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Influence Digitalization Accounting and E-Commerce on Improvement Income SME Entrepreneurship in Palopo City, Indonesia

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ABSTRACT
This study aims to analyze the influence of accounting digitalization and e-commerce on increasing the income of Micro, Small, and Medium Enterprises (MSMEs) in Palopo City. This research is motivated by the low implementation of digital-based financial management and limited marketing reach that affect the increase in MSME income. The study used a quantitative approach with a survey method of 107 MSMEs selected using purposive sampling. Data were collected through questionnaires and analyzed using multiple linear regression analysis with the help of SPSS version 22, after conducting instrument validity and reliability tests. The results indicate that accounting digitalization and e-commerce, both partially and simultaneously, have a positive and significant effect on increasing the income of MSME entrepreneurs in Palopo City. The e-commerce variable has a more dominant influence than accounting digitalization, while the research model can explain 69.8% of the variation in MSME income increase, with the remainder influenced by other factors outside the research model. The research findings indicate that the implementation of accounting digitalization and e-commerce is an effective strategy for improving financial management efficiency, expanding market reach, and increasing the income and sustainability of MSME businesses in the digital era.

Keywords: Accounting Digitalization, E-Commerce, Revenue Increase, MSMEs.

I. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in increasing economic growth, creating jobs, and improving community welfare. In Palopo City, MSMEs are developing in various business sectors, such as culinary, trade and crafts. MSMEs not only contribute to national economic growth but also play a role in increasing income equality, encouraging innovation, and strengthening regional economic resilience in the face of changing economic conditions (Iqram et al., 2025). Therefore, increasing the competitiveness of MSMEs is one of the main focuses of digital-based economic development. However, most MSMEs still face various obstacles, particularly poorly organized financial management and marketing, which is still limited to local areas. These conditions make it difficult for business revenues to grow optimally (Nalvia, 2025). The development of digital technology provides MSMEs with opportunities to improve their business performance through the implementation of accounting digitization and the use of e-commerce. These problems indicate that the low quality of financial management and limited market access remain the main

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challenges hampering the development of MSMEs in Palopo. If this situation is not addressed immediately, the ability to increase revenue and maintain business sustainability will be increasingly limited. Accounting digitalization is the use of technology-based systems or applications to assist in the recording, processing, and preparation of financial reports more quickly, accurately, and efficiently. E-commerce is the marketing and sales of products through Internet-based electronic media that allows businesses to reach a wider range of consumers without being limited by location or time (Basoir & Marsum, 2025). However, the low adoption of this technology hampers the increase in entrepreneurial income, which is defined as an increase in turnover, margins, profits, and business scale through real-time data-driven strategies such as pricing optimization and hybrid offline-online market expansion.

Digitalization influences the increase in income of MSME entrepreneurs in Palopo City. Accounting digitalization influences the increase in MSME income by providing more accurate, timely, and easily accessible financial data. The implementation of digital accounting applications helps business actors record transactions, prepare financial reports, control cash flow, and evaluate operational costs. This information becomes the basis for business decision-making, thereby increasing business efficiency and driving revenue (Rivanda et al., 2025). This relationship exists because accurate and up-to-date financial data from accounting digitalization allow for operational cost optimization, better cash flow control, and dynamic pricing decisions that increase profit margins and monthly turnover. Thus, MSME income changes from fluctuating and dependent on subjective intuition to stable and sustainable through financial efficiency and business scale expansion, which is adaptive to the dynamics of the local Palopo market.

E-commerce influences the increase in income of MSME entrepreneurs in Palopo City through platforms such as Tokopedia and Shopee, which facilitate 24/7 online transactions with secure payment gateways. The use of e-commerce provides opportunities for MSMEs to expand their market reach, increase promotional effectiveness, simplify transaction processes, and build better relationships with customers. In addition, e-commerce platforms provide various information on consumer behavior that business actors can use to develop more appropriate marketing strategies to increase sales volume and business revenue (Setiawan, 2023). Thus, the income of MSMEs in Palopo has changed from being locally limited and fluctuating to being stable and data-driven without geographical boundaries, supporting sustainable turnover growth in the digital era by 2026.

The increase in MSME revenue in this study serves as the dependent variable (Y), influenced by the implementation of accounting digitalization and e-commerce. Revenue is a key indicator of business success because it reflects the ability to manage operations and exploit market opportunities. Thus, revenue increase is influenced not only by MSME's ability to manage finances effectively but also by their ability to utilize digital technology as a marketing and business development tool. Therefore, these two variables are considered complementary in increasing the success of MSME businesses (Ilham & Dewi, 2025). Thus, the increase in MSME revenue is the result of the effective implementation of accounting digitalization and e-commerce, both partially and simultaneously, which encourages the growth and sustainability of MSME in Palopo City.

Several previous studies have shown that both accounting digitalization and e-commerce positively impact MSME performance and revenue. However, most studies have examined these two variables separately and have been conducted in regions with higher levels of technology adoption. Research examining the simultaneous impact of accounting digitalization and e-commerce on MSME revenue growth, particularly in Palopo City, is limited. Furthermore, previous research has shown varying findings regarding the impact of accounting digitalization and e-commerce on MSME performance and revenue. Differences in regional characteristics, digital literacy levels, business scale, and MSME readiness to adopt technology contribute to the lack of consistent conclusions. Therefore, further research is needed in the context of Palopo City, which has distinct MSME characteristics compared to other regions, to provide more contextual and empirical evidence. This study also contributes to the literature by testing both variables simultaneously, using increased revenue as the dependent variable. This approach is expected to provide a more comprehensive picture of the effectiveness of digital transformation on MSME development in Palopo. This condition is the research gap underlying this study (Ayem et al ., 2024) and (Asrida et al., 2025), which prove that e-commerce

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can expand markets and increase MSME sales. However, most of these studies examined the two variables separately and were conducted in regions with relatively high levels of technology adoption. To date, research examining the simultaneous impact of accounting digitalization and e-commerce on increasing the income of MSME entrepreneurs, particularly in Palopo City, is limited. Furthermore, few studies have specifically considered revenue growth as a primary variable, taking into account the characteristics of local MSMEs.

Against this backdrop, this study aims to analyze the influence of accounting digitalization and e-commerce on increasing the income of MSME entrepreneurs in Palopo. This study is expected to provide strategic recommendations for policymakers and business actors to strengthen the MSME ecosystem in Palopo City and support sustainable inclusive economic growth. Theoretically, this study is expected to strengthen the application of the Technology Acceptance Model (TAM) and Resource-Based View (RBV) in explaining the relationship between accounting digitalization, e-commerce, and increasing MSME income. Practically, the research results are expected to be considered by local governments, MSME support institutions, and business actors in designing digital transformation strategies that can increase the competitiveness and sustainability of MSMEs in Palopo City.

II. Literature Review and Hypothesis Development

2.1. Total Addressable Market (TAM) Theory

The Technology Acceptance Model (TAM) developed by Mauboussin et al. (2015) (Davis, n.d.) explains that a person's acceptance of a technology is influenced by two main constructs: perceived usefulness and perceived ease of use. The greater the perceived usefulness and ease of use, the greater is the tendency to adopt the technology. In the context of MSMEs, the Technology Acceptance Model (TAM) explains that business actors' decisions to adopt technology are influenced by perceived usefulness and ease of use. When MSMEs believe that using digital accounting applications and e-commerce platforms can simplify business activities, increase efficiency, and provide benefits for increasing revenue, their tendency to accept and use technology increases. Thus, TAM serves as a relevant theoretical basis for explaining technology adoption behavior in MSMEs. Accounting digitization and e-commerce are forms of digital technology used by MSMEs to improve business management. Accounting digitization simplifies transaction recording, financial reporting, and cash flow management, making them more accurate and efficient than manual methods. Meanwhile, e-commerce simplifies marketing and transactions and expands market reach. If MSMEs find these two technologies easy to use and they provide tangible benefits to their businesses, their adoption rate will increase, potentially boosting revenue.

2.2. Resource Based View (RBV) Theory

The Resource-Based View (RBV) proposed by Barney (1991) states that an organization's competitive advantage is obtained through the utilization of valuable, rare, inimitable, and non-substitutable resources. In the digital era, the ability to utilize information technology is a strategic resource that can increase a company's competitiveness. Based on the Resource-Based View (RBV), an organization's ability to utilize valuable, rare, inimitable, and non-substitutable resources results in a sustainable competitive advantage. In this study, digitalization and e-commerce are viewed as strategic resources capable of increasing operational efficiency, improving the quality of financial information, expanding market access, and enhancing the capabilities of MSMEs in facing business competition. Therefore, the more optimal the utilization of these two technologies, the greater the opportunity for MSMEs to increase their business revenue (Dasi et al., 2025).

For MSMEs, digital accounting and e-commerce can be viewed as strategic resources because they help improve operational efficiency, the quality of financial information, business decision-making, and market access. Utilizing these two technologies enables MSMEs to create a competitive advantage that impacts revenue growth and business sustainability (Sitriani et al., 2025).

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2.3. The Relationship between TAM and RBV in Research

This study integrates the Technology Acceptance Model (TAM) and Resource-Based View (RBV) as a theoretical foundation. TAM explains why MSMEs are willing to adopt digital accounting and e-commerce based on the perceived benefits and ease of use of technology. Once the technology is implemented, the RBV explains that the ability to utilize digital technology becomes a strategic resource capable of improving operational efficiency, expanding markets, and creating a competitive advantage. Thus, the two theories complement each other in explaining how the adoption of digital technology can increase MSME revenue in Palopo City.

2.4. Digitalization of accounting

Accounting digitalization is the application of information technology to electronically record, process and report financial transactions. The use of applications such as Accurate Online, Jurnal.id, and QuickBooks helps MSMEs generate more accurate, faster, and more accessible financial information than manual recording methods (Mayasari & Nurainun, 2024). Accounting digitization transforms the financial recording process from a manual system to a technology-based one and improves the quality of the resulting financial information. Digital accounting systems enable MSMEs to obtain real-time financial information, facilitating cash flow monitoring, operational cost control, and the preparation of more accurate financial reports (Asiyah et al., 2022). Quality financial information provides the basis for business actors to make more informed decisions, thereby improving operational efficiency and supporting revenue growth. Therefore, the implementation of accounting digitization is seen as a crucial strategy for enhancing the competitiveness of MSMEs in the era of digital transformation (Asrida et al., 2025). Quality financial information helps MSMEs control operational costs, manage cash flows, prepare financial reports, and determine selling prices more accurately. This improves operational efficiency, contributing to increased profit and business revenue. (Wahyudi and Imanda, 2025).

2.5. E-commerce

E-commerce is a trading system that utilizes Internet-based electronic media for marketing, transactions, and product distribution. Through marketplaces such as Shopee, Tokopedia, and other digital platforms, MSMEs can expand their market reach without being limited by geographic location (Sahrul & Nuringsih, 2023). In addition to serving as a transaction medium, e-commerce functions as a digital marketing tool that can expand market reach without being limited by geographic location. Through e-commerce platforms, MSMEs can introduce their products to more consumers, obtain direct feedback, and utilize various promotional features to increase sales (Sahrul & Nuringsih, 2023). Utilizing this technology also enables businesses to build better relationships with customers through easier communication and faster services. Thus, e-commerce not only increases sales volume but also strengthens MSMEs' competitive position in the face of competition (Herlina et al., 2025). Utilizing e-commerce also allows businesses to increase promotional effectiveness, obtain information about consumer behavior, expedite transaction processes, and increase sales volumes. Therefore, e-commerce use contributes to increased MSME revenue (Khoiroh & Anwar, 2025).

2.6. Increasing the Income of MSME Entrepreneurs

MSME revenue is an indicator of business success, demonstrating the ability to generate profits from operational activities. Increased revenue can be reflected in increased sales turnover, operating profits, stable cash flows, and the ability of the business to expand. In this study, revenue growth was influenced by the use of accounting digitalization, which improves financial management quality, and e-commerce, which expands

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the market and increases sales. The synergy between these two technologies is expected to improve the performance and sustainability of MSMEs in Palopo.

2.7. Conceptual Framework

Based on the theoretical foundation and previous research findings, this study develops a conceptual model describing the relationship between accounting digitalization and e-commerce as independent variables and the increase in MSME revenue as the dependent variable. The model explains that the implementation of accounting digitalization can improve the quality of financial management, while the use of e-commerce expands the marketing reach and increases sales. The synergy between these two variables is expected to drive MSME revenue growth in Palopo City.

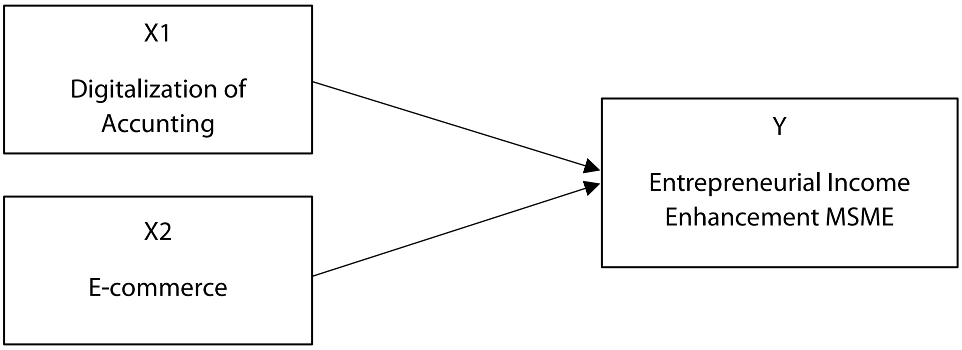

Figure 1. Conceptual Framework

2.8. Hypothesis Development

2.8.1. The Impact of Accounting Digitalization on Increasing the Income of MSME Entrepreneurs

Accounting digitalization is the application of technology to financial recording, processing, and reporting, enabling MSMEs to obtain financial information more quickly, accurately, and efficiently. Based on the Technology Acceptance Model (TAM), technology adoption is based on perceived usefulness and ease of use. In the context of MSMEs, digital accounting applications can improve financial management, helping businesses make more informed decisions. Furthermore, the Resource-Based View (RBV) explains that the ability to utilize digital technology is a strategic resource that can create a competitive advantage. Accounting digitization enables MSMEs to control operational costs, monitor cash flow, prepare real-time financial reports, and set selling prices based on accurate financial data. This efficiency ultimately contributes to increased profit and business revenue. Empirical findings also support this relationship. Mayasari and Nurainun (2024) show that accounting digitization increases MSME profitability through more effective financial management. Furthermore, Wahyudi and Imanda (2025) found that the implementation of accounting digitization positively impacts MSME financial performance, while Asrida et al. (2025) demonstrated that accounting digitization can improve operational efficiency, which in turn increases business revenue.

Theoretically, the implementation of accounting digitalization improves the quality of financial information, enabling MSMEs to make more informed decisions. Previous research has also shown that the use of digital accounting systems contributes to increased operational efficiency, cost control, and business financial performance. Therefore, the higher the level of accounting digitalization, the greater the opportunity for MSMEs to increase their revenue. Based on the Technology Acceptance Model (TAM), the acceptance of accounting digitalization is influenced by the belief that technology can provide benefits in business activities. When MSMEs use digital accounting applications to systematically record transactions and compile financial

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reports, the resulting information becomes more accurate and easier to use as a basis for decision-making. This condition enables business actors to control operational costs, increase efficiency, and optimize profit. Therefore, the higher the level of accounting digitalization, the greater the opportunity for MSMEs to increase their revenue. Utilizing e-commerce enables MSMEs to reach a wider consumer base, increase promotional effectiveness and expedite transaction processes. In addition to facilitating marketing, e-commerce provides a variety of information on consumer behavior that can be used as a basis for developing business strategies. Based on the Resource-Based View (RBV), the ability to leverage digital technology is a strategic resource capable of creating competitive advantages. Therefore, the more optimal the use of e-commerce, the greater the opportunity to increase MSME revenue. Based on the theoretical basis and results of previous research, the following hypothesis is formulated:

H1: Accounting digitalization positively affects MSME entrepreneurs' income.

2.8.2. The Impact of E-commerce on Increasing the Income of MSME Entrepreneurs

E-commerce is the use of Internet-based media for product marketing and sales. According to the Technology Acceptance Model (TAM), MSMEs will adopt e-commerce platforms if the technology is deemed beneficial for expanding the market and increasing transaction efficiency. The ease of use of digital platforms also encourages businesses to utilize e-commerce. From a Resource-Based View (RBV) perspective, the ability to leverage e-commerce is a resource that can enhance the competitive advantage. Through e-commerce, businesses can expand their market reach, increase their customer base, expedite transaction processes, and obtain insights into consumer behavior to support their marketing strategies. This has the potential to increase sales volumes and business revenues. This relationship has been supported by various studies. Haholongan et al. (2024) found that e-commerce utilization positively and significantly impacts MSME revenue through market expansion and increased sales. Similar results were also presented by Rahmawati et al. (2024), who stated that e-commerce can improve MSME marketing performance and revenue. Furthermore,Trulline (2021) explained that e-commerce helps MSMEs improve marketing effectiveness, thereby sustainably increasing turnover. Utilizing e-commerce enables MSMEs to reach a wider market, increase their promotional effectiveness, and expedite transaction processes. Previous studies have shown that e-commerce can increase sales volume and expand the customer base, positively impacting business revenue. Therefore, the more optimal the use of e-commerce, the greater the opportunity for MSMEs to increase their revenue. Based on the theoretical basis and results of previous research, the following hypothesis is formulated:

H2: E-commerce positively affects MSME entrepreneurs' income.

III. Research Method

This study employed a quantitative approach using a survey research design. This design was chosen because it aligns with the research objective of analyzing the influence of accounting digitalization and e-commerce on increasing the income of MSME entrepreneurs in Palopo City. Data were obtained through questionnaires distributed to respondents and analyzed using multiple linear regression analysis to examine the relationships between variables.

This study uses an explanatory research design with a quantitative approach to examine the causal relationship between accounting digitalization and e-commerce in increasing MSME revenue. This quantitative approach was chosen because it can objectively measure the relationship between variables through statistical analysis, allowing the results to provide empirical evidence of the influence of each independent variable on the dependent variable. Furthermore, this research design allows for testing hypotheses formulated based on theoretical foundations and previous research. This study was conducted on

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Micro, Small, and Medium Enterprises (MSMEs) in Palopo City, South Sulawesi. The study population comprised all MSMEs that have utilized accounting digitalization and e-commerce to run their businesses. The sampling technique used purposive sampling technique was chosen because not all MSMEs in Palopo City have implemented accounting digitalization or utilized e-commerce in their business activities. Therefore, respondents were selected based on certain criteria, namely MSMEs running businesses in Palopo City, using digital applications in financial management or marketing, and willingness to participate in the study. This technique is considered capable of producing data in accordance with the research objectives because the respondents have relevant experience with the variables studied.

The sample size was determined based on the recommendations of Hair et al. (2019) that multiple linear regression analysis requires a sufficient sample size to produce stable parameter estimates and represent the research population. Based on these criteria, the number of respondents (107 MSMEs) was deemed to have met the requirements for statistical analysis. The data used were primary data obtained directly from respondents through questionnaires and secondary data in the form of scientific journals, books, and literature supporting the research. Primary data were collected using a closed questionnaire instrument compiled based on the indicators of each research variable and adapted from previous studies.

The data collection procedure was performed in several stages. First, the researcher developed a research instrument based on indicators of accounting digitalization, e-commerce, and increasing MSME revenue that had been used in previous studies. Next, the instrument was consulted with the supervising lecturer to ensure content validity. After being declared appropriate, the questionnaire was distributed directly to MSMEs that met the research criteria in several areas of Palopo City. Before filling it out, the researcher explained the research objectives, guaranteed the confidentiality of respondents' answers, and requested their willingness to participate. The completed questionnaires were then collected directly by the researcher and checked for completeness prior to data processing.

The research instrument used a closed-ended questionnaire with a five-point Likert scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. The instrument consists of 15 statements, including five items for the accounting digitalization variable, five items for the e-commerce variable, and five items for the MSME entrepreneurial income increase variable. The accounting digitalization variable is measured using indicators of digital transaction recording, automatic financial report preparation, cash flow monitoring, operational cost control, and financial information support in decision-making. The e-commerce variable is measured by the utilization of e-commerce platforms, expansion of market reach, increased sales volume, ease of transactions, and digital marketing effectiveness. Meanwhile, the income increase variable is measured through increased turnover, increased operating profit, operational cost efficiency, increased sales volume, and the business's ability to carry out sustainable development.

Before hypothesis testing, the research instrument was tested for validity and reliability. The validity test aimed to determine the ability of each statement to measure the research variables. An item was declared valid if the calculated r value was greater than the table r value (0.188) and had a significance value of <0.05. Furthermore, a reliability test was conducted using the Cronbach's Alpha coefficient, with the instrument being declared reliable if it had a Cronbach's Alpha value >0.60.

Data analysis was conducted using SPSS version 22 in several stages. The first stage was a descriptive statistical analysis to describe the characteristics of the respondents and data distribution. The second stage was validity and reliability testing to ensure the quality of the research instruments. The third stage was a multiple linear regression analysis to examine the effect of accounting digitalization and e-commerce on increasing MSME revenue. Furthermore, a partial test (t-test) was conducted to determine the effect of each independent variable on the dependent variable, a simultaneous test (F-test) to test the effect of both independent variables together, and a coefficient of determination (R^2) test to determine the model's ability to explain variations in MSME revenue increase. All hypothesis tests used a 5% significance level ($\alpha = 0.05$); therefore, the hypothesis was accepted if the significance value was less than 0.05.

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IV. Results and Discussion

4.1. Validity Test

Validity testing assesses the extent to which a research instrument, such as a questionnaire, accurately measures the intended concept or variable, ensuring that the results are accurate and reflect the reality under study. An instrument is considered valid if its items correlate significantly with a calculated r-value (>0.05).

Table 1. Validity Test

Variables	Indicator	R Count	R Table	Sig.	Information
	DA 1	0.715	0.188	0.00	
Accounting Digitalization	DA 2	0.573	0.188	0.00	
	DA 3	0.647	0.188	0.00	Valid
	DA 4	0.686	0.188	0.00	
	DA 5	0.795	0.188	0.00	
	EC 1	0.790	0.188	0.00	
	EC 2	0.735	0.188	0.00	
E-commerce	EC 3	0.717	0.188	0.00	Valid
	EC 4	0.748	0.188	0.00	
	EC 5	0.776	0.188	0.00	
	PPW1	0.723	0.188	0.00	
Increasing the Income of MSME Entrepreneurs	PPW2	0.728	0.188	0.00	
	PPW3	0.702	0.188	0.00	Valid
	PPW4	0.678	0.188	0.00	
	PPW5	0.736	0.188	0.00	

Based on the results of the validity test that has been carried out, all statement items in the variables of Accounting Digitalization, E-commerce, and Increasing MSME Entrepreneurial Income are declared valid. The validity test results showed that all statement items had a correlation value greater than the table r value and a significance level below 0.05. This indicates that each indicator is capable of measuring the intended construct, making the research instrument suitable for data collection and further analysis. This is evidenced by the calculated r-value for each item, which is greater than the table r-value (0.188) and a significance value <0.05. Thus, each statement in the questionnaire can measure the variables being studied precisely and in accordance with the research concept.

4.2. Reliability Test

Reliability testing measures the consistency or reliability of an instrument in producing stable results across repeated measurements of its items. An instrument is reliable if it produces uniform data without the influence of random factors, often tested with Cronbach's alpha >0.6.

Table 2. Reliability Test

Variables	Cronbach's Alpha	Information
Accounting Digitalization	0.894	
E-commerce	0.894	Reliable
Increasing the Income of MSME Entrepreneurs	0.894	

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The reliability test results indicate that the research instrument has a very good level of consistency. The Cronbach's alpha value for each variable was 0.894, which is above the minimum limit (0.6). A Cronbach's alpha value exceeding the minimum limit indicates that all indicators have a good level of internal consistency. Thus, respondents' answers are reliable and provide stable measurement results when the research is conducted under relatively similar conditions. This indicates that the research instrument is reliable and capable of providing stable and consistent measurement results when used at different times and under different conditions.

4.3. Hypothesis Testing

Table 3. Hypothesis Test Results

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,544	1,038		3,415	.001
	Accounting Digitalization	.392	.092	.384	4.255	.000
	E-commerce	.451	.082	.498	5,521	.000
a. Dependent Variable: Increase in Income						

Based on the results of the multiple linear regression test, the regression equation obtained was as follows:

$$\mathbf{Y = 3.544 + 0.392X_1 + 0.451X_2}$$

Information :
X1 = Accounting Digitalization
X2 = E-commerce
Y = Increase in MSME Entrepreneurial Income

The constant of 3.544 indicates that if the accounting digitalization and e-commerce variables are considered constant or unchanged, the value of the increase in MSME revenue remains at 3.544. The regression coefficient of accounting digitalization of 0.392 indicates that every one-unit increase in accounting digitalization will increase MSME revenue by 0.392 units, assuming other variables remain constant. Meanwhile, the e-commerce coefficient of 0.451 indicates that increased e-commerce utilization has a greater influence on increasing MSME revenue than accounting digitalization does.

4.4. T-Test Table

Based on the table above, an explanation is obtained from the two independent variables regarding the dependent variable:

1. Based on the results of the t-test (partial) in the table above, the accounting digitalization variable shows a significance value smaller than 0.05 and a calculated t-value (3.753) that is greater than the t-table value (1.983). This indicates that digitalization has a positive and significant effect on increasing the income of MSME entrepreneurs in Palopo City. These results indicate that accounting digitalization significantly contributes to increasing MSME revenues. The better the implementation of a digital financial recording system, the easier it is for business owners to control costs, monitor cash flow, and make decisions based on accurate financial information. Therefore, H1 is accepted.

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2. Based on the results of the t-test (partial) in the table above, the e-commerce variable shows a significance value smaller than 0.05, and the calculated t-value (5.596) is greater than the t-table value (1.983). This indicates that e-commerce positively and significantly affects MSME entrepreneurs' income in Palopo City. The greater influence of e-commerce indicates that market expansion through digital platforms directly impacts sales volume. Ease of transactions, broader promotions, and access to new consumers drive increased MSME income. Thus, H2 is accepted.

4.5. F-Test Table

Table 4. F Test Results

ANOVA a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1138,051	2	569,026	123,567	.000 [b]
	Residual	478,921	104	4,605		
	Total	1616,972	106			
a. Dependent Variable: Increase in Income						
b. Predictors: (Constant), E-commerce, Accounting Digitalization						

Based on the F-test results in the ANOVA table, a significance value of less than 0.05 was achieved. This indicates that accounting digitalization and e-commerce variables simultaneously have a significant effect on increasing the income of MSME entrepreneurs in Palopo. The calculated f-value (123.567) was greater than the f-table value (3.08). The results of the simultaneous test indicate that accounting digitalization and e-commerce complement each other in increasing MSME revenue. Good financial management is more optimal if accompanied by marketing expansion through digital media so that both variables can jointly improve business performance. Therefore, the regression model used in this study is deemed appropriate for explaining the relationship between the independent and dependent variables.

4.6. R-Test Table

Table 5. R Square Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.839 [a]	.704	.698	2,146
a. Predictors: (Constant), E-commerce, Accounting Digitalization				

Based on the results of the determination coefficient test, the value obtained was (0.698). The Adjusted R^2 value of 0.698 indicates that 69.8% of the variation in the increase in MSME income can be explained by the accounting digitalization and e-commerce variables used in this study. Meanwhile, 30.2% is influenced by other factors outside the research model, such as managerial ability, product innovation, human resource quality, market conditions, access to capital, and other external factors not analyzed in this study. Meanwhile, the remainder is explained by other factors outside this research model, such as marketing strategies, product quality, economic conditions, and the managerial capabilities of MSME actors.

4.7. Research Discussion

4.7.1. The Impact of Accounting Digitalization on Increasing the Income of MSME Entrepreneurs in Palopo City

The results show that accounting digitalization has a positive and significant impact on MSME revenue. This finding suggests that the better the implementation of digital-based financial recording systems, the greater the opportunity for MSMEs to increase their revenues. Based on the Technology

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Acceptance Model (TAM), MSMEs will adopt technology if it provides tangible benefits to their business activities. Accounting digitization simplifies transaction recording, financial reporting, operational cost control, and cash flow monitoring, enabling businesses to make faster and more accurate decisions. These benefits drive increased business efficiency, ultimately leading to higher revenue. These findings also support the Resource-Based View (RBV), which explains that the ability to utilize digital technology is a strategic resource capable of creating competitive advantages. MSMEs with robust financial systems are better able to control costs, set appropriate selling prices, and allocate resources efficiently than MSMEs that still use manual record-keeping. The results of this study are consistent with those of Mayasari and Nurainun (2024) and Wahyudi and Imanda (2025), who found that accounting digitalization improves the financial management efficiency and profitability of MSMEs. These findings also reinforce those of other studies. Asrida et al. (2025) showed that digital transformation in accounting can improve business performance. Thus, this study supports previous empirical evidence that accounting digitalization is crucial for increasing MSME revenue.

4.7.2. The Impact of E-commerce on Increasing the Income of MSME Entrepreneurs

The results show that e-commerce has a positive and significant impact on increasing MSME revenue. The larger regression coefficient for e-commerce than for accounting digitalization indicates that market expansion through digital platforms has a stronger impact on revenue growth. According to the Technology Acceptance Model (TAM), MSMEs adopt e-commerce platforms because they offer benefits such as easier marketing, market expansion, and transaction efficiency. Through marketplaces, businesses can reach consumers outside Palopo City, increase transaction frequency, and obtain insights into consumer behavior to support their marketing strategies. Based on the Resource-Based View (RBV), the ability to leverage e-commerce is a strategic resource that is difficult for competitors to imitate if supported by sound business management capabilities. Therefore, MSMEs that can optimize their use of e-commerce will have a sustainable competitive advantage, thereby increasing their sales and revenue. The findings of this study align with those of Haholongan et al., 2024, Rahmawati et al., 2024, and Trulline, 2021, who state that e-commerce increases MSME revenue through market expansion and increased sales volume. This study reinforces previous findings by showing that, in the context of MSMEs in Palopo City, e-commerce contributes most significantly to revenue growth compared to accounting digitalization.

4.7.3. Research Implications

Theoretically, this research strengthens the application of the Technology Acceptance Model (TAM) And The Resource-Based View (RBV) to explain the impact of digital technology utilization on increasing MSME revenue. Research findings indicate that the benefits of technology and the ability to utilize digital resources are important factors in improving business performance. Practically, the research findings provide recommendations for MSMEs to increase the use of digital accounting applications and e-commerce platforms simultaneously, as these two technologies complement each other in improving operational efficiency, expanding markets and increasing business revenue. For local governments, these findings can serve as a basis for designing digital transformation training programs, mentoring MSMEs, and improving digital literacy. This study has limitations because it only used two independent variables with respondents from MSMEs in Palopo City. Therefore, future research should add variables such as digital literacy, innovation, product quality, government support, managerial skills, and access to financing. Furthermore, future research could employ mixed methods or a qualitative approach to explain the mechanisms of the relationships between variables in greater depth.

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V. Conclusion

This research has practical implications: increasing the use of digital accounting and e-commerce can be a strategy for MSMEs to improve financial management efficiency, expand markets, and increase business revenue. Therefore, local governments, through the Cooperatives and MSMEs Office, are expected to enhance training programs, mentoring, and provision of digital infrastructure to accelerate the digital transformation. Future researchers are recommended to add other variables, such as digital literacy, innovation, product quality, entrepreneurial orientation, or government support, to more comprehensively explain variations in MSME income growth. Furthermore, research could employ mixed methods or a qualitative approach to gain a deeper understanding of the digital transformation process in MSMEs.

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