

Analysis of the Influence of Financial Literacy on Business Sustainability Through the Utilization of E-Commerce: A Study of MSMEs in the Food and Beverage Industry Sector in Balikpapan City

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ABSTRACT

The purpose of this study is to obtain empirical evidence of the effect of financial literacy on business continuity, obtain empirical evidence of the effect of financial literacy on e-commerce utilization, obtain empirical evidence of the effect of e-commerce utilization on business continuity and obtain empirical evidence that e-commerce utilization mediates the effect of literacy. finance for the continuity of MSME businesses in the food and beverage industry sector in Balikpapan City. The sample in this study were 104 respondents. Data analysis technique using SEM PLS. The results of the analysis show that financial literacy has a positive effect on business continuity. Utilization of e-commerce has an effect on business continuity in a positive direction.

Keywords: Business Sustainability, Financial Literacy, Utilization of E-Commerce.

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I. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are growing very rapidly in various regions. The role of the small and medium enterprise sector (MSMEs) is believed to be able to drive a country's economy (Suci, 2017; Sarfiah *et al.*, 2019). This can be seen from the many businesses and employment that dominate in the country (Adomako *et al.*, 2016; Sarfiah *et al.*, 2019) data for 2019, The number of MSME actors reached 65.5 million business units or contributed 99.99% to the total industrial sector as a whole and was able to absorb as much as 96.92% of the total 119.6 million workers in the industrial sector (kemenkopukm.go.id). With the contribution and role of MSMEs, it is important for the government to continue to support the strengthening of MSMEs so that their role as a pillar in building the nation's economy can run optimally (Gunartin, 2017; Dhamayantie & Fauzan, 2017; Fauzi *et al.*, 2020).

Balikpapan City is the main gateway for business in East Kalimantan. Business growth has been running so rapidly since the decision to move the capital city of the Republic of Indonesia to East Kalimantan. The growth of MSMEs in Balikpapan City is growing rapidly. The number of MSME data fostered by the Office of Cooperatives, UMKM and Industry is 407 businesses from various industrial fields (Disperindagkop Kota Balikpapan). This opportunity is observed by investors to open various kinds of businesses,

one of which is in the culinary industry sector. So it is possible that newcomers in the culinary business will take part in taking business opportunities in Balikpapan. This must be taken seriously by business actors in the culinary industry and the city government in Balikpapan. One of them is the satay culinary industry so that they can become hosts at their own homes and survive. Data from Kemenparekraf.ri shows that the culinary sector contributes 42% to driving Gross Domestic Product (GDP) growth, reviving the economy and creating jobs. Dunne *et al.* (2004, in Tambunan, 2010) said that companies that started their activities in developing sectors have greater growth potential, and therefore better chances of survival. And sector is the explanatory variable of survival probability. The survival of a company depends on its sector (Mas-Verdú *et al.*, 2015).

The existence of MSMEs cannot be separated from obstacles. One of them is related to the ability to manage a business because the level of financial literacy is still lacking (Ardila *et al.*, 2021). Small business owners often lack supervision and have limited competence in managing the financial aspects of their business. Widayanti *et al.* (2017) said that the management of company cash flows is generally inefficient in small businesses and lacks educational aspects and understanding of financial management for MSME actors. This is in line with the survey conducted by OJK in 2019 showing that the financial literacy of Indonesian people is at 38.03%, while data from the Ministry of Cooperatives and Development in 2019 the number of MSMEs reached 65.5 million, meaning that the financial literacy level of

MSME actors is still relatively low at 24.9 million of the total number of SMEs. Financial literacy is an important factor that must be possessed by MSME actors to make it easier to manage and develop a business (Fatoki, 2014; Panggabean *et al.*, 2018) so that business sustainability can be achieved (Widayanti *et al.*, 2017; Rahayu & Musdholifah, 2017). However, in contrast to research Ningtyas and Andarsari (2021) on female MSMEs in Malang City shows that financial literacy has a positive but not significant effect on business continuity. Ningtyas and Andarsari argues that business actors in the category of sufficiently literate do not have the skills and skills to apply financial knowledge in everyday life. In line with research (Eresia-Eke & Raath, 2013; Ramalho & Forte, 2019). Assume that someone who has knowledge of financial concepts, does not necessarily experience business development. Likewise, Kusuma *et al.* (2022) on MSMEs in Solo Raya found that financial literacy did not affect business continuity for MSMEs in Solo Raya because business actors were faced with the economic situation during the Covid-19 pandemic and policies limiting community activities where inflation availability of goods is difficult to obtain so that investment decisions as an effort to increase finances in the future are difficult to make. Therefore, financial literacy is very closely related to self-control, one's behavior in planning, managing and making strategic financial decisions (Fadilah & Purwanto, 2022; Hijir, 2022).

In accordance with the Resource Based View Theory as an important research perspective for the study of resource based views, RBV theory is widely applied in various industrial sectors as a strategy to create sustainable competitive advantage in order to maintain business continuity (Ahmed *et al.*, 2020; Khotimah, 2017). According to this approach, the role of resources consisting of human or human capital, structural capital, namely the structure, and relational capital, namely the relationship between employees and their customers which aims to achieve sustainable competitive advantage, namely companies with the ability to create useful value for their consumers, difficult to imitate by their competitors and supported by company management. So that many companies including industry take steps to identify the strengths and capabilities of their business in order to be able to survive and compete in the market (Dasuki, 2021).

With so many existing competitors, business actors must strive to achieve the desired business performance and maintain the continuity of their business by maximizing their resources. All of these things lie in how the company innovates its business (Wirapraja & Aribowo, 2018). Entrepreneurial policies encourage business creation, making policies with special emphasis on creating technology-based companies and examining the impact of innovation on business survival (Schwartz *et al.*, 2013). The study posits a positive relationship between survival and the rate of innovation. Technology-based companies have a better survival rate which provides opportunities for businesses to increase their efficiency and effectiveness and even gain competitive advantage than non-technology-based businesses. Digital technology innovation is an important requirement and opens up opportunities for anyone to take advantage of it. In the RBV concept, the success of an organization is determined by how to manage its internal

resources through various strategies that make it able to compete for a long time, one of which is being able to manage its physical resources by utilizing technology for promotional media.

One of the benefits of using digital technology is as a marketing tool (Prastiyani & Hartono, 2022; Awali & Rohmah, 2020). The involvement of information technology as a potential platform for marketing products with a digital marketing concept, namely e-commerce (Krisnawati, 2018). Community needs are getting higher, people's time is decreasing and people's consumptive behavior is getting easier with e-commerce (Lacka & Yip, 2018). This opportunity has also not escaped the attention of MSME players to take advantage of it in order to be able to compete in the market, improve their performance and business sustainability (Santoso, 2020).

The presence of e-commerce has brought many benefits to MSMEs in various industrial fields (Puspita, 2020). The use of e-commerce in business processes such as online motorcycle taxis (Gojek, Shopee, and Grab) and markets (Tokopedia, Bukalapak, Lazada) is closely related to digital payments which are a sector in the financial technology industry or commonly known as fintech. The aim is to provide ease of transaction and recording in business processes that can be used as a basis for making business decisions. This is in line with the creation of awareness in increasing financial literacy so that MSMEs can easily manage their business activities (Damayanti & Putra, 2022). Therefore, the reason for taking this research is the scarcity of MSME business actors with a level of financial literacy can be a sign for the survival and possibility of business growth mediated by the variable utilization of e-commerce.

Based on the review of the literature above, this opens up opportunities for this research to propose the role of using e-commerce together with efforts to increase financial literacy for business actors as a driver of business continuity. Therefore, this study raises the title of research analysis of the effect of financial literacy on business continuity through the use of e-commerce.

The purpose of this study is to obtain empirical evidence of the effect of financial literacy on business continuity, obtain empirical evidence of the effect of financial literacy on the use of e-commerce, obtain empirical evidence of the effect of the use of e-commerce on business continuity, and obtain empirical evidence that the use of e-commerce mediates the effect financial literacy on the sustainability of MSME businesses in the food and beverage industry sector in Balikpapan City.

II. LITERATURE REVIEW

A. Resource Based Views

Resources Based View (RBV) adopted in this study explains that financial literacy which is an internal company resource has a value and potential in supporting the running of a business to achieve a competitive advantage and sustainable performance growth. Barney's research addresses this issue by pinpointing the conditions under which companies can achieve competitive advantage by relying on resources so as to direct the company to be sustainable.

Various previous studies have explained this, such as (Mahmud & Pratiwi, 2019), that the application of the Resource Based View (RBV) concept is to test competitive advantage in the long term.

B. Financial Literacy

Financial literacy is defined as the ability to make proper judgments and make effective decisions regarding the use and management of Oseifuah's money (Latifiana, 2017). Financial literacy is important to individuals in both their personal and business capacities. On the other hand, according to (OJK, 2016) financial literacy is a series of processes or activities to increase knowledge, confidence, skills of consumers and the general public, so that they are able to manage finances better.

C. Sustainability Business

E-Commerce stands for Electronic Commerce, which is an electronic (internet) based service for online transactions/trade. So the process of exchanging information and transactions involving goods and services using information technology is the definition of e-commerce (Febriantoro, 2016). Most people recognize that e-commerce is the best information and communication technology that can be applied to business activities.

Often called buying and selling online is something that is already familiar in the business world, including in MSME business activities. When they can adopt information technology systems, such as e-commerce, they get many benefits (Sumiyana & Susilo, 2021).

It can be said that the use of e-commerce for business actors, especially MSMEs, is a must, considering increasingly complex problems, increasingly stringent competitors and demands to always keep abreast of developments in the global world which requires business actors to continue to be innovative and creative. The use of e-commerce is a form of implementing technological developments to market products (goods or services) to all places and market segments, both in physical and digital form, both on a national and international scale.

III. RESEARCH METHODS

This study uses a quantitative approach. Resource Based View is the theory used in this research. The theories and views mentioned above play a very important role in explaining what factors contribute to business continuity related to financial literacy and the use of e-commerce.

The population in this study are MSME business actors engaged in the food and beverage industry sector in Balikpapan, namely the food and beverage industry manager (owner) of 1 person in each industry.

Referring to PP No.7/2021 Chapter III article 35 concerning "Criteria for Micro, Small and Medium Enterprises" as well as data from the Balikpapan City Disperindagkop there are 407 business units that make up the population in this study.

Hair *et al.* (2014) suggests some guidelines for determining sample size for SEM-PLS, namely when estimating parameters using the maximum likelihood estimation method, the recommended sample size is between 100 and 200, with a minimum sample size of 50. In addition the advice given by Hair *et al.* (2014) is that the number of samples allowed is at least 5 to 10 times the number of parameters in the research model. Hair *et al.* (2014) also explained that the number of samples is equal to 5 to 10 times the number of manifest variables (indicators) of all the variables used in the study. Because the number of indicators in this study was 31 indicators or statements, multiplied by five, a minimum sample size of 155 was obtained.

To protect if there are questionnaires that are not returned or are incomplete in filling out and considering that the greater the number the better, the questionnaires were sent to 200 MSME business actors in the food and beverage industry sector in Balikpapan. The distribution of the questionnaire was carried out by visiting in person, using surveyors who had networks and communities, and using the Google form which was sent to the whatsapp group. Researchers distributed questionnaires to 200 business actors assisted by surveyors who knew and knew and joined the MSME business community. Based on the questionnaires received, of the 200 business actors who received the questionnaires, only 104 business actors were eligible as research samples.

Data analysis was carried out by tabulating data based on the respondents' answers to the statements in the questionnaire. The analysis technique used in this research is Structural Equation Modeling (SEM) Analysis and is supported by software, namely Partial Analysis Squares (PLS), for several reasons, namely the model used is a structural model that is more suitable presented in a system of equations and variables that are variables used (Solimun, 2002), and PLS can avoid problems caused by small sample sizes (Henseler *et al.*, 2009), a minimum sample size of 30 is recommended (Solimun, 2002).

Partial Least Square Analysis (PLS) is a multivariate statistical technique that performs comparisons between multiple dependent and multiple independent variables. PLS is a variant-based SEM statistical method designed to solve multiple regression when specific problems occur in the data such as small study sample sizes, missing values and multicollinearity (Abdillah & Jogyanto, 2009).

IV. RESULTS AND DISCUSSION

A. Outer Model Evaluation (Measurement Model)

The evaluation of the measurement model is carried out with the aim of seeing the relationship between variables and their indicators which will validate the model and test the reliability of the construct as in theory and previous empirical research. Visualization of model measurements can be described in Fig. 1.

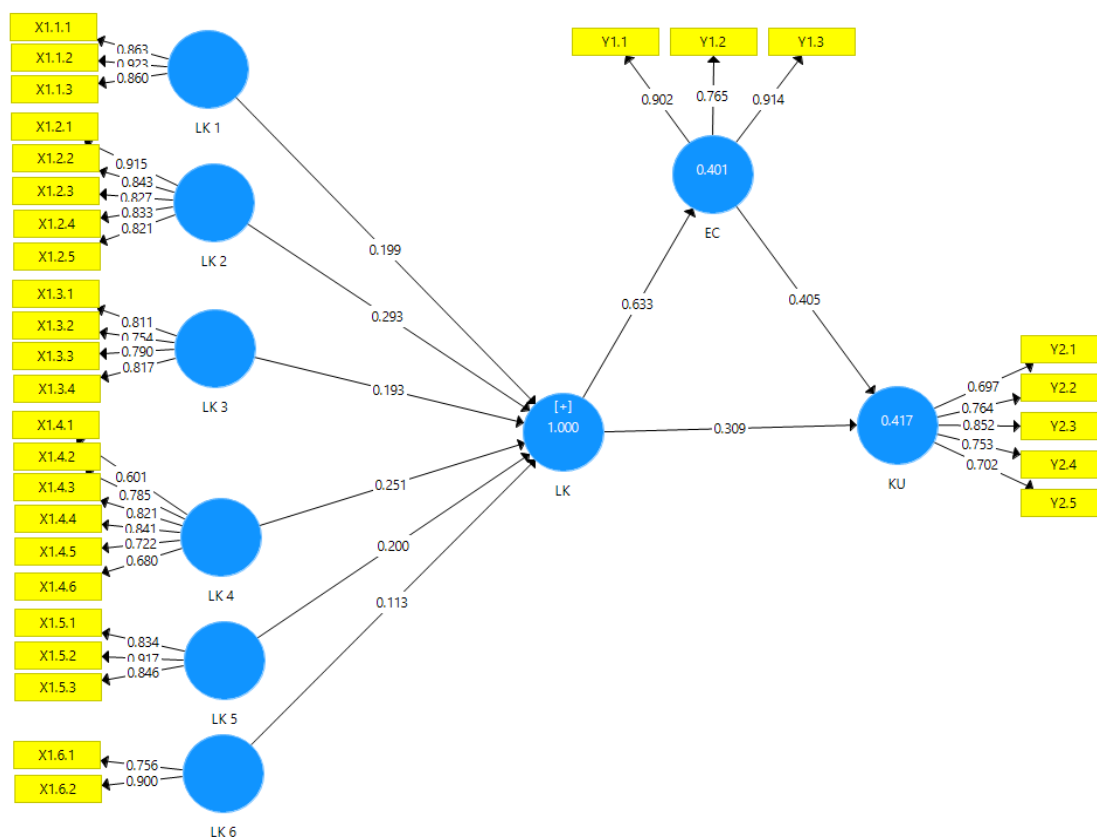


Fig. 1. Structural Model.

B. Results of Analysis and Evaluation of Measurement Models

The research hypothesis can be accepted if the t statistic > 1.96 or p-value < 0.05 (α=0.05). Table I gives the estimated coefficient value, t statistic and p-value of each relationship between variables in this study.

TABLE I: PATH COEFFICIENT RESULTS IN THE INNER MODEL

Connection	Original Sample (O)	Sample Means (M)	Standard Deviations (STDEV)	t statistics (O/STDEV)	P Values
Direct Effects					
LK -> KU	0.309	0.313	0.121	2.556	0.011
LK -> EC	0.633	0.638	0.075	8.430	0.000
EC -> KU	0.405	0.413	0.103	3.946	0.000
Indirect Effects					
LK -> EC -> KU	0.256	0.264	0.075	3.396	0.001

Source: Data processed (2022).

Based on the results of the path coefficient analysis in Table I, testing the relationship between variables in this study shows that financial literacy has an influence of 0.309 in a positive direction. The t test value is greater than the t table, which is 2.409 > 1.96, and the p-value is 0.016 < 0.05. This shows that there is a direct relationship between financial literacy and business continuity. The better the financial literacy of business actors, the better the sustainability of the business. Financial literacy on the use of e-commerce has an estimated coefficient of 0.633 with a positive direction. The t test value is greater than the t table, which is 7.667 > 1.96, and the p-value is 0.000 < 0.05. This shows that there is a direct relationship between financial literacy and the use of e-commerce. The better the financial literacy of business actors, the better the utilization of e-commerce.

Utilization-e-commerce has an influence on business continuity of 0.405 in a positive direction with a t test value smaller than t table, namely 3.656 > 1.96, and a p-value of 0.000 < 0.05. This shows that there is a direct relationship between the use of e-commerce and business continuity. Business actors who make good use of e-commerce in business processes, the business continuity will be better.

C. Research Hypothesis Testing

This study uses the Smart Partial Least Square (Smart PLS) to determine the significance of the path coefficient in the prediction model or the significance of the hypothesis support. If the calculated t value is greater than t table, it means that the hypothesis is accepted. Bootstrap analysis in this study and a confidence level of 95% (alpha 5%) or a t-table of 1.96 for the two-tailed test were used to test the significance of the indirect path coefficient for the mediation hypothesis.

The research hypothesis regarding the effect of complementary mediation, competitive mediation or indirect-only mediation by e-commerce utilization variables on the relationship between financial literacy and business continuity in this study is answered using the approach (Hair *et al.*, 2017), where a variable is said to mediate complementary (complementary mediation) provided that both indirect and direct effects are significant and lead in the same direction. And if the indirect effect and direct influence are both significant and lead to the opposite direction, then the mediating variable in the research model is said to be competitive mediation. Based on the provisions of Hair *et al.* (2017) a direct effect test will be carried out between financial literacy on business continuity without involving the variables of e-commerce implementation. The following is explained in Fig. 2.

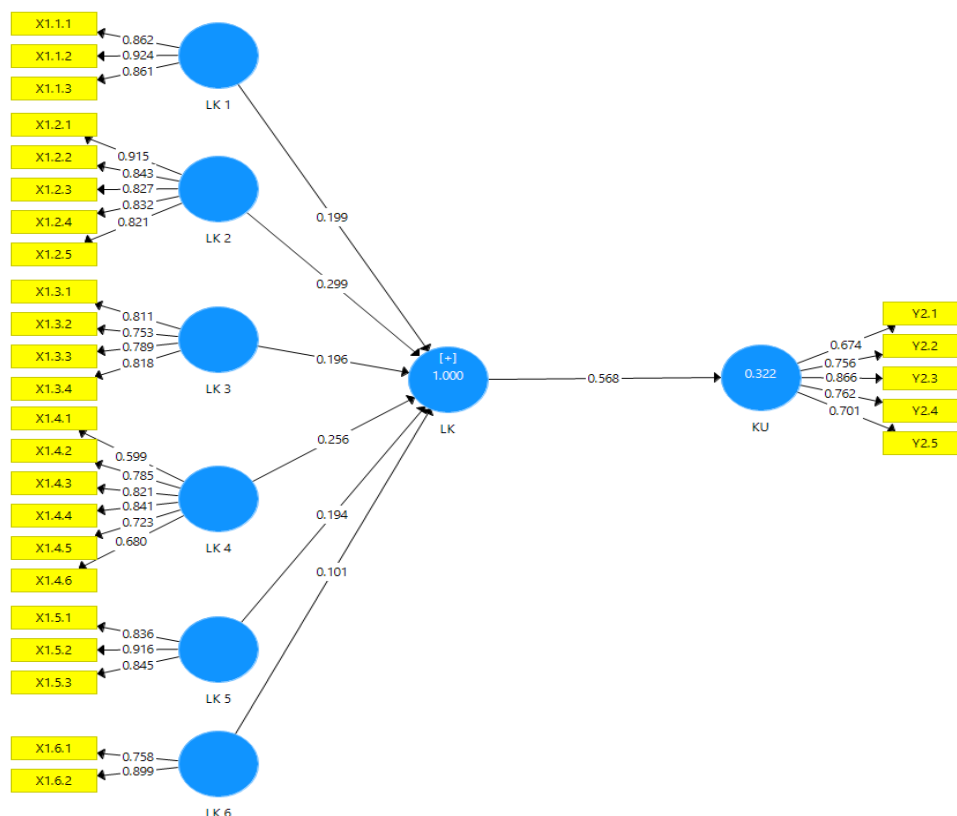


Fig. 2. Structural Model Without Mediation Variables.

Based on Fig. 2, it can be seen that the effect of the financial literacy variable on business continuity without involving the e-commerce utilization variable has an effect of 0.568 with a t test value greater than t table, namely $7.718 > 1.96$. These results indicate that without involving mediating variables, financial literacy has a significant effect on business continuity. By looking at the results of testing the hypothesis in Table II, as well as by using the principle of mediation approach by Hair *et al.* (2017) above, it can be concluded that the use of e-commerce mediates complementary the relationship between financial literacy and business continuity. These results support the research hypothesis which states that the use of e-commerce mediates the effect of financial literacy on business continuity.

Testing the indirect effect of the financial literacy variable on business continuity through the use of e-commerce is carried out by Smart Partial Least Square (Smart PLS) giving the results shown in table I by testing the strength of the indirect influence of the independent variable (financial literacy) on the dependent variable (Business Continuity) through intervening variables (Utilization of e-commerce).

TABLE II: HYPOTHESIS TESTING RESULTS

Connection	Original Sample (O)	Sample Means (M)	Standard Deviations (STDEV)	t statistics (O/STDEV)	P Values
Direct Effects					
LK -> KU	0.309	0.313	0.121	2.556	0.011
LK -> EC	0.633	0.638	0.075	8.430	0.000
EC -> KU	0.405	0.413	0.103	3.946	0.000
Indirect Effects					
LK -> EC -> KU	0.256	0.264	0.075	3.396	0.001

Source: Data processed (2022)

The results of the analysis in Table II show that the indirect effect of financial literacy on business continuity is mediated by the use of e-commerce of 0.256 with a t test value greater than t table, namely $3.396 > 1.96$. These results indicate that there is an effect of financial literacy on business continuity mediated by the use of e-commerce.

This study provides a summary of significant direct effects with mediation, significant direct effects without mediation, significant indirect effects and the final results of mediation. There are 4 hypotheses described in this study. In the following, a detailed description of each hypothesis is presented.

H1: The results of testing the direct effect hypothesis are in Fig. 2 and shown in Table II shows that financial literacy has an effect on business continuity with an estimated coefficient of the effect of financial literacy on business continuity, namely 0.309 (t-statistic 2.556) with a positive direction. This shows that there is a direct relationship between financial literacy and business continuity. The resulting t-statistic value is $2.556 > 1.96$. so it can be concluded that hypothesis one (H1), namely financial literacy has a significant effect on business continuity is acceptable.

H2: The results of the direct effect test in Fig. 2 and shown in Table II show that the direct effect of financial literacy on the use of e-commerce shows an estimated coefficient of the effect of financial literacy on the use of e-commerce, which is equal to 0.633 (t-statistic 8.430) with a positive direction. This shows that there is a direct relationship between financial literacy and the use of e-commerce. The resulting t-statistic value is $8.430 > 1.96$. This indicates that the second hypothesis (H2) which states that financial literacy has a significant effect on e-commerce utilization is acceptable.

- H3: The results of the direct effect test in Fig. 2 and shown in Table II show that the direct effect of e-commerce utilization on business continuity shows an estimated coefficient of the effect of e-commerce utilization on business continuity, which is equal to 0.405 (t-statistic 3.946) with a positive direction. This shows that there is a direct relationship between the use of e-commerce and business continuity. The resulting t-statistic value is $3.946 > 1.96$. This indicates that the third hypothesis (H3) which states that the use of e-commerce has a significant effect on business continuity is acceptable.
- H4: Testing the indirect effect of financial literacy on business continuity is mediated by the use of e-commerce of $3,396 > 1.96$. These results can be seen in Table II indicating that there is a mediating role in the use of e-commerce in the effect of financial literacy on business continuity. This shows that the fourth hypothesis (H4) which states that the indirect effect of financial literacy on business continuity through the mediation of e-commerce utilization is acceptable.

D. Discussion

This research has proven empirically in accordance with the research objectives, namely the existence of a mediating role in the use of e-commerce on the influence of financial literacy on business continuity in MSME business actors in the food and beverage industry sector in Balikpapan City. The discussion of the results of testing the research hypothesis is discussed in the following sub-chapters:

1) *The effect of financial literacy on business sustainability*

Hypothesis 1 which states that business actors' financial literacy has a positive effect on business continuity can be supported by existing empirical evidence. Acceptance of this hypothesis can be traced further, based on the description of the research variables as shown in Table II, that the average respondent's answer regarding understanding of financial literacy in MSME business actors is 3.73 or good from the 23 questions asked using a rating scale of 1- 5 based on items (itemized rating scale). This means that the understanding of the financial literacy of MSME business actors is good, supported by the responses of respondents who are on a scale of 4-5 as many as 66 respondents out of a total of 104 respondents or 63%. In line with the respondents' understanding of good business continuity, it can also be seen in table II with an average respondent's answer of 3.54. Thus the respondents' answers to questions about business continuity support empirical results that prove the research hypothesis is supported. In other words, an understanding of good financial literacy will directly affect business continuity.

Description of financial literacy research variables as well as to measure the financial literacy of MSME business actors. The results of the study show that business owners really understand the importance of risk management for business continuity and protecting their business from business risks. The findings show that business actors try to set aside income for unexpected matters. Likewise, statements regarding business and financial terminology such as savings, loans, collateral/guarantee are well understood by business actors, and this is very helpful for business actors as a basis for decision making. and effective investment. The findings of

this study also show that business actors are involved in financial planning, budgeting and financial control as the foundation of business success. This is also supported by the ability of business actors in bookkeeping to keep accounting records, financial skills and information to measure financial performance and the quality of accounting information to improve financial management and financial accessibility. From these findings it shows that financial literacy is good so that business actors with financial knowledge are able to maintain the continuity of their business.

While the descriptive data on business continuity shows that the average respondent's answer is 3.54 in the good category. The highest average value is in the first question regarding the increase in the number of customers per month with an average value of 4.07. This means that business continuity can be seen from an increase in the number of customers followed by an increase in the amount of cash and turnover each period. Based on the explanation of the findings above, it can be seen that the financial literacy of business actors is good and can directly affect business continuity. This means that business actors understand that financial literacy is a tool as a basis for making business decisions so that it directly affects business continuity.

This research is in line with the Resource Based View (RBV) theory which explains that financial literacy is a valuable resource, rare, difficult to imitate by competitors which aims to create a sustainable competitive advantage. The results of this study support the RBV theory because it is proven that financial literacy can affect business continuity.

The results of this study illustrate that MSME business actors in the food and beverage industry sector in Balikpapan City have the awareness to improve and apply their financial knowledge in carrying out their business process activities. Business actors have financial planning, budgeting and control, conduct bookkeeping to measure financial performance so that the quality of financial information can be seen as access to business funding sources, make efforts to improve understanding of business and financial terminology as well as financial and information skills continuously and are aware of its importance business risk management. This is done as a basis for making decisions that have an impact on business continuity. This empirical evidence also supports the research in which financial literacy is used as a basis for decision making to facilitate business management and development (Fatoki 2014; Panggabean *et al.*, 2018; Widayanti *et al.*, 2017; Rahayu & Musdholifah, 2017), which is the essence of business continuity. Based on the discussion above, it can be concluded that the financial literacy of MSME business actors in the food and beverage industry sector in Balikpapan City has a direct effect on business continuity.

2) *The influence of financial literacy and the use of e-commerce*

Hypothesis 2 which states that financial literacy affects the use of e-commerce can be supported by existing empirical evidence. The results of this study support hypothesis 2 which can be traced from the respondents' answers to each question on the financial literacy variable. Based on the description of the research variables as shown in Table II, that the average respondent's answer regarding understanding of financial literacy is represented by six indicators, namely planning,

budgeting and control average 3.83, average bookkeeping 3.82, average funding sources 3.44, terminology average business 3.83, average financial and information skills 3.46 and risk management 4.02 or both of the 23 questions asked using a rating scale of 1-5 based on item (itemized rating scale), it can be stated that the average respondent's answer is on a scale of 4 – 5 (good – very good) with the statement that business actors consider financial literacy important to encourage the use of e-commerce in business processes. This means that the respondents' understanding of financial literacy as represented by planning, budgeting and control, bookkeeping, funding sources, business terminology, financial and information skills and risk management applied by business actors is good, supported by an average respondent's response of 3.73. This is in line with the respondents' understanding of the relatively good use of e-commerce with an average respondent's answer of 3.76 (good). The highest average score is in the second question regarding the use of e-commerce by using social media (Instagram, Facebook, Whatsapp) as a marketing tool with an average value of 4.23. This means that using social media (Instagram, Facebook, Whatsapp) as a marketing tool can properly support the use of e-commerce in business processes and business actors with good financial literacy are represented by planning, budgeting and control, bookkeeping, funding sources, terminology business, financial and information skills as well as risk management are able to make a person, in this case a business actor, respond quickly to developments in business processes and information technology as a forum to support business activities. In other words, good financial literacy will directly influence the use of e-commerce in acceptable business processes.

The results of this study prove that the theory of Resource Based View (RBV) can be used as an analytical tool to understand how financial literacy influences the use of e-commerce by MSME business actors in the food and beverage industry sector in Balikpapan City. Based on the results obtained, it shows that the financial literacy of business actors, especially the understanding of risk management to protect business, will have an impact on the sustainability of MSME businesses in the food and beverage industry sector in Balikpapan City. The theory of Resource Based View is explained in this study that the financial literacy of business actors as resources with capabilities or abilities so that they have long-term competitive advantages and efforts to survive and win business competition in the digital era, alignment of resources with the use of e-commerce in business processes using social media (Instagram, Facebook, Whatsapp) as a marketing tool can be effectively carried out to help business actors survive and continue their business.

3) *The Effect of E-commerce Utilization and Business Sustainability*

Hypothesis 3 which states that the use of e-commerce has an effect on business continuity can be supported by existing empirical evidence. The results of this study support the third hypothesis, which can be traced from the respondents' answers to each question on the variable utilization of e-commerce. Based on the description of the research variables as shown in table 14, the average respondent's answer

regarding the use of e-commerce in business processes averages 3.76 or both of the 3 questions asked using an itemized rating scale of 1-5 based on the item (itemized rating scale), then it can be stated that the average respondent's answer tends to answer on a scale close to 4 (Good). This means that the use of e-commerce in business processes is good which can directly affect business continuity.

The results of this study provide an indication that the use of e-commerce in the business processes implemented by business actors has fully provided support for the sustainability of MSME businesses in the food and beverage industry sector in Balikpapan City. The results of these findings indicate that the application of e-commerce in the business processes of business actors using social media (Instagram, Facebook, Whatsapp) is shown on average 4.23 has provided support for business continuity as evidenced by an increase in the number of customers each month shown on average 4.07. However, the utilization of e-commerce through online trading (Gojek, Shopee, and Grab) and online marketplaces (Tokopedia, Bukalapak, Lazada) is shown to average 3.55 as well as using digital payment transactions such as transfers between accounts, e-money (Gopay, ShopeePay), Mobile Banking, QRIS (Scan Barcode), Pay later shown an average of 3.51 also contributes well to business continuity. As stated by Savrul *et al.* (2014) business actors who utilize e-commerce can create added value, new services, and new business models to develop strategies and expand the business to an international level.

The results of this study also provide support for the Resource-Based View theory which states that the advantages possessed by a business are supported by unique and difficult-to-imitate resources by competitors related to the use of e-commerce which offers convenience in business transactions making business actors quickly respond to conduct innovations that can be quickly enjoyed by customers and have an impact on the best service which of course makes the business wheel run stable and has an impact on business continuity. The results of this study indicate that the use of e-commerce in business processes is a competitive advantage for a business because of its concern for customers so it becomes the uniqueness of a business to achieve business continuity.

4) *The mediating role of e-commerce utilization on the effect of financial literacy on business continuity*

Hypothesis 4 states that financial literacy influences business continuity through the mediation of e-commerce utilization. The empirical evidence of this study significantly supports hypothesis 4. The results of the tests conducted show that the use of e-commerce is able to mediate in a complementary manner the effect of financial literacy on business continuity. The analysis uses SEM PLS 3.0 on the Sobel test as presented in table II. The path estimate from financial literacy to business continuity by mediating the use of e-commerce is 0.256 with a t statistic of 3.396 > 1.96. So it can be concluded that the importance of using e-commerce as a mediator is an important signal to bridge the research gap between financial literacy and business continuity. The financial literacy variable has a positive indirect effect on business continuity through the use of e-commerce. Information on the implementation of the use of e-commerce in business processes, namely related to the use of social

media as a marketing tool, trading online and making digital payment transactions directs business actors in making the right decisions so that it will assist business actors in maintaining business continuity.

The results of testing this hypothesis are in line with the Resource Based View theory which states that there is a relationship between resources, capabilities and competitiveness. While in this study financial literacy and the use of e-commerce in business processes as an internal capability of a business and competitiveness is the sustainability of the business itself in the form of increasing the number of customers, increasing cash and turnover and changing assets every month. The use of e-commerce integrates a technology-based business environment to encourage business creation that has an impact on innovation on business continuity (Schwartz *et al.*, 2013). Therefore, a business must continue to document the development of indicators for the sustainability of their business in order to survive and win in business competition.

The results of this test are in accordance with the fourth research objective to explore whether financial literacy has an indirect effect on business continuity through the use of e-commerce. These results indicate that financial literacy is reflected by a good understanding of risk management and the involvement of business actors in planning, budgeting and financial control which influences business continuity with a mediating role in the use of e-commerce. The results of this study also show that there is a harmonious relationship between financial literacy and business continuity by mediating the use of e-commerce.

Based on the Resource Based View theory which is widely applied in various industrial sectors (Ahmed *et al.*, 2020; Khotimah, 2017), these findings support the results of previous research such as research conducted by (Panggabean *et al.*, 2018) who found that financial literacy has a significant positive effect on business continuity. And the results of this study indicate that MSME business actors have a good understanding of financial literacy which is integrated into all aspects of their business processes to maintain the continuity of their business. Business actors realize the importance of financial literacy, which is about how business actors understand risk management to protect their business, are involved in planning, budgeting to financial control, understand well the basic terminology of business and finance, are orderly in carrying out bookkeeping for the use of accounting information in measuring financial performance, have a good understanding of funding sources related to access to business capital, and have good financial and information skills. Because of this, good financial literacy is important for business actors to own and implement to facilitate business development and management as a tool for decision-making, one of which is related to the use of e-commerce in business processes, namely using social media as a marketing tool, and conducting trade. Online to increase sales turnover and make digital payments for easy transactions and the best service for customers. This of course will have an impact on the sustainability of a business.

V. CONCLUSION

Financial literacy affects business continuity in a positive direction. The better the financial literacy of business actors, the more sustainable the business can be achieved. Thus the role of financial literacy in business continuity can make a significant contribution. The results of this study support the proposed hypothesis and previous research. Financial literacy is used to control and determine goals in decision making, this is an important factor that must be possessed by MSME business actors to facilitate business management and development (Fatoki, 2014; Panggabean *et al.*, 2018). These results indicate that MSME business actors in Balikpapan City have the initiative to apply their financial knowledge to be implemented into their business processes.

Financial literacy influences the use of e-commerce in a positive direction. Business actors' financial literacy has an important role in making business decisions, namely responding quickly to developments in information technology to support business activities. The results of the study prove that financial literacy has a direct effect on the use of e-commerce indicating that MSME business actors in the food and beverage industry sector in Balikpapan City are trying to adapt to technological developments that provide convenience in business processes by using social media (Instagram, Facebook, Whatsapp) as marketing facilities, trading online such as online motorcycle taxis (Gojek, Shopee and Grab) and markets (Tokopedia, Bukalapak, Lazada).

Utilization of e-commerce has an effect on business continuity in a positive direction. This provides evidence that the better the use of e-commerce in the business processes of a business, the better the business continuity. These results prove that the use of e-commerce in business processes contributes to business continuity. One of the reasons that the use of e-commerce affects business continuity can be seen from the increase in the number of customers per month followed by an increase in the amount of cash and monthly turnover as well as changes in monthly assets. Utilization of e-commerce is needed for alternative solutions to innovate to capture wider market potential so that business continuity can be achieved.

Utilization of e-commerce in business processes can mediate the effect of financial literacy on business continuity. These results support the proposed research hypothesis that financial literacy influences business continuity through the mediation of e-commerce utilization. These results indicate that in general MSME business actors in the food and beverage industry sector in Balikpapan City are influenced by their level of financial literacy or financial knowledge by utilizing e-commerce in business processes for business continuity. How to make the existing business processes sustainable, business actors feel that with good financial literacy as a basis for decision making, the use of e-commerce in business processes is an effective way to do it.

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