

DIGITAL TRANSFORMATION OF ISLAMIC BOARDING SCHOOL MICROFINANCE INSTITUTIONS IN REDUCING CONSUMPTIVE BEHAVIOR OF STUDENTS (SANTRI)



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Abstract

In the modern era, there has been a shift in consumption behavior among students in Islamic boarding schools (santri). Santri, who are traditionally expected to practice simple consumption habits, are now learning towards excessiveness, and even tendencies toward hedonism due to modernization. This often leaves parents struggling to meet their children's consumption needs, particularly their wants. Therefore, this study aims to first, explore the traditional consumption habits of santri; second, analyze the shifts in their consumption behavior; and third, examine the presence of digital transformation in Islamic boarding schools as a means to curb santri's consumptive behavior. This research employs a qualitative approach, specifically a case study method. The subjects were selected through purposive sampling, and data were collected through observation, interviews, and documentation. Data analysis was conducted using the interpretive technique within the interactive model by Miles and Huberman. Data validity was ensured through source triangulation and technique triangulation. The study yielded the following results: *First*, santri have traditional consumption practices, prioritizing *halal* and *thayyib* (pure and good) products, simplicity, and a sense of community. Second, modernization has shifted santri's consumption habits towards a more hedonistic approach, favoring instant goods and trendy products, thereby increasing their financial dependence on parental support. Third, Islamic boarding schools have partnered with various institutions to curb this consumptive behavior. Digital transformation has been implemented to improve spending efficiency among santri and facilitate the monitoring of their financial management.

Keywords: Santri, Consumption Behavior, Digital Transformation

INTRODUCTION

Santri (students at Islamic boarding schools) serve as the vanguard in preserving the traditions of Islamic boarding schools, institutions rooted in the principle of *tafaqquh fi din*—deep understanding of religion (Adawiyah & Akbar, 2024; Hidayat et al., 2023). At these schools, students are taught not only academic knowledge but also exemplary character (*akhlakul karimah*), which enables them to be well-received by society (Dofiri & Istianah, 2024). Ethics and etiquette are prioritized in the national-scale education system, nurturing santri as future community leaders who embody and interpret life's aspects within society (Putri; et al., 2023). Thus, santri play an essential role in ensuring the sustainability of human resources and the legacy of Islamic boarding schools (Fitri & Ondeng, 2022).

In this context, santri life is unique and steeped in distinct traditions (Fitri & Ondeng, 2022). Living within the confines of the boarding school with teachings that encourage simple living, they become potential bearers of *tafaqquh fi din* (Devi & Ervina, 2020). With a natural inclination toward a religious lifestyle, santri are expected to be cautious in managing their finances (Rohana, 2017). Islamic boarding school education teaches Muslims, especially santri, to avoid *tabdzir* (extravagance) and *israf* (wastefulness) (Febrianto et al., 2022). However, modernization has shifted institutional and lifestyle dynamics at these schools (Ghufroon & Ishomuddin, 2021). Santri are no longer strictly practicing simplicity; rather, their consumption patterns increasingly mirror those of general society. Influences from social media, easy access to goods, and the availability of facilities contribute to a more lavish consumption behavior among santri (Maghfiroh et al., 2020).

Research indicates that santri spend around IDR 30,000–50,000 daily on snacks alone. While this amount might seem insignificant to some, it can be considerable for parents with unstable incomes, leading to parental concerns over their children's spending habits. This reality has driven various Islamic boarding schools to collaborate with banks in pursuing digital transformation as a solution to santri's consumptive behavior (Rani et al., 2020). Consequently, many schools have started implementing preventive measures, from educational efforts to direct actions. One such action involves financial digital transformation, such as creating e-wallets specifically for santri, monitoring canteen

transactions, establishing santri savings accounts, and offering digital cooperative applications. All of these measures aim to curb the rising consumption levels among santri.

Recently, digital transformation in managing santri finances has become a trend across many boarding schools, including at *Ma'had Tibyan Li Al-Shibyan* (MTLS) Miftahul Ulum in Pamekasan, Madura. Although a traditional (Salafi) Islamic boarding school, MTLS has begun integrating technology into its educational processes. Like modern boarding schools, MTLS faces similar challenges regarding santri consumption behavior. MTLS santri have yet to fully control their spending, resulting in a tendency toward excessiveness. Interestingly, instead of adopting e-wallet models like other boarding schools, MTLS has opted for digital transformation within its own microfinance institution. In addition to a cooperative (*Kopontren*), the school has established a specialized microfinance institution called *Baitul Maal Santri* (BMS), managed by the boarding school's microfinance body, *BMT Mawaddah*. BMS oversees santri financial management through digital transformation, issuing *e-BMS* cards with multiple functions, including savings, meal allowances, pocket money, and more. With this transformation, santri no longer need to carry cash; they simply use the card, which is managed in coordination with BMS.

Previous studies have examined related themes, such as santri consumptive behavior and digital transformation in microfinance institutions. For instance, a study by Hayati A. and Azis M. (2023) explored the correlation between NVP (an e-wallet) and income in shaping santri consumption habits, focusing on the factors leading to excessive spending (Hayati & Azis, 2023). Another study by Mukrimah analyzed santri consumption behavior from the perspective of Islamic economics, examining spending patterns to meet daily needs. Hamim A. (2023) also conducted research on the relationship between digital financial literacy, trust, and impulsive buying among santri, with religiosity as a moderating variable. These studies, while insightful, differ in methodology, variables, and focus (Hamim, 2023).

The digital transformation theme related to santri consumption behavior is also reflected in Emilia Rosa, Sugiono (2022) study on optimizing e-bekal services for santri at *Pondok Pesantren Nurul Jadid* in Probolinggo, utilizing Islamic economic analysis. However, this study diverges from others by focusing more on digital transformation rather than an Islamic economic analysis (Emilia Rosa & Sugiono, 2022).

Given the empirical gap that santri, despite learning simple living, struggle to control their spending, this study remains relevant. Many santri still tend to exhaust all the money sent by their parents on non-essential needs, contrary to the anti-hedonism principles they are taught (Mukrimah, 2023). Moreover, previous studies have not specifically examined the traditional consumption behavior of santri, prompting the question of whether digital transformation is genuinely necessary or merely a commercial venture.

Therefore, this study aims to achieve three objectives: first, to explore santri traditions in consumption behavior, capturing changes over time; second, to analyze shifts in consumption habits influenced by modernization, even in traditional Salafi boarding schools; and third, to assess the role of digital transformation in curbing consumptive behavior among santri. Through this analysis, the study will determine the necessity and effectiveness of digital transformation in managing santri finances and the impact it may have on their consumption habits. Thus, this study is both relevant and essential, with the distinct perspective that digital transformation can significantly influence financial management among santri.

REVIEW OF LITERATURE

Digital Transformation

In industrial development, digital transformation plays a crucial role in determining organizational progress (Jin et al., 2024). Digital transformation involves changes in organizational structure, culture, and work systems through technological innovation (Rahmawati et al., 2023). Technology is the key to advancing in today's era (Muzakky et al., 2023). Organizations and institutions need to integrate digital processes into their activities (Supriyono, 2022). Digital transformation is not solely about adopting new technologies but also about reshaping culture, institutional models, and processes to be more adaptive to technology, making operations more efficient, adaptive, and innovative (Muzakky et al., 2023).

Digital transformation offers several benefits for institutional development (Olorunyomi Stephen Joel et al., 2024). These include:

First, enhancing operational efficiency, technology can make services and financing more affordable and faster, reducing operational costs. Second, expanding reach and accessibility, technology enables collaboration with anyone, anywhere. Networks and access can be reached from multiple locations, establishing broader connections with various parties. Third, improving service quality, adapting technology allows services to become quicker, more precise, and accurate. Services are tailored to the needs and demands of the community. Fourth, data-driven decision making, technology makes it easier for institutions to obtain data, which serves as a reference for making informed decisions, and fosters innovation. Fifth, accelerated innovation and adaptation, digital transformation encourages creativity, leading to new discoveries or innovations that people can produce. Sixth, boosting employee productivity, work becomes more efficient, enabling employees to produce results more simply while maintaining quality. Seventh, strengthening security and systems, with dedicated applications, services are more accessible, and integrated activities are more secure. Eighth, instilling sustainability culture, digital processes can help promote a culture of sustainability across all levels. Ninth, achieving competitive advantage, technology gives institutions a competitive edge, driving continuous innovation and adaptability.

Pesantren-Based Microfinance Institutions

A pesantren-based microfinance institution is a microfinance model operating within the pesantren (Islamic boarding school) environment, providing financial services to students, alumni, students' families, and the surrounding community (Muhammad, 2020). This model leverages religious values, social closeness, and existing trust within the pesantren community, making it a unique alternative microfinance option with the potential to thrive in society (Mustofa et al., 2023; Siswanto, 2020). Some roles of pesantren-based microfinance institutions include:

1. Providing financial and sharia literacy education, they offer basic financial education for students, who often lack a deep understanding of financial management. This literacy program teaches students the importance of saving, personal financial management, and awareness of sharia-compliant financial products, preparing them to be financially independent after completing their pesantren education.

2. Encouraging student entrepreneurship, these institutions often provide capital access for students interested in entrepreneurship through microloans or small business financing programs. Students can start small businesses, such as food stalls, crafts, or small retail shops, gaining practical experience and knowledge about business management, profit calculation, and risk management.
3. Building economic independence for students, with accessible, sharia-compliant financial resources, these institutions help students become more economically independent. Students who secure loans for productive purposes, such as small businesses, can start generating their own income rather than relying solely on their families, inspiring creativity in generating additional income or starting businesses.
4. Providing savings and education financing, they offer savings products that students can use for various purposes, such as future education costs, daily living expenses, or as business capital. They also provide educational financing facilities, such as loans for school supplies or tuition fees.

Consumptive Behavior Among Students (Santri)

Consumptive behavior among students refers to a pattern of excessive or inefficient consumption, especially concerning non-essential goods or services (Apriyanto & Heruwasto, 2019). Although students usually live in simple environments with limited access to excessive entertainment or consumer goods, modern influences, particularly through technology and social media, can impact their consumption behaviors (Maghfiroh et al., 2020).

Factors driving consumptive behavior among students: first, social media's influence exposes students to trends and consumerist lifestyles on platforms like Instagram, TikTok, or Facebook, which may encourage them to follow trends or buy popular items. Second, the habit of purchasing non-essential items, even though pesantrens typically restrict access to luxury goods, students still may buy non-essential items like snacks, branded clothing, or accessories, often using allowances provided by their families without adequate oversight. Third, social environment, peer influence, or pressure within student groups can also lead to consumptive behavior. If one student owns certain items, others may feel compelled to purchase similar items as part of the group lifestyle. Fourth, a lack of financial education and

an understanding of proper financial management may cause students to spend money impulsively. This is often exacerbated by limited guidance on distinguishing between needs and wants. Fifth, the impact of advertising and marketing, products marketed heavily to young people, especially through social media, plays a role in encouraging unnecessary purchases. Some students might feel influenced by promotions for fast food, clothing, or gadgets.

Forms of consumptive behavior among students (santri)(Achmad Ali Fikri, Syamsul Arifin, 2022). Examples include excessive spending on food or drinks, a tendency to shop for clothes and accessories, purchasing electronics or gadgets, and buying non-essential souvenirs. Impacts of consumptive behavior among students the consequences can include limited savings, financial dependence, and wastefulness, negative effects on academic performance, potential social jealousy, and diminished self-sufficiency. Efforts to address consumptive behavior among students, financial literacy education, and Pesantrens can hold basic financial literacy training to teach students how to manage their finances, distinguish between needs and wants, and learn the importance of saving. Promoting a simple lifestyle, pesantrens can reinforce character education, emphasizing simplicity and modesty through religious teachings, training, or real-life practices within the pesantren. Limiting gadget use and social media access, restrictions help reduce the influence of advertisements, trends, and social pressures that drive consumptive behavior, coupled with education on the risks of over-consumption and the importance of focusing on learning. Enhancing entrepreneurial activities in pesantrens, through pesantren cooperatives or entrepreneurship programs, students can engage in productive activities that provide financial benefits, reducing their tendency for consumerist spending. Strengthening religious values in financial use, pesantrens can teach students responsible money use aligned with religious principles, encouraging practices like setting aside a portion for charity or donations. With appropriate guidance, consumptive behavior among students can be minimized, allowing them to focus more on personal development, education, and a simple life aligned with the values taught in pesantren (Nurma, Fitrianna, 2022).

RESEARCH METHOD

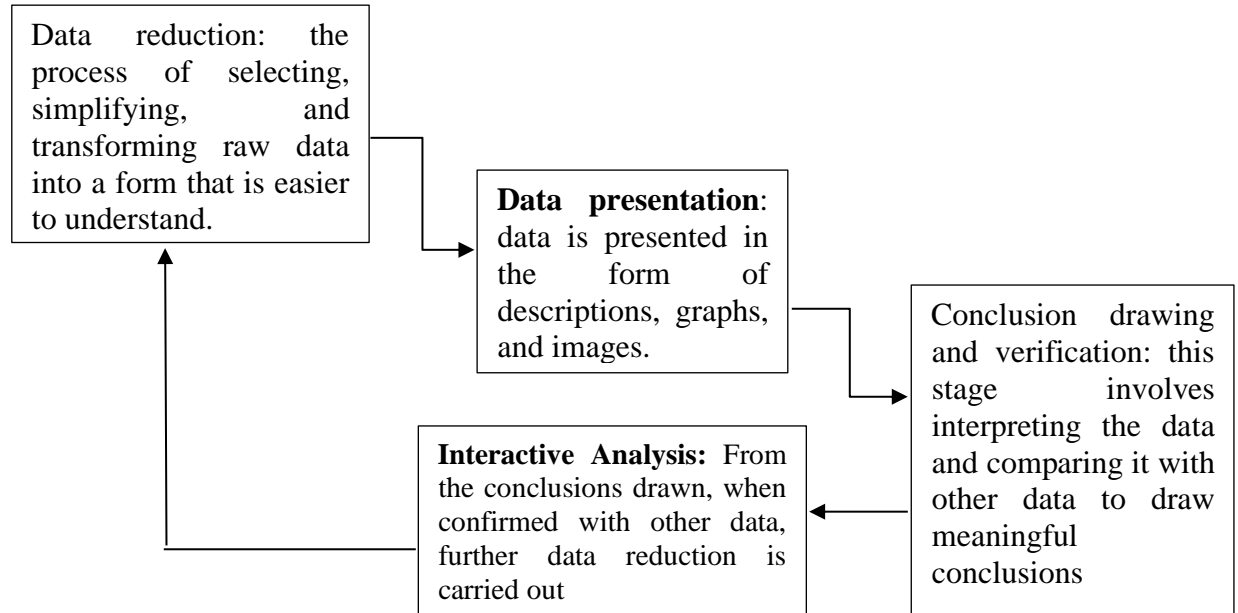
This research employs a qualitative approach, which is used to explore and conduct an in-depth analysis of the digital transformation efforts aimed at curbing consumptive behavior among students. Given the study’s objectives, a qualitative research approach is most suitable (Creswell & Creswell, 2018). Specifically, this research adopts a case study method, focusing on the Pondok Pesantren Ma’had Tibyan Li Al-Shibyan (MTLS) Miftahul Ulum in Pamekasan, Madura. This location was chosen because it differs from other pesantrens in addressing issues of student consumptive behavior. Unlike other pesantrens, where e-wallets are chosen based on partnerships with banks and lack dedicated microfinance institutions to manage students’ consumptive tendencies, MTLS features a specialized institution, the Baitul Maal Santri (BMS), responsible for managing students' finances. BMS also offers an e-wallet called “e-BMS” to facilitate students' transactions.

Another notable aspect is that MTLS is a Salafi pesantren, which has not yet implemented a modern curriculum, making it a unique subject of discussion. Data collection methods include observation, interviews, and documentation. Informants are selected using purposive sampling based on specific criteria

Table 1
Table for Selecting Informants

Criteria for Informants	Informant
Informants knowledgeable about consumption traditions among students	<ol style="list-style-type: none"> 1. Head of the Pesantren 2. Head of Management 3. Pesantren Staff 4. Alumni 5. Students
Informants who know about consumer behavior and Informants familiar with students' consumptive behavior	<ol style="list-style-type: none"> 1. Head of Pesantren Management 2. Pesantren Staff 3. Students 4. Students' Guardians 5. Cooperative/Canteen Staff
Informants who understand the background of the BMS establishment	<ol style="list-style-type: none"> 1. Head of the Pesantren 2. Head of Management 3. BMS Staff 4. Students' Guardians
Informants knowledgeable about BMS management and digital transformation at BMS as a solution to minimize students' consumptive behavior	<ol style="list-style-type: none"> 1. Head of BMS 2. BMS Staff 3. Pesantren Staff 4. Students 5. Students' Guardians

The information and data obtained are then analyzed using an interpretive technique, meaning the researcher interprets the data collected. The analysis follows the stages of Miles and Huberman's interactive model, which includes:



Source: processed

Figure 1
Data Analysis Stages of Miles and Huberman

The data collected is validated using triangulation. The triangulation method used in this research is **source triangulation**. In this triangulation, the researcher does not rely on a single informant but cross-checks the data with other informants until saturation is reached. Additionally, this study also employs the **technique of triangulation**, meaning the data is gathered not only through interviews but also through observations and documentation techniques.

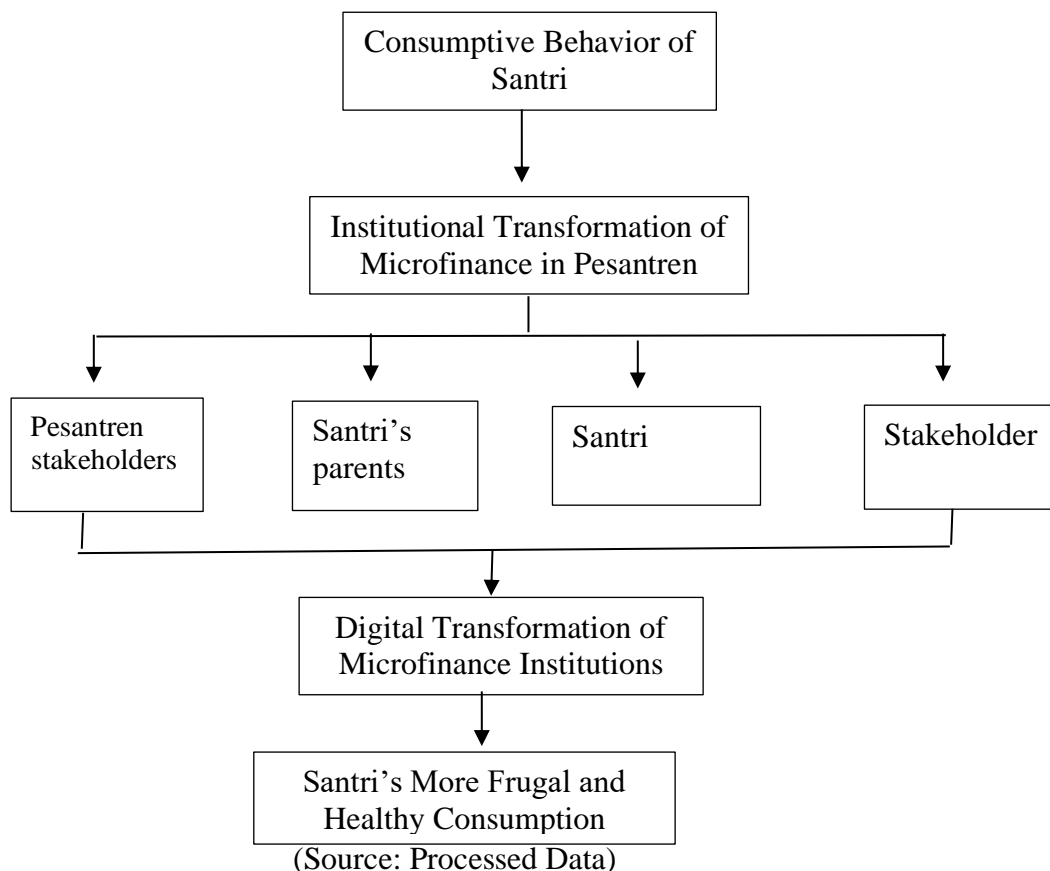


Figure 2
Research Framework

The framework above illustrates that the study begins with the issue of students' consumptive behavior. One solution provided is the institutional transformation through the microfinance institution in the Pesantren. This transformation is carried out by the head of the pesantren, the management, with the approval of the students' guardians, students, and stakeholders. In this case, the pesantren cooperates with banks and other financial institutions. To address the consumptive behavior of students, the financial institution, with the approval of all involved parties, implements digital transformation for more efficient management of students' finances. The ultimate goal is to ensure better control of students' consumption behaviors. If students' consumption is well-controlled, they will lead a more frugal and healthy life. "Frugal" means avoiding wasteful or excessive consumption, which is not the behavior expected from a student. "Healthy living" refers to making consumption choices that positively affect physical health by avoiding unnecessary or harmful goods.

RESULTS AND DISCUSSION

Consumption Traditions of Santri at Pondok Pesantren Ma'had Tibyan Li Al-Shibyan (MTLS) Miftahul Ulum Pamekasan Madura

Historically, Pondok Pesantren Ma'had Tibyan Li Al-Shibyan (MTLS) Miftahul Ulum Pamekasan Madura was established by its founding Kyai as a Salafiyah pesantren under the umbrella of PP Miftahul Ulum. MTLS was created to strengthen the foundation of the santri (students) from an early age. The students at MTLS are generally children, starting at the age of 7. MTLS was specifically designed for children so that religious foundations could be instilled from an early age. While MTLS is part of Miftahul Ulum, it operates with its management, allowing it to set up its managerial practices according to its needs while still coordinating with PP Miftahul Ulum.

Like other pesantren, the santri at MTLS follow consumption traditions that have been passed down through generations. These traditions are part of the pesantren's identity and help shape the resilience and strength of santri as they undergo the transformative process in the pesantren. These consumption traditions include simplicity. The pesantren leaders and administrators emphasize that the consumption tradition at MTLS follows the principle of simplicity. Excessiveness is discouraged. The pesantren teaches students how to manage finances, live a simple life, express gratitude, and spend pocket money wisely, as their daily meals are provided by the pesantren. This simplicity extends not only to food but also to clothing and other needs. The Kyai educates the students about simplicity through classical texts, as living simply reflects the life of the Prophet Muhammad. This tradition continues to be nurtured at MTLS to foster harmonious living among the students. Furthermore, ****Tirakat****, which means self-discipline, is a tradition that cannot be separated from the pesantren's life. It involves students controlling their desires, especially when it comes to food. This can take the form of fasting, dhikr (remembrance of God), consistent learning, and other practices that help curb indulgences. For example, students who fast on Mondays and Thursdays save money by not spending it on food during those days. Such practices are encouraged at MTLS to maintain simplicity. Togetherness, A unique tradition of pesantren, including at MTLS, is togetherness. In matters of consumption, the students always share meals. If one student receives food from their parents, the food is shared among all the

students. Every activity in the pesantren is carried out together, promoting unity and solidarity among the students. Mutual Cooperation and Empathy, another tradition is cooperation, which fosters a sense of brotherhood and removes individualistic and selfish attitudes. Students cooperate in cleaning the dining areas, taking turns serving food, and, if necessary, cooking together in the communal kitchen. Empathy is also a strong value, with students showing concern for those who are struggling or experiencing delays in receiving money from home. This empathy helps cultivate a sense of community and prepares students to care for others in society. Consuming Halal and Healthy Food, the pesantren pays attention to the food served to its students, ensuring that it is both halal and nutritious. While the daily meals may be simple, the production process and the way the food is served prioritize its healthiness and halal status. The food provided in the pesantren's canteen is also monitored to ensure that it meets these standards. Santri are not allowed to buy food outside the pesantren. Prohibition of Luxury and Excessive Consumption: Luxury goods and excessive consumption are strictly prohibited. The goods sold in the pesantren's cooperative (*koperasi*) are limited to those necessary for the students, and the prices are affordable and low. Students are not allowed to bring luxury items such as rings or extravagant items to the pesantren. This policy helps reduce inequality among the students and ensures that they follow a simple lifestyle. Madura Consumption Traditions, a specific tradition in MTLs, involves communal eating with local Madurese dishes, such as corn rice and other local foods. This tradition strengthens the connection between the students and the local culture. These traditions have remained in place since the pesantren's establishment, though they have started to shift with the rise of various culinary businesses and social media, which promote different consumption patterns. While students do not have access to these technologies in the pesantren, they are exposed to them when they return home or during parental visits. This exposure, along with the changing nature of parents' educational approaches, means that students are aware of developments in the outside world. Moreover, the basic character of students, which has evolved over time, also impacts these traditional practices, leading to a gradual decline or disappearance of some of them. Modern consumption behaviors are changing these long-established traditions, prompting the pesantren to undergo various transformations, from institutional changes to digital shifts.

Shifts in the Consumption Behavior of Santri at Pondok Pesantren Ma'had Tibyan Li Al-Shibyan (MTLS) Miftahul Ulum Pamekasan Madura

From a sociocultural perspective, the change in the consumption behavior of santri has become an interesting phenomenon. Santri, who are expected to exemplify simple living, have, in recent years, shown tendencies to indulge in excessive consumption, which contradicts religious teachings. This shift began several years ago and has intensified with the advent of technology and modern industries, altering consumption patterns. The changes in consumption can be attributed to the following factors:

First, increasing access to information and technology: Santri now have easier access to electronic devices, and although smartphones are banned in the pesantren, they are freely used during holidays. The presence of social media and technology has influenced the students' lifestyle and how they view their needs.

Second, changes in eating and drinking habits: younger, Gen Z santri prefer fast food and packaged products that are popular among teens. Foods from Korea and Japan have also influenced the consumption habits of santri at MTLs. Despite the prohibition, some students still buy food outside the pesantren.

Third, increased demand for health and beauty products (especially among female santri): there is a rising demand among female students for health and beauty products. This is influenced by the desire to appear fashionable, especially when they return home and post pictures on social media.

Fourth, the rise of online shopping: online shopping apps have made it easier for students to make purchases. Though this behavior typically occurs outside the pesantren, some students still engage in e-commerce during holidays or occasionally while at the pesantren, despite the occasional risks and punishments associated with it.

This shift poses a challenge for the pesantren in maintaining a balance between traditional values, education, and the influence of modern consumption. Some Islamic boarding schools have begun to implement regulations to regulate student consumption, both related to the use of gadgets and daily consumption habits, so that they remain in line with the goals of religious education and the formation of simple and independent characters. According to the data obtained by the daily consumption of students (student allowance),

which often reaches Rp30,000 or more, exceeding their basic needs, the ideal daily expenditure standard for students should not exceed Rp20,000, especially the student's pocket money. The basic needs, such as food, school supplies, and needs outside of personal needs (pocket money), have been arranged by the Islamic boarding school in the payment in a collective manner, namely, paid/monthly and at the beginning of the month. However, evidence in the field of students allocating funds (all remittances) outside the needs of allocating funds (all remittances) outside of non-essential needs, such as excessive snacks, buying non-priority items, and following consumptive trends.

Table 2
Types of Income for Santri

No	Types of Income for Santri	/Day (Rp)	/Month (Rp)
1	Shipping money		±700.000
2	Uncontrolled allowance	±30.000	±900.000
3	Standard student pocket money	±20.000	±600.000

Source: processed

By holding their own money, students feel free to use it as they wish. This situation shows the need for a more effective approach in teaching students about financial management and the importance of saving. This consumptive habit needs special attention from the pesantren and parents to jointly find the right solution. More broadly, this reflects the challenges faced by the younger generation in the face of the temptations of consumerism and the importance of financial education from an early age to form healthy financial habits. There is also the phenomenon of students in a dishonest way inviting their parents to give additional money, often for reasons that are not entirely accurate, such as donations to Islamic boarding schools or educational fees, or losses. In addition, where students have not been able to manage their finances in spending remittances. This shift in student consumption patterns is what requires Islamic Boarding Schools to carry out strategies in overcoming or minimizing the expenses of guardians of students.

Digital Transformation in Pesantren Financial Institutions to Control Santri Consumption Behavior

In response to the observed shift in consumption behavior, the management of the pesantren decided to establish a Baitul Maal Santri (Santri Fund). The Baitul Maal is designed to minimize financial waste and help students manage their finances more wisely. It provides

a savings system and offers interest-free loans for emergencies, with all financial transactions being recorded digitally for easier management and oversight. The Baitul Maal Santri aims to improve financial discipline among students, reduce excessive spending, and focus on essential needs. By transitioning to a digital financial system, the pesantren hopes to teach students how to manage money responsibly, while also creating a more controlled consumption environment for santri.

Baitul Maal Santri is an institution that manages the finances of students under the supervision of Ma'had Tibyan Li Al-Shibyan Miftahul Ulum Panyeppen Palengaan Pamekasan. This institution was formed by the management based on the results of the meeting with the guardians of the students. This pesantren offers various levels of education, both formal (SD, SMP, SMA/SMK, and IAI-MU) and non-formal (Ma'had Tibyan Li Al-Shibyan, MDTA, MDTW, and MDTU), which are under the auspices of the Al-Miftah Panyeppen Foundation and located on Jl. Raya Palengaan KM 11 Pamekasan, Madura. The number of registered students is 426.

Baitul Maal Santri (BMS) is managed by a chairman, secretary, treasurer, and seven staff members (tellers) who are recruited by the Chief Executive of the Miftahul Ulum Panyeppen Pesantren management. All operational costs of BMS are covered by BMS itself, sourced from each student with a fee of IDR 5,000 per month as operational funds. BMS operates every day from 06:00 to 07:30 WIB. The main purpose of establishing BMS is to organize the financial administration of students and serve as a control tool for the management to help shape the students' character so they can manage their finances responsibly, avoiding wastefulness and excess. Additionally, BMS also functions as a savings repository for the students; any pocket money and meal allowance that the students do not withdraw each day are automatically saved and can be withdrawn at the end of the year during the Ramadan break.

In an interview with the BMS chairman, it was revealed that there are various types of educational fees collected by BMS, such as monthly fees (*syahriyah*), pocket money, meal allowances, health donations, quarterly/ exam registrations, uniform and footwear purchases, class fees, and laundry. Deposits can be made through two channels: directly in cash by the student's parents or their representatives, or via a transfer to a special BMS account, with

confirmation to the BMS management after the deposit. The reception and recording of every fund that enters BMS are handled by the tellers on duty each day. They make daily, weekly, and monthly records, along with a monthly summary report for funds that have been withdrawn or not, and these reports are then forwarded to the daily management of the Pesantren for accountability.

The process of withdrawing pocket money for students is running well, but is not efficient and lacks effectiveness, as the withdrawal system is still done manually (face-to-face), with a very brief time duration, about one and a half hours for 2,300 students. Therefore, there is a need for a computerized accounting digitalization system to streamline the withdrawal process, improve time efficiency, facilitate bookkeeping, report generation, and reduce human error in accounting calculations. Going forward, once the digitalization system is built and implemented, the withdrawal of student pocket money and all financial administration will no longer use cash, but will shift to a digital finance system or e-money, making all transactions at the pesantren easier and more efficient.

The technical management of BMS finances is fully handled by BMS staff, who store the funds collected from the students' parents each month. BMS uses the **wadi'ah yadd dhomanah** contract, where the parents deposit the funds with BMS to be disbursed to the students daily according to the package they choose. BMS staff record and book transactions manually, then input the data into a computer using a simple Microsoft Excel table. They also perform daily, weekly, monthly, and annual summaries, which are reported to the pesantren management and the students' parents. Parents can deposit money directly to the BMS staff by choosing one of the available packages.

Table 3
Financial Financing for Students in accordance with the Package

No	Paket Choices	/Month	Meal cost	Syahriyah	Allowance	Healthy Infaq	BMS Operational
1	Paket A	Rp370.000	Rp180.000	Rp30.000	Rp5.000	Rp5.000	Rp5.000
2	Paket B	Rp520.000	Rp180.000	Rp30.000	Rp10.000	Rp5.000	Rp5.000
3	Paket C	Rp620.000	Rp180.000	Rp30.000	Rp15.000	Rp5.000	Rp5.000
4	Paket D	Rp820.000	Rp180.000	Rp30.000	Rp20.000	Rp5.000	Rp5.000

Source: documents

The variant of this package represents the basic costs that must be met by each student according to their needs and choices during their time at the pesantren, and they are free to choose the package each month. Other financing not included in this package is temporary, such as quarterly/exam administration fees, class donations, and so on. For emergency and urgent financing needs, BMS temporarily covers the costs, following procedures set by the BMS management, with a commitment to settle the payment within a maximum of one month and requiring approval from the pesantren management. BMS finances accumulate around IDR 401,800,000 per month or IDR 4,018,000,000 per year. For the daily disbursement of money, approximately IDR 8,455,000 is required, depending on the number of students withdrawing their pocket money. Of this amount, 50% must be deposited into Baitul Maal wat Tamwil (BMT) Mawaddah. Below are the documentation results of monthly and annual summaries after requesting the report from the BMS management:

Table 4
Documentation of the Monthly and Annual Summaries of the BMS Management

No	Name	/Day	/Month	/Year
1	Funding	± Rp 401.800.000	± Rp 4.018.000.000	
2	Disbursement	± Rp 8.455.000	± Rp 253.650.000	± Rp 2.536.500.000
3	Remaining balance			± Rp1.481.500.000

The remaining annual balance is returned to the students with the knowledge of their parents during the Ramadan holiday, based on the pocket money and food allowance savings that were not withdrawn, after deducting the required contributions to the pesantren. Practically, BMS is a solution for managing and regulating the financial habits of the students, encouraging them to be frugal, avoid wastefulness, and save for future needs. Additionally, BMS also functions as a control institution for the pesantren management regarding every expenditure made by the students while they are at the pesantren.

In principle, BMS is similar to a mini-bank managed by educational institutions in general, serving as a place for money storage. However, BMS does not implement a loan system for anyone. If there are loans, they are temporary, with a predetermined duration, no collateral, and must be approved by the pesantren management. BMS can only provide temporary loans for students who are late in receiving their funds or in emergency financial situations.

Given the importance of BMS in the pesantren, there is a need for system and management improvements, such as the development of a computer-based digital accounting application. This will facilitate operations and access, and generate faster, more accurate, and accountable data. Additionally, transitioning from cash to electronic money or e-money is necessary to enhance efficiency. This system will also educate students on not being left behind in the rapidly advancing digital technology outside the pesantren.

The digital transformation is implemented by issuing an e-BMS card for the students. This card not only stores pocket money and facilitates transactions but can also be used for saving and other banking activities, except for financing. Through e-BMS, students no longer need to carry cash and are more secure from theft. This digital transformation has a positive impact on financial efficiency and the security of the students' finances (Siswanto & Anwar, 2020). The form of digital transformation in addressing the students' consumer behavior is through changes in the existing system at the microfinance institution, Baitul Maal Santri, as well as issuing the smart card, the e-BMS (Siswanto, 2020).

The research findings indicate that the consumption traditions of the students (santri) have shifted due to the influence of modern lifestyles (Adinugraha & Sartika, 2019). This lifestyle, shaped by technology and modernization, has led to changes in the consumption behavior of the students, gradually becoming wasteful and disregarding the principle of simplicity (Ngafifi, 2014). Furthermore, individualism is increasingly apparent among the students. Those who once prioritized togetherness now tends to focus more on themselves, leading to a decrease in empathy among the students (Masruroh et al., 2024).

Excessive consumption disrupts the students' study patterns, which typically involve focusing on the lessons provided by the teachers or religious instructors. Additionally, the cleanliness of the pesantren is affected by the growing amount of waste. Various problems have emerged with this shift in consumption patterns. As a result, the pesantren has made several efforts to steer the consumption behaviors in a more directed manner. The presence of microfinance institutions based in pesantren does not necessarily benefit the pesantren financially. However, these institutions help restore traditional consumption practices among the students. Moreover, through microfinance institutions, the students are better educated on financial management, both in terms of savings and expenditures. Based on the findings,

the introduction of the e-BMS card allows students to save about IDR 10,000 a day, and when multiplied by a month or even a year, this money is returned to the students through their guardians. Once the students realize this benefit, they begin to change their mindset.

CONCLUSION

First, santri have traditional consumption practices, prioritizing *halal* and *thayyib* (pure and good) products, simplicity, and a sense of community. Second, modernization has shifted santri's consumption habits towards a more hedonistic approach, favoring instant goods and trendy products, thereby increasing their financial dependence on parental support. Third, Islamic boarding schools have partnered with various institutions to curb this consumptive behavior. Digital transformation has been implemented to improve spending efficiency among santri and facilitate the monitoring of their financial management.

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