

THE ROLE OF FINANCIAL TECHNOLOGY IN CULINARY SMEs CITY OF PADANG BASED ON *HALAL* FOOD

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Abstract: The financial technology industry in the digitalization era has assisted to support the Indonesian economy and prospered the Indonesian people during the COVID-19 pandemic with its contribution to the economic growth of around 0.45%. However, SMEs that are financially and technologically literate, as well as *halal* certification, show an increase in their sales turnover. The purpose of the study was to determine the description of financial literacy, the use of fintech applications, and *halal* certification of food products in SMEs in the city of Padang. The research method uses descriptive statistics with a qualitative approach. The research population was 371 samples, 193 were taken by purposive sampling. Field research data collection methods are carried out by observation and interviews. The results showed that SME actors were *not literate* with financial and fintech applications 60.62%, had not used fintech applications 87.56%, and did not have *halal* certification for food products 95.34%. For this reason, it is necessary to conduct education and socialization to SME actors in order to increase their knowledge and understanding of financial literacy, utilize fintech applications, and *halal* certification of food products in terms of marketing, buying, and selling transactions in order to increase sales turnover.

Keywords: Financial literacy, Financial Technology, *Halal* certification

1. Introduction

The development of financial technology (hereafter fintech) is currently starting to enter all lines of people's lives with all types of transactions such as transportation, buying food, traveling and shopping for daily necessities so that it becomes easier because it is supported by fintech. Fintech has its own challenges because there are still many Indonesian people who feel foreign in its use to enter super smart. public relations with all stakeholders involved to provide knowledge to the community, especially SME actors because SMEs contribute to Gross Domestic Product. A safe and healthy digital space can be created through synergy and collaboration with various stakeholders in order to improve a digital ecosystem that is safe, cultured, ethical and useful in order to create an Indonesia digital nation that is able to face the challenges of the times in the era of revolution 4.0.

Digital literacy is one of the important pillars in the digital transformation agenda in Indonesia in the midst of the condition of the nation which is currently experiencing the covid 19 pandemic. In the 1980s, many banks in the world began to use data recording systems that were accessed via computers as the beginning of the emergence of fintech. In 1998, the world's banks began to introduce online banking for their customers. Currently, fintech is here to assist Micro,

Small and Medium Enterprises (SMEs) in providing convenience and efficiency in terms of technology-based financial management including digitizing financial reports, payment technology and online-based loans.

Fintech as the financial sector is reported to be the most widely reported to the Financial Services Authority (OJK) regarding several cases of illegal online loans which are increasingly happening, impacting the number of complaints submitted to the OJK in 2021 in the form of fintech lending. The Financial Services Authority recorded the most fintech complaints related to debt collector behaviour. The development of the digital economy presents its own challenges to the performance of SMEs due to the lack of ability of SME actors to utilize fintech to market products and for other activities. Limited infrastructure and an unskilled workforce are also obstacles to the development of the national digital economy. The COVID-19 pandemic had the biggest impact on the decline in the turnover of culinary SMEs because most of their marketing was offline, resulting in a decline in consumer purchasing power and many closing (out of business).

The collaboration between the government and digital industry players is expected to be able to overcome the challenges above to encourage the development of the digital economy and better performance of national SMEs during the COVID-19 pandemic. The government revitalized through digitizing SMEs is not easy because in some remote areas limited internet access is an obstacle. main.

Fintech is something that is really needed during the COVID-19 pandemic. The low level of financial literacy and digital literacy is a crucial point in the challenge of digitizing Indonesian SMEs. The results (National Survey of Financial Literacy, 2019) that the financial literacy rate of the Indonesian people is 38.03%, far below those of Singapore, Malaysia and Thailand. In 2020 it increased by 40% (OJK, 2020) including the well literate category. The national average financial literacy index is only 29.7%, indicating that public knowledge about financial intricacies is uneven across provinces. The highest public financial literacy index is 40% in DKI Jakarta and the lowest is 19.3% in West Papua province (OJK, 2016). The financial literacy of the Indonesian population is 21.84% well literate, sufficient literate 75.69%, less literate 2.06% and not literate 0.41% (OJK, 2013).

Low financial literacy will be related to fintech because there are problems with knowledge, perspectives and public financial behaviour. The low level of fintech for SME actors is a problem for society in the future because it has a negative impact on financial behaviour. Unliterate households tend to borrow at high interest rates and have low assets (Lusardi, Tufano & Mitchell 2009), less involved with the formal financial system (Cole, Sampson & Zia, 2009), low risk diversification, inefficient portfolio allocation and the amount of savings is small (Jappelli & Padula, 2013), risk diversification and portfolio allocation is not optimal as well as unfair competition in the market as barriers to effective financial intermediation. The low level of financial literacy also makes market mechanisms and new financial products and their derivatives more complex, so there is a risk of losing money due to ignorance or information asymmetry that occurs between informed and uninformed people (Jappeli, 2010).

The new era of digital industrialization is a global threat because it will eliminate around 1 – 1.5 billion jobs during 2015 – 2025 where the position of humans will be replaced by automatic machines. The lack of the ability of SMEs to utilize digital technology in marketing their products is a challenge for SME actors. As many as 64.2 million SMEs, it turns out that around 36% of national SMEs still use conventional marketing methods and 18% SMEs use social media and websites for product promotion. As many as 37% of SMEs are only able to operate computers and the internet in a simple way, 29.18% of SMEs in Java and 16.6% of SMEs outside Java have utilized digital marketing (Ministry of Cooperatives and SMEs, 2020).

SME players need to adopt digitalization to maintain productivity and maintain their turnover in the midst of the COVID-19 pandemic. Digital sales penetration can be a key strategy because

it can expand market reach. All the limitations that SMEs have such as low education, technological stuttering, lack of understanding of the use of information technology, limited online marketing, production processes and online market access have not been maximized, it is certain that not many SME actors are able to adapt to the COVID-19 pandemic situation because building digital literacy skills is not a big thing, which can be done instantly so that there are not many opportunities that can be utilized by SME actors to empower their SMEs. Although the culinary SMEs in the city of Padang experienced a drastic decline in turnover, most of them were still able to survive. Culinary is a growing business in the city of Padang with various types of food and beverages, culinary tourism and culinary trends as evidence that the culinary business is predicted to grow rapidly. A total of 163,713 food, beverage, creative industries, agriculture and 62.9 million sectors are threatened with loss of income due to the impact of the COVID-19 pandemic (Cooperatives and UMKM Service, 2020). One type of culinary SMEs in the city of Padang in the form of the Snack Food Industry (IMR) is spread over 11 sub-districts, the most in West Padang sub-district 371 units, at least 100 in Lubuk Begalung sub-district as shown in table 1.

Tabel 1. Number of SME Actors (IMR type) Padang City in 2020

District	Pdg Barat	Pdg Timur	Pdg Selatan	Padang Utara	Koto Tangah	Lubeg	Pauh	Luki	Kuranji	Nanggalo	Bungus Teluk Kabung
Total	371	229	226	322	128	100	191	294	156	203	228
IMR Total											2.448

Source: Dinas Koperasi dan UMKM Kota Padang, 2021.

Some of the problems of culinary SMEs of the type of IMR in the city of Padang, especially Minang SMEs, are as follows: 1) Quick to be satisfied with the limitation of mindset; 2) Production relies on local genuine and minimal innovation so that low competitiveness should be registered innovation; 3) Compete on the same product with an internal etatism system where there should be collaboration; 4) Unbankable, difficult access to financing for expansion; 5) Social capital has a negative role in business development so that new entrepreneurs are limited to produce bright ideas. The conclusion is that almost all SME products in West Sumatra are unable to compete with similar products produced by other provinces and compete with each other and are reluctant to synergize. The risks for the sustainability of SMEs related to the COVID-19 pandemic are as follows: decreased demand, scarcity of raw materials, excess availability of goods, price fluctuations, changes in consumer behaviour and labour shortages (Sulistyan, 2020).

The Muslim population is growing rapidly in most countries in the world so it is beneficial for manufacturers and retailers to adapt to various types of marketing approaches based on Islam, it is predicted that around 70% of Muslims follow *halal* standards (Alserhan, 2010). West Sumatra is a province with a majority Muslim population, the Minangkabau ethnic group has a high level of religiosity (Sari, 2017). Highly religious consumers tend to be more disciplined in their daily activities so that consumers with high religious levels will have a higher level of *halal* awareness and less attractive non-*halal* products. Food consumers are more critical of food, not only paying attention to taste, nutritional content, sanitation, hygiene, safety and quantity but have focused on food *halalness* (Suradi et al., 2015). Products that are guaranteed to be *halal* will increase the selling value of the product because product users already feel safe to consume them, not only Muslims but all mankind (Segati, 2018).

Food products must be guaranteed to be *halal*, whether they are sold in restaurants, hotels, tourist attractions, souvenir centres and others. Some of the food and beverages served use a lot of food additives aimed at improving quality and do not have *halal* certification such as

flavouring, preservatives, bleach, emulsifiers, softeners, dyes, sweeteners and others. Food safety problems in general are as follows: 1) Microbial contamination of food due to poor hygiene and sanitation conditions; 2) Chemical pollution due to dirty environmental conditions; 3) Misuse of hazardous materials prohibited for food; 4) The use of food additives exceeds the maximum allowed limit (Lean, 2015).

Halal certification can be an international gateway for market expansion efforts, especially to countries where consumers care about *halal*. The unpreparedness of SME products for *halal* certification will have an impact on long-term business continuity. All stakeholders need to implement the *halal* concept for culinary SME products so that the city of Padang, especially West Sumatra, can generally become *halal* foods in the global market. Based on the description above, the formulation of the research problem is what is the description of financial literacy, fintech and *halal* certification of food products for culinary SMEs in the city of Padang? The purpose of the study was to determine the level of financial literacy, fintech and *halal* certification of food products for culinary SMEs in the city of Padang.

Based on the problems above, in compiling this research, the writer first formulates the problem as the basis for the research study carried out, namely:

1. What is the level of financial literacy, fintech and *halal* certification of food products for culinary SMEs in the city of Padang?
2. How is cashless payment using a payment application via mobile on fintech on food products for SME culinary Padang city?
3. How do SME actors understand the importance of product *halal* certification in Padang city culinary SME food products?

The aim to be achieved from this research is to find out

1. The level of financial literacy, fintech and *halal* certification of food products for culinary SMEs in the city of Padang.
2. Cashless payments using payment applications via mobile at fintech on food products for culinary SMEs in the city of Padang.
3. The understanding of SME actors on the importance of product *halal* certification on food products for SME culinary in Padang city.

2. Literature Review

Micro Small Medium Enterprises

SMEs play a strategic role from the point of view of job opportunities, unemployment, sources of income and poverty alleviation with the following classifications: livelihood activities, micro enterprises, small dynamic enterprises and fast-moving enterprises (Tambunan, 2012). SMEs are grouped into 3 types as follows: micro-enterprises with 10 employees, small businesses with 30 employees, and medium-sized businesses with more than 30 employees. From a business perspective, SMEs are classified as follows: SMEs in the informal sector, micro-SMEs, dynamic small businesses and fast-moving enterprises. (BPS, 2018).

The goal to be achieved is to realize SMEs that are strong, independent, able to compete and take a major role in the production and distribution processes related to basic needs, raw materials and capital to face the global market (Law No. 20 of 2008). Some of the advantages of SMEs are as follows: 1) Able to develop products with innovation and technology; 2) Having a close humanistic relationship, especially in small-scale businesses; 3) Able to absorb a large number of workers; 4) Able to adapt quickly and flexibly to changes that occur, especially related to rules and bureaucracy; 5) The role of entrepreneurship and managerial dynamics

(Partomo & Soejoedono, 2004). The criteria for SMEs are based on assets and turnover as shown in table 2.

Table 2. Criteria for SMEs are based on assets and turnover

Business Size	Criteria	
	Asset	Turnover
Micro	Max Rp 50 million	Max Rp 300 million
Small	> Rp 50 million – Rp 500 million	>Rp 300 million – Rp 2.5 billion
Medium	>Rp 500 million – Rp 10 billion	>Rp2,5 billion – Rp 50 billion
Large	>Rp 10 billion	>Rp 50 billion

Source: BPS, 2018

Turnover is the accumulation of sales activities of a product of goods/services calculated as a whole over a certain period of time continuously or in an accounting process with the aim of achieving a certain sales volume, earning profits and supporting company growth (Swastha, 1993). Sales turnover is the number of goods received by the buyer with the amount of money handed over to the seller according to a mutual agreement. Sales turnover activities are influenced by several factors as follows: condition and ability of the seller, market conditions, capital, company organizational conditions and other factors such as advertising, campaigns, discounts and gift giving (Swastha and Irawan, 1990). According to (Forsyth, 1990) in the activity of selling a product/service there must be fluctuations influenced by internal factors and external factors. The sustainability of the SME business is seen from the company's success in innovation, managing employees and customers as well as returns on initial capital (Hudson, Smart & Bourne, 2001).

The characteristics of SMEs based on the aspects of the commodities produced (Law No. 20 of 2008) are as follows: 1) Quality is not standard, 2) Product design is limited, 3) Product types are limited, 4) Product capacity and price are limited, 5) Raw materials are not standardized, 6) Product continuity is not guaranteed and less than perfect.

Financial Literacy

Financial literacy is the knowledge and skills to apply an understanding of concepts, risks and skills in order to make effective decisions in a financial context to improve financial, individual, social well-being and be able to participate in the community (World Economic Forum, 2015). Financial literacy is a series of processes/activities to increase the knowledge, trust and ability of consumers/general public in order to be able to manage finances well (OJK, 2013). Financial literacy in adults aged 15 years, knowledge and understanding of financial concepts and risks as well as skills, motivation, confidence to make effective financial decisions are useful for improving individual/community financial well-being and participating in economic activities (OECD, 2014 & 2016) while in students represent knowledge for financial management in decision making (Chen and Volpe, 1998). Financial literacy is a combination of awareness, understanding, knowledge and use of financial concepts to make financial decisions (Opoku, 2015).

A well literate person has knowledge and beliefs about financial institutions, products and services as well as skills in knowing the features, benefits, risks, rights and obligations of financial products and services (OJK, 2013). Financial literacy is a measurement of a person's understanding of financial concepts, having the ability to financial instruments and confidence to manage personal finances through short-term decision making and its application in business and life for financial planning (Remund & Huston 2010). Several dimensions of financial literacy (Carpena et al, 2011) such as calculating skills, understanding of basic finance and attitudes towards financial decisions, knowledge and context of financial literacy include

knowledge, education and information about finance and its sources then banking, deposits, credit, insurance and taxes. (Willis, 2008).

Financial knowledge possessed by a person will develop into financial skills as the ability to apply the financial knowledge he has in everyday life (Palameta, et al, 2016) thus enabling a person to make rational and effective decisions related to finances and economic resources (Kurihara, 2013). The public is expected to have confidence in financial service institutions and their products and services after having adequate knowledge and skills and also being confident in carrying out financial activities (Tustin, 2016). The increase in financial knowledge, skills and beliefs possessed by an individual has an effect on better financial attitudes and behavior in an individual for the long term compared to someone who has a financial attitude for the short term (Atkinson & Messy, 2012). The programs used to increase the financial literacy index (Suryani, 2015) are as follows: increasing the literacy of someone who was previously less literate/not literate to become well literate, financial literacy infrastructure and development of financial products and services. Financial literacy is of considerable benefit to individuals, financial service institutions and the state to increase economic growth, alleviate poverty, reduce income inequality and improve financial system stability (Sotiono, 2018).

Financial Technology

Financial technology (fintech) is a combination of financial services and technology which ultimately changes the business model from conventional to moderate (bi.go.id). Currently, information and communication technology is the backbone of the application of digital technology in every aspect of human life by relying on advances in digital technology to support life. Knowledge and skills about financial products and services need to be possessed in order to understand the benefits and risks of financial products and services. Financial literacy combined with digital literacy skills is an important asset for the community in facing the digitalization of the financial services sector.

Several reasons why consumers of financial services need to have adequate digital knowledge and skills are as follows: 1) Speeding up services to consumers and saving operational costs; 2) Facilitate access to financial products and services owned by fintech and e-commerce; 3) In the long term, it is estimated that all financial transactions will switch to digital technology towards cashless transactions; 4) Needs and life style in the 4.0 revolution era. The existence of fintech payments is the main competitor of banks in providing loan facilities for the micro and small segments so that banks are no longer the sole players in the national payment system. The existence of the COVID-19 pandemic has forced SME actors to be able to adapt and develop themselves in order to survive the impact of the pandemic. Adaptations have been made ranging from changing business models to utilizing digital platforms as a means of selling, expanding business networks and digitizing so that SMEs are able to survive and grow during the COVID-19 pandemic.

Several types of fintech in Indonesia (OJK, 2016) are as follows: crowdfunding, micro financing, peer to peer = P2P lending service (money lending), market comparison and digital payment system. According to OJK Regulation No.77/POJK.01/2016 fintech lending peer to peer lending / P2P lending is a direct lending and borrowing service in rupiah currency between creditors and debtors based on information technology, also known as Information Technology-Based Borrowing and Borrowing Services (LPMUBTI). As of February 19, 2020, the total number of registered and licensed fintech operators is 161 companies. OJK urges the public to always use fintech P2P lending services that have been registered/licensed at OJK. Fintech lending (P2P) is one of the dominant fintech sectors so that the distribution of loan funds also continues to increase. During the COVID-19 pandemic, the fintech industry helped

support the Indonesian economy in the era of digitalization and even fintech was able to lift the economy and prosper the Indonesian people during the COVID-19 pandemic.

OJK's policy in accelerating digital transformation in the financial services sector by utilizing the potential of the digital economy can facilitate communication, change people's preferences and behaviour towards digital as well as encourage the growth of start-up's in priority sectors such as HealthTech, AgriTech, EduTech and FinTech providing convenience for business actors in producing and for the wider community in obtaining digital products and services. Facing the shift in life that is completely online, fintech is an opportunity as well as a challenge for every line of the financial industry. Some of the benefits of fintech for stakeholders (bi.go.id) are as follows:

1. Help expand job opportunities and increase economic growth.
2. Improving people's living standards because fintech can reach people who are not reached by conventional banking.
3. Improving the macro economy because of the convenience offered by fintech can increase e-commerce sales.
4. Simplify the transaction chain.
5. Reducing operational costs and capital costs.
6. Increase the speed of money circulation so that it can improve the community's economy.

Some of the fintech regulations are as follows:

1. OJK Regulation (POJK) Number 77/POJK.01/2016 concerning Information Technology-Based Lending and Borrowing Services (LPMUBTI).
2. Bank Indonesia Regulation Number 18/40.PB/2016 concerning the Implementation of Payment Transaction Processing.
3. Circular Letter of Bank Indonesia Number 18/22/DKSP regarding the Implementation of Digital Financial Services.
4. Bank Indonesia Regulation Number 18/17/PBI/2016 concerning Electronic Money.
5. POJK Number 13/POJK.02/2018 concerning Digital Financial Innovation in the Financial Services Sector.
6. POJK Number 35/POJK.05/2018 concerning the Business Implementation of Financing Companies.
7. POJK Number 37/POJK.04/2018 concerning Crowdfunding Services Through Information Technology-Based Shares Offering (equity crowdfunding).
8. Regulation of the Minister of Finance Number 32/PMK.05/2014 concerning the Electronic State Revenue System.
9. Presidential Regulation Number 63 of 2017 concerning Non-Cash Distribution of Social Assistance; (3) Government Regulation Number 71 of 2019 concerning the Implementation of Electronic Systems and Transactions.
10. Ministry of Home Affairs Regulation Number 102 of 2019 concerning Granting of Access Rights and Utilization of Population Data.
11. Presidential Regulation Number 114 of 2020 concerning the National Strategy for Financial Inclusion (SNKI).

Halal Certification

Halal is everything that is permitted by the *Shari'a* to be consumed, especially in terms of food and drink. *Halal* criteria such as *halal* substances, *halal* methods of obtaining them and *halal* processing methods. The food safety criteria have become a required criterion in the management of *halal* certification (LPPOM MUI, 2018). *Halal* certificate is a requirement to include *halal* labels on product packaging from authorized government agencies with reference

to SNI ISO/IEC 17065: 2012 and UAE 2055: 2 for *halal* certification bodies, namely the addition of food safety requirements in the *halal* certification process for the food and beverage industry that enforced by the National Accreditation Committee (KAN). The Indonesian Constitution has juxtaposed universal hazards (biological, chemical and physical hazards) with religion, belief and culture so that the two go hand in hand.

Law No. 18 of 2012 concerning Food which states that food safety is a necessary condition and effort to prevent food from possible biological, chemical and other contaminants that can interfere, harm and endanger human health and do not conflict with religion, belief and culture so that safe for consumption. On this basis, a food safety management system becomes an important thing to implement, which is a system that identifies, evaluates and controls food safety hazards. Food problems can cause several fatal things such as losing trade, affecting health and companies can lose public trust.

Food audits need to be implemented to ensure that food is safe for consumption so that the application of food safety can be implemented by means of food sanitation, regulation of Food Additives (BTP), regulation of genetically engineered food products, regulation of food irradiation, determination of food packaging standards, provision of food safety assurance and food quality and guarantee of *halal* products for those who are required. *Halal* goes hand in hand with safe and clean generally means food safety. Fulfilment of food safety aspects is part of the *halal* certification requirements that must be met by business actors before the audit report is submitted to the MUI fatwa commission meeting to decide whether the product is declared *halal* or not.

3. Method

This type of associative research aims to provide a clear picture of research problems with a qualitative approach as a process of finding knowledge using statistical data as a means of analysing information about what you want to know (Uma, 2015). The research population is a generalization area consisting of objects / subjects with causality and characteristics determined by researchers to be studied and concluded (Umar, 2015) so that each data can be stated correctly (Sugiyono, 2015). The research population was 371 IMR culinary SMEs in Padang Barat sub-district, Padang city, a sample of 193 was determined by the Slovin formula at = 5% by purposive sampling.

The operational definition of research variables is as follows:

1. Financial literacy is a series of processes / activities to increase the knowledge, trust and ability of consumers / the general public so that they can manage their finances well.
2. Financial technology (fintech) is an innovation in the financial services industry that utilizes the use of technology in the form of a system built to carry out specific financial transaction mechanisms.
3. Product *halal* certification is an acknowledgment of the *halalness* of a product based on a written fatwa issued by the Indonesian Ulema Council (MUI) to be adhered to and obeyed by the government and Muslims.

The research data were collected by interview and observation techniques. The data analysis method was carried out by descriptive statistics. Implementation of problem solving for culinary SMEs regarding financial literacy, fintech and product *halal* certification as shown in Figure 3.1. following:

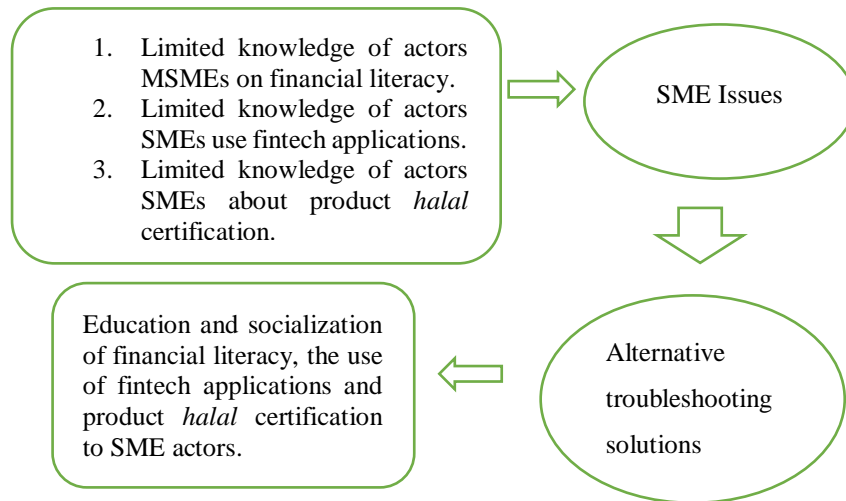


Figure 1. Troubleshooting Framework

4. Result and Discussion

Table 4. Characteristics of Respondents

No.	Description	Respondents	Percentage (%)
Gender			
1.	Male	91	47.15
	Female	102	52.85
	Total	30	100
Age			
2.	≤ 20 years	18	9.33
	21 – 30	53	27.46
	31 – 40	77	36.90
	≥ 41	45	23.32
	Total	193	100
Education			
3.	Elementary	19	9.84
	Junior High School	111	57.51
	Senior High School	33	17.10
	Diploma/Undergraduate	30	15.54
	Total	193	100
Occupation			
4.	College Student	12	6.22
	Entrepreneur	113	58.55
	Civil Servant	17	8.81
	Others	51	26.42
	Total	193	100
Financial Sources			
5.	Self-funded	151	78.24
	CSR (corporate social responsibility)	12	6.22
	Loan	30	15.54
	Total	193	100
Loan Origin			
6.	Bank	5	16.67
	Cooperation	22	73.33
	Pawnshop	3	10
	Total	30	100

No.	Description	Respondents	Percentage (%)
7.	Business Existence (year)		
	≤ 5	38	19.69
	6 – 10	62	32.12
	11 – 15	53	27.46
	≥16	40	20.73
	Total	193	100
8.	Knowledge of Financial Literacy and Fintech		
	Not Literate	117	60.62
	Less Literate	69	35.75
	Sufficient Literate	4	2.07
	Well literate	3	1.56
	Total	193	100
9.	Skills for Using Fintech Applications in Transactions		
	Already using	24	12.44
	Have not use	169	87.56
	Total	193	100
10.	Product <i>Halal</i> Certification		
	Already have	7	3.63
	Do not have yet	184	95.34
	On Process	2	1.04
	Total	193	100

Source: Primary Data Primer, processed, 2021

Based on table 4 above, the dominant research respondents were 102 women (52.85%) and the rest were 91 men (47.15%). This happens because women, especially teenagers who drop out of school or housewives, are more unemployed and work part time as a sideline. The owner or manager of SMEs varies in age with the dominant respondents aged 31-40 years 77 people (39.90%), this is in accordance with the productive age of a person to work a maximum of only up to 55 years. At least 20 years of age, generally teenagers or school dropouts by working with various types of culinary SMEs for entrepreneurship.

The level of formal education that has been completed by the owner or manager of SMEs is quite varied so that it can affect the mindset of doing business. Dominantly graduated from junior high school 111 people (57.51%) this happened because most respondents did not want to continue to higher education, it was better to work directly in the informal sector to earn money directly in the form of wages, not the same as working in the formal sector. The current high unemployment rate makes respondents no longer want to continue to higher education levels.

A person's type of work will often influence a person in making decisions to manage an SME business. The dominant occupation of the respondent is self-employed 103 people (53.37%) this happens because as an entrepreneur can earn money directly and other jobs such as laborers, street vendors, drivers of public transportation, gojek or other similar workers 51 people (26.42%). And students as owners or managers of culinary SMEs are only 12 people (6.22%) this shows that students who are equipped with entrepreneurship courses in the educational curriculum can already apply their knowledge to become entrepreneurs.

The dominant source of financing for SMEs comes from 151 people's own capital (78.24%) and 30 people's loans (15.54%). Own capital obtained is capital from members without borrowing even if there are relatively few borrowings only 30 people (15.54%) by borrowing from cooperatives 22 people (73.33%) and 3 people from pawnshops (10%). This happens because the owners or perpetrators of SMEs do not dare to borrow from financial institutions or have no access at all to financial institutions. Owners of dominant culinary SMEs have started their business for 6 – 10 years as many as 62 people (32.12%) and at least started their business ≤ 5 years 38 people (19.69%). Likewise, the knowledge of SMEs in financial literacy

and fintech in general is very ignorant of 117 people (60.62%) and only 3 people (1.56%) have not used fintech applications in transactions with 169 people (87.56%). This happens because the average SME actors have formal education only 111 people (57.51%) graduate from junior high school and 102 women (52.85%) aged 31-40 years 77 people (36.90%) so that an understanding of financial literacy and skills using fintech applications is a bit difficult compared to formal education who finished junior high school and above. SME actors do not have *halal* certification at all for 184 products (95.34%) because SME actors do not know at all the use of *halal* certification and how to process it.

Based on the description above, it is concluded that the dominant characteristics of the research respondents are women aged 31-40 years who have formal education who have graduated from junior high school. The low formal education of SME actors has an impact on knowledge and understanding of financial literacy, fintech, the use of fintech applications in product transactions and *halal* certification of SME products so that it can affect sales turnover even though women are more resilient, resilient and able to survive in their business to meet the daily needs of their families. -days compared to men.

The SME actors in the city of Padang have limitations and obstacles related to financial literacy, fintech and product *halal* certification due to: 1) Low ability to access information sources; 2) Low ability in mastering and utilizing technology; 3) Low ability to increase market access and opportunities. SME actors are very ignorant about financial literacy, fintech with various transaction applications and *halal* certification of SME products so they cannot optimize SME performance in the form of increasing sales turnover. In the midst of the sluggishness of the country's economy in various sectors as a result of the COVID-19 pandemic, financial literacy, fintech and *halal* certification for SME players can increase their sales turnover. The government is currently quite focused on empowering SMEs through the construction of various network infrastructures to various regions so that people can access the network. The goal is that the public can improve financial and fintech literacy as well as digital literacy because current financial literacy and fintech cannot run alone without knowledge of digital literacy.

SME actors must know the importance of knowledge and understanding of financial literacy, fintech and product *halal* certification because it will have an impact on sales turnover in the midst of the covid 19 pandemic. SME actors must be financially literate and digital literacy so that management and accountability can be better as an indicator SME performance for business sustainability. The government must cooperate with SME actors to provide education and socialization related to financial literacy, fintech and product *halal* certification so that SMEs can survive in the midst of the COVID-19 pandemic.

Digital literacy is the skill of using media effectively by utilizing the platform as one of the media in the era of the industrial revolution 4.0 carried out by SME actors. However, this has not been used optimally by SME actors, it is proven that only 18% of the 64.2 million SME actors have just entered the digital platform. In addressing these problems in order for SMEs to survive, it is necessary to do the following:

1. Using fintech applications to make it easier for SME actors to make electronic payments and financing.
2. Utilizing digital marketing to make it easier for SME actors to market their products online and improve relationships with customers.
3. Using e-commerce to make it easier for SME actors to make buying and selling transactions with customers.
4. Create a business strategy by utilizing fintech application-based transactions to provide convenience for customers.

5. Conclusion

Conclusions based on the results of research and discussion are as follows:

1. Knowledge and understanding of SME actors regarding the concept of financial literacy, applications for using fintech and product *halal* certification is still relatively low so they are not able to develop technology-based business strategies for digital transactions.
2. Cashless payments using mobile payment applications at fintech can make transaction activities more effective and efficient and can increase financial inclusion for SMEs.
3. SME actors have not realized the importance of product *halal* certification for the convenience of consumers, especially Muslims, in consuming SME food products.

Suggestions that can be given according to this research are as follows:

1. Education and socialization regarding fintech-based payment transactions are needed to SME actors to improve understanding of business digitization so that SME sales turnover increases in the midst of the COVID-19 pandemic, which does not yet know when it will end.
2. Relevant stakeholders should help SME actors to take care of product *halal* certification because Indonesia's population is predominantly Muslim so that it can bring more profitable profits for business entrepreneurs.

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