

BUSINESS DIGITALIZATION: AN ISLAMIC BUSINESS ETHICS PERSPECTIVE WITH THE BMC MODEL

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Abstract: The growth of MSMEs plays an important role in the Indonesian economy, but many still face limitations in utilizing digital technology. This study analyzes the batik business model using the BMC approach combined with Islamic business ethics. Data were obtained through interviews, observations, and literature review. The study shows that Islamic principles are applied concretely through transparency in production and transaction processes, fairness in wage distribution, and healthy competition through product differentiation and public education. The analysis also found challenges in the form of limited digital marketing skills, dependence on raw materials from outside the region, and a lack of regeneration of young craftsmen. The recommended strategies are strengthening digital channels, diversifying products, developing partnerships with educational and tourism institutions, and enhancing the capacity of the younger generation. These strategies not only support business sustainability but also reinforce the integration of economic innovation with moral responsibility in accordance with Islamic values.

Keywords: BMC; Islamic Business Ethics; MSMEs

Abstrak: Pertumbuhan UMKM memiliki peran penting dalam perekonomian Indonesia, namun masih banyak yang menghadapi keterbatasan dalam pemanfaatan teknologi digital. Penelitian ini menganalisis model bisnis batik dengan pendekatan BMC yang dipadukan dengan etika bisnis Islam. Data diperoleh melalui wawancara, observasi, dan studi pustaka. Penelitian menunjukkan prinsip Islam diterapkan secara nyata melalui transparansi dalam proses produksi dan transaksi, keadilan dalam pembagian upah, serta persaingan sehat melalui diferensiasi produk dan edukasi masyarakat. Analisis juga menemukan tantangan berupa keterbatasan keterampilan pemasaran digital, ketergantungan pada bahan baku luar daerah, serta kurangnya regenerasi perajin muda. Strategi yang disarankan penguatan saluran digital, diversifikasi produk, pengembangan kemitraan dengan lembaga pendidikan dan pariwisata, serta peningkatan kapasitas generasi muda. Strategi ini tidak hanya mendukung keberlanjutan usaha, tetapi juga menegaskan integrasi antara inovasi ekonomi dan tanggung jawab moral sesuai nilai-nilai Islam.

Kata Kunci: BMC; Etika Bisnis Islam; UMKM

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Introduction

Micro, Small, and Medium Enterprises (MSMEs) face persistent global and national challenges that threaten their sustainability. Globally, around 40% of formal MSMEs experience unmet financing needs, contributing to a financing gap of approximately US\$ 5.2 trillion.¹ Despite contributing to over 90% of businesses worldwide and generating nearly 60% of employment, many MSMEs remain financially underserved.² In Indonesia, with nearly 64 million MSMEs, only about 30% are digitally literate. A national survey revealed that 70.2% struggle with product marketing, 51.2% with access to capital, 46.3% with raw material supply, and 30.9% with digital adoption.³ These figures highlight that while MSMEs are a key driver of the economy, their growth is hampered by structural barriers in finance, digitalization, and resource access.

These challenges result in some MSMEs being unable to sustain their operations for long. They continue to operate but their production output is uncertain. Some argue that the existence of MSMEs is a key strategy for Indonesia in facing uncertainty and fluctuations in the global economy.⁴

The important role of MSMEs in building the regional economy deserves special attention, especially in the growth and development of business fields.⁵ Community skills are an important driving factor around MSME centers, especially in supporting the acceleration of independent development in villages which are the main sector for MSME development.⁶ Today, businesses absolutely need development to avoid being eroded by competitors. Business development is defined as a collection of activities and procedures frequently used to identify and pursue expansion opportunities.⁷

Doing business properly in Islam means staying away from actions that are forbidden by Allah SWT and running a company in accordance with religious teachings, such as adhering to Islamic principles, including running a business in a way that is halal for products and production processes, benefits others, or does not harm others.⁸ In business, business development strategies are carried out to increase business activities, or to increase the number of businesses.⁹

¹ World Trade Organization, *Enhancing MSME Access To Finance*, (Geneva: WTO, 2023).

² International Council for Small Business, *Global MSME Report*, (Washington DC: ICSB, 2023).

³ Daily Social. “Tren Digitalisasi UMKM Di Indonesia 2023: Tantangan Dan Peluang,” dailysocial.id, (12 July 2025).

⁴ Belinda Azzahra And I Gede Angga Raditya Prasadha Wibawa, “Strategi Optimalisasi Standar Kinerja UMKM Sebagai Katalis Perekonomian Indonesia Dalam Menghadapi Middle Income Trap 2045,” *Inspire Journal Of Economic Development Analysis* 1, no. 1 (2021): 75.

⁵ Siti Nurhalita And Imsar, “Peran Pemerintah Daerah Dalam Pemberdayaan Usaha Mikro Kecil Menengah (UMKM) Di Kabupaten Langkat,” *Maro: Jurnal Ekonomi Syariah Dan Bisnis* 5, no. 1 (2022): 84; Enny Puji Lestari, Agus Alimuddin, Jeni Syahpira, And Rubianti Novita Irma Wati, “The Effectiveness of Using Digital Technology (QRIS) in the Payment System for the Development of MSMEs of Metro City,” *Al-Iqtishadiyah : Ekonomi Syariah dan Hukum Ekonomi Syariah* 10, no. 2 (2024).

⁶ E. Setyariningsih And B. Utami, “Pemberdayaan UMKM Dalam Mewujudkan Desa Mandiri Di Desa Segungan Kecamatan Dlanggu Mojokerto,” *Jurnal Pengabdian Pada Masyarakat Indonesia* 1, no. 4 (2022): 39.

⁷ Teguh Baroto, “Analisis Strategi Pengembangan Industri Kecil Pakaian Jadi Dengan Pendekatan Contingent Strategic Success Formula,” *Jurnal Teknik Industri* 8, no 1 (2007).

⁸ Ali Hasan, *Manajemen Bisnis Syariah*, (Yogyakarta: Pustaka Pelajar, 2009).

⁹ Karyoto, *Proses Pengembangan Usaha*, (Yogyakarta: Penerbit Andi, 2021).

The use of technology-based information is now not only used as a source of knowledge but has become a commodity in the world of trade. Information technology in the transaction sector, including economic aspects, is increasingly developing to make payments other than currency and gyral.¹⁰ The challenge faced is the low mastery of digital technology by MSMEs. "In Indonesia, there are already 27 million MSMEs that have adopted digital technology, and we are targeting this number to increase to 30 million MSMEs by 2024," said Nezar Patria, Deputy Minister of Communication and Informatics. He explained that based on government data, currently 67 percent of MSMEs are still struggling to maintain their businesses.¹¹ Therefore, the Ministry of Communication and Informatics is striving to provide solutions by facilitating digital technology adoption programs for MSMEs. Efforts such as the A Cup of Moka program, which introduces a digital cashier system, aim to improve MSME digital literacy.¹² In addition, Regional Vocational Training Centers (BLKD) are expected to adapt their technology-based curriculum to ensure accessibility. E-commerce presents a significant opportunity to expand the MSME market, so the government is expected to facilitate collaboration between e-commerce platform owners and MSMEs.¹³

This program also originated from the initiative of Mrs. Farah, a resident of the Kembang Larangan Complex, Tangerang City. Mrs. Farah saw that her neighborhood looked dirty and messy due to vandalism carried out by irresponsible people. Seeing this, Mrs. Farah wanted to do something to make her neighborhood look neat and clean. At the same time, the Mayor of Tangerang launched the Clean and Healthy Living Behavior (PHBS) Village Program. Taking advantage of this moment, Mrs. Farah then invited residents around her residence by using RT cash to organize their neighborhood.¹⁴

The arrangement carried out by Mrs. Farah began by creating batik murals along the empty walls in her neighborhood by utilizing the skills of the village youth who have painting and drawing skills. The next step was Mrs. Farah inviting the surrounding neighbors who are housewives, widows and elderly women to learn batik together. In addition, this batik village is also an effort to increase the income of the community, especially housewives, widows and elderly women who are included in vulnerable groups. This program includes the process of making batik, creating new batik motifs typical of Tangerang and selling batik, their production results consist of stamped batik cloth and hand-drawn batik with various patterns.

¹⁰ Achmad Fajaruddin, Dimas Fahmi Azizy, Indra Sholeh Husni, M. Ridhauli Pasha Parojai, And M. Kharis Tambusai. "The Concept Of Cryptocurrency In Islam." *FINANSIA: Jurnal Akuntansi Dan Perbankan Syariah* 6, no. 1 (2023): 77.

¹¹ Kementerian PANRB "Kominfo Targetkan 30 Juta UMKM Adopsi Teknologi Digital pada 2024," <https://www.menpan.go.id/site/berita-terkini/berita-daerah/kominfo-targetkan-30-juta-umkm-adopsi-teknologi-digital-pada-2024>, (13 July 2025).

¹² T. Frida and L. Utama, "Digitalisasi untuk UMKM Indonesia," <https://www.viva.co.id/digital/digilife/1738054-digitalisasi-untuk-umkm-Indonesia>, (13 July 2025).

¹³ N. A. Aulia, M. Hasan, M. Dinar, M. I. S. Ahmad, And T. Supatminingsih, "Bagaimana Literasi Kewirausahaan Dan Literasi Digital Berpengaruh Terhadap Keberlanjutan Usaha Pedagang Pakaian?," *Jurnal Economic Education And Entrepreneurship Studies* 2, no. 1 (2021): 110.

¹⁴ D. F. Duhri, *Kewirausahaan Sosial Pada Komunitas Kampung Batik Kembang Mayang Untuk Meningkatkan Kesejahteraan Di Kelurahan Larangan Selatan Kota Tangerang*, (Banten: UIN Syarif Hidayatullah Jakarta, 2023).

Visitors can see firsthand how batik is made and learn to make it. In Kampung Batik, visitors can see batik being made and learn to make it. This batik village, which has become the pride of the Larangan community, can become an educational tourism destination and is now ready to go international by showcasing batik made by residents of the easternmost region of Tangerang City. Tangerang City has 9 distinctive batik motifs to preserve local cultural values, including Tangerang Herang, Nyimas Melati, Dragon Boat, Akhlakul Karimah, Cokek Dance, Cisadane 1, Cisadane 2, Al Azom Mosque, and Barongsai.¹⁵

Methods

This study employs a case study approach focusing on the Batik Kembang Mayang MSME to gain an in depth understanding of its business model, challenges, and opportunities in relation to digitalization and Islamic business ethics. The research subject is Batik Kembang Mayang, which operates both as a batik producer and as a center for education and cultural tourism. Data were collected through three techniques: semi-structured interviews with the business owner, artisans, and local stakeholders to explore their experiences and challenges; direct observations at the studio to document production processes, customer interactions, and educational activities; and a literature review of relevant sources including journal articles, government reports, and prior studies. The data were analyzed qualitatively using the Business Model Canvas (BMC) framework to map the nine components of the business model. In addition, thematic analysis was applied to identify how Islamic business ethics principles such as transparency, justice, and fair competition were concretely integrated into business practices. The combination of BMC and Islamic economics provided not only an evaluation of sustainability and competitiveness but also ensured that the recommended strategies aligned with Islamic ethical values.

Result And Discussion

Identifying the Initial Business Model

MSMEs play a crucial role in the Indonesian economy, including in preserving local culture such as batik. For sustainable business development, BMC is a useful tool for explaining, illustrating, and evaluating how a business is operated.¹⁶ It can also be seen as business process mapping or BMC, in the form of a worksheet or framework that maps the business to achieve maximum and optimal performance.¹⁷ The BMC approach is a highly relevant strategic framework. This model provides a comprehensive overview of the key elements of a business model, from customers and value propositions to cost and revenue structures.

Batik Kembang Mayang Studio targets the general public, government agencies, students, and the private sector, with a special focus on the younger generation through direct education and school visits to foster a love for batik as a cultural heritage. Its main

¹⁵ A. Amaliah, K. Anggraini, And F. Amir, "Strategi Promosi Kampung Batik Kembang Mayang Tangsel Sebagai Daerah Wisata," *Jurnal Interaksi: Jurnal Ilmu Komunikasi* 7, no. 2 (2023): 298.

¹⁶ Yves Pigneur And Alexander Osterwalder, *Business Model Generation*, (Jakarta: Elex Media Komputindo, 2017).

¹⁷ Frans M. Royan, *Bisnis Model Kanvas Distributor*, (Jakarta: Gramedia Pustaka Utama, 2014).

value lies in the uniqueness of its patented batik motifs and the aesthetic and spiritual value of the batik-making learning experience. Promotion is carried out through social media such as Instagram and Facebook, although it is not yet optimal due to the limited number of young people who are proficient in digital marketing. Customer relationships are built through direct interaction in educational activities and workshops, creating loyalty and indirect promotion. The main source of income comes from product sales and educational activities, with income from education being more stable. Key resources include batik tools, raw materials from Solo, and local female artisans, but are constrained by a lack of young workers and high material costs. Main activities include production, education, and digital promotion, while partnerships are established with PT Indonesia Power and the Ministry of Public Works and Housing, although their intensity has decreased. The largest cost structure comes from raw materials, electricity, artisan consumption, and training, with digital promotion not yet allocated a specific budget, so efficiency and digitalization need to be improved.

Batik MSME Business Development Strategy Using The Business Model Canvas Approach

The author's analysis of the Batik Kembang Mayang MSME business model using the BMC reveals the strategies that can be implemented in nine blocks, as follows:

Customer Segments

The Batik Kembang Mayang MSME targets the general public, particularly Tangerang City residents and the younger generation. This segmentation is crucial for promoting batik as part of everyday lifestyle, not just for formal occasions. The market segment also includes educational institutions, government agencies, and local and foreign tourists interested in batik training. Interest involves acknowledging the connection between oneself and external entities.¹⁸ This strategy demonstrates that the Batik Kembang Mayang MSME sells not only batik products but also educational experiences in batik-making.

The BMC analysis indicates that the Batik Kembang Mayang MSME still has a narrow market segmentation, limited to local residents and event attendees. Although the target audience includes the general public and the younger generation, the approach to reaching them is not optimal. The author recommends expanding the segmentation to educational institutions, international tourists, and batik enthusiast communities, utilizing digital platforms such as marketplaces to reach new buyers, and offering derivative batik products (T-shirts, tote bags, tablecloths) with broader appeal. Furthermore, penetration into the youth market needs to be accompanied by more casual and contemporary batik designs.

The greater the transparency of public information and the easier public access to the internet, the greater the potential opportunities for developing innovative digital-based

¹⁸ Abdul Latif Rizqon, Indra Sholeh Husni, Auwalu Shuaibu Muhammad, Ishfaq Ahmed, And Atha Mahdi Muhammad, "Impact Of Transparency, Accountability, And Management Quality On Muzakki Interest," *FINANSLA : Jurnal Akuntansi Dan Perbankan Syariah* 7, no. 1 (2024): 117.

Islamic financial products and services.¹⁹ Batik Kembang Mayang targets the general public and younger generations through batik education, but its reach is still local. This result is in line with who emphasize the importance of segment diversification for the sustainability of MSMEs,²⁰ but differs from who found that Kembang Mayang's educational tourism promotion has reached tourists from outside the region. This shows the need to optimize digital strategies so that the market segment is broader and more sustainable.²¹

Value Propositions

The primary value offered by this MSME is batik with the distinctive "Kembang Mayang" and "Tirta Suci" motifs, for which they have registered intellectual property rights. Their products are not only batik cloth but also educational services based on Sharia principles, such as the use of wax made from beef tallow and non-alcoholic dyes. Another added value is the hands-on experience of learning batik using simple yet enjoyable techniques, which cannot be found elsewhere. This creates a strong differentiation compared to other batik producers and offers significant potential for locally-based ethnic-educational branding.

Based on BMC's analysis, although the primary value of this MSME lies in the education and uniqueness of its patented motifs, their value proposition can still be further developed. The author believes that advantages such as the use of halal materials, environmentally friendly dyeing techniques, and the hands-on learning process for visitors are underutilized potential as key selling points. To strengthen their bargaining power, the author recommends that the MSME emphasize the philosophy of the batik motifs and the interactive experience available only at the Kembang Mayang studio, rather than simply selling batik cloth.

The uniqueness of batik motifs and their educational and spiritual value are the main attractions of Kembang Mayang. This finding is supported who emphasizes the importance of differentiation based on cultural values,²² but differs from who assess that the superiority of MSMEs is determined by product innovation and production efficiency.²³ Therefore, Kembang Mayang needs to balance cultural values with product innovation in order to remain competitive.

Channels

The main channels used by the Batik Kembang Mayang MSME to market its products are social media (Instagram and Facebook), bazaars, and national events. Furthermore, offline strategies are complemented by word-of-mouth promotion and partnerships with

¹⁹ Abdul Muthalib And Asyari Hasan, "SWOT: Implementasi Aplikasi Mobile Banking Terhadap Kualitas Layanan Bank Muamalat," *FINANSIA : Jurnal Akuntansi Dan Perbankan Syariah* 6, no. 2 (2023): 121.

²⁰ K. Anam And L. Qadariyah, "Strategi Pengembangan Usaha Mikro Kecil Menengah (Umkm) Di Sentra Batik Bangkalan Dalam Perspektif Ekonomi Islam," *Jurnal Informatika Ekonomi Bisnis* 6, no. 1(2024): 91.

²¹ A. Amaliah, K. Angraini, And F. Amir, "Strategi Promosi Kampung.

²² Y. Novita, *Strategi Pengembangan Usaha Ikan Asap Dengan Pendekatan Business Model Canvas Dalam Perspektif Ekonomi Islam*, (Jawa Tengah: Universitas Islam Negeri Walisongo Semarang, 2023).

²³ C. Aliwinoto, M. Hediyan, And M. Malinda, "Analisis Business Model Canvas Usaha Mikro Kecil Menengah Toko JIF Bandung, Indonesia," In *Seminar Nasional Pariwisata Dan Kewirausahaan (SNPK)* 1, (2022): 173.

the government and companies such as PT Indonesia Power. The author highlights that this MSME's distribution channels are not yet optimal, relying solely on Instagram and local events. The use of social media is not optimal due to limited human resources and a lack of content strategy. The author believes that MSMEs can utilize marketplaces such as Tokopedia and Shopee to sell batik derivative products, as well as websites as digital catalogs. Educational channels can also be developed through online platforms (such as YouTube or Zoom) to reach more training participants from outside the region and abroad.

Marketing is still limited to social media without a strong digital strategy. This is in line with who cites low digital literacy as the main obstacle for MSMEs,²⁴ but contradicts who show that increased digital literacy expands the market.²⁵ Therefore, digital marketing training is key for Kembang Mayang to expand its promotional reach.

Customer Relationships

The Batik Kembang Mayang MSME maintains strong relationships with its customers through a family-like approach, education, and direct service. Workshops serve as a direct interaction tool that strengthens customer relationships, and additional strategies include participant testimonials, activity publications on Instagram, and visitor reviews on online media. They also involve the local community and welcome young volunteers to support digital promotions. Strong relationships with customers are fostered through open communication, training, and hands-on batik learning opportunities, which not only build loyalty but also create a community of batik enthusiasts.

In terms of customer relations, the author believes that the Batik Kembang Mayang MSME's personal approach is good, but still passive. Communication only occurs during visits or orders. The author recommends implementing a community-based and co-creative approach, such as involving customers in providing reviews on Google, establishing a Kembang Mayang batik user forum, or a loyalty program for repeat customers, as customers are not only product users but also active participants in the educational process and word-of-mouth promotion. This strategy can build a more loyal customer base and contribute to product promotion voluntarily.

Customer relationships are built personally through batik education, which creates loyalty. These findings support that Islamic business ethics strengthen trust-based relationships,²⁶ but differ who emphasize the importance of digital CRM systems.²⁷ A combination of personal and digital approaches is needed to maintain long-term customer loyalty.

²⁴ T. Frida and L. Utama, "Digitalisasi untuk UMKM."

²⁵ N. A. Aulia, M. Hasan, M. Dinar, M. I. S. Ahmad, And T. Supatminingsih, "Bagaimana Literasi Kewirausahaan."

²⁶ A. Ma'ruf, F. S. Mukhlisin, And N. Rohmaningtyas, "Implementation Of Islamic Business Ethics: The Case Of MSMEs In Sukoharjo, Indonesia," *Niqosija: Journal Of Economics And Business Research* 4, no. 2 (2024): 294.

²⁷ S. Arief, S. N. Ahmadi, I. Kamaluddin, And V. F. Wibisono, "The Entrepreneurial Practice Behavior Of Chinese Group Business In Indonesia: Contextualization From Islamic Business Ethics," *Jurnal Ilmiah Ekonomi Islam* 10, no. 2 (2024): 1938.

Revenue Streams

The main sources of income for the Batik Kembang Mayang MSME come from two sectors: the sale of batik cloth, particularly hand-drawn batik at high prices, and batik training/workshop services. A "pick-up-the-ball" strategy for training at institutions and schools with a minimum number of participants also generates significant revenue.

The author notes that the primary sources of income come from batik sales and training, but neither is managed as a sustainable business unit. Batik products have a long production time, while training is only conducted by invitation. Therefore, the author encourages revenue diversification, such as selling educational digital products, bundling workshops with products, or selling batik equipment as merchandise. Innovation in creating passive income streams is also a key focus.

The main income comes from batik sales and training, with education being more stable. This is in line with who assesses that the socio-educational model strengthens community welfare,²⁸ but differs from who emphasizes product diversification as the main factor in income growth.²⁹ Therefore, Kembang Mayang needs to develop derivative products and online training to expand its sources of income.

Key Resources

The main resources of the Batik Kembang Mayang MSME include human resources (female artisans, although there is still a shortage of young workers), studio facilities from the Ministry of Public Works and Housing (PUPR), batik-making tools, and quality raw materials from Solo. The main challenges are the costs of raw material procurement and shipping, as well as the need to regenerate a young workforce to ensure business continuity.

The author observed that human resources (HR) are a weakness for the MSME, primarily due to the dominance of elderly women and the shortage of young workers. Furthermore, raw materials imported from Solo contribute to high logistics costs. The author recommends that the Batik Kembang Mayang MSME recruit local youth through internship programs or free training and collaborate with cooperatives for collective raw material procurement. Resource optimization also includes HR training in digital marketing to increase promotional effectiveness.

The main resources are local female artisans and raw materials from Solo. This is in line with who emphasizes the role of women in the community economy,³⁰ but contradicts who argue that dependence on raw materials from outside the region reduces efficiency.³¹ Therefore, local sourcing strategies and training programs to regenerate young artisans are essential.

Key Activities

Main activities such as production and education are ongoing, but digital promotion and documentation of activities are inconsistent. The author believes that social media activity should be part of the MSME's daily activities to enhance its image and reach.

²⁸ D. F. Duhri, *Kewirausahaan Sosial Pada Komunitas*.

²⁹ Teguh Baroto, "Analisis Strategi Pengembangan.

³⁰ E. Setyariningsih And B. Utami, "Pemberdayaan UMKM Dalam Mewujudkan.

³¹ Belinda Azzahra And I Gede Angga Raditya Prasadha Wibawa, "Strategi Optimalisasi Standar.

Furthermore, hand-drawn batik production requires time efficiency due to the lengthy process, so training to increase production speed is also necessary. The author encourages the Batik Kembang Mayang MSME to develop standard operating procedures (SOPs) for its activities to improve its performance.

Key activities such as production and education have not been managed systematically. This view is in line with who argues that consistency in activities determines business sustainability,³² but differs from who emphasize the importance of digital integration in educational activities.³³ Therefore, Batik Kembang Mayang needs to implement SOPs and digitalization to make its activities more efficient.

Key Partnerships

The Batik Kembang Mayang MSME has established strategic partnerships with PUPR, companies (such as PT. Indonesia Power), educational institutions, and local communities. Support from these partners includes training, promotion, product orders, and community development. This collaboration is crucial for business continuity, both economically and socially. However, strengthening communication is necessary for sustainability and adding new partners for expansion.

BMC's analysis indicates that existing partnerships, such as those with PUPR and PT Indonesia Power, are strong but sporadic. The authors assess that the Batik Kembang Mayang MSME needs to add new partners from the private sector, the education sector, and local media. Furthermore, collaboration with travel agents or tourism platforms could unlock greater potential for educational tourism. Partnership strategies need to be developed toward sustainable collaboration, rather than just event-based, so that the MSME can obtain regular assistance and additional distribution channels. Building relationships with major marketplaces or local influencers is also crucial to expand the digital market.

Partnerships with PUPR and PT Indonesia Power have helped development, but they are not yet sustainable. These results support who emphasizes the importance of synergy between institutions,³⁴ but differ from who assess that collaboration with the technology sector has a greater impact on the digitization of MSMEs.³⁵ Therefore, expanding strategic partnerships with universities and digital platforms is the solution.

Cost Structure

The cost structure of the Batik Kembang Mayang MSME includes expenses for raw materials, electricity, artisan salaries/honorariums, as well as cleaning and training costs. The largest expense is purchasing quality fabric from Solo. Although operations are self-supported, cost management remains efficient to ensure business sustainability. Most promotions are still conducted free of charge, utilizing free social media and event collaborations.

³² Yves Pigneur And Alexander Osterwalder, *Business Model Generation*.

³³ K. Anam And L. Qadariyah, "Strategi Pengembangan Usaha.

³⁴ Siti Nurhalita And Imsar, "Peran Pemerintah Daerah.

³⁵ Arief, S. N. Ahmadi, I. Kamaluddin, And V. F. Wibisono, "The Entrepreneurial Practice Behavior..., 1938.

The author notes that the current cost structure is still focused on raw materials, electricity, and consumables, while the budget for promotion and business development remains very minimal. Because many costs are still covered independently, the MSME risks stagnation if it does not generate additional income. Therefore, the author recommends that the Batik Kembang Mayang MSME manage its finances more strategically by clearly mapping fixed and variable costs and seeking alternative funding from CSR, grants, or crowdfunding to support business expansion. Accounting information allows SMEs to plan resource utilization more efficiently, identify potential financial risks, and evaluate business profitability.³⁶ The MSME can also increase revenue to balance its cost structure by selling digital products such as batik educational e-books.

The cost structure remains heavy on raw materials and training without digital budget support. This finding is consistent with which shows that digitization is still a cost burden for MSMEs,³⁷ but differs from who assess that financial digitization can improve efficiency.³⁸ Therefore, the implementation of sharia financing and crowdfunding systems can reduce costs and expand business capacity.

Batik Kembang Mayang MSME Business Development Strategies From An Islamic Business Ethics Perspective

Several strategies used by the Batik Kembang Mayang MSME to develop its business are as follows, with an emphasis on Islamic business principles from an Islamic economic perspective:

Customer Oriented

The Batik Kembang Mayang MSME demonstrates customer-centricity through an educational approach and hands-on batik-making experience. This studio not only sells products but also experiences and cultural values through workshops. This strategy reflects the principles of ta'awun (mutual assistance) and maslahah (common good), where customers benefit beyond just the product (batik) but also from knowledge and an understanding of local and religious values. In Islam, customer orientation reflects the value of ihsan in service, as Allah SWT says:

وَأَنفُقُوا فِي سَبِيلِ اللَّهِ وَلَا تُلْهُوا بِأَيْدِيهِمُ الَّتِي تَهْلِكُهُمْ وَلَا خُسِنُوا لَئِنَّ اللَّهَ يُحِبُّ الْمُحْسِنِينَ

"Spend in the way of Allah, do not throw yourselves into destruction, and do good. Indeed, Allah loves those who do good." (Quran Al-Baqarah/2:195)

This MSME approach aligns with these values, as it provides services that not only meet needs but also educate and empower.

Batik Kembang Mayang applies the values of ta'awun and ihsan by focusing on educational services for customers. This result is in line with who state that customer

³⁶ Budi Gautama Siregar, Aswadi Lubis, And Zaki Zaini, "Application Of Accounting Information In Influencing The Financial Performance Of Micro, Small, And Medium Enterprises With Financial Literacy As A Moderator Variable," *FINANSLA : Jurnal Akuntansi Dan Perbankan Syariah* 8, no. 1 (2025): 93.

³⁷ Daily Social. "Tren Digitalisasi UMKM.

³⁸ Matnin And Aang Kunaifi, *Manajemen Lembaga Keuangan Dan Bisnis Islam: Panduan Praktikum Pada Lembaga Keuangan Dan Bisnis Islam*, (Lengkok Barat Bangkes Kadur Pamekasan: Duta Media Publishing, 2020).

orientation based on Islamic ethics increases trust,³⁹ but differs from who assess that Islamic business ethics practices are often ineffective due to weak commercial strategies.⁴⁰ This indicates that Batik Kembang Mayang has instilled spiritual values in its services, but it still needs to strengthen its professionalism and digitalization to have an impact on market growth.

Transparency

Transparency is a key principle of Islamic business ethics, emphasizing openness, honesty, and clarity of information in all business activities. Information that develops in the community is likened to the swift flow of water, some of which bring good and some of which bring damage. There is information that benefits society and there is also harm. Muslims are commanded to be able to choose the various information by being able to convey or store it properly. On the other hand, if the information will damage or harm others, it is better not to talk about it.⁴¹

In the context of the Batik Kembang Mayang MSME, this principle is reflected in various practices undertaken by the business owner, such as transparency in the production process, a clear payment system, and educational and non-misleading promotions. Visitors to the studio are allowed to directly observe the batik process, from applying the canting (canting), coloring, to removing the wax, indicating that nothing is hidden from consumers regarding the production process or the quality of the materials. Furthermore, the payment methods used are quite diverse and transparent, including cash, transfer, and Quick Response Payment (QRIS), with clear and consistent pricing. Transparency is also evident in the use of social media such as Instagram and Facebook, which serve not only as product promotion tools but also as educational platforms, explaining the philosophy of batik and its production process openly and in-depth.

From an Islamic perspective, transparency is highly emphasized because it relates to the values of honesty and trustworthiness. Allah SWT states:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَنْكِلُوا أَمْوَالَكُمْ بِيَنْكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مُّتَّفِقٍ وَلَا تَقْتُلُوا أَفْسَحَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا "O you who believe, do not consume one another's property unjustly, except in a business transaction based on mutual consent. Do not kill yourselves. Indeed, Allah is Most Merciful to you." (Quran An-Nisa/4:29)

This verse explains that business transactions must be based on honesty and clarity of information to avoid harming any party. The Batik Kembang Mayang MSME has strived to implement this principle of transparency as part of its moral and spiritual responsibility in transactions. With transparency, business actors not only build customer trust but also maintain blessings in their business activities in accordance with Islamic values.

³⁹ A. Ma'ruf, F. S. Mukhlisin, And N. Rohmaningtyas, "Implementation Of Islamic Business Ethics: The Case Of Msmses In Sukoharjo, Indonesia," *Nigosija: Journal Of Economics And Business Research* 4, no. 2 (2024): 294.

⁴⁰ Arief, S. N. Ahmadi, I. Kamaluddin, And V. F. Wibisono, "The Entrepreneurial Practice Behavior.

⁴¹ Agustan, Amiruddin K., Abdul Wahid Haddade, Andi Muhammad Ali Amiruddin, And Agus Miranto, "The Influence Of Online News Credibility, Social Media Content, And Print Media Variety On Customer Trust Levels," *FINANSLA: Jurnal Akuntansi Dan Perbankan Syariah* 8, no. 1 (2025): 107.

The principle of openness is applied through a transparent production process and a clear payment system. This is in line with who emphasize that transparency improves business accountability,⁴² but differs from who found that MSMEs often have difficulty maintaining transparency in financial management.⁴³ This dialectic shows that Batik Kembang Mayang has fulfilled the values of trustworthiness and honesty, although it needs to strengthen digital-based financial transparency to improve efficiency.

Healty Competition

Healthy competition is a key principle in Islamic business ethics, encouraging business actors to compete fairly, honestly, and without harming others. Islam does not prohibit competition in business; in fact, it encourages it, as long as it is conducted properly and does not conflict with moral values and does not involve fraud, monopoly, or other detrimental actions. Healthy competition in business serves as a means to encourage innovation, improve product and service quality, and achieve fairness among business actors in the marketplace.

In practice, the Batik Kembang Mayang MSME has implemented this principle by highlighting product excellence through unique, distinctive motifs such as the patented Batik Kembang Mayang and Batik Tirta Suci, and offering added value in the form of direct batik education to the community. This MSME does not undermine other batik businesses, but rather builds healthy differentiation through a social and cultural approach. They develop unique products, target specific segments such as the younger generation, and prioritize promotions through social media and local events without engaging in business practices that harm competitors. This demonstrates that they choose a path of constructive and collaborative competition, rather than exploitative competition. This value is in line with the words of Allah SWT in the Al-Qur'an:

وَلَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ وَلَا تُنْذِلُوا بِهَا إِلَى الْحُكَمِ لِتُنْكِلُوا فَرِيقًا مِّنْ أَمْوَالِ النَّاسِ بِالْأُلُّمِ وَأَنْتُمْ تَعْلَمُونَ ﴿٤﴾

"Do not consume your wealth among yourselves unjustly, nor bring it to the judges, intending to consume some of it unlawfully, while you know." (Quran Al-Baqarah/2:188)

This verse serves as the basis for prohibiting unfair competitive practices such as cheating, slandering competitors, monopolizing markets, or undermining other businesses for personal gain. By avoiding these practices, the Batik Kembang Mayang MSME has implemented the ethics of fair competition in its business activities. They emphasize quality improvement, cultural education, and social participation rather than simply competing for market share through destructive means. This reflects that the business is not solely for worldly gain, but also seeks blessings from Allah SWT through lawful and ethical means.

Healthy competition is achieved through innovative designs and educational promotions without undermining competitors. This is in line with who argue that differentiation based on cultural values creates ethical competition,⁴⁴ but differs from who

⁴² Ali Hasan, *Manajemen Bisnis Syariah*; A. Ma'ruf, F. S. Mukhlisin, And N. Rohmaningtyas, "Implementation Of Islamic Business.

⁴³ K. Anam And L. Qadariyah, "Strategi Pengembangan Usaha.

⁴⁴ C. Aliwinoto, M. Hediyan, And M. Malinda, "Analisis Business Model; Novita, *Strategi Pengembangan Usaha Ikan Asap dengan Pendekatan Business Model Canvas*.

argue that an excessive focus on social issues can hinder efficiency.⁴⁵ Thus, Batik Kembang Mayang has implemented the principle of musabaqah fil khairat (competing in goodness), but needs to balance social values and modern business strategies to remain competitive.

Justice

Justice is a fundamental principle in Islamic business ethics, demanding balance and the provision of fair rights to all parties involved in economic activities, including producers, consumers, workers, and business partners. In a business context, justice means providing fair wages, an equal division of labor, avoiding injustice, and maintaining a balance between personal gain and the public good. Islam views justice not merely as an ethical norm, but as a religious commandment that must be implemented in all aspects of life, including trade and business management.

In practice, the Batik Kembang Mayang MSME strives to implement the value of justice effectively. Justice is reflected in a flexible work system that considers the needs of its artisans, the majority of whom are elderly housewives. They are given space to participate according to their abilities and available time, without pressure or coercion, and are still valued even if not all are productive daily. In terms of role allocation, the MSME management does not adopt an authoritarian approach, but rather involves all members through deliberation and a family atmosphere. While wages are not optimal due to limited capital, efforts are made to distribute them fairly and proportionally based on their work contributions. This concept of justice is very much in accordance with the words of Allah SWT in the Qur'an:

﴿إِنَّ اللَّهَ يَأْمُرُ بِالْعَدْلِ وَالْإِحْسَانِ وَإِيتَاءِ ذِي الْقُرْبَىٰ وَيَنْهَا عَنِ الْفَحْشَاءِ وَالْمُنْكَرِ وَالْبَغْيِ يَعِظُكُمْ لَعَلَّكُمْ تَذَكَّرُونَ﴾

This means: "Indeed, Allah enjoins justice, good deeds, and assistance to relatives. He also forbids indecency, evil, and hostility. He teaches you that you may remember." (Quran An-Nahl/16:90)

The Batik Kembang Mayang MSME demonstrates that the principle of justice is applied not only in interactions with consumers but also in the internal relationships between management and artisans. Although this business is still small-scale and socially based, the spirit of justice remains the foundation for the distribution of roles, benefits, and treatment among members. This demonstrates that MSMEs are not only pursuing material gain but also uphold Islamic values in building a just, inclusive, and dignified business.

Justice is applied through a proportional wage system and the empowerment of female artisans. This is in line with who assess that equitable MSMEs strengthen the community economy,⁴⁶ but contradicts who assess that social aspects often reduce business efficiency. This dialectic confirms that Batik Kembang Mayang has reflected the value of al-'adl, but requires sharia financing support so that social justice is in line with economic efficiency.

⁴⁵ Belinda Azzahra And I Gede Angga Raditya Prasadha Wibawa, "Strategi Optimalisasi Standar.

⁴⁶ E. Setyariningsih And B. Utami, "Pemberdayaan UMKM Dalam Mewujudkan.

Conclusion

Batik Kembang Mayang is a successful example of community-based entrepreneurship that combines cultural preservation, social empowerment, and Islamic economic principles. Analysis of the Business Model Canvas shows that the main strengths of this MSME lie in its educational value, unique batik motifs, and direct approach to customers. However, it still faces challenges such as minimal involvement of the younger generation, suboptimal digital marketing, and an inefficient cost structure. From an Islamic business ethics perspective, this SME has implemented the values of transparency, fairness, and fair competition in accordance with the teachings of the Qur'an. Future development strategies include increasing the capacity of the younger generation, diversifying products and digital channels, and strengthening partnerships with educational institutions and the tourism sector. The integration of business innovation with Islamic values gives Batik Kembang Mayang the potential for sustainable growth and broad benefits for the community.

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Author Contributions Statement

We conducted this research with the following division of tasks and roles: TH observed the problems faced by the Batik Kembang Mayang MSME. Then, SH and AR reviewed provided data input related to the research object, and SA processed the research data. We jointly analyzed the results of the data processing.

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