MSME PROFITS BOOST: THE IMPACT OF REVITALIZATION USED FINTECH, E-COMMERCE, AND DIGITAL PAYMENTS

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KEYWORDS
MSMEs, Fintech,
E-Commerce,
Digital Payment,
Profit Growth

ABSTRACT

This study aims to examine the influence of financial technology, electronic commerce, and digital payment variables on profit growth variables in MSMEs in Pangkalpinang City, Bangka Belitung Islands Province. The method that the researchers used in this study is an associative method with a quantitative approach that uses primary data sources obtained through the distribution of questionnaires. The sampling method is Nonprobability Sampling with purposive sampling techniques which obtained 100 respondents who are MSME actors. This type of research is quantitative research that is associative. Data analysis techniques use the help of Statistical Package for the Social Sciences (SPSS) software version 25. The results revealed that simultaneously fintech (X1), e-commerce (X2), and digital payment (X3) had a positive and significant effect on profit growth in MSMEs in Pangkalpinang City, while partially fintech variables had a positive and significant effect on profit growth, while e-commerce and digital payment variables did not have a positive and significant effect on profit growth in MSMEs in Pangkalpinang City. The R Square value is 0.504 or 50.4%, so it is concluded that 50.4% of the variation in the dependent variable can be explained by the independent variable. Then the Adjusted R Square value is 0.488 or 48.8%. So it can be concluded that fintech, e-commerce, and digital payments can affect profit growth by 48.8% while the remaining 51.2% is influenced by other variables that were not studied in this study.

INTRODUCTION

In the business world, developments always accelerate quickly to create fierce business competition. Technology is one of the fields that is growing rapidly in the current era of the Industrial Revolution 4.0. The birth of the concept of the era of society 5.0 carried by Japan since 2016 increasingly makes technology an important intake for humans. Both of these eras have raised technology as a medium for elaborating various social challenges and problems, including those in the business world (Tarantang et al., 2019).

Business is always about profit and has many types and criteria. One of the businesses that is currently being occupied by many Indonesians is MSMEs. These MSMEs have been regulated in Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. Micro, Small, and Medium Enterprises abbreviated as MSMEs are forms of small and medium-scale economic businesses and/or activities carried out by individuals or business

entities and managed productively to obtain profits (Simamora & Saputra, 2023).

In 2020, since the beginning of the emergence of COVID-19 in Indonesia, MSMEs have been the sector most affected by this outbreak. The revival of MSMEs in Indonesia after the COVID-19 pandemic is not easy, but the digital era can provoke MSMEs to rise. In this digital era, MSME players are required to be able to master the ability of digital and internet experts to be able to survive in tight business competition (Purwana et al., 2017).

The phenomenon of digital acceleration has been born throughout Indonesia, including Pangkalpinang City which is located and is also the capital of the Bangka Belitung Islands Province. The growth and development of MSMEs is supported by the utilization and application of existing technology. The number of MSMEs in Pangkalpinang City has increased significantly and in June 2022 it increased to 24,521 and now it is predicted to increase due to technological provocations (Slamet et al., 2016).

The phenomenon of digital acceleration in the financial services industry has expertized the financial services industry globally and given birth to a new phenomenon in the financial sector, namely Financial Technology commonly called Fintech. The digital era also presents a breakthrough in the field of trade, namely Electronic Commerce or E-commerce. Not only that, the rapid development of technology has created changes to payment tools and systems that have fast, precise, and safe criteria in every transaction, namely Digital Payment (Sapitri, 2018).
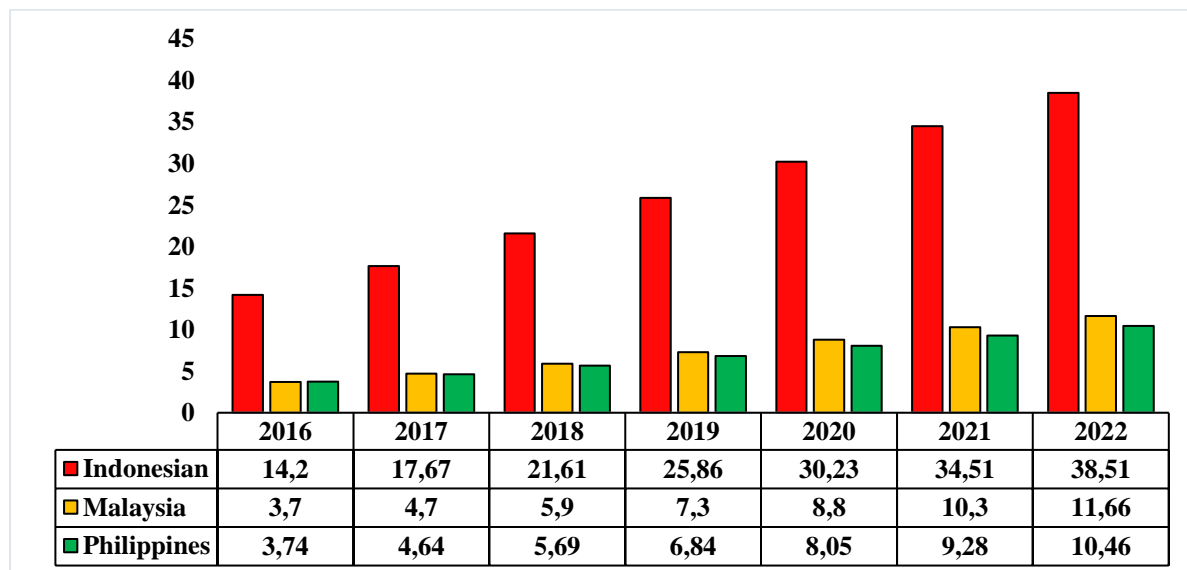

	2016	2017	2018	2019	2020	2021	2022
Indonesian	14,2	17,67	21,61	25,86	30,23	34,51	38,51
Malaysia	3,7	4,7	5,9	7,3	8,8	10,3	11,66
Philippines	3,74	4,64	5,69	6,84	8,05	9,28	10,46

Figure 1.
Projected Value of Fintech Transactions for 2016-2022
**Source: Statista, 2022**

Based on data in Figure 1, it shows that Indonesia is the country with the highest projected value of fintech transactions throughout 2016-2022 with the value of fintech transactions in Indonesia projected to grow by an average of 15.5 per year throughout 2018-2022. Fintech was born to be a fillip for the growth of MSMEs in Indonesia through Peer to peer-to-peer lending, Equity Crowdfunding, E-Wallet, and Personal Finance features (Suryanto & Dai, 2020).
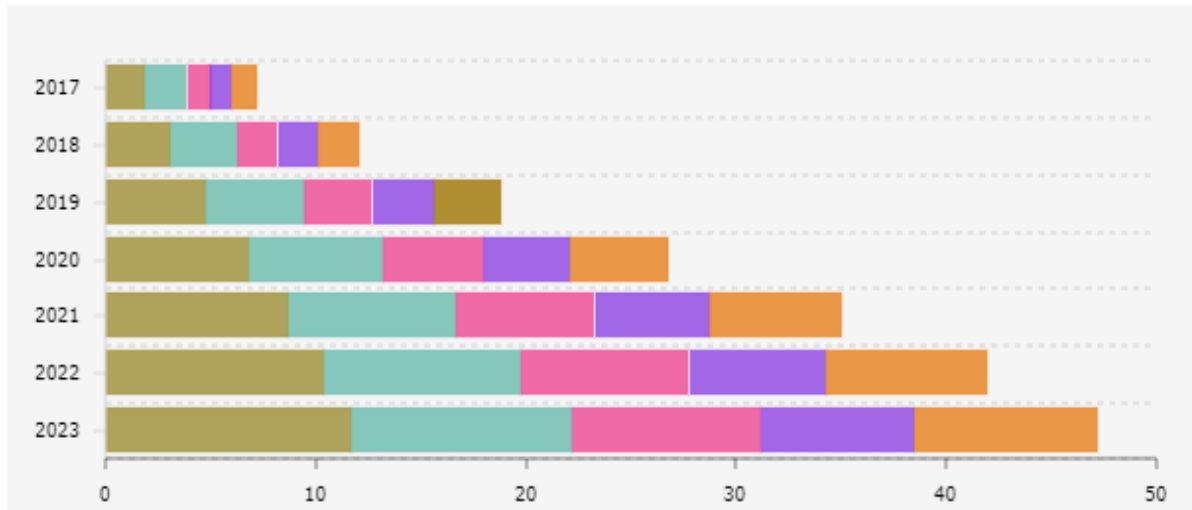
Figure 2.
E-Commerce Revenue in Indonesia 2017-2023

Based on the data in Figure 2, it shows that e-commerce revenue has increased significantly from 2017-2023. This is one of the reasons we want to make e-commerce one of the variables of our research because we want to analyze and find out whether many MSMEs in Pangkalpinang City have used e-commerce to market their products and whether its application can increase profits for their business (Raharjo & Yuliana, 2022).

In the financial sector, technology not only brings changes to financial services, but technology that is growing very rapidly has created changes to payment tools and systems that have fast, precise, and safe criteria in every transaction, one of which is digital payment (Abidin, 2015).
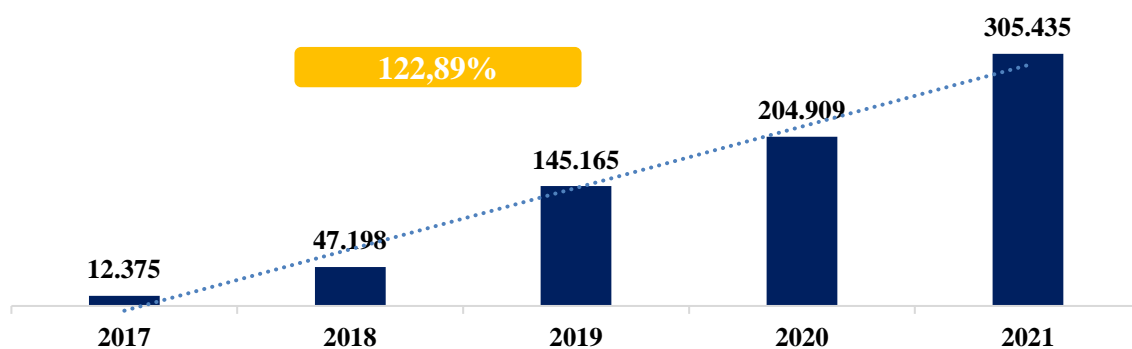
Source: Bank Indonesia, 2021

Figure 3.
Total Digital Payment Transaction Value in 2017-2021

It is clear in Figure 3 that the total value of digital payment transactions from 2017 to 2021 continues to experience a significant increase and is predicted to continue to increase due to the encouragement of digitalization factors that make all people prefer something practical. There are very potential opportunities from e-commerce for MSME players to expand and develop and allow MSME players to market in the global market and potentially penetrate exports.

Several studies related to the influence of fintech, e-commerce, and digital payments on MSMEs have been conducted by several researchers. According to (Abbasi et al., 2021) stated that fintech has a positive influence on the efficiency of MSMEs. According to (Puspita, 2019) the application of e-commerce in MSMEs has not shown an increase in company profits. The implementation of a digital payment system for MSMEs plays a significant role in encouraging the regeneration of MSMEs (Handayani & Soeparan, 2022).

Based on the phenomena that have been described and some previous research results that show that there is an influence between fintech, e-commerce, and digital payments on MSME profits in some regions, there are still some shortcomings and weaknesses in their application, so Researchers are interested in research to analyze and find out whether fintech, e-commerce, and digital payments have a positive and significant effect on profit growth in MSMEs in the Pangkalpinang City.

METHOD RESEARCH

This research method is an associative method with a quantitative approach because it aims to determine the influence or relationship between two or more variables with data in the form of numbers which are then analyzed using statistical methods on the variables used in this study, namely independent variables (fintech variables (X1), e-commerce variables (X2) and digital payment variables (X3)) on dependent variables (profit growth (Y)) on MSMEs in Pangkalpinang City, Bangka Belitung Islands.

Place and Time of Research

Researchers researched MSMEs in Pangkalpinang City, where data was first collected which was sampled through the Micro, Small and Medium Enterprises Cooperative Office of Bangka Belitung Islands Province, followed by the Integrated Business Service Center (PLUT) of Bangka Belitung Islands Province. This research activity began with the ratification of the research proposal and research permit, namely from July to August 2023.

Object and Subject of Research

The object of research in this study is MSMEs in Pangkalpinang City. The subjects in this study are MSME actors in Pangkalpinang City, equipped by officials at the Micro, Small, and Medium Enterprises Cooperative Office and PLUT of Bangka Belitung Islands Province.

Population and Research Sample

The population used in this study is all Micro, Small, and Medium Enterprises in Pangkalpinang City. Of the population of 9,125 MSME units in Pangkalpinang City, 100 MSME units have met the representative sample criteria and become samples in this study.

Sampling Techniques

The sampling technique in this study uses the Nonprobability Sampling method with purposive sampling technique which is a method of determining respondents to be respondents with certain predetermined criteria (Sugiyono, 2018). The criteria in this study are: 1) The research will focus on MSMEs registered at the Cooperative Office and PLUT of Pangkalpinang City; 2) The period studied is 2020-2023; 3) MSMEs that already use and conduct transactions with fintech and digital payments; and 4) MSMEs that already use e-commerce for their sales.

Data Collection Methods

This study used primary data. The data collection method is carried out by conducting field surveys (observations) and distributing questionnaires. Data collection is carried out through three stages, namely: 1) Directly observing the data in the Micro, Small, and Medium Enterprises Cooperative Office which is continued at the PLUT of Bangka Belitung Islands Province; 2) Disseminating questionnaires to MSME actors offline (visiting MSMEs directly) and online (using google form assistance) followed by interviews to add information; 3) Collecting data from questionnaire results. The distribution of questionnaires is carried out by applying the Likert scale as follows:

Table 1
Measurement Scale

Respondent's Answers	Code	Score
Agree	TA	5
Agree	A	4
Simply Agree	SA	3
Disagree	D	2
Strongly Disagree	SD	1

Source: Sugiyono, 2020

Data Analysis Techniques

By looking at the theoretical framework processed by the researcher, the data analysis technique used in this study is quantitative analysis using the help of SPSS 25 software with 1) Descriptive Statistical Analysis; 2) Test validity; 3) Reliability test; 4) Test normality; 5) Multicollinearity test; 6) Heteroscedasticity test; 7) Multiple linear regression analysis test; 8) Partial test (t); 9) Simultaneous test (f); and 10) Determination coefficient test (R^2).

RESULTS AND DISCUSSION

Results of Descriptive Statistical Analysis

Table 2
Results of Descriptive Statistical Analysis

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Fintech	100	15	25	2167	21,67	2,878
E-commerce	100	12	25	1891	18,91	3,285
Digital payment	100	10	25	2056	20,56	3,154
Profit Growth	100	31	50	4138	41,38	3,792
Valid N (listwise)	100					

Source: Research Results, Data processed, 2023

Table 2 shows that the amount of data or N used in this study is 100 which shows the description of fintech, e-commerce, digital payment, and profit growth variables. Each variable in the study showed a mean value greater than the standard deviation value, so it can

be concluded that the data deviation that occurred was low and the deviation of the value was average for fintech, e-commerce, digital payment, and profit growth variables.

Validity Test Results

Table 3
Validity Test Results

Statement	R Calculate	R Table	Conclusion
X1.1	0,910	0,165	Valid
X1.2	0,921	0,165	Valid
X1.3	0,904	0,165	Valid
X1.4	0,916	0,165	Valid
X1.5	0,872	0,165	Valid
X2.1	0,812	0,165	Valid
X2.2	0,931	0,165	Valid
X2.3	0,879	0,165	Valid
X2.4	0,831	0,165	Valid
X2.5	0,868	0,165	Valid
X3.1	0,898	0,165	Valid
X3.2	0,884	0,165	Valid
X3.3	0,910	0,165	Valid
X3.4	0,897	0,165	Valid
X3.5	0,870	0,165	Valid
Y1	0,737	0,165	Valid
Y2	0,667	0,165	Valid
Y3	0,721	0,165	Valid
Y4	0,231	0,165	Valid
Y5	0,737	0,165	Valid
Y6	0,740	0,165	Valid
Y7	0,439	0,165	Valid
Y8	0,504	0,165	Valid
Y9	0,494	0,165	Valid
Y10	0,494	0,165	Valid

Source: Research Results, Data processed, 2023

The validity test is said to pass if the r value is calculated > r table. R table is obtained by the formula df = N-2. Df is the number of respondents, then df = 100 - 2 or df = 98. Then, obtained an r table at a significance of 0.05 or 5% with a one-sided test and obtained an r table of 0.165. Based on the test results in Table 3 show that all statements of variables X1, X2, X3, and Y are declared to pass the validity test because all r values are calculated > table r values.

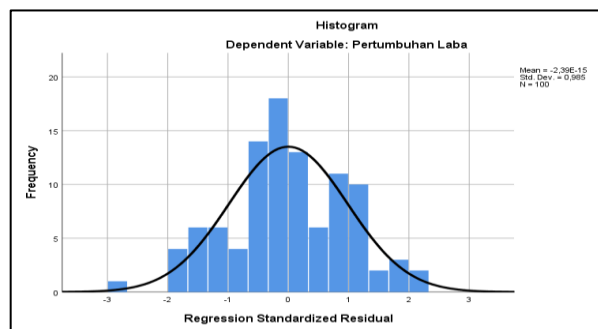**Reliability Test Results**

Table 4
Reliability Test Results

Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Fintech	80,85	62,149	,688	,652
E-commerce	83,61	64,362	,503	,740
Digital payment	81,96	64,928	,527	,727
Profit Growth	61,14	55,293	,567	,713

Source: Research Results, Data processed, 2023

The reliability test is declared accepted or passed if Cronbach's Alpha score > 0.6 (Sugiyono, 2012). According to Fraenkel (2012), Cronbach's Alpha value of 0.51 ñ 0.70 is categorized as moderate reliability and Cronbach's Alpha value of 0.71 ñ 0.90 is categorized as high reliability. Based on the results of the reliability test in Table 4, it can be concluded that all variables are declared to pass the reliability test because the value of Cronbach's Alpha on each variable is> 0.6. So reliability is accepted, with categories for fintech variables having moderate reliability and e-commerce, digital payment, and profit growth variables having high reliability.

Normality Test Results

In this study, researchers used normality tests with the Normal Probability Plot method and the Kolmogorov-Smirnov method. Decision-making in the Normal Probability Plot test is carried out based on criteria if the data spreads around the diagonal line and follows the direction of the diagonal line or histogram graph, showing a normal distribution pattern, then the regression model satisfies the normality assumption.

Figure 5.
Histogram Graph of Normality
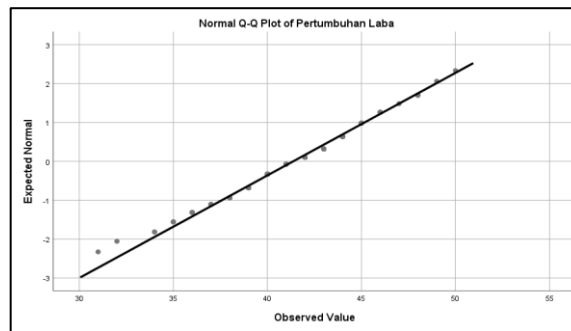Source: Research Results, Data processed, 2023

Figure 6
Test Results of Normal Probability Plot
Source: Research Results, Data processed, 2023

Based on Figure 5 which shows the histogram graph, it can be seen that the histogram does not deviate to the right and left, the curve of the histogram graph has followed a normally distributed chart pattern. Thus, it can be concluded that the tested data is normally distributed. Based on Figure 6, it can also be seen that the points are scattered and follow the direction of the diagonal line so it can be stated that the regression model used in this study already meets the assumption of normality. In addition to using graphic analysis, the results of the normality test in this study were also strengthened using the Kolmogorov-Smirnov method. This is because the normal probability plot method tends to contain relative interpretations. Therefore, in this study, researchers also tested the normality of data using the Kolmogorov-Smirnov statistical method so that interpretations related to research results were further strengthened (Sutarmin & Susanto, 2017).

Table 5
Kolmogorov-Smirnov Method Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	2,67156180
Most Extreme Differences	Absolute	,075
	Positive	,052
	Negative	-,075
Test Statistic		,075
Asymp. Sig. (2-tailed)		,185[c]
a. Test distribution is Normal. b. Calculated from data. c. Lilliefors Significance Correction.		

Source: Research Results, Data processed, 2023

In the normality test, if the significance > 0.05, then the data are normally distributed. Based on Table 5, it can be seen that the magnitude of the significance value of the Kolmogorov-Smirnov test is 0.185 which means that fintech, e-commerce, and digital payment variables on profit growth have normally distributed data because the significance value of 0.185 is greater than 0.05. Thus, it can be concluded that the residual regression

model in this study is normally distributed. So that the residual normality assumption has been fulfilled.

Multicollinearity Test Results

Table 6
Multicollinearity Test Results

| Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	20,61	2,326		8,863	0		
	Fintech	0,899	0,109	0,682	8,223	0	0,751	1,332
	E-commerce	0,113	0,098	0,098	1,153	0,252	0,715	1,399
	Digital payment	-0,042	0,106	-0,035	-0,39	0,695	0,662	1,51

a. Dependent Variable: Profit Growth

Source: Research Results, Data processed, 2023

The multicollinearity test is declared passed if the tolerance value > 0.1 and the VIF value < 10, which means that there is no multicollinearity or regression model in this study free from multicollinearity. Based on Table 6, it can be seen that the tolerance value of each independent variable is greater than 0.10 for fintech (0.751 > 0.10), e-commerce (0.715 > 0.10), and digital payment (0.662 > 0.10) and the VIF value is smaller than 10 for fintech (1.332 < 10), e-commerce (1.399 < 10), and digital payments (1.51 < 10). It can be concluded that all independent variables in this study did not occur as multicollinearity between independent variables because the independent variables in this study had a tolerance value of > 0.1 and a VIF of < 10. Thus, it can be said that the assumption of non-multicollinearity for regression models has been fulfilled.

Heteroscedasticity Test Results

This study analyzed the heteroscedasticity test using a scatterplot graph by looking at patterns on the graph if there is no certain pattern and does not spread above or below zero on the y-axis, then there is no heteroscedasticity in the study.
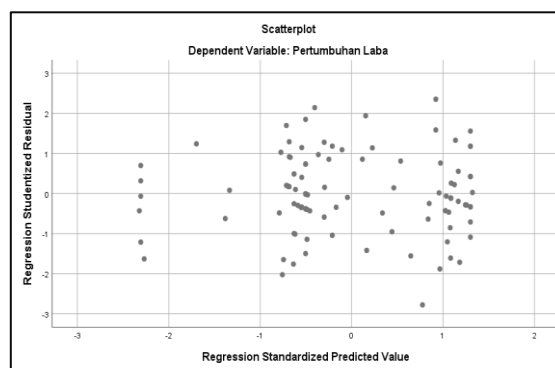
Figure 7
Heteroscedasticity Test Results (Scatterplot Graph)
Source: Research Results, Data processed, 2023

Figure 7 shows that on the scatterplot graph, the points do not overlap each other and spread randomly or irregularly above or below the number 0 on the Y axis. So it can be concluded that there is no heteroscedasticity problem in the regression model so the regression model is feasible to use.

Multiple Linear Regression Analysis Test Results

Table 7
Multiple Linear Regression Analysis Test Results

		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	20,612	2,326		8,863	,000
	Fintech	,899	,109	,682	8,223	,000
	E-commerce	,113	,098	,098	1,153	,252
	Digital payment	-,042	,106	-,035	-,393	,695
a. Dependent Variable: Profit Growth						

Source: Research Results, Data processed, 2023

Based on the test results listed in Table 7, the multiple linear regression equation can be concluded as follows:

$$Y = 20{,}612 + 0{,}899 \ X_1 + 0{,}113 \ X_2 - 0{,}042 \ X_3$$

The constant of 20.612 explains that if the fintech (X_1), e-commerce (X_2), and digital payment (X_3) value is 0, then profit growth (Y) is 20.612. The regression coefficient of the fintech variable (X_1) of 0.899 explains that if the fintech variable (X_1) increases by 1%, then the value of profit growth (Y) will increase or increase by 0.899% assuming other independent variables remain. The regression coefficient of the e-commerce variable (X_2) of 0.113 explains that if the e-commerce variable (X_2) increases by 1%, then the value of profit growth (Y) will increase or increase by 0.113% assuming other independent variables remain. The regression coefficient of the digital payment variable (X_3) of -0.042 explains that if the digital payment variable (X_3) increases by 1%, then the value of profit growth (Y) will decrease or decrease by 0.042% assuming other independent variables remain.

Partial Test Results (t)

Table 8
Partial Test Result (t)

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
Type		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	20,612	2,326		8,863	0,000		
	Fintech	0,899	0,109	0,682	8,223	0,000	0,751	1,332

E-commerce	0,113	0,098	0,098	1,153	0,252	0,715	1,399
Digital payment	-0,042	0,106	-0,035	-0,393	0,695	0,662	1,51

a. Dependent Variable: Profit Growth

Source: Research Results, Data processed, 2023

Based on Table 8, it can be concluded that the results of the statistical test t against the hypotheses in this study are as follows:

H_1 = Financial Technology (Fintech) has a positive and significant effect on Profit Growth in MSMEs in Pangkalpinang City. The results of the t-test calculation obtained calculate for the fintech variable (X_1) of 8.223 greater than table 1.661 and with a significance value of 0.000 smaller than 0.05. This means that H_1 is accepted which shows that fintech variables have a positive and significant effect on profit growth in MSMEs in Pangkalpinang City.

H_2 = Electronic Commerce (E-commerce) has a positive and significant effect on Profit Growth in MSMEs in Pangkalpinang City. The calculation results of the t-test obtained calculated for the e-commerce variable (X_2) of 1.153 smaller than table 1.661 and with a significance value of 0.252 greater than 0.05. This means that H_2 is rejected which shows that e-commerce variables do not have a positive and significant effect on profit growth in MSMEs in Pangkalpinang City.

H_3 = Digital payment has a positive and significant effect on Profit Growth for MSMEs in Pangkalpinang City. The calculation results of the t-test were calculated for the digital payment variable (X_3) of -0.393 smaller than table 1.661 and with a significance value of 0.695 greater than 0.05. This means that H_3 is rejected which shows that the digital payment variable does not have a positive and significant effect on profit growth for MSMEs in Pangkalpinang City.

Simultaneous Test Results (f)

Table 9
Simultaneous Test Results (f)

ANOVA[a]					
Type	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	716,973	3	238,991	32,470	,000[b]
Residual	706,587	96	7,360		
Total	1423,560	99			

Source: Research Results, Data processed, 2023

Simultaneous tests are carried out by comparing the values of $F_{calculate}$ and F_{tabel} with a significance level of 5%. If profitability < 0.05, then the independent variable partially has a significant effect on the dependent variable. To find F_{table}, $df_1 = k - 1 = 4 - 1 = 3$ and $df_2 = n - k = 100 - 4 = 96$ with a significance level of 0.05. So, the value of F_{table} is 2.699. If $F_{calculate} > F_{table}$ then it can be said that the hypothesis is accepted and if the significance level < 0.05 then it can be said that the independent variable affects the dependent variable. This F test is used to test one hypothesis that tests the effect of three independent variables simultaneously.

The hypothesis in question is: H_4 = Fintech, E-commerce, and Digital payment have a positive and significant effect on Profit Growth in MSMEs in Pangkalpinang City. Based on Table 9 it can be seen that $F_{calculate}$ worth 32.470 is greater than F_{table} with a value of 2.699 and the significance value is 0.000 less than the significance level of 0.05. Thus, it can be concluded that fintech, e-commerce, and digital payments together (simultaneously) have a positive and significant effect on profit growth.

Determination Coefficient Test Results (R2)

Table 10
Determination Coefficient Test Results (R2)

Model Summary					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,710ᵃ	,504	,488	2,713	1,858
a. Predictors: (Constant), *Digital payment*, *Fintech*, *E-commerce*					
b. Dependent Variable: Profit Growth					

Source: Research Results, Data processed, 2023

In the determination coefficient test, if the value of R2 is closer to number 1, the influence of the independent variable on the dependent variable is stronger. Based on Table 10 it can be seen that the R Square value is 0.504 or 50.4%. It can be concluded that 50.4% of the variation in the dependent variable can be explained by the independent variable. Then it can also be seen that the value of Adjusted R Square (R2) is 0.488 or 48.8%. So it can be concluded that fintech, e-commerce, and digital payments can affect profit growth by 48.8% while the remaining 51.2% is influenced by other variables that were not studied in this study. Furthermore, we also see a Standard Error of the Estimate (SEE) of 2.713. The smaller the SEE value will make the regression capital more precise in predicting the dependent variable or it can be interpreted if the SEE value < the standard deviation of the independent variable, the regression model is better at predicting the value of the independent variable. The standard deviation value of the independent variable is profit growth of 3.792 (can be seen in Table 2). So it can be concluded that the SEE value < the standard deviation of the independent variable (2.713 < 3.792) which means that regression capital is more precise in predicting the variable of profit growth.

Discussion

The results showed that simultaneously fintech, e-commerce, and digital payment variables had a positive and significant effect on profit growth in MSMEs in Pangkalpinang City. This is in line with research by (Hasyim & Hasibuan, 2022) that the results of the use of fintech and e-commerce are very important for MSME players to use to increase sales and financial performance of their businesses. However, partial research results show that fintech has a positive and significant effect on profit growth, while e-commerce and digital payments do not have a positive and significant effect on MSME profit growth in Pangkalpinang City.

Partially, financial technology or fintech variables that have been applied by MSMEs in Pangkalpinang City have an influence on profit growth in MSMEs in Pangkalpinang City, meaning that if MSMEs in Pangkalpinang City apply or use fintech, profits in MSMEs will

grow or in other words profit growth. This is because the majority of people in Pangkalpinang City have applied to fintech because of the ease of access and transactions. These results support research by (Astari et al., 2022) which states that fintech has a positive and significant effect on financial performance and is in line with (Ningsih, 2020) research which states that the use of fintech has a positive and significant effect on increasing MSME income.

The partial e-commerce variable also does not have a positive and significant effect on profit growth in MSMEs in Pangkalpinang City, this is due to the lack of empowerment of MSME actors in Pangkalpinang City towards e-commerce so its utilization has not been evenly distributed and many of them still find it difficult to access and utilize e-commerce, especially Gen X MSME players. The results of this study are in line with research (Triandra et al., 2019) that e-commerce does not affect increasing MSME income. In contrast to research (Mahliza, 2019) and (Odoom et al., 2017) which concluded that e-commerce affects increasing MSME income.

The partial digital payment variable also does not have a positive and significant effect on profit growth for MSMEs in Pangkalpinang City, this is because neither MSME players nor the people of Pangkalpinang City have not fully utilized digital payments for transactions so they have not been able to maximize the use of digital payments. This result is in line with research (Ningsih, 2020) where providing education to the public, especially on how to utilize financial transaction technology, is very helpful for business actors later so that they will get more benefits than before (Costa & Castro, 2021).

CONCLUSIONS

Based on the results of research and discussion in this study, it can be concluded that partially the results of the study show that fintech has a positive and significant effect on profit growth in MSMEs in Pangkalpinang City, while e-commerce and digital payments do not have a positive and significant effect on profit growth in MSMEs in Pangkalpinang City. Simultaneously, fintech, e-commerce, and digital payments have a positive and significant effect on profit growth for MSMEs in Pangkalpinang City. This is because both MSME actors and the people of Pangkalpinang City have not fully utilized existing technology optimally, especially in the use of e-commerce and digital payments, as well as the lack of empowerment by authorities including the government towards MSME actors in Pangkalpinang City which has an impact on the lack of understanding, expertise and skills possessed by MSME actors in Pangkalpinang City so that they have not been able to maximize utilization existing technology in carrying out their business activities.

Suggestions for future research to be able to add other variables that may affect profit growth such as social media variables, celebrity endorsements, and digital marketing. The limitation of this study is that the research was only conducted on business actors in Pangkalpinang City so it cannot prove whether fintech, e-commerce, and digital payments have a positive and significant effect on the profit growth of MSME players in other regions, so it is expected that there will be research in other regions to expand the scope of research to produce a comprehensive research comparison. It is hoped that the Micro, Small, and Medium Enterprises Cooperative Office and PLUT of Bangka Belitung Islands Province can pay more attention to MSMEs, especially those in Pangkalpinang City by providing education to

MSME players regarding technological developments to help MSME players in Pangkalpinang City to maximize the use of fintech, e-commerce, and digital payments in increasing profits and business development. It is also expected for MSME players to be able to utilize and maximize the application of technology consistently to expand market share and be able to maximize the benefits obtained.

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