Segara Jaya village, Bekasi. The researcher conducted initial observations by first determining the research location through searching for business data via food delivery applications such as Go-Food, Grab-Food, and Shopee-Food. The data obtained amounted to 48 MSMEs, which were then searched for location information through the Google Maps application. Approximately 21 MSMEs were registered on both E-Commerce and Google Maps. After obtaining sufficient data, the researcher conducted direct observations at the business locations. However, only 9 out of the 21 MSMEs had facilities for dining in, such as benches or tables, for conducting participatory observations. From these 12 MSMEs visited, only 7 business owners met the criteria to be interviewed as informants. They had relevance to the research topic, were directly involved with the phenomenon or context under investigation, were cooperative, and willing to spare their time for interviews.

The advancement of technology, the role of E-Commerce in supporting Micro, Small, and Medium Enterprises (MSMEs) has become increasingly significant. To gain a deeper understanding of how E-Commerce can sustain MSMEs' businesses, particularly in the context of sustainability, the researcher conducted a series of interviews with MSME owners and entrepreneurs. These interviews aimed to detail their knowledge of how the implementation of E-Commerce has affected various aspects of their business sustainability. Through these interviews, MSME entrepreneurs shared their thoughts, experiences, and perspectives on the role of E-Commerce in supporting business sustainability, as expressed by the informants, including the following:

"The role of E-Commerce is indeed very influential, especially in spreading information about our merchandise marketing like Fried Rice, Bihun Goreng, and Mie Godok, which

can be accessed through E-Commerce platforms such as Grab-Food or Go-Food; it's really good in my opinion" (Mrs. AB).

"The role of E-Commerce for me is quite helpful, but not too important, because most buyers here usually come directly, they usually eat with family or friends" (Mr. MM).

"Yes, it's important. With E-Commerce, hopefully, this business can progress even further" (Mr. ZA).

"Alhamdulillah, it plays quite a role. Until now, I've been smoothly using E-Commerce platforms like Grab-Food, Go-Food, or Shopee-Food" (Mr. TO).

"Well, E-Commerce does help. With E-Commerce, it provides additional income besides offline purchases. However, more people come directly because Ibu Noeng's Warung is a concept of sitting together, so usually, many people come directly in groups" (Mrs. DS).

The interview results revealed varied perspectives regarding the role of E-Commerce in expanding market reach and disseminating information. Most informants stated that E-Commerce plays a crucial role in reaching a broader consumer base. They acknowledged that through E-Commerce platforms, users can efficiently disseminate and access product or service information. However, there were differing views among informants regarding the importance of E-Commerce in the culinary business. Some informants argued that E-Commerce is not as crucial for certain types of businesses because most customers prefer direct experiences in enjoying food and the atmosphere of culinary establishments. These factors, such as direct experience and social interaction, remain primary considerations for most customers, which can influence their purchasing decisions.

In this context, it is expected to explore the obstacles business operators face in implementing E-Commerce in Segara Jaya village. The interviews conducted aim to delve into their experiences and perspectives regarding the obstacles that may arise while using E-Commerce platforms. These challenges may encompass various aspects, ranging from technical to non-technical, which could affect the effectiveness and sustainability of businesses. Therefore, it is hoped that a better understanding of the aspects that need to be considered in efforts to enhance E-Commerce usage among business operators can be created, along with designing strategies to address the emerging challenges. Below are the statements provided by the informants:

"The obstacle, well, our main obstacle is like the increase in percentage of prices, you see, on Grab-Food or Go-Food, it has to be quite high; if not, we can't recoup the investment, we end up losing money. We have to raise the prices by at least 28%-30%" (Mrs. AB).

"Maybe there are quite a few obstacles, like limitations in our promotions, and then the marketing management hasn't been done optimally yet, it's still considered lacking or just average" (Mr. MM).

"Well, as for obstacles faced while using E-Commerce, there aren't any, everything's been smooth sailing" (Mr. ZA).

"Alhamdulillah, there are none, in fact, it's brought in more customers and greatly helped my business" (Mr. TO).

"It's fortunate that we haven't faced any, but we never really use promotions; sales are steady as usual, not too many though" (Mrs. BC).

Based on the informant statements regarding the challenges in implementing E-Commerce, there are various understandings and experiences highlighted. Some informants mentioned that they did not encounter significant obstacles, indicating that the use of E-Commerce proceeded relatively smoothly. However, there were also informants who noted several challenges, including pricing adjustments that raised concerns and a lack of knowledge and understanding of marketing strategies through E-Commerce. The interview results regarding the challenges in implementing E-Commerce indicate that its adoption among Micro, Small, and Medium Enterprises (MSMEs) has varied impacts. While some have successfully integrated E-Commerce without major hurdles, there are still some MSMEs facing challenges, especially regarding pricing adjustments and a lack of understanding in online marketing strategies. Thus, this phenomenon reflects the need for more holistic support and approaches to assist MSMEs in optimizing the benefits of E-Commerce and overcoming potential barriers.

The Role of Capital in Sustaining Businesses. In the dynamics of business, capital plays a central role in ensuring the sustainability of operations, especially for Micro, Small, and Medium Enterprises (MSMEs). This context aims to deepen the understanding of how capital contributes to supporting the sustainability of micro, small, and medium enterprises. Interviews conducted with owners and business operators in Segara Jaya village through MSMEs are intended to explore their experiences and perspectives regarding the role of capital in supporting the continuity of operations and business sustainability. Here are the opinions from some informants:

"The role of capital for the sustainability of the business is indeed significant. Essentially, it's been our allowance since the beginning; it helps pay employee salaries, purchase our business needs, and yes, it's crucial because we started this business completely self-funded, with roughly nearly a hundred million in personal investment" (Mrs. AB)

"When it comes to the role of capital, it's much more important; it's one of the main factors to drive the advancement of a business or company" (Mr. MM)

"As for the capital, it's already provided by the boss (business owner), so I think it's important, especially for daily business expenses and for sales because I'm just an employee" (Mr. AB).

"Capital is indeed crucial, it's essential especially for starting a business and also for maintaining stock availability" (Mr. TO).

"Yes, it's very important, especially now when the prices of raw materials are high, like chili, onions, they fluctuate, and other expenses are needed for daily shopping, and it's not guaranteed that there will be a large number of customers every day, so if there's insufficient capital for tomorrow, then it's necessary to add capital; the money comes from personal savings or from yesterday's sales" (Mrs. DF).

According to the statements provided by several informants, capital plays a crucial role in various aspects of business, particularly during the startup phase, including establishing operational foundations, driving business progress, paying employee salaries, and preparing raw material stocks for future business sustainability. However, some informants expressed concerns regarding unstable raw material prices and reluctance to use external capital due to a preference for personal funds for security and financial freedom. In conclusion, the analysis of the interview findings indicates that the success of businesses and the financial stability of

informants are closely linked to effective capital understanding and management. Although there are limitations in understanding certain capital sources, such as government assistance or other external aid, that may come with various requirements and restrictions, informants prefer to use personal funds that provide a sense of peace and freedom in full control over management and utilization.

Many entrepreneurs, particularly in the capital sector, encounter various obstacles that often pose significant challenges when realizing the dream of starting a business. In this context, the aim is to deepen understanding of the challenges faced by individuals embarking on entrepreneurship, particularly in the aspect of capital. Interviews conducted with business owners are designed to explore their experiences and perspectives regarding the obstacles that arise when entering the business world. By highlighting the urgency and relevance of a profound understanding of the challenges encountered when starting a business, especially in terms of capital, the success and sustainability of businesses in the early stages often depend on how entrepreneurs can overcome these obstacles. Through the interview results provided by the informants, the following insights were gathered:

"First of all, the challenges we faced weren't apparent initially. In the beginning, we first purchased new tables, benches, and all cooking equipment, then renovated the room and the shop as well. But later on, there's a demand to enrich the menu or unexpected purchases and expenses require additional capital, while the initial capital has already been depleted" (Mrs. AB)

"As for the challenges, surely every business has them, but it's been prepared for from the start in terms of capital, so personally, I don't feel much of a shortage" (Mr. MM)

"Surely there are challenges, especially for a small business like this, especially in the beginning, finding customers was quite difficult. There are quite a lot of competitors selling martabak and other snacks, and the turnover of purchases is also quite challenging, so I have to carefully manage the capital" (Mr. AB)

"As for the capital, there are no challenges; everything runs smoothly. I used personal capital for the initial capital, obtained from the proceeds of previous sales since 1998, saved for savings, rather than borrowing or taking out a lot of loans, which carries many risks" (Mr. TO)

"As for the challenges in the initial capital, I'm not really sure because my sister was the one who established or started the Warung Ibu Noeng business. But as far as I know, we haven't faced a shortage of capital so far, both for the initial phase and until the development of this warung" (Mrs. DS)

Most informants agree that every business at some point will face capital challenges, not only at the outset but also in subsequent development stages. Business readiness, particularly in predicting or preparing capital to address unforeseen expenses, becomes key to success along the business journey. Some entrepreneurs encounter hurdles by imposing large capital usage at the outset of establishing their businesses, resulting in a lack of emergency funds to address challenges in the future. Financial preparedness and a good understanding of capital dynamics are crucial to ensuring business sustainability. Prospective entrepreneurs need to understand the importance of having emergency funds to address unforeseen obstacles so that the business journey can proceed more smoothly and sustainably.

This research highlights the relevance of disclosing interview findings regarding transactions

applied within a business context and the extent of their compliance with Islamic religious teachings. Transactions conducted in accordance with the principles of Islamic Sharia have a significant impact on the integrity of ethics and business sustainability. Interviews with business operators conducting transactions in accordance with Islamic religious teachings provide deep insights into how religious values influence every aspect of the transactional process in the business world.

"According to me, the E-Commerce transactions I've been doing so far comply with Islamic law" (Mrs. AB)

"According to Islamic teachings, it's clearly compliant because the products sold are clearly labeled halal, including the raw materials, including everything, and the management applied also complies with Islamic law" (Mr. MM)

"Well, according to me, everything is already in compliance. As for the product quality, it also needs to be maintained because I'm afraid of disappointing customers" (Mr. AB)

"Well, according to the scholars I've studied, maybe from watching YouTube, all the transactions are indeed correct. The important thing is that debts and credits must be paid immediately, not exaggerated or reduced" (Mr. TO)

"Yeah, I don't know much about that because the transactions use conventional banks, so I don't understand much" (Mrs. DS)

The interview results revealed varying perspectives regarding adherence to Islamic principles in implementing transactions through E-Commerce among business operators. Some informants stated that their transactions aligned with Islamic principles, based on an understanding of maintaining product quality, permissibility, and implementing management in accordance with Islamic law. However, some informants expressed concerns about their limited understanding of Islamic law in a business context, such as regulations regarding riba (interest), highlighting the importance of deeper understanding in conducting business transactions. Analysis of the interview results regarding the suitability of E-Commerce transactions applied by business operators with Islamic religious teachings emphasizes the importance of a profound understanding of Islamic principles in a business context, especially when involving transactions through E-Commerce platforms. A better understanding of Islamic law can assist business operators in ensuring compliance with Sharia principles in all aspects of their business operations.

In the context of business sustainability, Islamic Sharia principles play a key role in managing capital. This research analyzes the interview results with business operators who conduct their businesses in line with Islamic principles, particularly concerning the use of capital. Capital is not only seen as a financial resource but also as a trust that must be managed with caution and compliance with Islamic ethical values. This discussion highlights the importance of understanding how capital management contributes to sustaining business operations and adhering to Islamic principles. In this context, interviews with business operators conducting their operations in accordance with Sharia principles provide profound insights into how capital is valued, managed, and directed to achieve goals aligned with Islamic values. This, as expressed by several informants, encompasses perspectives from business operators among them:

"According to me, the capital used in running my business is already in accordance with Islamic principles. For example, allocating capital and profits to employees is very

transparent. Every month, we always do closing, and even every night when we close the store, all sales are recorded in the cashier. We keep track of how much capital is in the cashier, how much is left, and how much spending (on any purchases) we have. We have a record book for it, and at the end of the month, everything will be detailed for the employees" (Mrs. AB).

"It's in accordance, because personally, I don't violate the applicable norms, especially Islamic principles" (Mr. MM).

"Hopefully, it's halal, because we're the ones providing the capital, the boss, right? Inshallah, it's halal. It should all be halal for the business, and the distribution of employee wages is all going smoothly, alhamdulillah" (Mr. WA).

"Inshallah, it's already in accordance with Islamic law 100%" (Mr. TO).

"Inshallah, it's already in accordance. As for the turnover aspect, it's also in accordance, usually when we receive money, for example from sales, we calculate and then the next day for shopping. If there's any leftover, it's saved for the monthly employee wages, that's it" (Mrs. DS).

Based on the interview results, it can be concluded that all informants are confident that the use of capital in their businesses has been in accordance with Islamic principles. They believe that all forms of capital used have followed the guidelines as well as the Sharia principles and norms applicable in Islam. However, some informants acknowledge shortcomings in their understanding of the sources of capital used in their businesses. They do not have full control over the initial capital invested in the business, thus experiencing difficulties in understanding the origin and allocation of capital. Despite acknowledging limitations in understanding the sources of capital, the informants still believe that the capital used must adhere to the principles of Islamic Sharia.

They demonstrate sensitivity to compliance with Islamic ethical values and laws in their businesses, reflecting the complexity of the relationship between business owners and operators in managing capital sources. The analysis of the interview results emphasizes the importance of comprehensive understanding of the sources and use of capital in accordance with the principles of Islamic religion in running a business. Although many informants are confident that the capital used is in line with Sharia principles, enhancing understanding, especially for those involved in making business capital decisions, becomes crucial. The interview findings conclude that to sustain culinary MSMEs, it is important to understand the role of E-Commerce contextually. While the majority of informants acknowledge the importance of E-Commerce in expanding market reach, some of them state that not all culinary businesses depend on or require E-Commerce. Challenges in implementing E-Commerce, especially regarding pricing and understanding marketing strategies, indicate the need for a holistic approach to support MSMEs.

Furthermore, the success and financial stability of MSMEs heavily rely on effective capital management. Although external capital sources such as government assistance are available, informants prefer using personal capital to have more control over its management and utilization. Awareness of the importance of emergency funds in overcoming unforeseen obstacles is a crucial factor in ensuring business sustainability. The importance of a deep understanding of Islamic principles in E-Commerce transactions and the conformity of capital with Islamic teachings also emerge as key factors. Understanding Islamic law helps business

owners ensure compliance with Sharia principles in business operations and capital utilization. Therefore, a comprehensive understanding of these principles is essential to maintain the long-term sustainability of culinary MSMEs.

5. Conclusion

Based on the findings and analysis presented in this study, it can be concluded that E-Commerce has an important role in supporting MSMEs, although there are challenges in its implementation caused by the lack of digital literacy and understanding of applicable E-Commerce regulations, so that it can suppress the potential of the E-Commerce platform to the maximum or cause losses. The success and financial stability of an MSME is determined by careful and efficient capital management as a foundation for starting, developing, and maintaining long-term sustainability so that MSMEs can improve their business performance. The use of E-Commerce and capital in MSMEs requires guidance that is in line with Islamic values to ensure transparency, fairness, compliance with Sharia principles, and avoidance of sin. The selection of halal products, the use of usury-free financing, marketing ethics, and consumer protection are the focus of MSMEs in maintaining sustainability in this study. Awareness of the lack of knowledge and skills in informants is an understanding that can enable MSMEs to support their businesses. Suggestions for further research are to involve more diverse industrial sectors or business sectors to expand the scope of observation. Thus, the generalization of findings can better represent different types of businesses, thereby increasing the relevance and contribution of the research in the overall business context.

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