



THE EFFECT OF PAYMENT GATEWAYS, DIGITALIZATION OF MSMEs, FINANCIAL LITERACY, AND VENTURE CAPITAL ON MSME PERFORMANCE.

PENGARUH GATEWAY PEMBAYARAN, DIGITALISASI UMKM, LITERASI KEUANGAN, DAN MODAL VENTURA TERHADAP KINERJA UMKM

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INFO ARTIKEL	ABSTRACT
<i>Histori Artikel: Tanggal Masuk</i> 3 Juli 2025 <i>Revisi Diterima</i> 19 Agustus 2025 <i>Tanggal Diterima</i> 19 September 2025 <i>Tersedia Online</i> 30 September 2025 Keywords: <i>Payment gateway, Digitalization of MSMEs, Financial Literacy, Venture capital, MSME performance</i>	MSMEs play an important role in economic development, overcoming the problem of poverty, and are able to provide employment opportunities. This research aims to determine the influence of payment gateways, digitalization of MSMEs, financial literacy, and business capital on the performance of MSMEs. This research uses a quantitative type of research using primary data. The population of this research is 14,410 MSME food and beverage actors in Sidoarjo Regency. Samples were taken using nonprobability sampling with a purposive sampling method and distributing questionnaires to a total of 99 respondents. The data analysis technique used in the research is multiple linear regression analysis with the help of the IBM SPSS version 23 test tool. The results of this research show that payment gateways, digitalization of MSMEs, financial literacy and venture capital have an influence on MSME performance
Kata Kunci: <i>Payment gateway, Digitalisasi UMKM, Literasi Keuangan, Modal Usaha, Kinerja UMKM</i>	ABSTRAK UMKM berperan penting dalam pembangunan ekonomi, mengatasi masalah kemiskinan, serta mampu menjadi tempat lapangan pekerjaan. Penelitian ini bertujuan untuk mengetahui pengaruh <i>payment gateway</i>, digitalisasi umkm, literasi keuangan, dan modal usaha terhadap kinerja UMKM. Penelitian ini menggunakan jenis penelitian kuantitatif dengan menggunakan data primer. Populasi dari penelitian ini merupakan pelaku UMKM makanan dan minuman

Kabupaten Sidoarjo sebanyak 14.410 UMKM. Sampel diambil menggunakan *Nonprobability sampling* dengan metode *purposive sampling* serta menyebarkan kuesioner sejumlah 99 responden. Teknik analisis data yang digunakan dalam penelitian merupakan analisis regresi linier berganda dengan bantuan alat uji IBM SPSS versi 23. Hasil penelitian ini menunjukkan bahwa *payment gateway*, digitalisasi UMKM, literasi keuangan, dan modal usaha memiliki pengaruh terhadap kinerja UMKM

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1. Introduction

Economic development in Indonesia has the most important part that is able to increase economic growth, namely in the business sector and is grouped in Micro, Small and Medium Enterprises (MSMEs) (Rahmah & Biduri, 2023). As regulated in Law Number 20 of 2008, Micro, Small and Medium Enterprises (MSMEs) are one form of economic activity that is mostly carried out by the Indonesian people, both independent and small-scale businesses and businesses managed by community groups or families that meet the standards of micro, small or medium enterprises (Rauf & Biduri, 2023). So it can be said that Micro, Small and Medium Enterprises (MSMEs) play an important role in economic development, overcoming poverty problems, and being able to become a place of employment (Rahmah & Biduri, 2023).

The development of digital technology has changed several activities carried out by the community, such as encouraging them to switch to online transactions. This also encourages Micro, Small and Medium Enterprises (MSMEs) owners to adapt to these changes for the continuity of their business (Jayanti & Karnowati, 2023).

Survey data shows that 63.5% or 84.2 million people or it can be said that most people are familiar with the internet and use online platforms for various purposes, including shopping for goods, using services, and ordering food or drinks (Wahyuning Tyas & Komala Sari, 2023). This provides a great opportunity for MSME players to utilize technology in online marketing and transactions. With the technology available today, MSMEs can easily promote their products, reach a wider market, simplify the transaction process, and provide convenience for both business actors and consumers.

Micro, Small, and Medium Enterprises (MSMEs) play a significant role in terms of improving community welfare, where MSMEs serve as a bridge for individuals to escape the cycle of poverty and as a tool to spread economic benefits to smaller layers of society.

The hope is that MSMEs can be a driver for economic growth in each region. Technological developments undertaken by SMEs have also contributed to the shift from local to global markets, strengthening the position of MSMEs as large entities and important contributors to the macroeconomy (Rauf & Biduri, 2023). However, there are still many problems faced by MSME actors, such as difficulties in accessing technology, challenges in improving product quality, and a lack of understanding of financial management so that their financial management remains simple because they only rely on income from their sales alone (Dhamayantie & Fauzan, 2017). These constraints have the potential to affect the performance of MSMEs in the future if not addressed immediately.

Performance describes the level of achievement of a person over a certain period of time, when they carry out tasks by meeting predetermined targets and criteria. The evaluation of MSME performance involves various factors such as revenue growth, number of new customers, and profitability for one year. The Resources Based View (RBV) theory is a crucial foundation in assessing MSME performance because it focuses on internal factors within the organization (Haseeb et al., 2019). In the context of MSMEs, RBV can be applied by identifying and optimizing the resources owned by businesses. This includes capabilities in production, strategy implementation, efficient use of resources, and strategy development to improve financial performance. By understanding and managing resources effectively, MSMEs can increase their competitiveness in the market and achieve success in their business. The application of RBV theory is key for MSMEs to gain competitive advantage and achieve their business goals (Afrianti & Biduri, 2023).

The purpose of this study is to identify factors that affect the performance of Micro, Small and Medium Enterprises (MSMEs). One of the variables that are the focus of the research is the payment gateway. The pressure from society towards a modern lifestyle and the convenience of using financial technology encourages MSME players to develop their own digital platforms, one example is the use of Go-Pay. Where Go-Pay is one of the fintech types of payment gateway or digital wallet (Pangestu & Rita, 2022). Payment gateway is an important component in financial technology (fintech) that facilitates online payment transactions. It provides opportunities for entrepreneurs to increase profitability and provide convenience to consumers in making transactions (Luckandi, 2018). It is expected that the role of this payment gateway can be a good opportunity for MSME

players to improve their financial and non-financial performance, including increased profits, sales growth, company development, and increased number of customers (Pangestu & Rita, 2022). Previous studies conducted (Mutiar, 2022) have shown that payment gateway have a significant impact on MSME performance, providing a better understanding of how financial technology can support MSME business growth and success. Meanwhile, according to Pangestu and Rita (2022) shows that payment gateway do not have a significant impact on MSME performance.

The research question posed is: "Do payment gateways, MSME digitization, financial literacy, and business capital affect the performance of MSMEs in the food and beverage sector in Sidoarjo Regency?"

Digitalization has a crucial role in changing the dynamics of every sector including small businesses. It provides opportunities for MSMEs to increase the visibility of their products. In addition, digitization of MSMEs is also an important factor that affects their performance. Digitalization includes a shift from conventional sales models to online models on various e-commerce platforms, this is a strategic step for MSME players to maintain business continuity and can help MSME players to reach a wider audience (Jayanti & Karnowati, 2023). Research conducted (Mutiar, 2022) says that the digitalization of MSMEs has an influence on the performance of MSMEs. Meanwhile, according to Suhargo et al., (2022) digitalization of MSMEs has no influence on the performance of MSMEs.

Another variable that has an influence on the performance of MSMEs is financial literacy. Financial literacy is an important skill for individuals to manage their income effectively and manage personal finances well (Nugraha, 2020). Now is the time for MSMEs to consider proper and careful financial management strategies because increasing financial literacy can significantly improve income. By managing finances appropriately, supported by a strong understanding of financial aspects, MSMEs can improve their standard of living and income. Aspects related to financial literacy include income management, financial management, investment, understanding of loans and credit, and savings management (Susanti et al., 2018). Based on the results of research (Mutiar, 2022, Kasendah & Wijayangka, 2022, and Septiani & Wuryani, 2019) said that financial literacy affects the performance of MSMEs. Meanwhile, according to the results of research from Kumalasari and Haryono (2019) says that financial literacy does not have a significant effect on the performance of MSMEs.

Another variable that has an influence on the performance of MSMEs is business capital. Business capital has a crucial role for both newly started and operating businesses (Hasanah et al., 2020). Capital is one of the key elements in building and running a business, it can come from own capital or through loan capital (Putri & Jember, 2016). The results of research conducted (Ferdiansyah & Bukhari, 2021) say that capital has an influence on the performance of MSMEs. Where capital is a very important element in running a business or company. Without adequate capital, the business will not operate optimally. Whether it is a large business or a small scale business, all require capital. Meanwhile, the results of research conducted by (Kurniawati, 2022) say that business capital has no influence on the performance of MSMEs.

From some previous research results, the results show inequality. The results of some of these studies explain that the independent variables have an influence or have no influence on the dependent variable in this study. So that a research gap arises in this study. This research is a development of research conducted by Mutiara (2022) by adding business capital variables. The reason the researchers chose the object of MSMEs in the culinary sector is that MSMEs are a sector that can improve the economy for the lower middle class, besides that this sector absorbs a large enough workforce. The benefit of this research is to increase the motivation of MSME actors towards technological developments. The existence of technological developments is expected to contribute to the performance of MSMEs and services that are more effective and efficient. With this, the author wants to conduct research again with the aim of knowing how it affects the quality of MSME performance. Then the author summarizes it into a title, namely **"The Effect of Payment gateway, Digitalization, Financial Literacy, and Business Capital on MSME Performance"**.

This study provides novelty by combining the variables of payment gateways, MSME digitization, financial literacy, and business capital simultaneously in culinary MSMEs in Sidoarjo. Unlike previous studies that only focused on some variables, this study also found a negative direction in the payment gateway variable, which was rarely reported in previous literature. This finding is an important justification for further research related to the impact of financial technology on MSME performance.

2. Literature Review

2.1. Literature Review

2.1.1. Resources Based View (RBV) Theory

Resource-Based View (RBV) Theory theory is one of the strategic management theories that emphasizes the importance of internal resources as the main factor

determining the competitive advantage and performance of an organization. the performance of a company or MSME is strongly influenced by how they manage and utilize their resources. These resources can be physical assets, skills, knowledge, technology, and other capabilities that can provide added value. RBV emphasizes that companies that own, develop, and utilize resources that are unique, rare, and difficult to imitate will have a sustainable competitive advantage. In this study, RBV is applied to assess how MSME digitalization, financial literacy, and venture capital can be used as internal resources to improve MSME performance (Sari & Wibowo, 2021).

2.1.2. Transaction Cost Theory, Theory of Disruption

Transaction Cost Theory This theory focuses on the costs associated with transactions in a market. Transaction costs include the costs of information search, negotiation, and contract execution. In the context of MSMEs, payment gateway such as Go-Pay reduce transaction costs by providing an efficient and secure platform for digital payments. By lowering transaction costs, MSMEs can improve their operational efficiency, which ultimately has a positive impact on business performance. (Susanti, D., & Wibowo, 2021)

While the Theory of Disruption explains how new innovations can replace existing technologies or methods, create new markets and value, and disrupt existing markets. Payment gateway are a clear example of an innovation that disrupts traditional payment methods such as cash payments or bank transfers. In the context of MSMEs, the adoption of payment gateway allows them to remain competitive in an increasingly digitized market. The replacement of traditional payment systems with digital technology allows MSMEs to reach more customers, both locally and globally, and simplify transactions, thereby strengthening their position in the market (Rahmawati, S., & Nugroho, 2021)

2.1.3 Teori Technology Acceptance Model

Teori Technology Acceptance Model (TAM) theory explains that a person's decision to accept and use technology is influenced by two main factors, namely perceived usefulness and perceived ease of use. In the context of MSMEs, TAM is used to understand how business actors accept technology such as payment gateway and business digitalization as part of a performance improvement strategy. If MSME players feel that the technology provides real benefits for business continuity and is easy to operate, they will be more likely to adopt and utilize it optimally. The use of appropriate technology can help MSMEs expand markets, improve transaction efficiency, and better

manage finances. Therefore, TAM is the right theoretical framework to examine the effect of technology adoption on MSME performance in the current digital era. (Nuraini & Safitri, 2021)

2.2. Hipotesis

2.2.1. The Effect of Payment gateway on MSME Performance

In line with Transaction Cost Theory, Theory of Disruption, which discusses innovations that replace existing systems in some new way, such as replacing conventional technology with digital technology that produces something that has been updated. One example is the payment gateway, which acts as an online transaction tool to provide trust to MSME players and help them get resources independently (Lestari et al., 2020). The use of technology can be an effective strategy for MSMEs in running their business, because it provides various benefits, such as convenience and comfort in transactions. According to the research conducted by Pangestu and Rita (2022) shows that payment gateways have no effect According to the research of Mutiara (2022) shows that payment gateway affect financial performance. So that the payment gateway in the future will make the performance of MSMEs better and continue to increase.

H₁ : Payment gateway affects the performance of MSMEs

2.2.2. The effect of Digitalization on MSMEs performance

Resources Based View (RBV) theory provides important insights by observing the relationship between economics and information technology that is more relevant to the modern economic era, in this case RBV has an important impact on the development of digital technology to provide novelty in presenting new ideas and sparking innovation in various contexts. This emphasis also encourages the utilization of RBV potential in marketing strategies that utilize e-commerce and social media, especially in dynamic, stable, and resource-rich markets (Armiani et al., 2021). Rapid developments in digitalization have improved the performance of MSMEs by facilitating the sales and marketing process through various platforms. The phenomenon of digitalization has also penetrated into various layers of society, from the lowest to the highest, besides that the digitalization of MSMEs has brought significant changes in the effectiveness and efficiency of the sales and marketing process (Septiani & Wuryani, 2019). The results of research conducted by Mutiara (2022) show that the digitalization of MSMEs affects the

performance of MSMEs. In this case, it shows that if MSME actors take advantage of this digitalization, they will have better performance.

H₂ : Digitalization affects the performance of MSMEs

2.2.3. The Effect of Financial Literacy on MSME Performance

RBV theory explains that financial literacy owned by a company is an internal resource that has value and potential in supporting the running of a business to achieve a competitive advantage and improve business performance in a sustainable manner (Hilmawati & Kusumaningtias, 2021). Financial literacy is a series of activities to increase knowledge, trust, skills, so that all people can manage finances better or it can also be interpreted as good for someone who is able to make quality purchasing decisions and can influence competition (Rizky & Fitriyah, 2023). If MSME actors have and apply financial literacy, it allows them to be more responsive to changes in the business, financial and economic climate. This allows them to make more innovative and purposeful financial decisions, which in turn improves their business performance and ensures business sustainability (Jayanti & Karnowati, 2023). Based on research conducted by Kasendah and Wijayangka (2022) and Septiani and Wuryani (2019) shows that financial literacy affects the performance of MSMEs. So the more MSME actors understand financial literacy, the more knowledge will increase in making financial decisions and will make MSME performance better..

H₃ : Financial literacy affects the performance of MSMEs

2.2.4. The Effect of Business Capital on MSME Performance

Pecking Order theory explains that companies with high levels of profitability tend to have lower levels of debt. In this case they are more careful in the use of funds. In this theory, it is the same with capital to income, if business actors are able to increase their capital, they can use these funds to expand the inventory or merchandise sold, so that this can increase their income, with the increase in income of business actors, their debt level is smaller (Aji & Listyaningrum, 2021). The progress and development of MSMEs is highly dependent on the availability of capital, because capital is the foundation for the success of the company, both for investment in business development and to meet daily operational needs (Putri & Jember, 2016). In research conducted (Ferdiansyah & Bukhari, 2021) shows that capital has an influence on the performance of MSMEs. Meanwhile, research conducted (Kurniawati, 2022) shows that business capital has no

effect on the performance of MSMEs. Thus capital is a positive supporting factor for business development in terms of increasing income and also the performance of MSMEs.

H₄ : Business capital affects the performance of MSMEs

2.3. Conceptual Framework

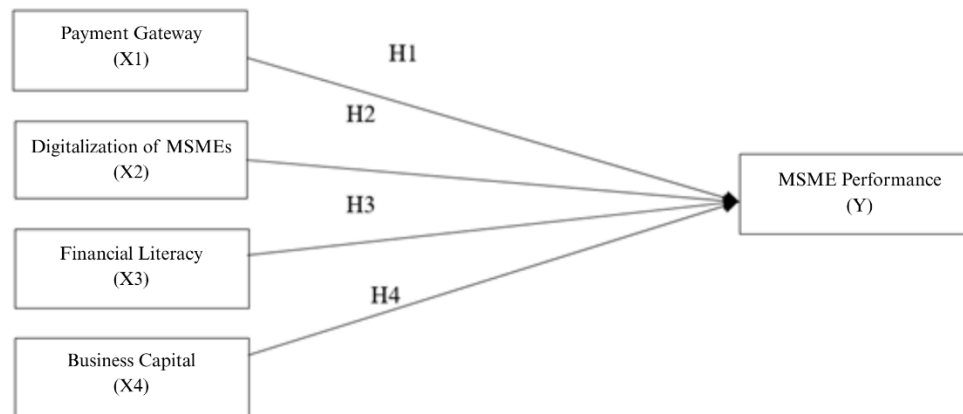


Figure 1
Conceptual Framework

3. Research Methods

3.1. Type and Object of Research

This research uses quantitative research. Quantitative research methods are ancient (traditional) methods, because this method has long been used so that it has become a tradition as a research method (Sugiyono, 2017). Research methods based on the philosophy of positivism, used to research on certain populations or samples, collect data using research instruments, analyze data with quantitative or statistical properties, with the intention of testing predetermined hypotheses.

3.2. Types and Sources of Data

Population is a generalization area composed of subjects and objects that have characteristics according to the author in studying and concluding (Sugiyono, 2017). The population of this study is MSMEs with the category of food and beverage business types as the object of research with a population of 14,410 MSMEs in Sidoarjo Regency, according to data from the Sidoarjo micro business register (Ditakopum, n.d.).

The sample is part of the population for data sources in research, if the population is high then the author will find it difficult to study so that the sample taken must represent (Rozi &

Khuzaini, 2021). The sample technique in this study uses techniques that do not provide equal opportunities for the population to be included in the sample, so this study uses Nonprobability sampling with purposive sampling method (Wulandari, 2019). In this study, the sample size was determined using predetermined criteria. The criteria used are MSME players with food and beverage business types, as well as MSME players who use payments through payment gateways or digital wallets. So the sample in this study amounted to 99 respondents.

A sample size of 99 people was determined from a total population of 14,410 culinary MSME actors in Sidoarjo Regency. This figure was not taken arbitrarily, but was calculated using the Slovin/Yamane formula commonly used in research. With a margin of error of 10%, the calculation resulted in approximately 99 people. In addition, if another method such as the Cochran formula is used, the sample requirement is approximately 95 people. To be on the safe side, in case there are incomplete or invalid responses, the number was increased slightly to 99.

In terms of analysis requirements, this study used multiple regression with four independent variables. Based on the power analysis calculation, the minimum number of respondents required is approximately 85 people. By adding a 15-20% reserve to make the results more robust, a sample size of approximately 99 respondents is considered adequate. Thus, the determination of a sample size of 99 respondents has a clear basis for calculation, both in terms of simple statistical formulas, corrections for field conditions, and analysis requirements.

3.3. Variable Identification and Indicators

Before conducting data processing, researchers identified the variables used in this study. Table 1 below presents the variables, indicators, reference sources, and operational definitions of each variable that serve as a reference in the preparation of research instruments.

Table 1
Variable indicators

Variable	Indicator	Operational Definition	Source
Payment gateway (X1)	1. Effectiveness 2. Efficiency 3. Flexible	The ease and smoothness of digital payment systems that affect MSME business transactions quickly, cheaply, and can be used at any time.	(Tony Sitinjak, 2019), (Adella & Rio, 2021)
Digitalization of MSMEs	1. Innovativeness 2. Accessibility	The level of utilization of digital technology by MSME actors in	(Sufi & Suharti, 2021), (Wandra,

(X2)	3. Interactivity	business operations to increase market access and consumer engagement	2022)
Financial Literacy (X3)	1. Knowledge 2. Financial plan implementation 3. Attitude	Understanding and application of financial management which includes knowledge, attitudes, and financial behavior in MSME activities	(Sanistasya et al., 2019), (Naufal & Purwanto, 2022)
Business Capital (X4)	1. Utilization of business capital 2. Amount of business capital	The availability and use of funds by MSME actors in supporting their operational activities and business development	(Ferdiansyah & Bukhari, 2021)
MSME performance (Y)	1. Sales growth 2. Revenue growth 3. Profit growth	The success rate of MSME businesses as measured by the growth of financial indicators such as sales, revenue, and profit	(Lusardi & Mitchell, 2014), (Rapih, 2015)

Source: Summarized by the researcher

3.4. Data Collection Technique

This study collects data using a questionnaire method directly from MSME actors with food and beverage business criteria taken as samples. Researchers used a closed questionnaire, so that respondents were free to choose the answers that had been provided (Rahayu & Musdholifah, 2017).

This study uses a Likert scale measurement. Each respondent can choose an answer from 1-5 where value 1 indicates strongly disagree, value 2 disagree, value 3 neutral, value 4 agree, value 5 strongly agree (Hilmawati & Kusumaningtias, 2021).

3.5. Analysis Technique

The data obtained through primary data using questionnaire techniques are then processed. Data processing is carried out using SPSS (Statistical Product and Service Solutions) software to conduct validity tests, reliability tests and multiple regression analysis. T test and coefficient of determination (R^2) test to test the hypothesis.

The validity test is a data analysis technique to measure whether a questionnaire is valid or not. This test uses a significance level of 0.05 and an r table of 0.197. Where the significance test process involves comparing the calculated r value with the r table value. If the calculated r value is greater than r table and positively correlated, the question

is considered valid. Conversely, if the calculated r value is smaller than the r table, the data is considered invalid.

Reliability test is a data analysis technique to measure whether a questionnaire is valid or not. The purpose of this test is to evaluate the extent of the consistency of a person's answers to the questions given. A question will be considered reliable or reliable if the respondent's answer to the question is consistent. A variable can be declared reliable if it has a Cronbach Alpha value greater than 0.60.

3.6. Hypothesis Test

3.6.1. Multiple Regression Analysis

Multiple regression analysis is a method to determine the relationship between a variable and another variable. The multiple regression equation is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Description : Y	= Performance
a	= Constant
b_1 b_2 b_3 b_4	= Regression coefficient on each variable
X_1	= Payment gateway
X_2	= Digitalization
X_3	= Financial Literacy
X_4	= Capital
e	= Error

3.6.2. Statistical Test (t Test)

The t test is conducted to determine whether the independent variable partially affects the dependent variable. This determination is made by looking at the significance value of the t test, where the hypothesis is accepted if the Significant value is smaller than 0.05.

3.6.3. Test Coefficient of Determation (R^2)

The coefficient of determination test indicates how large or significant the influence of the independent variable and the dependent variable is.

4. Result and Dissscussion

4.1. Result

4.1.1. Respondent Characteristics

This research was conducted by distributing questionnaires via google forms to Sidoarjo Regency food and beverage MSME players. The number collected was 99 questionnaires. The following are the characteristics of respondents in this study.:

Table 2
Characteristics of Respondents

Characteristics	Frequency	Percentage
Last Education		
ELEMENTARY SCHOOL	0	0,00%
JUNIOR HIGH SCHOL	0	0,00%
SMA	89	89,9%
D3/S1/S2/S3	10	10,1%
Length of business		
<1	10	10,1%
1-5	67	67,7%
5-10	17	17,2%
>10	5	5,1%
Payment Gateway Implementation		
Yes	99	100%
No	0	0,00%

Source : SPSS Processed Data (Version 23)

Based on table 2 shows that this study is dominated by respondents with the latest education at the high school level with a total of 89 or 89.9%. Based on the length of business, most are in the range of 1-5 years with a total of 67 years or 67.7%. Meanwhile, the implementation of payment gateway in this study has been implemented by Sidoarjo Regency food and beverage MSME players with a total of 99 people or 100%.

4.1.2. Validity Test

Table 3
Validity Test Result

Variable	Item	r count	r table	Description
Payment gateway (X1)	X1.1	0,605	0,197	Valid
	X1.2	0,613	0,197	Valid
	X1.3	0,617	0,197	Valid
	X1.4	0,624	0,197	Valid

	X1.5	0,619	0,197	Valid
Digitalization of MSMEs (X2)	X2.1	0,696	0,197	Valid
	X2.2	0,617	0,197	Valid
	X2.3	0,583	0,197	Valid
	X2.4	0,629	0,197	Valid
	X2.5	0,624	0,197	Valid
Financial Literacy (X3)	X3.1	0,603	0,197	Valid
	X3.2	0,584	0,197	Valid
	X3.3	0,536	0,197	Valid
	X3.4	0,570	0,197	Valid
	X3.5	0,686	0,197	Valid
	X3.6	0,671	0,197	Valid
Business Capital (X4)	X4.1	0,612	0,197	Valid
	X4.2	0,590	0,197	Valid
	X4.3	0,654	0,197	Valid
	X4.4	0,684	0,197	Valid
	X4.5	0,599	0,197	Valid
	X4.6	0,540	0,197	Valid
MSME Performance (Y)	Y.1	0,793	0,197	Valid
	Y.2	0,664	0,197	Valid
	Y.3	0,796	0,197	Valid
	Y.4	0,761	0,197	Valid
	Y.5	0,687	0,197	Valid

Source: SPSS Processed Data (Version 23)

Based on table 3 above shows that the validity test on all question items is said to be valid because it has a value of r count on each question greater than r table.

4.1.3. Reliability Test

Based on table 4, the results of the data reliability test show that the Cronbach's Alpha value on the payment gateway variable is $0.640 > 0.60$, the MSME digitization variable has a value of $0.606 > 0.60$, the financial literacy variable has a value of $0.656 > 0.60$, the business capital variable has a value of $0.649 > 0.60$, while the MSME performance variable has a value of $0.796 > 0.60$. In each question item on the instrument, each variable is said to be reliable because it has a Cronbach's Alpha value > 0.60 .

Table 4
Reliability Test Result

Variable	Cronbach's Alpha	Description
Payment gateway (X1)	0,640	Reliable
Digitalization of MSMEs (X2)	0,606	Reliable
Financial Literacy (X3)	0,656	Reliable
Business Capital (X4)	0,649	Reliable
MSME Performance (Y)	0,796	Reliable

Source : SPSS Processed Data (Version 23)

4.1.4. Multiple Linear Regression Test

Table 5
Multiple Linear Regression Analysis Result
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	11,657	3.546	
Payment gateway (X1)	-,347	,078	-,359
Digitalization MSMEs (X2)	,290	,084	,299
Financial Literacy (X3)	,298	,108	,235
Business Capital (X4)	,192	,084	,182

Source: SPSS Processed (Version 23)

Based on table 5 of the multiple linear regression test results, the multiple regression equation is obtained as follows:

$$Y = 11,657 - 0,347X1 + 0,290 X2 + 0,298 X3 + 0,192 X4 + e$$

It can be concluded that:

- The constant value (α) has a value of 11.657, meaning that if the payment gateway, digitalization of MSMEs, financial literacy, and capital are equal to zero (0), the performance of MSMEs is equal to the constant value of 11.657.
- The value of the payment gateway regression coefficient (X1) is negative -0.347. This value states a negative influence between the payment gateway variable and MSME performance. This shows that if the payment gateway variable increases by 1%, on the contrary, the MSME performance variable will decrease by 0.347, assuming other variables remain constant.
- The coefficient value of MSME digitalization (X2) is positive 0.290. This means that if the digitalization of MSMEs increases by 1%, the performance of MSMEs will also increase by 0.290, assuming other variables remain constant.

- d. The coefficient value of financial literacy (X3) is positive 0.298. This means that if financial literacy increases by 1%, the performance of MSMEs will also increase by 0.298, assuming other variables remain constant.
- e. The coefficient value of business capital (X4) is positive 0.192. This means that if business capital increases by 1%, the performance of MSMEs will also increase by 0.192, assuming other variables remain constant.

4.1.5. Test t (Partial)

Concluding from table 6, the t test results on the payment gateway variable have a significant value of 0.000, which is smaller than 0.05 ($0.000 < 0.05$). Based on these results, it can be concluded that Payment gateway (X1) has an effect on MSME performance.

In the MSME digitization variable, it has a significant value of 0.001, which is smaller than 0.05 ($0.001 < 0.05$). Based on these results, it can be concluded that MSME Digitalization (X2) has an effect on MSME Performance.

The financial literacy variable has a significant value of 0.007, which is smaller than 0.05 ($0.007 < 0.05$). Based on these results, it can be concluded that financial literacy (X3) has an effect on MSME performance. Meanwhile, the business capital variable has a significant value of 0.025, which is smaller than 0.05 ($0.025 < 0.05$). Based on these results, it can be concluded that business capital (X4) has an effect on MSME performance.

Table 6
Result of the t Test (Partial)

Model	Unstandardized		Standardized	t	Sig
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	11.657	3.546		3,288	,001
Payment gateway (X1)	-,347	,078	-,359	-4,433	,000
Digitalization MSMEs (X2)	,290	,084	,299	3,462	,001
Financial Literacy (X3)	,298	,108	,235	2,763	,007
Business Capital (X4)	,192	,084	,182	2,276	,025

Source: SPSS Processed Data (Version 23)

4.1.6. Coefficient of Determination (R Square)

Based on table 7, the results of the coefficient of determination test, it can be seen that the R Square value is 0.612 or 61.2%. Where this shows that the payment gateway variable, MSME digitalization, financial literacy, and business capital affect the performance of MSMEs by 61.2%, while the remaining 38.8% is influenced by other variables not examined in this study.

Table 7
Test Result of the Coefficient of Determination

Model	R	R Square	Adjusted Square	R	Std. Error of The Estimate
1	,783 ^a	,612	,596		,860

a. Predictors: (Constant), Payment gateway, MSME Digitalization, Financial Literacy, Business Capital

b. Dependent Variable: MSME Performance

Source: SmartPLS Output Results

4.2. Discussion

4.2.1. The Effect of Payment gateway on MSME Performance

Based on the statistical tests that have been carried out, it can be seen that the payment gateway has an effect on the performance of MSMEs. This is evidenced in table 6 of the t test results which has a significant value of 0.000, which is smaller than 0.05 ($0.000 < 0.05$), so **H1 is accepted**. The findings of this study support the basic Transaction Cost Theory, Theory of Disruption where the theory discusses innovations that replace existing systems in several new ways, such as replacing conventional technology with digital technology that produces something that has been updated. The flexibility in making transactions offered by payment gateway type fintech can help facilitate MSME players because the transaction process is easier and more practical (Pangestu & Rita, 2022). This will help MSME actors to improve financial performance. This research is in line with research conducted by Mutiara (2022) which states that payment gateway affect the performance of MSMEs. This research is not in line with research by (Pangestu & Rita, 2022) which states that payment gateway have no effect on the performance of MSMEs.

4.2.2. The Effect of MSME Digitalization on MSME Performance

Based on the statistical tests that have been carried out, it can be seen that the digitalization of MSMEs has an effect on the performance of MSMEs. This is evidenced in table 6 of the t test results which has a significant value of 0.001, which is smaller than 0.05 ($0.001 < 0.05$), so **H2 is accepted**. The findings of this study support the basic Resources Based View (RBV) theory which provides important insights by observing the relationship between economics and information technology which is more relevant to the modern economic era. The results show that most MSME players understand that communication with buyers can be done through digital media. This is due to the fact that communication with buyers is very helpful in the sales process. Sellers utilize this digital interaction to provide detailed explanations of the products they offer (Jayanti & Karnowati, 2023). This research is in line with research conducted by Mutiara (2022) which states that the digitalization of MSMEs affects the performance of MSMEs. Research conducted by Suhargo et al., (2022) which is not in line with this study states that MSME digitalization has no effect on MSME performance.

4.2.3. The Effect of Financial Literacy on MSME Performance

Based on the statistical tests that have been carried out, it can be seen that financial literacy affects the performance of MSMEs. This is evidenced in table 6 of the t test results which has a significant value of 0.007, which is smaller than 0.05 ($0.007 < 0.05$), so **H3 is accepted**. The findings of this study support the basic Resources Based View (RBV) Theory which explains that financial literacy owned by a person is an internal resource that has value and potential in supporting the running of a business to achieve a competitive advantage and improve business performance in a sustainable manner (Hilmawati & Kusumaningtias, 2021). This shows that by having adequate financial literacy skills, MSME actors can make better business and financial decisions, which in turn will increase the development and continuity of their business in the midst of unstable conditions, so that the business can survive in the long term (Jayanti & Karnowati, 2023). This research is in line with research conducted by Kasendah and Wijayangka (2022) and Septiani and Wuryani (2019) which states that financial literacy affects the performance of MSMEs. However, the results differ from research of Kumalasari and Haryono (2019) which states that financial literacy has no effect on MSME performance.

4.2.4. The Effect of Business Capital on MSME Performance

Based on the statistical tests that have been carried out, it can be seen that business capital affects the performance of MSMEs. This is evidenced in table 6 of the t test results which has a significant value of 0.025, which is smaller than 0.05 ($0.025 < 0.05$), so **H4 is accepted**. The findings of this study support the basic Pecking Order Theory explaining that companies with high levels of profitability tend to have lower debt levels. In this case they are more careful in the use of funds. In this theory, it is the same as capital to income, if business actors are able to increase their capital, they can use these funds (Aji & Listyaningrum, 2021). This shows that with large capital, traders are more secure in procuring goods in terms of variety and type so that consumers are more interested in purchasing goods which will increase the income of the actors. This research is not in line with research of Kurniawati, (2022) which states that business capital has no effect on the performance of MSMEs. In contrast to the results of this study which state that business capital affects the performance of MSMEs, this will be a novelty in this study.

5. Conclusion and Suggestion

5.1. Conclusion

Based on the results and discussion described, it can be concluded that Payment Gateway has an effect on MSME performance. This shows that by implementing a payment gateway, it can improve the performance of MSMEs. MSME digitalization has an effect on MSME performance. This shows that by digitizing MSMEs, it can improve the performance of MSMEs. Financial literacy affects the performance of MSMEs. This shows that the better the financial literacy owned by MSME actors, the better it can improve the performance of MSMEs. Business capital affects the performance of MSMEs. This shows that the better the use of business capital can improve the performance of MSMEs.

5.2. Limitations and Suggestions

It is important to know that every research has limitations. The limitations in this study are that it only focuses on food and beverage MSME actors as the object of research. Measurement of MSME performance is only based on questionnaire questions. In addition, there are limitations in the use of variables. This study only uses payment

gateway variables, MSME digitalization, financial literacy, and capital. Meanwhile, there are still many other variables that are thought to affect the performance of MSMEs. So that suggestions are obtained that can be used as input for further research, namely for MSME actors it is hoped that they can continue to implement MSME digitalization and continue to hone their financial literacy skills so that they can achieve a competitive advantage and improve business performance in a sustainable manner. Then for further researchers it is hoped that they can add other factors that are not examined in this study that can affect the performance of MSMEs. And can use or add different research objects.

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