

ABSTRACT

The rapid growth of fintech businesses in Indonesia reflects a significant transformation in digital financial innovation, which opens up various opportunities for the digital economy and company expansion, especially Micro, Small, and Medium Enterprises (MSMEs) in Central Java Province. In this context, MSMEs can utilize the Peer-to-Peer (P2P) Lending platform as a simpler and faster funding alternative compared to the often complicated procedures implemented by traditional financial institutions such as banks. Given that the majority of Indonesia's population is Muslim, there is great potential for the development of sharia P2P Lending that is in line with sharia principles. However, although the distribution of MSME working capital through sharia P2P Lending tends to be lower than through bank financial institutions in Central Java, this study aims to identify the factors that influence the adoption of the sharia P2P Lending platform by MSMEs. In this effort, the study uses a quantitative approach that adopts the UTAUT (Unified Theory of Acceptance and Use of Technology) model as an analytical framework. Survey data collected using a questionnaire method and analyzed using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) statistical methodology with the help of SmartPLS 4.0 software. The results of the study indicate that performance expectancy, effort expectancy, facilitating condition, price value, and trust contribute significantly to the decision of MSMEs to choose Sharia P2P Lending. User confidence that Sharia P2P Lending offers convenience, security, and financial benefits in accordance with sharia principles encourages them to use the service. The easier the platform is to access and use, the more likely users are to adopt it. Good infrastructure and effective training increase user convenience. Regulatory support, responsive customer service, sharia financial literacy, and data security are also important. When all these conditions are met, MSMEs are more encouraged to utilize Sharia P2PL, so that usage behavior increases. These findings not only provide insight into the behavior of MSMEs in Central Java in the context of financial technology adoption, but also offer practical implications for the development of marketing strategies and related policies that can support the growth of the sharia fintech sector in Indonesia.

Keywords: Fintech, Islamic P2P Lending, MSMEs, UTAUT Model