

## The Role of E-Commerce in the Financial Transformation of Culinary MSMEs in Palu City

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### ABSTRACT

This study aims to analyze the role of e-commerce in supporting the financial transformation of culinary MSMEs in Palu City, Indonesia. Using a qualitative approach with an exploratory case study design, the research involved five culinary MSMEs: Aesthiccake, Depot Tawaeli Catering, Banana Candu, Nasi Kuning Cahaya Tolis, and Bakso Turlappae. Data were collected through semi-structured interviews, field observations, and documentation, then analyzed using thematic analysis based on the constant comparison principle. The results reveal that e-commerce serves as a catalyst for financial transformation by improving transaction efficiency, accelerating cash flow, and enhancing bookkeeping practices. Early adopters of e-commerce demonstrated more stable cash flow and better financial discipline, while recent adopters faced challenges related to digital literacy and the effective use of accounting features. Differences in adoption levels were influenced by experience, resource availability, and environmental support. Overall, e-commerce contributes to business resilience by expanding market reach and increasing financial accountability. However, limited digital training, high promotional costs, and varying levels of digital literacy remain significant challenges. This study highlights the importance of strengthening digital financial literacy and institutional support to ensure that MSME financial transformation is inclusive and sustainable.

**Keywords:** E-commerce, financial transformation, MSMEs, culinary sector, digital literacy.

## 1. INTRODUCTION

The culinary sector is one of the main pillars of MSME-based economic growth in Palu City. The role of this sector is not only focused on increasing production and product innovation, but also on the ability of business actors to manage finances efficiently and sustainably. In this context, e-commerce has the potential to become a strategic instrument capable of transforming the MSME financial system, particularly in terms of cash flow management, transaction recording, and access to digital financial services.

The transformation of SME finance involves a shift from conventional cash-based financial systems to systems that are more integrated with digital technology. This process includes the digitization of transactions, the use of digital wallets, non-cash payment systems, and application-based financial recording. Through e-commerce platforms, MSME players not only expand their market reach but are also encouraged to conduct digital transactions, which in turn increases transparency, financial reporting accuracy, and operational efficiency (Anindya & Agustin, 2024).

However, the level of digital adoption among MSME players still varies considerably. Some businesses have fully integrated digital systems, including app-based payments and bookkeeping, while others still rely on manual record-keeping. This difference reflects a gap in digital financial literacy among MSME players (Silviawati et al., 2025). In addition, obstacles such as infrastructure limitations, lack of training support, and resistance to change also slow down the financial transformation process (Angraini et al., 2024).

On the other hand, digital marketing and financial technology (fintech) also play a role in strengthening the MSME financial system by providing access to digital payment systems, capital loans, and automated financial reports. A study by Awa et al. (2024) shows that the combination of digital marketing and the adoption of online financial systems can increase income, transaction efficiency, and business sustainability.

The city of Palu is an interesting context to study because it has experienced rapid growth in the culinary sector, but still faces challenges in digital financial literacy and transformation. Therefore, this study focuses on analyzing how e-commerce plays a role in driving the financial transformation of culinary SMEs in Palu, highlighting aspects of financial management, digital literacy, and institutional support that contribute to business sustainability.

## **2. LITERATURE REVIEW**

E-commerce has become a major driver of SME financial transformation, especially in sectors with high transaction intensity, such as the culinary sector. According to Fatimah & Muzakki (2025), the use of e-commerce contributes significantly to increased profits and operational efficiency through the digitization of transactions and financial records. This is in line with the views of Syafa'ah & Rohman (2025), who state that e-commerce not only functions as a sales channel but also as a means of digital financial management that accelerates cash flow and reduces transaction costs.

Financial transformation through e-commerce involves a shift from traditional financial systems to integrated digital-based systems. Silviawati et al. (2025) emphasize that financial digitalization can improve transparency and recording accuracy, as well as support business sustainability through efficient cash flow management. This shows that financial transformation is not only a technological phenomenon but also part of a change in the financial behavior of business actors.

Digital financial literacy is one of the key factors in the successful implementation of e-commerce-based financial systems. Fatimah & Muzakki (2025) highlight that many MSME players still have limitations in understanding the basic principles of digital accounting, which results in the suboptimal use of automatic financial reporting features. Silviawati et al. (2025) add that the level of digital literacy is directly proportional to the ability of business actors to manage financial data, make investment decisions, and maintain cash stability.

In addition to individual literacy, institutional support also plays an important role. Angraini et al. (2024) show that the digital transformation of MSMEs will be effective if supported by digital financial training, access to technology, and government policies that are adaptive to technology-based economic developments. Thus, improving digital financial literacy needs to be seen as an integral part of the MSME empowerment strategy.

Various empirical studies show that e-commerce strengthens the financial efficiency and profitability of MSMEs. Fatimah & Muzakki (2025) found that the adoption of e-commerce has a positive impact on increasing profit margins through transaction efficiency and more targeted digital promotion strategies. Syafa'ah & Rohman (2025) added that digitalization enables MSMEs to optimize operational expenses, expand markets, and increase financial productivity through integrated data management.

Conceptually, this is consistent with the Technology Acceptance Model (TAM) theory proposed by Davis (1989), in which perceived usefulness and perceived ease of use are the main determining factors for the acceptance of digital financial technology. When MSME players feel the direct benefits of digital-based financial systems, they tend to increase their intensity of use in cash management and transaction recording.

In the digital era, the sustainability of culinary MSMEs is greatly influenced by their capacity for innovation and technological adaptation. According to Fitriani & Wicaksono (2022), MSMEs that are able to adopt digital technology for marketing, transactions, and financial record-keeping are able to significantly increase their competitiveness and business resilience.

Digital innovations such as the use of e-commerce, QRIS, delivery services, and financial reporting applications have proven to strengthen the position of culinary SMEs in the market. Hasan et al. (2021) emphasize that the culinary sector is one of the most responsive to digitalization, with the adoption of digital payment features continuing to increase every year. Furthermore, research by Pertiwi & Pratama (2023) shows that collaboration in digital business networks through partnerships with logistics, payment, and marketplace platforms can expand market access and improve operational efficiency.

### 3. RESEARCH METHODS

This study uses a qualitative approach with an exploratory case study design. Five culinary SME actors in Palu City were selected purposively based on the following criteria: (1) have been operating for at least one year, (2) use e-commerce (such as Shopee, TikTok, Instagram, or WhatsApp Business), and (3) are willing to participate in interviews.

Data was collected through semi-structured interviews with the owners of Aesthiccake, Depot Tawaeli Catering, Banana Candu, Nasi Kuning Cahaya Tolis, and Bakso Turlappae. Interviews were conducted during October-November 2025 with a duration of 30–40 minutes per respondent. Field observations and supporting documentation were also carried out to ensure data validity.

Data analysis was conducted using thematic analysis, through three stages: data reduction, data presentation, and conclusion drawing using the constant comparison principle. Data validity was strengthened through source triangulation and member checking.

## 4. RESULTS AND DISCUSSION

From the search results, research on flexibility and adaptability in modern organizations has a fairly broad scope and continues to evolve. Many of the journals I found not only discuss structural or strategic changes, but also organizational culture, the role of leaders, and the influence of technology that helps shape how organizations adapt to change. Most studies use a systematic review approach, biometric analysis, or empirical research conducted in various sectors and regions. The results show that flexibility is usually understood as an organization's ability to quickly adjust its processes and resources, while adaptability refers more to the strategic and cultural ability of an organization to continuously change and develop in the long term.

The five culinary MSME actors in Palu City showed diverse e-commerce adoption patterns, reflecting differences in their levels of digital readiness and motivation. Aesthiccake and Banana Candu are actors who, since establishing their businesses, have directly utilised e-commerce platforms because they do not have physical stores. These two businesses operate entirely online through social media and marketplaces as their main means of promotion and transaction. Meanwhile, Depot Tawaeli Catering began shifting to an online sales system during the COVID-19 pandemic as a way to adapt to the decline in offline demand. E-commerce was utilised to expand its customer reach and streamline large-scale order communications.

In contrast to the three businesses, Nasi Kuning Cahaya Tolis and Bakso Turlappae have only adopted e-commerce to a limited extent through GrabFood, GoFood, and WhatsApp Business services. This usage is still functional in nature, primarily for receiving orders and facilitating cashless transactions.

Overall, this adoption pattern shows that the main motivations for businesses to use e-commerce include increasing transaction efficiency, expanding market reach, and adapting to changes in consumer behaviour, which is becoming increasingly digital. These findings also indicate that the digital transformation process in the culinary sector is taking place gradually and adaptively in accordance with the capacity of each business.

The use of e-commerce has proven to have a significant impact on cash flow efficiency and financial recording systems for culinary sector MSMEs in Palu City. Digital platforms facilitate faster, more transparent, and easier-to-track transactions compared to the previous manual system.

Aesthiccake uses Microsoft Excel to record all daily income and expenses from sales through marketplaces and social media. Records are kept regularly to monitor cash flow and assess weekly sales performance. Meanwhile, Depot Tawaeli Catering relies on the transaction history feature on Instagram Business and marketplaces as the basis for calculating turnover, although formal records are kept semi-digitally.

Banana Candu and Nasi Kuning Cahaya Tolis have utilised digital payment systems such as QRIS to speed up transactions and minimise the use of cash. This helps business owners manage cash flow and reduce the risk of recording errors. Bakso Turlappae still relies on manual recording but has started using WhatsApp Business to recap orders and record transactions.

Overall, the use of e-commerce helps business owners improve the regularity of their records, accelerate cash flow, and facilitate simple audits of their business finances. The digitisation of transactions also strengthens the financial discipline of MSME business owners and raises awareness of the importance of transparency and the separation of personal and business finances.

Digital transformation through e-commerce has also influenced the financial behaviour of culinary SME players in Palu City. All respondents showed increased awareness of the importance of separating personal and business finances, which were previously often mixed. The use of digital platforms makes it easier for players to monitor cash flow and trace transaction history, thereby encouraging more disciplined and structured financial practices.

Businesses with a higher level of digital maturity, such as Aesthiccake and Depot Tawaeli, have developed the habit of regularly recording their income and expenses, both daily and monthly. They also conduct simple evaluations of their sales reports to assess their business performance. Meanwhile, players such as Banana Candu and Nasi Kuning Cahaya Tolis have only recently begun implementing digital financial recording through the use of QRIS and transaction report features on marketplaces, although this has not yet been done consistently.

This behavioral change shows that the use of e-commerce not only has an impact on transactions, but also on increasing digital financial literacy awareness. By getting used to recording transactions and monitoring cash flow online, they are beginning to develop more systematic, accountable, and business-sustainability-oriented financial management patterns.

Although e-commerce provides various conveniences in business management and financial transactions, culinary MSME players in Palu City still face a number of challenges in

the digital transformation process. The main challenges that most often arise include high competition on e-commerce platforms, limited capital for digital promotion, as well as the risk of fictitious orders and uncertainty in shipping costs.

Banana Candu and Depot Tawaeli Catering highlighted the need to improve their content marketing and social media management skills in order to compete effectively amid the increasing number of online businesses. Meanwhile, Bakso Turlappae faces external constraints such as weather and logistics costs that affect the reliability of product delivery to customers.

Additionally, some businesses still have limited digital literacy, particularly in optimising the financial reporting and promotional features provided by e-commerce platforms. This situation prevents some businesses from maximising the potential of digitalisation.

Nevertheless, all respondents agreed that the existence of e-commerce has been instrumental in helping them survive and grow post-pandemic. Digital platforms are not only a means of transaction, but also an adaptive instrument that supports business continuity amid changes in consumer behaviour. This reflection shows that the digital transformation process in culinary MSMEs is dynamic, requiring a combination of technological readiness, managerial skills, and institutional support in order to be sustainable.

The results of the study indicate that the use of e-commerce drives the financial transformation of culinary MSMEs through three main dimensions, namely transaction efficiency, digital financial recording, and market expansion. E-commerce platforms enable faster, more accurate, and more efficient transactions compared to manual systems, as well as expanding the marketing reach of products beyond local areas. These findings are consistent with the results of research by Anindya & Agustin (2024), which found that the implementation of e-commerce has a significant effect on improving the financial performance of culinary MSMEs through operational cost efficiency and improvements in financial recording systems. These results are also reinforced by Fitri (2023), who shows that the combination of e-commerce and digital accounting information systems helps SME actors produce more integrated and accurate financial reports, thereby supporting better financial decision-making.

In terms of technology adoption behaviour, the findings of this study are in line with the principles of the Technology Acceptance Model (TAM), where perceived usefulness and perceived ease of use influence the acceptance of digital technology. Sari & Putra (2021) show that benefits in the form of increased financial access and ease of use of digital platforms

encourage e-commerce adoption among MSMEs, which in turn strengthens local economic sustainability. Similar results were reported by Putri et al. (2023), who found that perceptions of usefulness, ease of use, and external environmental support significantly influence the intention of SME actors to adopt e-commerce. The study confirms that the integration of TAM-based digital systems plays an important role in improving the competitiveness and financial performance of SMEs in the culinary sector.

These findings are relevant to the context of culinary SMEs in Palu City, which are beginning to shift to digital financial systems as part of their daily operational activities. The research by Himawan et al. (2023) also reinforces this, showing that perceptions of benefits and ease of use have a direct influence on the attitudes of MSME actors in using e-commerce, where these two variables are the main determinants in the formation of digital behaviour intentions.

The difference in the level of digital adoption among culinary MSME players, such as Aesthiccake and Depot Tawaeli, which have reached the stage of digital maturity, compared to Nasi Kuning Cahaya Tolis and Bakso Turlappae, which are still in the early stages, illustrates the variation in digital literacy and readiness. This phenomenon is in line with the study by Nikou & Aavakare (2021), which states that the relationship between digital literacy and technological capabilities is gradual and mutually influential, so that the digital transformation process takes place according to the level of readiness of the business actors. Hadian et al. (2024) also emphasise that a combination of perceived ease of use, organisational factors, and technological infrastructure readiness influences e-commerce adoption among MSMEs. This shows that the success of digital financial integration is not only determined by the availability of technology, but also by the internal readiness of the organisation and external support from the business environment.

In addition to improving financial efficiency, e-commerce also strengthens the financial sustainability of MSMEs through increased product visibility and market diversification. Hasan et al. (2021) show that although the adoption rate of e-commerce in Indonesia is still relatively low (around 15%), the culinary sector is one of the sectors that has adapted most quickly to digitalisation, contributing 18.11% of the total number of SMEs using e-commerce. These results indicate that the culinary sector has great potential to grow through technology-based financial transformation. Fatimah & Muzakki (2025) also confirm that e-commerce

integration helps MSME players increase profits through automated recording systems and operational cost efficiency, thereby strengthening long term financial stability.

However, this study also found a number of obstacles in the digital financial transformation process. The main challenges faced by MSME players include high digital promotion costs, limited technology-based financial management training, and a lack of supporting infrastructure. This is consistent with the findings of Himawan et al. (2023) and Hasan et al. (2021), which highlight that low digital literacy, limited human resources, and weak regional policy support are the main factors hindering the adoption of e-commerce in the MSME sector. Therefore, the success of sustainable financial transformation requires comprehensive institutional support through digital financial literacy training, assistance in implementing financial applications, and expanding access to inclusive digital financing.

## 5. CONCLUSION

E-commerce acts as a major catalyst in the financial transformation of culinary MSMEs in Palu City. Through increased transaction efficiency, accelerated cash flow, and the implementation of a simple digital recording system, business actors are able to manage their finances in a more structured manner while expanding their market reach.

The level of digital maturity among business actors varies depending on their experience, digital literacy, and business environment support. Business actors who have adopted e-commerce from the outset demonstrate better financial discipline, while new actors still face obstacles in optimally utilizing digital financial features.

Overall, these findings confirm that e-commerce not only serves as a means of transaction but also as an instrument of financial transformation that strengthens transparency and business sustainability. To accelerate this transformation process, efforts to strengthen digital financial literacy, technical assistance, and continuous online marketing training are needed so that culinary MSMEs in Palu City can adapt and grow in the digital economy ecosystem.

- a. For SME Actors: Utilize e-commerce transaction and sales reporting features to manage cash flow digitally and avoid manual record-keeping.
- b. For Local Governments: Facilitate digital financial literacy training and online promotion strategies for culinary SMEs.
- c. For Future Researchers: It is recommended to use a mixed methods approach to measure the quantitative impact of e-commerce use on profitability and cash flow efficiency.

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