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UTILIZATION OF DIGITAL FINANCIAL APPLICATIONS IN FINANCIAL MANAGEMENT FOR MSMES IN PANGKALPINANG CITY

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Abstract

Digital transformation has encouraged the adoption of digital financial applications as a solution to improve the quality of financial management among Micro, Small, and Medium Enterprises (MSMEs). However, in-depth studies examining the experiences of MSME actors in utilizing such applications through a qualitative approach, particularly in Pangkalpinang City, remain limited. This study aims to analyze the utilization of digital financial applications in MSME financial management in Pangkalpinang City, identify the perceived benefits, and explore the challenges and adaptation strategies involved in their implementation. The study employed a descriptive qualitative approach with purposive sampling, involving MSME owners or managers who had used digital financial applications for at least six months. Data were collected through in-depth interviews, observation, and documentation, and were analyzed using the interactive model of Miles, Huberman, and Saldaña. The findings indicate that digital financial applications are utilized for transaction recording, cash flow management, financial reporting, and monitoring business financial conditions. Their use provides several benefits, including improved administrative organization, greater efficiency in financial reporting, reduced recording errors, improved decision-making quality, and enhanced financial literacy among MSME actors. The challenges encountered include low digital literacy, limited utilization of application features, persistent manual recording habits, and limitations in devices and technical assistance. MSME actors address these challenges through self-directed learning, training, experience sharing, and gradual adoption of digital applications. The study concludes that digital financial applications play an important role in improving the quality of MSME financial management in Pangkalpinang City, supported by enhanced digital literacy and continuous assistance.

Keywords: Digital Financial Applications, Financial Management, MSMEs, Pangkalpinang City, Technology Acceptance Model

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are one of the sectors that play a strategic role in supporting national economic growth, creating employment opportunities, and improving community welfare. This condition is also reflected in Pangkalpinang City, the economic center of Bangka Belitung Islands Province, where MSMEs serve as one of the main drivers of economic activity across various business sectors. Despite their significant contribution, most MSMEs in Indonesia continue to face various challenges in financial management, including inadequate transaction recording, the mixing of personal and business finances, and limited capacity to prepare financial statements. These conditions make it difficult for MSME owners to accurately understand their business financial condition, control cash flow, and fulfill administrative requirements when applying for financing from financial institutions (Haryati, 2024; Yusran et al., 2024).

The development of information technology has driven digital transformation across various business sectors, including MSME financial management. Various digital financial applications, such as BukuWarung, Teman Bisnis, SIAPIK, and Android-based accounting applications, have emerged as solutions that facilitate business owners in recording transactions, managing cash flow, preparing financial statements, and monitoring business financial conditions more quickly and accurately. For MSME owners in Pangkalpinang City, the utilization of digital financial applications represents an alternative approach to improving the effectiveness of financial management amid increasing demands for business digitalization and intensifying business competition. The utilization of these applications is expected to improve the efficiency of financial administration while strengthening business governance, thereby enabling MSMEs to develop more sustainably (Haryati, 2024; Desfiandi et al., 2024).

The implementation of digital financial applications provides various benefits for MSME owners. The use of these applications can improve the accuracy of transaction recording, facilitate the preparation of financial statements, reduce the risk of data loss, and assist business owners in making decisions based on more accurate financial information. In addition, systematically prepared financial statements can enhance MSME credibility, thereby facilitating access to funding from financial institutions and investors. Assistance programs involving the use of Teman Bisnis and digital accounting applications have also demonstrated that the digitalization of financial recording can improve the administrative capabilities and financial literacy of MSME owners (Fitri et al., 2024; Yusran et al., 2024). These benefits are also expected to be experienced by MSME owners in Pangkalpinang City in supporting business sustainability and competitiveness.

Nevertheless, the implementation of digital financial applications continues to face various challenges. Low levels of financial and digital literacy, limited technological skills, inadequate understanding of accounting, and persistent habits of manual record-keeping have prevented some MSME owners from utilizing financial applications optimally. In addition, age, educational background, and limited access to assistance also influence the level of digital technology adoption in MSME financial management (Nofranita et al., 2024; Desfiandi et al., 2024). These challenges may also be experienced by MSME owners in Pangkalpinang City, highlighting the need for a deeper understanding of their experiences in adopting digital financial applications.

Previous studies have generally focused on training, assistance, and the measurement of the effectiveness of digital financial applications through quantitative approaches or community service programs. The findings indicate that the use of digital applications can improve the quality of financial record-keeping and the administrative competencies of MSME owners (Fatah & Purwanto, 2024; Fitri et al., 2024). However, these studies have not sufficiently explored the experiences of MSME owners in using digital financial applications, including their reasons for selecting particular applications, adaptation processes, perceived benefits, and challenges encountered when implementing them in daily business activities. This is particularly relevant in the context of MSMEs in Pangkalpinang City, which have distinctive local economic characteristics and potentially different levels of digital adoption compared with other regions.

Based on these conditions, a research gap remains, namely the limited number of studies employing qualitative approaches to explore MSME owners' experiences in utilizing digital financial applications as part of business financial management. A qualitative approach is necessary to obtain a more comprehensive understanding of MSME owners' perceptions, experiences, perceived benefits, challenges, and adaptation strategies in utilizing digital technology. Therefore, this study aims to analyze the utilization of digital financial applications in MSME financial management in Pangkalpinang City through a qualitative approach. The findings are expected to contribute to local governments, application developers, MSME support institutions, and business owners in formulating more effective strategies to strengthen the digitalization of MSME financial management, particularly in Pangkalpinang City and more broadly in Indonesia (Haryati, 2024; Nofranita et al., 2024; Fatah & Purwanto, 2024).

The research questions of this study are as follows: (1) How are digital financial applications utilized in the financial management of MSMEs in Pangkalpinang City. (2) What benefits are perceived by MSME owners in Pangkalpinang City after using digital financial applications for business financial management and (3) What challenges are encountered, and what efforts are undertaken by MSME owners in Pangkalpinang City to implement digital financial applications in business financial management.

Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) are a business sector that makes a significant contribution to national economic development through job creation, increased household income, and reduced unemployment. The development of MSMEs is also an important indicator of regional economic competitiveness. Nevertheless, most MSMEs continue to face various challenges, particularly in financial management, financial reporting, and the utilization of digital technology to support business activities. These conditions make it difficult for many MSME owners to evaluate their business performance, control cash flow, and gain access to financing from financial institutions (Izzati et al., 2025; Haryati, 2024).

In addition to limited capital, inadequate administrative capabilities and financial record-keeping practices also contribute to the low quality of MSME governance.

Therefore, strengthening the capacity of MSME owners through the utilization of digital technology is one of the strategies needed to improve business competitiveness and sustainability (Kinasih et al., 2025).

Digital Financial Applications

Digital financial applications are technological innovations designed to assist business owners in managing financial activities more effectively and efficiently. These applications provide various features, including transaction recording, cash management, financial statement preparation, cash flow monitoring, and automated analysis of business financial conditions. The utilization of digital financial applications is part of the digital transformation process that can improve administrative efficiency and the quality of financial management among MSMEs (Haryati, 2024).

Various applications, such as BukuWarung, SIAPIK, Teman Bisnis, and other digital accounting applications, have been shown to assist MSME owners in recording transactions in a more systematic manner. In addition to improving work efficiency, the use of digital applications enables business owners to access financial information more quickly, allowing business decisions to be based on more accurate data (Nurhaedah et al., 2025; Izzati et al., 2025).

MSME Financial Management

Financial management refers to a series of activities involving the planning, recording, monitoring, and evaluation of all financial transactions within a business. Effective financial management serves as a foundation for maintaining cash flow stability, controlling operating costs, preparing financial statements, and planning future business development. In the MSME sector, systematic financial management enhances business owners' ability to accurately understand their financial condition, enabling them to make more appropriate business decisions (Haryati, 2024).

The digitalization of financial record-keeping also facilitates the preparation of financial statements according to business needs. The use of digital financial applications can reduce errors associated with manual recording, increase the transparency of financial information, and support faster and more accurate financial reporting. Therefore, digital-based financial management is an important factor in improving the professionalism of business management within the MSME sector (Yusran et al., 2024).

Benefits of Using Digital Financial Applications

The utilization of digital financial applications provides various benefits to MSME owners, both in terms of administration and decision-making. Digital applications can improve the efficiency of transaction recording, accelerate financial statement preparation, reduce the risk of data loss, and increase the accuracy of financial information. Real-time financial information enables business owners to evaluate their business conditions more effectively, thereby supporting more informed business decisions (Izzati et al., 2025).

In addition to improving the quality of financial administration, the use of digital applications also contributes to enhancing the financial literacy of MSME owners.

Business owners can develop a better understanding of cash flow, business profits, accounts receivable, and working capital requirements. Consequently, systematically prepared financial statements can enhance MSME credibility and facilitate access to financing from financial institutions and investors (Nurhaedah et al., 2025; Kinasih et al., 2025).

Challenges in Using Digital Financial Applications

Despite their various benefits, the implementation of digital financial applications among MSMEs continues to face several challenges. Low levels of digital literacy, limited technological skills, inadequate accounting knowledge, and persistent habits of manual record-keeping are among the factors affecting the adoption of digital financial applications. In addition, not all MSME owners have the ability to utilize all the features available in these applications, resulting in suboptimal use of the technology (Nurhaedah et al., 2025).

Other challenges include limited internet access, insufficient training, and inadequate assistance in using digital financial applications. Therefore, collaboration among government institutions, MSME support organizations, academics, and application developers is needed to strengthen digital literacy and provide continuous assistance to MSME owners, enabling the digital transformation process to be implemented effectively (Aflagaly et al., 2025; Desfiandi et al., 2024).

Technology Acceptance Model (TAM)

This study employs the Technology Acceptance Model (TAM) as its theoretical foundation for explaining MSME owners' acceptance and utilization of digital financial applications. According to Davis (1989), TAM explains that an individual's acceptance of technology is influenced by two primary constructs: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). When a technology is perceived as useful and easy to use, users are more likely to adopt and utilize the technology.

In the MSME context, perceived usefulness is reflected in the ability of digital financial applications to facilitate transaction recording, financial statement preparation, cash flow management, and the provision of financial information quickly and accurately. Meanwhile, perceived ease of use refers to the ease with which business owners can understand application features, operate the system, and integrate it into their daily business activities. Dedy et al. (2025) found that both TAM constructs positively influence financial technology acceptance among MSMEs. Thus, the higher the perceived usefulness and ease of use, the greater the likelihood that digital financial applications will be adopted and used sustainably.

METHODS

This study employed a qualitative approach with a descriptive research design. A qualitative approach was selected because the study aimed to obtain an in-depth understanding of the experiences, perceptions, benefits, challenges, and adaptation strategies of MSME owners in utilizing digital financial applications for business financial management. This approach enables researchers to explore phenomena naturally based on the informants' real-life experiences, thereby generating comprehensive information regarding the implementation of digital financial applications in daily business activities (Creswell & Poth, 2018).

The study was conducted among MSME owners in Pangkalpinang City who had used digital financial applications, such as BukuWarung, SIAPIK, Teman Bisnis, BukuKas, and other digital financial recording applications. Based on MSME data from Pangkalpinang City, there were 26,875 MSME units, consisting of 25,969 micro enterprises, 841 small enterprises, and 65 medium enterprises. This composition indicates that MSMEs in Pangkalpinang City are predominantly micro enterprises, making the area a relevant context for examining the utilization of digital financial applications in business financial management. The number of MSMEs in Pangkalpinang City by business category is presented in Table 1.

Table 1.
Number of Micro, Small, and Medium Enterprises (MSMEs) by Business Category in Pangkalpinang City, 2025

No.	MSME Category	Number of Units
1	Micro Enterprises	25,969
2	Small Enterprises	841
3	Medium Enterprises	65
Total		**26,875**

Source: MSME Data of Pangkalpinang City.

Research informants were selected using purposive sampling, namely the selection of informants based on specific criteria to ensure that the information obtained was relevant to the research objectives. The criteria for informants were as follows: (1) MSME owners or managers; (2) having operated the business for at least one year; (3) having used a digital financial application for business financial management for at least six months; and (4) being willing to participate as research informants. The number of informants was determined based on the principle of data saturation, whereby data collection was terminated when the information obtained became repetitive and no new relevant information emerged (Sugiyono, 2023).

Data were collected through in-depth interviews, observation, and documentation. In-depth interviews were conducted to explore informants' experiences regarding their reasons for using digital financial applications, perceived benefits, challenges encountered, and efforts undertaken to optimize the use of these applications. Observations were conducted on MSME financial management activities to examine how digital financial applications were utilized for transaction recording, financial statement preparation, and cash flow management. Documentation was used to complement the research data, including transaction records, digital financial statements, photographs of business activities, and other documents relevant to the research focus (Moleong, 2021).

Data validity was established through source triangulation and technique triangulation. Source triangulation was conducted by comparing information obtained from multiple informants, while technique triangulation involved comparing the results of interviews, observations, and documentation. These procedures were employed to enhance the credibility and trustworthiness of the research findings (Sugiyono, 2023).

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Data analysis employed the interactive model of Miles, Huberman, and Saldaña, consisting of data condensation, data display, and conclusion drawing and verification. During the data condensation stage, the researchers selected, simplified, and categorized the data according to the research focus. The data were then displayed in the form of narratives, matrices, and tables to facilitate interpretation. The final stage involved drawing conclusions based on patterns, themes, and relationships identified throughout the research process. This analytical process generated a comprehensive description of the utilization of digital financial applications in MSME financial management, the benefits obtained, and the challenges and strategies undertaken by business owners in implementing the technology (Miles et al., 2014).

RESULTS AND DISCUSSION
Research Findings
General Description of the Research Informants

This study was conducted among Micro, Small, and Medium Enterprise (MSME) owners in Pangkalpinang City. Based on MSME data from Pangkalpinang City, the total number of MSMEs reached 26,875 units, consisting of 25,969 micro enterprises, 841 small enterprises, and 65 medium enterprises. This condition indicates that the MSME structure in Pangkalpinang City is predominantly composed of micro enterprises, which constitute one of the main drivers of the local economy. From this population, the study selected informants through purposive sampling based on predetermined research criteria, resulting in eight informants who were able to provide in-depth information regarding the utilization of digital financial applications in business financial management.

The characteristics of the eight research informants based on their business sector, business duration, digital financial application used, and duration of application use are presented in Table 2.

Table 2.
Characteristics of Research Informants

No.	Business Sector	Business Duration	Digital Financial Application	Duration of Application Use
1	Culinary	3 years	BukuWarung	2 years
2	Trading	5 years	BukuKas	3 years
3	Fashion	4 years	SIAPIK	1 year
4	Services	6 years	Teman Bisnis	2 years
5	Culinary	2 years	BukuWarung	1 year
6	Home-based Business	7 years	BukuKas	3 years
7	Trading	8 years	SIAPIK	2 years
8	Fashion	3 years	Teman Bisnis	1 year

Source: Primary data processed by the researchers.

The study involved eight informants who were both owners and managers of MSMEs operating in various business sectors, including culinary, trading, fashion, services, and home-based businesses. All informants had operated their businesses for more than one year and had used digital financial applications in their business activities for at least six months. The applications used by the informants included BukuWarung, BukuKas, SIAPIK, Teman Bisnis, and other Android-based financial recording applications.

Based on the interviews, most informants began using digital financial applications after realizing that manual record-keeping frequently caused various problems, such as losing transaction records, difficulties in calculating profits, and uncertainty regarding their actual business cash flow. In addition, several informants reported obtaining information about these applications through social media, MSME training programs, business communities, and recommendations from fellow business owners.

The observation results showed that all informants had used digital financial applications to record daily transactions. However, the level of feature utilization varied among informants. Some informants only used the applications to record income and expenses, while others had utilized additional features, including profit and loss reports, accounts receivable management, inventory recording, and cash flow monitoring.

Based on the data analysis process involving data reduction, data display, and verification, three main themes emerged from the study: (1) the utilization of digital financial applications in MSME financial management; (2) the benefits perceived by MSME owners after using digital financial applications; and (3) the challenges and adaptation strategies associated with the implementation of digital financial applications.

Utilization of Digital Financial Applications in MSME Financial Management

The interview findings indicate that digital financial applications have become an integral part of the informants' daily operational activities. All informants used the applications to routinely record sales transactions and business expenses. Records were entered immediately after transactions occurred, thereby reducing the risk of forgetting or losing transaction information. One informant explained:

"I used to write everything in a notebook, and I often forgot or lost the book. Now, whenever there is a customer, I immediately record the transaction in the application, so I can see my income and expenses right away."

This statement indicates that digital financial applications have helped improve financial administrative discipline. The observation results also showed that most business owners no longer relied on memory to record transactions because their financial activities had been digitally documented.

In addition to recording transactions, the applications were also used to monitor daily cash positions. Informants stated that cash balances could be monitored at any time, making it easier for them to control business expenditures. Some informants even used these financial reports as a basis for determining the amount of raw materials to purchase and planning business capital requirements for the following period.

The utilization of digital financial applications also helped MSME owners separate personal finances from business finances. Before using digital applications, most informants admitted that they frequently mixed personal and business transactions, making it difficult to determine their actual business profits. After adopting the applications, business transactions were recorded separately, resulting in greater transparency regarding the financial condition of the business.

Furthermore, some informants had utilized the automated financial reporting features available in the applications. Profit and loss statements, cash flow reports, and transaction summaries could be generated automatically without requiring manual calculations. This condition improved administrative efficiency and reduced the possibility of recording errors.

Perceived Benefits among MSME Owners

The findings indicate that the use of digital financial applications provides various benefits, both in terms of financial administration and business decision-making.

1. Improving Financial Administrative Order

All informants stated that the primary benefit of using digital financial applications was improved transaction-recording discipline. Before adopting digital applications, financial records were maintained manually, and some transactions were not recorded at all. After using the applications, all incoming and outgoing transactions were systematically documented. This condition made it easier for business owners to evaluate their financial performance at the end of each day or month.

2. Facilitating Financial Statement Preparation

Most informants stated that the applications automatically generated financial reports, eliminating the need to calculate transactions individually. One informant stated:

> "Now I just open the report in the application. I no longer need to calculate everything because it is already done automatically."

This finding indicates that the digitalization of financial management can improve time efficiency in preparing financial reports.

3. Supporting Business Decision-Making

Real-time financial information helps business owners make more informed business decisions. Informants were able to identify their best-selling products, profit levels, major expenditures, and working capital requirements. Based on this information, business owners could more easily determine sales strategies, control operating costs, and evaluate their business performance.

4. Reducing Recording Errors

Manual record-keeping often resulted in calculation errors and the loss of transaction data. After adopting digital applications, such errors were reduced because calculations were performed automatically by the system. In addition, digital storage ensured that transaction data remained accessible even when physical notebooks were lost or damaged.

5. Improving Financial Literacy

The use of digital financial applications also improved MSME owners' understanding of their business financial conditions. Informants reported that they developed a better understanding of profit, cash flow, operating costs, and the

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importance of separating business and personal finances. This improvement in financial literacy encouraged business owners to manage their finances in a more professional manner.

Challenges in Implementing Digital Financial Applications

Although digital financial applications provide various benefits, the findings indicate that their implementation continues to face several challenges.

1. Low Digital Literacy

Some informants, particularly older business owners, experienced difficulties in understanding the application features during the initial stages of use. They required more time to learn the menus, transaction-recording procedures, and financial reporting functions.

2. Habit of Manual Record-Keeping

Some MSME owners had become accustomed to using physical notebooks for financial records. Consequently, during the initial implementation stage, they maintained dual records, both manually and digitally. The adaptation process occurred gradually until they became more comfortable using the applications.

3. Limited Utilization of Application Features

The observation results showed that most informants only utilized the basic features of the applications. Features such as inventory management, financial analysis, and more comprehensive financial reporting had not been fully utilized. This limitation was primarily caused by insufficient understanding of the functions of each available feature.

4. Technical Constraints

Several informants reported experiencing limited internet connectivity when synchronizing data. In addition, some informants used mobile phones with limited storage capacity, which occasionally caused the applications to operate less optimally.

5. Limited Technical Assistance

Informants also reported that application training was generally provided only once. After the training ended, there was no ongoing assistance available. As a result, some business owners experienced difficulties when encountering technical problems during the subsequent use of the applications.

Adaptation Strategies of MSME Owners

To overcome these challenges, MSME owners employed several adaptation strategies. First, they learned to use the applications independently through video tutorials, social media, and user guides provided within the applications. Second, business owners actively exchanged experiences with other members of MSME communities, enabling them to learn and solve problems more quickly. Third, business owners initially utilized the simplest application features, such as income and expense recording, and gradually adopted more advanced features as they became more familiar with the applications. Fourth, several informants participated in MSME digitalization training programs organized by local governments and MSME support institutions, which helped improve their ability to use digital financial applications effectively.

Discussion

The findings of this study indicate that digital financial applications have become an important instrument for improving the quality of financial management among MSMEs in Pangkalpinang City. The findings demonstrate that digitalization not only changes the way transactions are recorded but also encourages changes in financial administrative behavior toward a more systematic, transparent, and data-driven approach. This condition is particularly important given that Pangkalpinang City has 26,875 MSME units, the majority of which are micro enterprises. Therefore, the digitalization of financial management has the potential to generate a broad impact on improving business governance.

From the perspective of the Technology Acceptance Model (TAM), the use of digital financial applications among MSME owners is influenced by two main factors: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). Informants perceived the applications as providing tangible benefits, including facilitating transaction recording, preparing financial statements, and controlling cash flow. These perceived benefits encouraged them to continue using the applications in their business activities.

In addition, the applications were considered relatively easy to use after users underwent an adaptation process. Although some informants initially experienced difficulties in understanding the application features, continuous use gradually improved their skills, enabling the applications to become part of their routine business activities. This finding reinforces Davis's (1989) Technology Acceptance Model, which explains that perceived usefulness and perceived ease of use are key factors influencing technology acceptance.

The findings also indicate that the digitalization of financial record-keeping improves the financial administrative discipline of MSME owners. Before adopting digital applications, most transactions were recorded irregularly, and many transactions were not documented at all. After adopting digital applications, transactions were recorded immediately, resulting in more complete and accurate financial information. This finding is consistent with Haryati (2024), who reported that digital financial applications can improve the quality of transaction recording and strengthen financial administrative management among MSMEs. This finding further demonstrates that digitalization plays an important role in strengthening the financial management capacity of MSMEs in Pangkalpinang City, where micro enterprises constitute the majority of the business population.

The ability of digital applications to automatically generate financial reports is also an important factor in improving business management efficiency. MSME owners no longer need to spend substantial amounts of time manually calculating income and expenses. This condition allows them to focus more on production, marketing, and business development activities. This finding supports the results of Fitri et al. (2024), which demonstrated that the digitalization of administrative processes can improve MSME operational efficiency.

This study also found that the use of digital financial applications improves the quality of business decision-making. Information regarding profits, cash flow, operating costs, and sales performance is available in real time, enabling business decisions to be based on more objective financial data. Thus, digital financial applications function not only as transaction-recording tools but also as decision support systems for MSME owners.

Nevertheless, the study identifies that the digital transformation process has not yet been fully optimized. Low levels of digital literacy remain a major obstacle, particularly among business owners who are not accustomed to using information technology. This condition causes some informants to utilize only the basic features of the applications. This finding is consistent with Desfiandi et al. (2024) and Nofranita et al. (2024), who emphasized that digital capabilities are important factors in the successful implementation of technology among MSMEs. This condition also indicates that efforts to strengthen digital literacy among MSME owners in Pangkalpinang City need to be further enhanced to ensure that digital financial applications can be utilized optimally.

Beyond individual factors, this study also found that the success of digitalization is influenced by external factors, particularly training and technical assistance. Informants who received intensive assistance tended to utilize more application features than those who learned independently. This finding indicates that the success of digital transformation depends not only on the quality of the technology but also on the institutional support provided to MSME owners. Therefore, synergy among local governments, MSME support institutions, and application developers is an important factor in accelerating MSME digital transformation in Pangkalpinang City.

The findings also reveal that the adaptation process occurs gradually. MSME owners generally begin by using applications for simple transaction recording and subsequently progress toward the utilization of financial reporting, cash management, and business analysis features. This adaptation pattern demonstrates that technology adoption is a developmental process that evolves in accordance with users' experiences and capabilities.

Overall, the findings demonstrate that digital financial applications make a significant contribution to improving the quality of MSME financial management. Digitalization improves recording accuracy, administrative efficiency, the quality of financial information, and decision-making capabilities. However, successful implementation still requires enhanced digital literacy, continuous training, and more intensive assistance to ensure that all available application features can be utilized optimally by MSME owners. Therefore, digital transformation in MSME financial management in Pangkalpinang City is determined not only by the availability of digital applications but also by the readiness of human resources and the support of various stakeholders in strengthening the MSME digital ecosystem in a sustainable manner.

CONCLUSION

This study aimed to analyze the utilization of digital financial applications in the financial management of Micro, Small, and Medium Enterprises (MSMEs) in Pangkalpinang City through a qualitative approach. The findings indicate that digital financial applications have been utilized by MSME owners as a means of improving the quality of business financial management through more systematic transaction recording, cash flow management, and faster and more accurate financial reporting. The use of these applications provides various benefits, including improved financial administrative organization, reduced recording errors, faster financial statement preparation, and the availability of financial information that can serve as a basis for business decision-making. Furthermore, the utilization of digital financial applications contributes to improving the financial literacy of MSME owners, enabling them to better understand their business financial conditions and manage their businesses more professionally. The findings also demonstrate that perceptions of usefulness and ease of use, as explained by the Technology Acceptance Model (TAM), are important factors encouraging the acceptance and sustained use of digital financial applications. These findings indicate that the digitalization of financial management has substantial potential to strengthen the business management capacity of MSMEs in Pangkalpinang City, which are predominantly micro enterprises.

Nevertheless, the implementation of digital financial applications continues to face several challenges, including low digital literacy, limited ability to utilize all application features, persistent habits of manual record-keeping, limited access to devices and internet connectivity, and insufficient training and technical assistance. To overcome these challenges, MSME owners employ various adaptation strategies, such as learning to use the applications independently, participating in training programs, exchanging knowledge with fellow business owners, and adopting the applications gradually according to their business needs. Overall, this study confirms that digital financial applications play an important role in supporting the digital transformation of MSME financial management in Pangkalpinang City. However, successful implementation depends not only on the availability of technology but also on improved digital literacy, continuous assistance, and support from local governments, MSME support institutions, and application developers. Such support is essential to ensure that digital technology can be utilized optimally and contribute to improving the competitiveness and sustainability of MSMEs in Pangkalpinang City and other regions.

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