

SWOT Analysis Of The Existence Of Financial Technology (FINTECH) On The Ease Of Transaction Process Financial Transaction Process In Palembang

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Abstract

The full title of this paper is "SWOT Analysis of the Presence of Financial Technology (FinTech) towards the Ease of Financial Transaction Process in Palembang" . The growing use of financial technology in Indonesian culture is the driving force behind this study, which aims to assist financial technology experts in making financial transactions easier in the community, particularly in Palembang City. Being able to objectively evaluate the internal and external circumstances of the company will be critical in order to compete with other sharia and/or non-sharia financial institutions. Due to its size, Indonesia presents a plethora of opportunities for FinTechs, and this study attempts to address current and/or future issues and tactics that FinTechs can employ. . The approach in question is how financial institutions can own good digital marketing talent as well as data management and analysis technology in the current globalization era. As a result, the researcher attempted to use the SWOT analysis method to analyze the possibilities, threats, vulnerabilities, and strengths possessed by financial institutions. Technology Several stages were followed by the researcher in this qualitative investigation. The first step in creating the IFAS and EFAS matrix is assigning weights to calculate the combined score of the IFAS and EFAS variables: SO, WO, ST, and WT. After the research was completed, the results showed that FinTech is in a favorable position because its strengths and opportunities outweigh its weaknesses and are represented in a positive graph, taking into account the threats and weaknesses, the researcher provided the findings of the Grand Strategy Matrix study in response to the graph findings.

Keywords : *Financial Technology (FinTech), Analisis SWOT, IFAS, EFAS, Matriks Grand Strategy*

Introduction

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manual means, technology will eventually be used in almost all elements of society due to the growth of inventions related to it (Arne Huzaimah, 2018; Barkah, 2014; Muhamad Rahman Bayumi, 2018).

Recently, technology has been a topic of discussion. Many people regard technology as more than just an expectation. Because of technological advancements, human actions can now be performed and completed more successfully and efficiently. Technology has had an impact on every aspect of life,

including politics, social issues, housing, transportation, health, education, and even the financial and economic spheres of society.

In reality, financial technology, or FinTech, is not a novel technological advancement in the financial sector. Many businesses are only interested in FinTech because of its practical applications. If access is made easier, more effective, and efficient, all people and businesses will gradually become more interested in participating in these activities. The financial technology industry creates increasingly sophisticated tools that aid in societal economic development .

The financial industry is one that contributes to the country's efforts to drive economic growth today. The financial sector is defined by the Department for International Development (DFID) as an economic sector that provides financial services and conducts financial transactions. The sector consists primarily of macroeconomic and microeconomic enterprises. Organizations involved in the financial sector include (Antasari, 2021; Azwari & Jayanti, 2022; Chandra Zaky Maulana, 2019; Rika Lidya, Mismiwati, Titin, 2020). Financial technology refers to technology that is used in the financial services industry. FinTech, or financial technology, refers to the use of technology to improve financial services. Many businesses are developing FinTech in order to improve business operations, particularly in the financial industry. This technology is expected to help businesses streamline their financial transaction procedures (Prof. Rina Antasari, 2022;

Qodariah Barkah dan Arne, 2022; Rachmania, 2022).

Several factors influence a company's ability to survive, including the emergence of digital technology and advances in information technology (IT). Technology, according to Alvin Toffler's prediction, will be critical in the third millennium. FinTech is a financial service innovation that digitizes and improves the efficiency of previously paper-based transactions. People's favorite technology, fintech, is typically built using traditional methods. In addition to conventional FinTech, Indonesia provides sharia-based FinTech. Because both Sharia and conventional FinTech seek to provide financial services, there is little functional difference between them. Sharia The only difference between the two is that FinTech uses Islamic law in loan contracts. Sharia principles must be followed in three areas of finance. These are the prohibitions of Maisir (betting), Gharar (uncertainty), and Riba (excess interest). Although Sharia law serves as the foundation, the National Sharia Council provides basic principles on the presence of Islamic financial technology. The cornerstone is MUI Fatwa No. 67/DSN-MUI/III/2008, which establishes the rules for modern financial technology institutions in Indonesia.

Research Method

A descriptive qualitative method was used in this study. Descriptive research examines a specific event or group from the perspective of a person, organization, or industry. The goal is to describe related aspects while explaining the important features and issues of the observed event. You are not required to develop a hypothesis for descriptive research, and you are not required to do so for your study.

Researchers study the natural state of things using qualitative research methodology based on post-positivist philosophy (rather than experimentation). The researcher is the primary tool; data sources are deliberately sampled; and the snowball effect is significant. The data processing method is inductive and qualitative, the data collection method is triangulation (combination), and qualitative research findings emphasize meaning rather than generalization.

Researchers searched for information on securities, papers, theses, dissertations, and journals using various sources of information, including official data from the Financial Services Authority published on the OJK's official website. The primary motivation for conducting this research is that, prior to deciding on a research topic, the researcher looks for business news that is popular in 2019 and has the potential to grow rapidly in the coming years.

After searching for news in various reliable media outlets, particularly those that cover business news, the researchers discovered an intriguing case to include in their study. The researchers discovered that when businesses pay attention to how financial technology is used in their operations, they can make a significant difference. Finally, the researchers wanted to see how fintech affects the process of simple collaborative transactions, particularly in Palembang City.

Data Collection Technique

Because data collection is the primary goal of research, the data

collection procedure is the most strategic stage in the research process. In research, data is gathered through observation, interviews, and questionnaires. Data collection methods in qualitative research typically include documentation, interviews, and observation.

An interview can be used to provide evidence or to double-check information that has been gathered. In-depth interviews are a type of interview used in qualitative research. For a long time, researchers gathered data for their studies through personal conversations with informants or respondents, either with or without researchers conducting interviews. If the researcher does conduct an interview with the informant or informants, the interview will be used as a data collection strategy, with tools such as a book to record important information and a camera to provide tangible evidence.

The observation method refers to the process of collecting data in the field through direct observation. The author personally witnessed how the advancement of financial technology affects social and economic processes, according to the findings of this study. Documentation Arikuntoro describes records, transcripts, books, newspapers, magazines, minutes, meetings, agendas, and other materials as sources of information about objects and variables. Researchers can obtain permission from the official account of Indonesia's financial services by using this method.

A questionnaire, according to Sroyo Anwar, is a collection of questions that are considered established facts or truths and must be answered by respondents. A

questionnaire may also include written statements that provide relevant information about facts or points of view. According to Gantina Comarasari, a questionnaire is a set of formats given to respondents (students, parents, and the community) and is one of the data collection methods in non-test evaluation. Surveys are made up of a series of questions that respondents or survey subjects must answer or process. According to some of these perspectives, a questionnaire is a method of data collection that involves sending written questions to sources or respondents, who then provide written responses.

Data Analysis Technique

1. Data collection

Data collection⁷⁸ refers to the methodical and standardized process of gathering the necessary data. Data that is directly relevant to the research topic is referred to as primary or secondary data. There are several methods for gathering primary data. In terms of primary data collection methodology, Dr. K.S.A. has outlined the following: Method of Direct Observation This technique collects data by using the eyes rather than other common instruments; there are no set guidelines for recording observations; what matters is that behaviors are recognized and phenomena are documented.

A questionnaire or list of questions is a series of questions that make sense in relation to the research problem, and each question serves as a critical test question for a hypothesis. The questionnaire has

been thoroughly and thoroughly compiled. Considering the aforementioned perspectives, a questionnaire can be defined as a set of questions created by the researcher, each of which relates to the research problem. Following that, respondents are given a questionnaire to complete in order to receive their responses.

2. Analysis

Analysis is the process of adding meaning to data in order to answer research questions by identifying and interpreting correlations between phenomena. The intellectual process of formulating and recommending control measures based on the facts and conditions of a given situation is known as analysis.

Hasil dan Pembahasan

Due to the availability of financial technology, or FinTech, Palembang City residents can now conduct financial trading at the Cuandran I (progressive) level, according to the research findings. This suggests that financial technology, or FinTech, is rapidly expanding in the market and has a significant competitive advantage. Alternatively, we can argue that financial technology (FinTech) presents enormous opportunities, which we are capable of capitalizing on. This suggests that FinTech, or financial technology, is in a highly advantageous quadrant. As a result, an active approach (growth) is the best course of action for the presence of financial technology (FinTech) in Palembang to facilitate financial transactions. Proactive strategy, also

known as growth strategy, is defined by Johnson and Scholes (2004) as conceptual, analytical, and logical thinking about priorities, covering immediate, short-term, and long-term situations, and serving as a decision-making guide. Of course, both the actions and the tips and tactics are comprehensive in nature in order to ensure that goals, objectives, and outcomes are met in accordance with the established protocols and suggestions for the formulation of practiced management activities, information, and conditions are requested on an individual basis.

The ability of financial technology (FinTech) to simplify the financial transaction process of Palembang people.

- a. We provide customers with cutting-edge, quick, simple, and reasonably priced financial services.
- b. Profit from the use of electronic money for financial transactions with clients.
- c. You can offer online customer service to locations that are not directly served by financial institutions.
- d. Provide clients with digital marketplace resources that facilitate financial transaction services.

Disadvantages of FinTech, or financial technology. Public finance operations in Palembang are easy to perform.

- a. It is possible that data leakage involving the account owner will occur.

- b. There is a lack of public awareness about the use of financial technology.
- c. Some areas have insufficient network support for internet connectivity.
- d. Customers and/or prospective customers do not have equal access to infrastructure-related IT services.

Opportunities for the existence of Financial Technology (FinTech) on the ease of the financial transaction process of the people in Palembang

- a. The Financial Services Authority and Bank Indonesia have established FinTech, or financial technology, regulations and supervision.
- b. With a large population, a high economic level is possible.
- c. Customers who use financial technology services will find it easier to digitize and automate.
- d. In contrast, while some people are becoming more aware of the benefits of financial technology, others are still unfamiliar with it. Without a doubt, this has an impact on the potential for future client growth.

The threat of the existence of financial technology (FinTech) to the ease of the financial transaction process of the people in Palembang

- a. Workers are now at risk of being fired as a result of technological advancements.
- b. Criminals may commit fraud, resulting in losses and subpar financial results.
- c. In the face of the growing trend of globalization, cross-border trade freedom is critical.

Strategies that Financial Technology (FinTech) should use

Palembang City's approach to using financial technology (FinTech) to streamline public finance processes is depicted in the first quadrant (progressive). This ranking reflects the fierce competition and rapid market expansion that Financial Technology (FinTech) has faced. It also demonstrates the industry's excellent condition. As a result, for Financial Technology (FinTech), an aggressive (growth) strategy is the best course of action.

The goal of an expansion strategy, also known as an offensive strategy, is to address any challenges that the company's current strategy is facing. It develops a customer-focused aggressive growth strategy.

Conclusion

Based on the findings of the previous chapter's research and discussion, some SWOT analysis research entitled "Analysis of the Existence of Financial Technology (FinTech) Towards the Ease of the Financial Transaction Process in Palembang City" can be generated. Interpretation:

- a. Customers should be able to access financial services that are innovative, quick, simple, and affordable.
- b. Using electronic money to conduct financial transactions with customers.
- c. Customers in areas where financial institutions do not serve directly can be served online.
- d. Customers should have access to digital market facilities that allow for simple financial transaction services.

However, the use of financial technology, or FinTech, contributes to the difficulty of financial transactions in Palembang.

- a. It is possible that data leakage involving the account owner will occur.
- b. The general public is unaware of the use of financial technology. Some areas have insufficient network support for internet connectivity.
- c. Customers and/or potential customers do not have equal access to infrastructure related to IT services.

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