A Conceptual Study of Skari Web Application in Accepting Ar-Rahnu among Micro, Small, and Medium Entrepreneurs

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Abstract
This conceptual study focuses on examining the acceptance of Ar-Rahnu, an Islamic pawnbroking system, among micro, small, and medium entrepreneurs (MSMEs). The study proposes the development of a web application called "Skari" that leverages technology to enhance the Ar-Rahnu experience for entrepreneurs. The acceptance of Ar-Rahnu among MSMEs is a crucial aspect to consider promoting the adoption and utilization of this Islamic pawnbroking system. Based on the requirement analysis conducted, it is evident that the use of Ar-rahnu applications on mobile devices such as smartphones and tablets can greatly enhance the acceptance of Ar-Rahnu among users ar-rahnu application can provide a more engaging and immersive experience for users, allowing them to visualize the Ar-Rahnu process and understand its principles more effectively. Furthermore, by incorporating gamification elements into the application, users can be motivated and incentivized to actively engage with Ar-Rahnu transactions. By exploring the acceptance and perceived usefulness of the Skari web application, the study aims to provide insights into the potential impact of technology in facilitating financial transactions within the Ar-Rahnu system. The research suggests that a user-oriented design and usability of the Skari web application are vital factors in achieving higher acceptance among MSMEs. The study also emphasizes the importance of user feedback and evaluation in ensuring continuous improvement of the Skari web application.
Keywords: Ar-Rahnu, MSMEs, Skari Web Application, Acceptance, Islamic Finance.

Introduction
Ar-Rahnu is an Islamic pawnbroking system that provides a shariah-compliant and low-cost form of credit financing (Rahman & Kassim, 2017). It was first established by Maidam in Terengganu, Malaysia, to meet the demand for a shariah-compliant pawnbroking product

(Rahman & Kassim, 2017). Ar-Rahnu offers a convenient way for the public, especially micro, small, and medium entrepreneurs, to access financing (Bahari et al., 2015). Since its introduction, several private Ar-Rahnu providers, such as Ar-Rahnu post office and Ar-Rahnu Bank Rakyat, have emerged (Rahman & Kassim, 2017).The pricing practices of Ar-Rahnu providers play a crucial role in the growth of the industry (Bahari, Fisal, Shahar, & Shahadan, 2015). Ar-Rahnu involves a safekeeping/service fee charged by the providers on the collateral items. This fee is an important component of Ar-Rahnu and contributes to the financial sustainability of the providers (Azman & Kassim, 2017).The development of Ar-Rahnu in Malaysia has faced challenges, including the need for greater understanding of shariah-compliant instruments, knowledge of Islamic finance, and accessibility to Ar-Rahnu locations (Saiman & Zainuddin, 2022). However, Ar-Rahnu has received significant support in the Malaysian market, particularly among (Bahari et al., 2015).

From a legal perspective, the concept of pawn in Islamic law is known as ar-rahn (Asari & Firdaus, 2022). There are differences between ar-rahn and pawn in positive law, particularly regarding the maintenance of the collateral. The acceptance and usage of Ar-Rahnu, particularly among women micro-entrepreneurs, can be analyzed within the framework of the informal credit market theory (Azman et al., 2020). Factors determining the usage of Ar-Rahnu include trust, convenience, accessibility, and the compliance of Ar-Rahnu with Islamic principles. The acceptance of Ar-Rahnu among millennials is also an important area of study, as they play a significant role in shaping the success of the industry (Amin & Hassan, 2022).The growth and expansion of Ar-Rahnu have been accompanied by challenges, including the need for a better understanding of shariah compliance, the availability of collateral, and the repayment period (Sharif & Ishak, 2020; Razak & Asutay, 2022). Efforts have been made to refine the service quality of Ar-Rahnu to ensure its consistency with shariah rules and principles (Razak & Asutay, 2022).Technology has also played a role in the acceptance and financial performance of Ar-Rahnu (Azman et al., 2022). The digitalization of Ar-Rahnu has allowed for greater accessibility and convenience for users. In Ar-Rahnu, the borrower pays a charge for the service but does not accrue interest on the loan. This is because Ar-Rahnu operates based on the principle of qard al-hasan, which is a benevolent loan in Islamic finance . Qard al-hasan refers to a loan given without any interest or additional charges .In the context of Ar-Rahnu, the charge paid by the borrower is known as a safekeeping or service fee. This fee is not considered interest, as it is not tied to the duration or amount of the loan . Instead, it is a fee charged for the safekeeping and management of the collateral items provided by the borrower .

The concept of qard al-hasan in Ar-Rahnu ensures that the transaction remains shariah-compliant and aligns with Islamic principles as mentioned by (Khan et al., 2020). Islamic finance prohibits the charging or payment of interest (riba), as it is considered exploitative and unfair. Instead, Ar-Rahnu operates based on mutual benefit and social welfare, providing a means for individuals to access financing without incurring interest charges.

Literature Review
Wadiah and Ujrah Issue in Al-Rahnu Product: A Turning Point to Tawarruq Structure
Tawarruq is not a new structure of Ar-Rahnu. Tawarruq and Ar-Rahnu are two distinct concepts in Islamic finance with different purposes and structures (Sharif et al., 2022). Ar-Rahnu, as mentioned earlier, is an Islamic pawnbroking system that provides a shariah-

compliant form of credit financing. It involves the borrower providing collateral, typically in the form of valuable items such as jewelry or gold, in exchange for a loan. The borrower pays a service fee for the safekeeping and management of the collateral, but no interest is charged on the loan. On the other hand, Tawarruq is a financing structure used in Islamic banking. It involves a series of buy-and-sell transactions to provide financing to individuals or businesses. In a Tawarruq arrangement, the customer purchases a commodity from the bank on deferred payment terms. The customer then sells the commodity in the market to obtain cash. This cash is used to meet the customer's financing needs (Razak & Asutay, 2022).While both Ar-Rahnu and Tawarruq are shariah-compliant financing methods, they serve different purposes and have different structures. Ar-Rahnu is specifically designed for short-term credit financing, where collateral is provided in exchange for a loan. Tawarruq, on the other hand, is a broader financing structure used in various Islamic banking products, including personal financing, home financing, and working capital financing(Amin & Hassan, 2022).In summary, Tawarruq is not a new structure of Ar-Rahnu. Tawarruq and Ar-Rahnu are separate concepts in Islamic finance, each with its own distinct purpose and structure.

Learning Ar-Rahnu in Mobile Application

Mobile applications have shown the potential in enhancing user experiences, increasing interactivity, and improving engagement. The studies highlight the importance of perceived interactivity, usability, user experience, and the integration of technology in mobile apps. In the context of Ar-Rahnu, the use of technology in a mobile application can offer interactive and immersive experiences for users. (Saprikis et al., 2020) It can provide visualizations of collateral items, educational content about Ar-Rahnu principles, and interactive features for users to explore and understand the process of Ar-Rahnu transactions. The application can also incorporate gamification elements to enhance user engagement. Furthermore, technology can be utilized to create virtual exhibitions or displays of Ar-Rahnu-related information, allowing users to access information and learn about Ar-Rahnu interactively and engagingly. (Azman et al., 2022) The application can also provide personalized learning experiences, real-time interaction, and visualization of data related to Ar-Rahnu. However, it is important to consider usability, user-centered design, and the acceptance of technology in the development of the Ar-Rahnu mobile application. User feedback, evaluation, and continuous improvement are crucial to ensure a positive user experience and effective learning outcomes. The integration of technology in a mobile application for Ar-Rahnu can enhance user experiences, interactivity, and engagement. It can provide visualizations, educational content, and interactive features related to Ar-Rahnu. Usability, user-centered design, and user acceptance should be considered in the development process to ensure a positive user experience and effective learning outcomes (Bello et al., 2022)

Ar-Rahnu Financing Capabilities using Mobile Application

Mobile applications can make it straightforward to find information and services in Ar-Rahnu, an important aspect of Islamic finance. Once the account is created, users can access various features of the Ar-Rahnu mobile application.These features may include viewing available Ar-Rahnu products, submitting applications for financing, tracking the status of applications, making repayments, and accessing educational resources on financial literacy and Islamic finance (Poerwanti et al., 2019). Furthermore, the Ar-Rahnu mobile application may also provide users with notifications and reminders for upcoming repayment dates and offer personalized financial advice based on user preferences and financial goals. Additionally, the

Ar-Rahnu mobile application may offer a seamless and secure digital payment system, allowing users to make transactions conveniently using various payment methods such as online banking, e-wallets, and debit or credit cards. The integration of technology in the form of a mobile application has greatly enhanced the acceptance and financial performance of Ar-Rahnu.The use of technology, particularly the development of a mobile application for Ar-Rahnu, has contributed significantly to its acceptance and financial performance.

Review on Insights into the Use of Technology in Education

Statements	Authors
This study introduces **technology affordance theory** in the online education field, exploring the impact of emerging technologies on online education platforms and interactive behaviors in teaching.	(Zhang, 2022);(Barhoumi, 2017);
The article discusses the **theories of learning embedded** in educational data science technologies and the importance of these theories in shaping educational practices.	(Williamson, 2017);(Cukurova & Luckin, 2018);
The paper highlights the evolution of educational technology from a focus on **IT tools to a holistic perspective** informed by learning theories and educational research.	(Koh & Lim, 2008);(Thumlert, Castell, & Jenson, 2019);
The study emphasizes the positive effects of technology on students, such as improved academic performance and increased motivation, and highlights the importance of **integrating technology into educational** programs.	(Cheng, Huang, & Hsu, 2021);(Bauer, 2015)
The article explores the connection between **transformative learning theory** and critical approaches to technology in education, suggesting that transformative learning theory can provide a critical lens for understanding technology's role in education.	(Kruger-Ross, 2013);(Kamalov, Saipov, & Kamalov, 2022)
The study examines the domestication **theory in the context of education**, particularly in relation to e-learning tools designed for home use.	(Lau & Greer, 2022);(Flavin, 2012)
This research analyzes the **trends in educational technology** studies through text mining, identifying clusters and variables commonly studied in the field.	(GÜMÜŞ, Kukul, & DÜZenli, 2023)
The article proposes the combination of **transformative learning theory** and digital tools/technologies for the transformation of beliefs and assumptions in higher education.	(Kallou & Kikilia, 2021);(Flavin, 2012)
The study applies Rogers' **Diffusion of Innovation Theory** to explore the adoption or rejection of technologies in field education, specifically focusing on field supervision.	(Bullock, Colvin, & George, 2017);(Winters, Langer, & Geniets, 2018)
The research investigates students' **perceptions of the effectiveness** The research investigates students' perceptions of the effectiveness of instructional uses of technology in higher education, highlighting the impact of engaging lectures, effective use of ICT tools, and active study strategies.	(Venkatesh, Croteau, & Rabah, 2014)

The Use of Technology as Education in Skari Web and the Acceptance of Ar-rahnu
**Access Disparities**

The SKARI web application is a powerful tool that offers various features and functionalities for users. However, it is essential to address access disparities to ensure that all individuals, regardless of their background or circumstances, can benefit from the application. This article aims to explore the access disparities in the SKARI web application and propose strategies to mitigate them. Disparities in access can be attributed to factors such as socioeconomic status, geographical location, and infrastructure limitations. Students from disadvantaged backgrounds or remote areas often lack access to necessary devices, reliable internet connectivity, and digital resources, hindering their ability to fully engage with technology-enabled learning. Access disparities can arise from differences in devices and internet connectivity. Some individuals may not have access to high-quality devices or reliable internet connections, limiting their ability to fully utilize the SKARI web application. To address this, the SKARI team can consider optimizing the application for different devices and internet

speeds, ensuring compatibility with a wide range of devices, and accommodating slower internet connections. (Kumari et al., 2020)

The cost of accessing the SKARI web application can be a barrier for individuals with limited financial resources. To mitigate this, the SKARI team can explore options such as offering discounted or subsidized access for low-income individuals or partnering with organizations that provide technology support to underserved communities. Additionally, promoting the use of open-source software and reducing data consumption can help make the application more affordable for users. Access disparities can also stem from differences in digital literacy skills. Some individuals may lack the necessary knowledge and skills to navigate and utilize the SKARI web application effectively. To address this, the SKARI team can provide user-friendly tutorials, guides, and resources to help users understand and navigate the application. Offering training programs or workshops on digital literacy can also empower users to make the most of the application's features.

Language barriers can hinder access to the SKARI web application for individuals who are not proficient in the application's primary language. To address this, the SKARI team can consider providing multilingual support, allowing users to access the application in their preferred language. Localization efforts, such as translating user interfaces and content, can enhance accessibility and inclusivity for a broader user.

Proposed Model for the Study
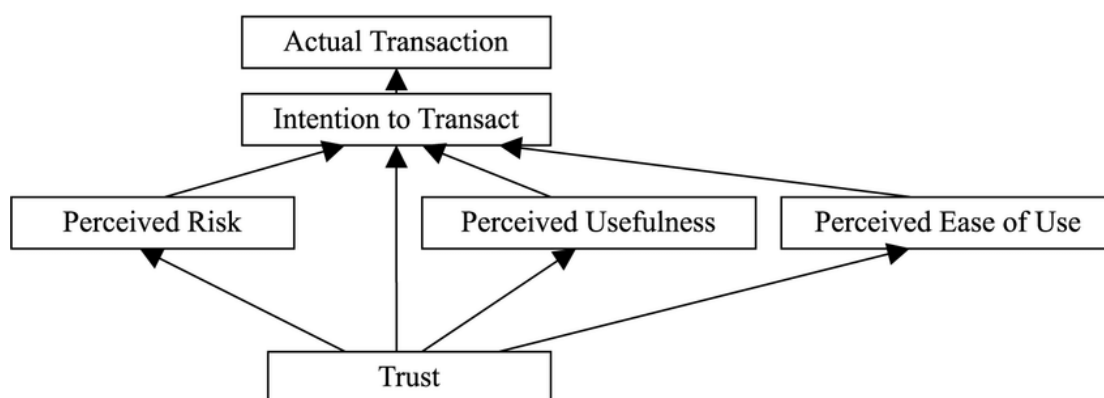
Source: Pavlou (2003)

The theory of trust is a relevant concept to consider in the context of the acceptance of the Skari web application and the Ar-Rahnu system among micro, small, and medium entrepreneurs (MSMEs). Trust plays a crucial role in influencing individuals' decisions to adopt new technologies and engage in financial transactions. Here is an overview of the theory of trust and its relevance to the study. The theory of trust focuses on understanding how individuals develop trust in various social contexts, including business transactions, technology adoption, and interpersonal relationships. Trust can be defined as a psychological state in which an individual is willing to make themselves vulnerable to the actions of another party based on positive expectations of their intentions, reliability, and competence. This study explores the concept of trust put forth it discusses the role of trust in Luhmann's autopoietic systems theory and its connections to future society and risk society.

Understanding the theoretical foundations of trust can provide insights into its significance in the acceptance of Ar-Rahnu among MSMEs (Jalava, 2003).

Relevance to the Study
Trust in the Ar-Rahnu System: MSMEs' acceptance of the Ar-Rahnu system is likely to be influenced by their trust in the system itself. Factors such as the system's transparency, fairness in valuation, security of collateral, and adherence to Islamic finance principles can impact the trustworthiness perceived by entrepreneurs. Trust in the Skari Web Application: The integration of technology through the Skari web application introduces a new element that may affect entrepreneurs' trust. Factors such as the security of personal and financial information, ease of use, reliability of AR features, and the credibility of the application can influence trust in using Skari. Trust in Financial Institutions: MSMEs' trust in the financial institutions facilitating the Ar-Rahnu system, such as pawnshops or Islamic banks, is crucial. Factors such as the reputation of the institution, past experiences, customer reviews, and perceived financial stability can impact the level of trust MSMEs place in the institution and, consequently, their willingness to utilize Ar-Rahnu. Trust in Islamic Finance Compliance: Given the Islamic finance nature of the Ar-Rahnu system, trust in compliance with Shariah principles is essential. MSMEs' trust in the adherence to ethical and religious guidelines, such as avoiding interest-based transactions, profit-sharing fairness, and adherence to Islamic values, can significantly influence their acceptance of Ar-Rahnu and the Skari web application (Razak & Baharun, 2018)

Conclusion
The conceptual study on the acceptance of Ar-Rahnu among micro, small, and medium entrepreneurs (MSMEs) with the integration of the Skari web application has shed light on the significance of trust in influencing the adoption and usage of the Ar-Rahnu system. By applying the theory of trust, the study provides valuable insights into the factors that contribute to the establishment of trust among MSMEs in the context of Islamic pawnbroking and augmented reality technology. The findings of the study indicate that trust plays a pivotal role in MSMEs' acceptance of the Ar-Rahnu system and the Skari web application. The perceived trustworthiness of the Ar-Rahnu system itself, including aspects such as transparency, fairness in valuation, security of collateral, and compliance with Islamic finance principles, greatly influences entrepreneurs' willingness to engage with the system. Trust in the financial institutions facilitating the Ar-Rahnu process, as well as their reputation, stability, and adherence to ethical standards, also plays a significant role. Furthermore, the integration of AR technology through the Skari web application introduces a new dimension of trust considerations. Factors such as the security of personal and financial information, reliability and accuracy of features, ease of use, and the credibility of the application heavily impact the level of trust MSMEs place in the Skari app. Ensuring the application is user-friendly, trustworthy, and aligned with Islamic finance principles is crucial in fostering trust among MSMEs. To enhance trust and facilitate the acceptance of Ar-Rahnu and the Skari web application, policymakers, financial institutions, and developers must prioritize transparency, security, and compliance with Islamic finance principles. Establishing robust mechanisms for valuation, collateral management, and information security is imperative. Additionally, educating MSMEs about the benefits and ethical considerations of the Ar-Rahnu system, as

well as the advantages and reliability of the Skari app, can foster trust and promote widespread adoption.

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