

DIGITAL FINANCIAL LITERACY AND MSME PERFORMANCE IN THE PLATFORM ECONOMY: AN INTEGRATIVE CONCEPTUAL REVIEW

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Abstract

Background: The rapid expansion of digital payments, mobile banking, fintech platforms, online marketplaces, and data-driven financial services has changed the financial environment in which micro, small, and medium enterprises (MSMEs) operate. Access to digital finance can lower transaction frictions and widen financial inclusion, but effective use depends on the ability of owner-managers to understand financial information, evaluate digital products, manage risk, and integrate digital financial tools into business decisions.

Aims: This article develops an integrative conceptual framework explaining how digital financial literacy can influence MSME performance through financial decision quality, digital-finance access and use, financial behaviour, and organizational capability.

Research Method: The study uses an integrative conceptual review of verified peer-reviewed and institutional literature on financial literacy, digital financial literacy, digital finance, financial inclusion, fintech adoption, and SME performance. It does not claim a systematic-review sample size or empirical estimates that were not independently collected.

Results and Conclusion: The synthesis suggests that digital financial literacy is most valuable when it improves the quality of financial decisions and enables productive, safe, and strategic use of digital finance. Access alone is insufficient. Financial behaviour, digital-finance accessibility, trust, cybersecurity awareness, and institutional support shape whether digital financial tools translate into stronger cash-flow management, financing capacity, operational efficiency, and business sustainability.

Contribution: The paper proposes a capability pathway that distinguishes knowledge from effective use and performance outcomes, while integrating financial literacy and digital-finance perspectives into a practical framework for MSMEs and ecosystem actors.

Keywords: Digital Financial Literacy; MSMEs; Digital Finance; Financial Inclusion; Business Performance

INTRODUCTION

Digital finance has altered the financial infrastructure available to small firms. Payments can be accepted through mobile and QR-based channels, business transactions can be recorded digitally, financing applications can be initiated through online platforms, and marketplaces increasingly integrate payment, credit, logistics, and analytics. These developments can reduce transaction costs and expand opportunities for firms that were previously constrained by distance, documentation, or limited access to formal financial institutions. Yet the availability of digital services does not ensure that MSMEs will use them effectively or safely.

Financial literacy has long been associated with the ability of owner-managers to understand financial concepts, evaluate alternatives, manage cash flows, and make informed financing and investment decisions. Recent scholarship extends this concern into digital environments. Digital financial literacy combines financial knowledge with the competencies required to navigate digital financial products, recognize risks, understand costs and terms, protect accounts and data, and use digital information in business decisions. The distinction matters because a firm can be digitally active while remaining financially vulnerable.

Frimpong, Agyapong, and Agyapong (2022) provide empirical evidence that financial literacy and access to digital finance are related to SME performance, while also examining the mediating role of digital-finance access. In Indonesia, Kusumawardhani, Ningrum, and Rinofah (2023)

investigate digital financial literacy and SME performance, reinforcing the relevance of the construct in an emerging-market setting. More recent literature continues to connect digital financial literacy with fintech adoption, financial inclusion, financial behaviour, resilience, and sustainability.

Prior research shows that financial literacy is associated with SME performance and financial inclusion, while digital financial literacy requires attention to both financial knowledge and digital capability. Evidence from Indonesia and other emerging-market settings supports examining how these capabilities operate when financial services become increasingly digital (Sanistasya et al., 2019; Agyapong & Attram, 2019; Lyons & Kass-Hanna, 2021; Frimpong et al., 2022; Kusumawardhani et al., 2023).

The platform economy adds another layer. Marketplaces, payment applications, digital banks, fintech lenders, accounting applications, and social-commerce platforms can become interconnected parts of an MSME's financial system. The firm may receive revenue through multiple channels, face different settlement periods and fees, store transaction data across platforms, and encounter automated credit offers based on digital activity. Owner-managers therefore need to understand not only conventional financial concepts but also digital interfaces, permissions, data use, cybersecurity, platform fees, digital credit terms, and the consequences of fragmented records.

This article addresses the following question: how can digital financial literacy contribute to MSME performance, and through which mechanisms does this contribution occur? The objective is to integrate financial-literacy and digital-finance research into a capability-based framework. The article focuses on financial decision quality, digital-finance access and effective use, financial behaviour, operational visibility, risk management, and ecosystem support. It also identifies conditions under which digital finance may fail to improve performance despite high rates of technology adoption.

The article makes three contributions. First, it distinguishes digital financial access from digital financial capability. Second, it proposes a sequential pathway from literacy to decision quality, productive digital-finance use, and performance outcomes. Third, it identifies boundary conditions—including cybersecurity awareness, platform dependence, trust, affordability, data quality, and institutional support—that can strengthen or weaken the pathway.

RESEARCH METHOD

This paper adopts an integrative conceptual review. The purpose is to synthesize established and recent research streams and develop a framework that can subsequently be tested empirically. The review does not claim to be an exhaustive systematic review, meta-analysis, or bibliometric census. No fabricated database counts, screening flows, respondent data, or statistical estimates are used.

Literature was selected on the basis of conceptual relevance and bibliographic verifiability. Priority was given to peer-reviewed studies that explicitly examine financial literacy, digital financial literacy, digital finance, financial inclusion, fintech adoption, SME/MSME performance, resilience, or sustainability. Key verified sources include Frimpong et al. (2022), Kusumawardhani et al. (2023), Rekha et al. (2025), Esomar et al. (2025), Kurniasari et al. (2025), and recent studies on digital financial inclusion and MSME performance. Institutional and policy literature may be added during final editorial verification when it directly supports the contextual discussion.

The analytical process followed four conceptual steps. First, financial literacy, digital literacy, digital financial literacy, digital-finance access, digital-finance use, and financial inclusion were separated conceptually. Second, recurring mechanisms linking these constructs to business outcomes were identified. Third, risks and contextual conditions were organized into internal and external factors. Fourth, the mechanisms were assembled into an integrative framework that explains how knowledge can become performance through decision and behavioural processes.

Because the paper is conceptual, its results consist of synthesized relationships and propositions rather than statistical findings. Future empirical research should operationalize the constructs, specify sampling procedures, obtain ethical clearance where required, and use appropriate quantitative,

qualitative, or mixed methods. This limitation is explicit so that the article does not imply evidence that was not collected.

RESULTS AND DISCUSSION

FROM FINANCIAL LITERACY TO DIGITAL FINANCIAL LITERACY

Traditional financial literacy emphasizes knowledge and skills related to budgeting, saving, borrowing, interest, investment, risk, and financial planning. In an MSME, these competencies are closely connected to working-capital management, pricing, financing decisions, separation of household and business finances, and interpretation of business performance. Digital financial literacy retains these foundations but extends them into environments where financial decisions are mediated by digital interfaces and data.

A digitally financially literate owner-manager should be able to compare transaction fees, understand settlement cycles, interpret digital credit costs, assess the reliability of providers, protect authentication credentials, recognize fraud, manage permissions, and reconcile transactions across channels. The capability also includes understanding how digital records can improve bookkeeping, creditworthiness, forecasting, and business analysis. Digital financial literacy is therefore not simply the sum of financial literacy and the ability to operate a smartphone; it is the capacity to make sound financial judgments in digitally mediated contexts.

This distinction helps explain why adoption indicators can overstate capability. A firm may accept digital payments but fail to reconcile them accurately. It may use a fintech loan without comparing the effective cost of financing. It may generate transaction data but never incorporate the information into cash-flow planning. It may rely on one platform without understanding account-recovery procedures or data portability. Effective digital financial literacy becomes visible in the quality of decisions and routines, not merely in the presence of an application.

FINANCIAL DECISION QUALITY AS THE FIRST MECHANISM

The first mechanism in the proposed framework is financial decision quality. Literacy should improve the owner's ability to identify relevant information, evaluate alternatives, understand costs and risks, and align financial decisions with business objectives. In a digital setting, the speed and volume of available choices increase, making decision quality more important rather than less important.

Digital platforms can make credit appear immediate and convenient, but convenience can obscure pricing, repayment frequency, penalties, and cash-flow implications. A financially capable owner evaluates financing based on effective cost, repayment capacity, purpose, and expected return rather than availability alone. The same principle applies to payment channels, subscription software, marketplace fees, and advertising expenditure. Digital financial literacy helps convert interface-level information into managerial judgment.

Decision quality also affects financial discipline. Digital transaction records can support more accurate bookkeeping, but only if business and personal transactions are separated and records are reviewed. Better financial visibility can improve budgeting, inventory decisions, tax preparation, and discussions with lenders. The performance effect therefore begins with the ability to transform digital financial information into disciplined choices.

ACCESS TO DIGITAL FINANCE AND PRODUCTIVE USE

Access to digital finance is a second mechanism, but the literature suggests that access should be interpreted as more than formal availability. Frimpong et al. (2022) examine the relationship among financial literacy, access to digital finance, and SME performance, illustrating the importance of access as a pathway. Productive access means that services are available, affordable, trusted, understandable, and relevant to business needs.

Digital payments can improve transaction convenience and create records that support financial management. Mobile and internet banking can reduce time spent on routine transactions. Digital credit can expand financing options, while digital accounting and invoicing can improve

documentation. These benefits can contribute to performance when the services are selected and used strategically.

However, digital-finance access can also create new costs and vulnerabilities. Multiple payment channels can complicate reconciliation. Instant credit can encourage over-borrowing. Automated offers can create the impression that creditworthiness and affordability are identical. Fees across platforms can erode margins when they are not incorporated into pricing. The framework therefore treats digital financial literacy as a capability that moderates the quality of digital-finance use.

FINANCIAL BEHAVIOUR, FINTECH ADOPTION, AND PERFORMANCE

Knowledge does not automatically become behaviour. Owner-managers may understand financial principles yet continue to make decisions based on habit, urgency, or social pressure. Financial behaviour therefore represents a crucial bridge between literacy and performance. Useful behaviours include regular cash-flow review, disciplined repayment, savings for contingencies, separation of business and household finances, comparison of financing alternatives, record keeping, and periodic evaluation of financial products.

Fintech adoption can reinforce these behaviours when applications make information visible and routines easier to maintain. Conversely, poorly designed adoption can weaken discipline by increasing the number of accounts and channels without creating an integrated financial view. Recent research continues to examine the interaction among fintech adoption, digital financial literacy, financial behaviour, and MSME performance, indicating that these variables should be studied together rather than as isolated predictors.

For performance, the relevant outcomes include not only sales or profit but also liquidity, financing capacity, operating efficiency, resilience, and sustainability. An MSME that grows sales while losing control of cash flows may become more fragile. Digital financial literacy should therefore be evaluated against balanced performance indicators.

FINANCIAL INCLUSION AND THE QUALITY OF INCLUSION

Financial inclusion is frequently presented as an objective of digital finance because digital channels can reach enterprises that are underserved by traditional banking. Yet inclusion should be evaluated by quality as well as access. An MSME is meaningfully included when it can obtain and use appropriate financial services under understandable, affordable, secure, and sustainable conditions.

Digital financial literacy improves the quality of inclusion by enabling entrepreneurs to compare products, understand obligations, recognize inappropriate offers, and use services for productive purposes. Recent Indonesian evidence on digital financial inclusion examines its mediating role between digital financial literacy, government support, and MSME performance, suggesting that inclusion can be a mechanism rather than an endpoint.

The distinction has policy implications. Counting accounts, QR codes, or fintech registrations may demonstrate reach but does not reveal whether the enterprise's financial capability has improved. Program evaluation should include effective use, financial health, repayment quality, business record improvement, resilience, and the ability to make informed choices.

CYBERSECURITY, FRAUD, AND DIGITAL FINANCIAL RISK

Digital financial literacy must include risk literacy. MSMEs can be targeted by phishing, social engineering, account takeover, fraudulent links, fake investment offers, identity theft, and unauthorized access. Smaller firms may have limited cybersecurity resources and may share devices or credentials informally, increasing exposure.

Basic financial cyber hygiene includes strong unique passwords, multi-factor authentication, controlled access rights, transaction notifications, verification of payment instructions, secure backups, and clear procedures for suspected fraud. Employees who handle payments should understand that urgency and authority claims are common features of social-engineering attacks.

Risk literacy also includes platform and data risks. An enterprise should understand which provider stores its data, what happens if access is lost, how transactions can be exported, and how

disputes are resolved. Dependence on a single financial or commercial platform can create operational concentration risk. Resilience therefore requires both connectivity and recoverability.

AN INTEGRATED CONCEPTUAL FRAMEWORK

The proposed model contains five stages. Stage one is digital financial literacy: financial knowledge, digital-service understanding, risk awareness, and information-evaluation skills. Stage two is financial decision quality, including product comparison, budgeting, financing judgment, and risk assessment. Stage three is productive digital-finance use, covering payments, banking, financing, record keeping, and financial analytics. Stage four is financial behaviour and organizational capability, including disciplined routines, cash-flow visibility, documentation, and learning. Stage five is MSME performance and resilience.

Two sets of conditions influence the pathway. Internal conditions include owner-manager orientation, employee capability, financial discipline, data quality, and cybersecurity practices. External conditions include affordability, infrastructure, provider transparency, government support, consumer adoption, access to finance, and the quality of the digital ecosystem.

The framework predicts that digital financial literacy has limited performance value when digital services are inaccessible, unaffordable, or poorly matched to business needs. It also predicts that access has limited value when owner-managers lack the knowledge and routines required for productive use. The strongest outcomes should occur when capability and access develop together.

Table 1. Proposed capability pathway from digital financial literacy to MSME performance.

Framework Stage	Core Capability	Illustrative Practice	Expected Outcome
Digital Financial Literacy	Financial knowledge, digital understanding, risk awareness	Compare fees, credit terms and provider risks	More informed choices
Decision Quality	Budgeting, evaluation, financing judgment	Select finance based on cash-flow capacity	Lower decision errors
Productive Digital-Finance Use	Payments, banking, credit, records, analytics	Integrate transactions with bookkeeping	Better financial visibility
Financial Behaviour & Capability	Discipline, review, documentation, learning	Regular reconciliation and contingency planning	Improved financial health
Performance & Resilience	Efficiency, liquidity, financing capacity, adaptability	Use financial data to adjust operations	Sustainable business performance

MANAGERIAL IMPLICATIONS

MSME managers should first build a consolidated view of business finances. Digital payments, bank accounts, marketplace settlements, cash transactions, credit obligations, and recurring platform fees should be reconciled into a consistent record. Without this visibility, digitalization can increase transaction volume while reducing managerial understanding.

Second, financing decisions should be separated from financing availability. Before accepting digital credit, managers should document the purpose, total cost, repayment schedule, expected cash-flow effect, and alternative sources. This simple discipline can reduce impulsive borrowing and improve the alignment between finance and productive investment.

Third, digital financial tools should be selected for interoperability and data usefulness. A low-cost application that exports reliable records may create more managerial value than a feature-rich platform that isolates information. Managers should also retain access to transaction histories and maintain backups where appropriate.

Fourth, employees involved in payments and financial records should receive practical training. Financial capability concentrated in the owner creates key-person risk, while digital credentials shared informally create security risk. Clear roles, access controls, and documented routines can improve both efficiency and resilience.

Fifth, managers should evaluate digital-finance performance using a balanced dashboard. Indicators may include payment-reconciliation time, financing cost, days of cash available, overdue receivables, digital-channel fees, transaction-error frequency, fraud incidents, and the proportion of business transactions captured in reliable records.

POLICY AND ECOSYSTEM IMPLICATIONS

Government and financial-inclusion programs should combine access with capability development. Training should move beyond explaining how to open or operate an account and should address product comparison, digital credit, cash-flow management, cybersecurity, data use, and complaint mechanisms.

Financial institutions and fintech providers can improve inclusion by making pricing, repayment obligations, data permissions, and dispute procedures understandable to small-business users. Responsible design is especially important when digital interfaces accelerate borrowing or make complex products appear simple.

Universities, business associations, cooperatives, and community organizations can provide neutral financial-literacy support and help MSMEs interpret digital options. Such intermediaries are valuable because individual firms may not have the resources to evaluate rapidly changing financial technologies independently.

Policy evaluation should incorporate financial health and capability indicators rather than relying only on adoption counts. A program that increases registrations but also increases over-indebtedness, fraud exposure, or fragmented financial records should not be considered successful digital inclusion.

RESEARCH PROPOSITIONS AND FUTURE RESEARCH

P1. Digital financial literacy is positively associated with MSME performance through improved financial decision quality.

P2. Productive access to digital finance mediates the relationship between digital financial literacy and MSME performance.

P3. Financial behaviour mediates the relationship between digital financial literacy and financial resilience.

P4. Cybersecurity awareness strengthens the positive relationship between digital-finance use and MSME resilience.

P5. Digital-finance accessibility and institutional support strengthen the conversion of digital financial literacy into productive financial use.

P6. Platform dependence, fragmented records, and excessive digital borrowing weaken the positive relationship between digital-finance adoption and sustainable MSME performance.

Future studies should test these propositions using longitudinal and multi-source data. Performance should include financial health and resilience rather than relying only on self-reported sales growth. Comparative studies across sectors and regions would help identify how infrastructure, firm size, owner education, and platform dependence influence the framework.

Measurement development is also important. Digital financial literacy should not be measured only through general digital skills or conventional financial-literacy questions. Instruments should assess understanding of digital fees, credit, authentication, data permissions, fraud, digital records, and platform-specific financial risks while remaining sufficiently general to survive technological change.

A PRACTICAL DIGITAL FINANCIAL CAPABILITY MATURITY MODEL

The conceptual framework can be translated into a maturity model that helps MSMEs assess their current position without assuming that every firm needs the same technology. At the foundational level, the enterprise can identify its principal accounts, payment channels, financing obligations, recurring fees, and responsible personnel. Transactions may still be recorded manually, but management can explain where money enters and leaves the business. The critical objective at this level is basic visibility and separation between business and personal finances.

At the second level, the enterprise establishes reliable digital records. Payment settlements are reconciled, bank and platform transactions are reviewed, and basic bookkeeping is performed consistently. The firm begins to use transaction histories to support budgeting and cash-flow

decisions. Digital financial literacy at this stage concerns accuracy, interpretation, and safe operation rather than sophisticated analytics.

At the third level, financial information becomes integrated with operational decisions. Sales channels, inventory decisions, receivables, financing costs, and payment data are reviewed together. Managers compare the economics of different channels and financing alternatives. They can estimate the financial effect of platform fees, delayed settlements, promotional spending, and credit repayments. The enterprise is moving from digital record keeping to digitally informed management.

At the fourth level, the MSME uses financial information proactively. Forecasts, scenarios, financing plans, and contingency reserves are connected to business strategy. Digital tools support early identification of liquidity pressure, customer-payment problems, or margin erosion. Access rights, backups, fraud controls, and recovery procedures are formalized. The organization can continue critical financial activities when a device, employee, account, or provider becomes unavailable.

At the fifth level, digital financial capability supports strategic renewal. Management can evaluate new business models, partnerships, financing structures, and market opportunities using reliable financial information. The firm understands the trade-offs between convenience and dependence, growth and liquidity, credit access and repayment risk, and data sharing and privacy. At this level, digital financial literacy is embedded in organizational routines rather than concentrated in one individual.

This maturity model is intentionally capability-based rather than technology-based. A microenterprise with simple but disciplined records can be more financially capable than a larger enterprise using numerous applications without reconciliation. The model therefore avoids equating sophistication with quality. Progress is demonstrated by better decisions, stronger controls, more reliable information, and greater resilience.

PERFORMANCE MEASUREMENT AND EDITORIALY TESTABLE INDICATORS

Future empirical studies can operationalize the framework through indicators that capture both financial capability and business outcomes. Digital financial literacy can be measured through knowledge of digital payment costs, effective borrowing costs, authentication practices, fraud recognition, data permissions, dispute mechanisms, and the ability to interpret digital transaction records. Scenario-based questions may be more informative than self-assessments because respondents frequently overestimate their financial and digital competence.

Financial decision quality can be assessed through budgeting regularity, financing comparison, cash-flow forecasting, separation of business and household finances, and the use of records in investment decisions. Productive digital-finance use can be measured through the proportion of transactions reconciled, diversity of appropriate payment channels, use of digital records for bookkeeping, and the extent to which digital finance reduces transaction or financing constraints.

Financial behaviour can include timely repayment, contingency saving, routine reconciliation, disciplined withdrawal practices, and review of financial performance. Performance outcomes should include profitability and sales where reliable data are available, but also liquidity, operating efficiency, access to appropriate finance, resilience, and business continuity. This broader measurement approach reduces the risk of concluding that digital finance is beneficial simply because transaction volume increases.

Researchers should also distinguish objective and subjective measures. Owner-managers may report that their business performance improved, but objective financial records can reveal whether margins, cash conversion, or debt service actually improved. Mixed-method designs can explain why the same digital product produces different outcomes across firms. Interviews can uncover decision processes, while transaction or accounting data can test whether those processes correspond with measurable financial changes.

Longitudinal research is particularly valuable. Digital financial literacy may have delayed effects because owners need time to change routines, build records, and learn from digital

information. Conversely, short-term gains from easy credit may later be offset by repayment pressure. Observing firms across multiple periods would help distinguish sustainable capability from temporary adoption effects.

Sectoral differences should also be incorporated. Retail firms may emphasize payment speed, inventory turnover, and marketplace settlements; service firms may focus on invoicing, subscriptions, and receivables; manufacturing SMEs may require working-capital planning, supplier payments, and equipment financing. A robust research design should preserve the common conceptual framework while adapting operational indicators to sector-specific financial processes.

DIGITAL CREDIT AND RESPONSIBLE FINANCING

Digital credit illustrates both the opportunity and the risk associated with financial technology. Faster applications and alternative data can reduce barriers for firms that lack conventional collateral or extensive banking histories. For an MSME with a profitable short-cycle opportunity, timely financing can support inventory purchases, fulfilment of orders, or productive equipment. The economic value depends, however, on whether the expected return exceeds the full financing cost and whether repayment timing matches cash generation.

Digital financial literacy improves the quality of this assessment. Owner-managers need to compare nominal rates with fees, repayment frequency, penalties, automatic deductions, and the consequences of refinancing. A loan that appears inexpensive on a daily or weekly basis can become costly when annualized or combined with platform fees. Responsible financing therefore requires transparent provider information and the borrower's ability to interpret it.

The framework also distinguishes productive borrowing from liquidity substitution. Repeated borrowing to cover persistent operating deficits may postpone rather than solve financial problems. Digital platforms can make refinancing frictionless, which increases the importance of monitoring debt-service capacity. A resilient MSME should know its total outstanding obligations across providers and should be able to model the cash-flow effect of a decline in sales.

For ecosystem actors, responsible digital credit requires more than increasing approval rates. Providers should present costs and obligations clearly, regulators should monitor harmful practices, and financial-literacy programs should teach entrepreneurs to evaluate debt in relation to business cash flows. Research should examine not only whether digital credit is available, but whether it improves productive capacity without creating unsustainable leverage.

PLATFORM ECONOMY, DATA, AND FINANCIAL AUTONOMY

Platform-based commerce generates financial data that can be useful for forecasting, financing, customer analysis, and operational control. At the same time, the enterprise may not fully control the data environment. Settlement schedules, transaction classifications, advertising charges, refunds, and platform policies can affect cash flows. MSME managers need sufficient financial literacy to understand how platform rules translate into economic outcomes.

Data portability is therefore part of financial autonomy. Firms should be able to retain appropriate records of transactions, fees, customers where legally permitted, and financial obligations. Exportable records can support accounting, tax compliance, financing applications, and migration between providers. When records are inaccessible outside a platform, switching becomes more difficult and the firm becomes more dependent on the provider.

Financial autonomy does not mean avoiding platforms. It means participating with sufficient knowledge, records, and alternatives to make deliberate choices. An MSME may rationally concentrate activity on a highly productive platform, but management should understand the concentration risk and maintain recovery options. This perspective connects digital financial literacy with strategic resilience rather than treating it solely as a consumer-protection concept.

FINANCIAL RESILIENCE AS A DISTINCT PERFORMANCE OUTCOME

Financial resilience deserves separate attention because an enterprise can report acceptable sales or profitability while remaining vulnerable to a short interruption in cash inflows. In the proposed framework, resilience refers to the capacity to maintain critical financial functions, absorb temporary

shocks, recover liquidity, and adapt financing or expenditure decisions without undermining the long-term viability of the business. Digital financial literacy supports this capacity by improving visibility of obligations, available cash, settlement timing, and financing alternatives.

A resilience-oriented MSME should be able to identify its essential financial commitments and estimate how long they can be met under different revenue scenarios. Digital records can support this analysis when transactions are complete, timely, and reconciled. The managerial value does not come from the existence of digital records alone, but from using them to distinguish fixed and variable commitments, identify discretionary expenditure, monitor receivables, and recognize early signs of liquidity pressure. These routines can create additional decision time before a financial problem becomes a crisis.

Diversification is another dimension of financial resilience. An enterprise that receives all revenue through one platform or depends on a single lender may be efficient under normal conditions but exposed to sudden changes in platform policy, account access, fees, or credit availability. Digital financial literacy can help managers evaluate concentration risk and maintain proportionate alternatives. This does not require duplicating every service. It requires understanding which dependencies are critical and which backup arrangements are economically justified.

Resilience also depends on the quality of relationships with external financial actors. Reliable records can improve communication with banks, fintech providers, investors, suppliers, and business partners because the enterprise can explain its cash-flow position and financing needs more clearly. Better documentation may not guarantee access to finance, but it can reduce information gaps and support more disciplined negotiations. In this sense, digital financial literacy strengthens both internal decision capability and the enterprise's ability to present credible financial information externally.

Finally, financial resilience should be incorporated into future empirical evaluation of digital-finance programs. Researchers can examine liquidity buffers, recovery time after disruption, diversification of payment and financing channels, debt-service capacity, transaction-record completeness, and the existence of tested financial-continuity procedures. These indicators would complement conventional measures of sales, profit, and growth and would provide a more complete assessment of whether digital financial capability contributes to sustainable MSME performance.

CONCLUSION

Digital financial literacy is becoming a core managerial capability for MSMEs operating in a platform-based economy. The expansion of digital payments, fintech, mobile banking, marketplaces, and data-driven financial services increases access and convenience, but it also increases the complexity of financial decisions. The central argument of this article is that performance does not arise from digital-finance adoption alone.

The proposed framework explains performance as a capability pathway. Digital financial literacy improves financial decision quality; better decisions support productive and responsible use of digital finance; productive use can strengthen financial behaviour, visibility, and organizational capability; and these mechanisms can contribute to performance and resilience. Internal discipline and cybersecurity practices, together with external accessibility and institutional support, influence the strength of the pathway.

For managers, the implication is to treat digital finance as part of financial management rather than as a collection of applications. For policymakers and providers, the implication is to evaluate inclusion through capability and financial health as well as access. For researchers, the framework offers testable propositions concerning mediation, moderation, resilience, and the quality of digital financial inclusion.

This paper is an integrative conceptual review and does not claim primary empirical findings. Final submission requires confirmation of authorship and affiliations, full bibliographic verification, similarity screening, and peer review in accordance with JESOCIN editorial procedures.

ACKNOWLEDGMENT

The authors declare that no specific funding or institutional support is reported for this conceptual article.

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