

**THE ROLE OF PROFITABILITY IN THE INFLUENCE OF E-COMMERCE
IMPLEMENTATION AND FINANCIAL ACCOUNTING STANDARDS ON
ENHANCING THE COMPETITIVENESS OF MICRO, SMALL, AND MEDIUM
ENTERPRISES (MSMES)**



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Abstract

This study aims to analyze the influence of e-commerce implementation and the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) on enhancing MSMEs' competitiveness, with profitability as a moderating variable. In the face of the digital era and increasing market competition, MSMEs are required to adapt by utilizing information technology and improving financial governance. The research method used is quantitative, employing a survey approach involving a number of MSME actors. The results show that both e-commerce implementation and SAK EMKM have a positive and significant effect on improving MSME competitiveness. Furthermore, the profitability variable is proven to strengthen the relationship between e-commerce and competitiveness, but does not enhance the relationship between SAK EMKM and competitiveness. These findings align with Contingency Theory, which states that the effectiveness of a strategy depends on its alignment with an organization's internal and situational conditions. In the context of MSMEs, the success of digital and accounting strategies is highly influenced by technological readiness, leadership quality, and the financial condition of the business. This study offers practical implications for MSME actors, the government, and other stakeholders in developing business strategies amid digital economic transformation.

Keywords: E-Commerce, SAK EMKM, Competitiveness, Profitability, MSMEs

INTRODUCTION

Competitiveness is one of the key factors in determining business sustainability, especially for micro, small, and medium enterprises (MSMEs). In today's era of globalization and digitalization, enhancing competitiveness has become a strategic challenge for MSMEs to survive and grow (Angraini et al., 2024). Competitiveness is not only related to an entity's ability to produce products or services that offer more value than its competitors, but also encompasses operational efficiency, innovation, financial management, and adaptation to information technology. Competitiveness serves as a crucial indicator in determining business sustainability and growth, particularly for MSMEs (Marzuin & Mardiaty, 2024).

The ability of MSMEs to compete depends not only on the quality of their products or services but also on operational efficiency, technological adaptation, and sound financial governance. According to Porter (1990), competitiveness is the ability of a company to create added value through efficient and effective strategies, enabling it to survive in market competition (Contributors to Wikimedia projects, 2025). MSMEs play a vital role in Indonesia's economy (Intoniswan, 2024). Data from the Ministry of Cooperatives and SMEs shows that in 2024, the number of MSMEs in Indonesia reached more than 65 million business units, contributing approximately 61% to the national Gross Domestic Product (GDP) and absorbing 97% of the workforce (Santika, 2023). However, despite their significant contribution, MSMEs still face various challenges in enhancing their competitiveness, particularly in adopting technology and implementing professional financial management.

Profitability, as an indicator of financial performance, is a crucial factor that can moderate the relationship between the implementation of e-commerce and SAK EMKM on the competitiveness of MSMEs. Profitability reflects a company's ability to generate profit from its operational activities, which is the primary goal of any business entity. Variations in profitability levels among MSMEs may affect the extent to which the implementation of e-commerce and SAK EMKM can effectively enhance competitiveness. MSMEs with high profitability tend to have more adequate financial resources to invest in e-commerce technology and to implement accounting systems in accordance with SAK EMKM. In contrast, MSMEs with low profitability may face limitations in optimizing the benefits of these two strategies.

The role of profitability as a moderating variable becomes relevant as the financial capacity of MSMEs varies, creating diverse contextual conditions. Profitable MSMEs have greater flexibility in adopting advanced e-commerce technologies, investing in human resource training for SAK EMKM implementation, and allocating funds for technological infrastructure improvements. A strong financial condition also enables MSMEs to be more aggressive in digital marketing strategies and to maintain the quality of financial reporting consistently. On the other hand, MSMEs with limited profitability may face trade-offs between short term investments and daily operational needs, which can affect the effectiveness of e-commerce and SAK EMKM implementation in enhancing competitiveness.

SAK EMKM (Financial Accounting Standards for Micro, Small, and Medium Entities) was issued by the Indonesian Institute of Accountants (IAI) in 2016 as a simplified financial reporting standard specifically designed for micro, small, and medium entities (Indonesian Institute of Accountants, 2016). Although this standard is designed to facilitate

MSMEs in preparing financial statements, its application in practice remains very limited. Most MSMEs in Indonesia have not yet implemented SAK EMKM due to a lack of accounting knowledge, absence of professional personnel in finance, and the fact that the standard is not yet fully mandated in small business regulations (Kamilah & Arafat, 2025). In the context of this study, profitability is suspected to play a significant moderating role, as it can strengthen or weaken the influence of e-commerce and SAK EMKM on MSME competitiveness. The hypothesis developed is that MSMEs with high levels of profitability will be better able to maximize the benefits of implementing e-commerce and SAK EMKM, thereby amplifying the positive impact on competitiveness. Conversely, in MSMEs with low profitability, the influence of e-commerce and SAK EMKM on competitiveness may not be as optimal as in more profitable MSMEs. This is due to financial resource constraints that may affect the quality and consistency of strategy implementation.

This research is important to provide insights into the effectiveness of implementing technology and accounting standards in enhancing the competitiveness of MSMEs. Moreover, the findings of this study can serve as a reference for policymakers and business actors in optimizing the use of e-commerce and SAK EMKM, as well as in formulating strategies to improve profitability and competitiveness of MSMEs in Indonesia. In the long term, it is expected that the findings of this research will contribute to the improved performance of MSMEs, which in turn will support national economic growth and public welfare.

This study uses a case study approach on MSMEs in Yogyakarta that have adopted e-commerce. Yogyakarta is one of the regions with significant MSME growth, yet still faces various challenges in terms of competitiveness and financial management. By understanding the impact of e-commerce and SAK EMKM implementation on competitiveness, as well as the moderating role of profitability, this research is expected to provide practical contributions to MSME development in Yogyakarta and other regions.

This research is crucial to offer insights into the effectiveness of technology and accounting standards in enhancing MSME competitiveness. Furthermore, the findings of this study can be used by policymakers and business practitioners to optimize the implementation of e-commerce and SAK EMKM, and to develop strategies that improve MSME profitability and competitiveness in Indonesia. In the long run, the findings are expected to contribute to the overall performance of MSMEs, thereby supporting national economic growth and public prosperity.

Specifically, this study aims to answer the following research questions:

1. To what extent does e-commerce implementation influence the competitiveness of MSMEs in Yogyakarta?
2. How does the implementation of SAK EMKM affect the competitiveness of MSMEs in Yogyakarta?
3. To what extent does profitability moderate the relationship between the implementation of e-commerce and SAK EMKM with the competitiveness of MSMEs in Yogyakarta?

By addressing these questions, this study is expected to offer a more comprehensive understanding of the factors affecting MSME competitiveness and the strategies that can be applied to improve their performance in the digital era. Overall, this research not only focuses on the technical aspects of e-commerce and SAK EMKM implementation, but also considers

profitability as a moderating variable that can strengthen or weaken the influence of these two variables on MSME competitiveness. Thus, the findings are expected to make a significant contribution to efforts in enhancing the competitiveness and sustainability of MSMEs in Indonesia, particularly in Yogyakarta.

The difference between the two statements lies in their focus and analytical purpose. The first statement is exploratory in nature, as it raises research questions aimed at understanding the extent to which profitability moderates the relationship between the implementation of e-commerce and SAK EMKM on MSME competitiveness in Yogyakarta. The main focus of this statement is to explore the factors influencing MSME competitiveness and to formulate strategies that can be applied to improve their performance. Meanwhile, the second statement is more conclusive, emphasizing that this research not only discusses the implementation of e-commerce and SAK EMKM but also considers how profitability may strengthen or weaken the influence of both variables on MSME competitiveness. Thus, the first statement highlights the research questions to be addressed, while the second underscores the contribution of the study in enhancing the competitiveness and sustainability of MSMEs in Indonesia, especially in Yogyakarta.

REVIEW OF LITERATURE

Contingency Theory

Contingency Theory, as proposed by Fiedler (1964), posits that organizational effectiveness depends heavily on the extent to which leadership style and strategies are aligned with specific situational conditions. In the context of implementing e-commerce and the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), this theory explains that the success of these strategies in enhancing competitiveness is largely determined by the fit between the internal characteristics of MSMEs and the changes they face.

The adoption of e-commerce, for example, requires technological readiness, human resources, and new digitally oriented workflows. MSMEs led by task-oriented leaders are likely to be more successful in such scenarios, as they can establish efficient procedures and optimize the use of technology. Conversely, when facing structural changes such as the implementation of SAK EMKM, relationship-oriented leaders tend to be more effective because they can foster collaboration, improve communication, and facilitate the team's adaptation to the new accounting system. Within the framework of contingency theory, profitability emerges as a key indicator of strategic success and organizational effectiveness. Profitability is influenced by various factors, including the quality of decision-making, operational efficiency, and the ability to adapt to changes in the business environment. Therefore, the alignment between leadership style, e-commerce strategy, and SAK EMKM implementation will have both direct and indirect impacts on the profitability level of MSMEs.

Furthermore, consistent with the views of contingency theory, the study by Rahayu and Day (2015) found that the successful adoption of e-commerce is also strongly influenced by both internal and external organizational characteristics. Factors such as business size, human resource competencies, and technological capabilities are crucial in determining the extent to which e-commerce can improve financial performance, including profitability. This is reinforced by the findings of Ezeagba (2017), which state that the implementation of SAK

EMKM will be more effective in enhancing profitability when aligned with the operational complexity and financial reporting capacity of the MSME itself. Thus, contingency theory emphasizes that the success of MSMEs in enhancing competitiveness and profitability through e-commerce and SAK EMKM is highly dependent on how well the chosen strategies align with the actual conditions of the organization. Profitability is not only the end result to be measured but also a reflection of the effectiveness of strategic adaptation in a dynamic environment.

E-Commerce

Electronic Commerce (E-Commerce), widely recognized today, is a business process that involves various parties such as consumers, producers, service providers, and intermediary merchants. This business process is conducted through computer networks. E-commerce is often associated with the use of information technology encompassing the entire process and transactions in a paperless manner (Pradana, 2016). E-commerce has brought significant changes to transaction processes. Traditional buying and selling require face-to-face interactions between buyers and sellers, whereas e-commerce eliminates this need. Buyers can transact from different cities without having to meet or communicate directly, using the internet instead. Both buyers and sellers benefit from the use of e-commerce (Sutrisno et al., 2025).

SAK EMKM

The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) is an accounting standard developed by the Indonesian Institute of Accountants (IAI) to simplify the process for micro, small, and medium enterprises (MSMEs) in preparing financial statements that are both straightforward and yet remain relevant and reliable. Enforced since January 1, 2018, SAK EMKM comprises only three main reports: the statement of financial position, the income statement, and notes to the financial statements. The implementation of SAK EMKM has proven to provide significant benefits to MSMEs, such as improving the quality of financial information, facilitating access to financing, and enhancing competitiveness through greater transparency and better business governance (Pakaya et al., 2025).

In the context of competitiveness, standardized financial statements enable business owners to gain trust from external parties such as banks and investors, as well as serve as a sound basis for more rational decision-making. Research conducted by Gunawan & Hamdani (2024) in Pontianak indicates that socialization and accounting understanding have a significant influence on the implementation of SAK EMKM, whereas the education level of business owners does not show a meaningful effect. This suggests that increasing practical accounting knowledge is more important than a formal educational background in encouraging MSMEs to adopt the standard. On the other hand, Kholifah & Priyastiwi (2023) found that the main obstacles in implementing SAK EMKM are low accounting literacy and limitations in preparing notes to the financial statements. Therefore, support from the government and financial institutions in the form of training and mentoring is highly needed so that MSMEs can optimize the application of SAK EMKM as part of their competitiveness strategy in the digital era.

Profitability

Profitability is a financial performance indicator that reflects an entity's ability to generate profit from its operational activities within a specific period. According to Kasmir

(2012), profitability is defined as a ratio used to assess a company's ability to earn profit and measure management's effectiveness in managing resources. In the context of micro, small, and medium enterprises (MSMEs), profitability plays a crucial role as it reflects operational efficiency and business resilience in facing competition. This study uses Net Profit Margin (NPM) as a proxy for profitability because it is relatively easy for MSME actors to understand and directly indicates the percentage of net profit to total sales. Several previous studies have shown that profitability can act as a moderating variable that strengthens or weakens the relationship between external and internal factors on an entity's performance or competitiveness.

Ristiyan and Erwindiawan (2020) found that profitability contributes to improving the quality of financial reporting, particularly in small companies that adopt simplified accounting principles. Furthermore, Hariri Erawan and Arief (2024) demonstrated that profitability significantly moderates the relationship between audit quality and corporate social responsibility disclosure on the quality of financial reports. Similar findings were presented by Rohmawati and Tjahjono (2024), who explained that profitability strengthens the influence of capital structure and financial performance on firm value, with audit quality as an intervening variable. These findings support the role of profitability as a relevant moderating variable in analyzing the impact of e-commerce and the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) on enhancing MSME competitiveness.

The Influence of E-Commerce Implementation on Enhancing Competitiveness

According to Contingency Theory proposed by Fiedler (1964), the effectiveness of managerial actions, including strategic decisions such as technology adoption, is highly determined by the alignment between the implemented strategy and the internal and external conditions of the organization. In the context of MSMEs, the implementation of e-commerce will be effective in enhancing competitiveness only if there is compatibility among technological readiness, human resource competencies, leadership style, and the market dynamics faced.

Previous studies have shown that the success of e-commerce adoption by MSMEs heavily depends on these contextual factors. Sharma (2023) stated that e-commerce opens access to new markets and increases revenue, but this is only optimal when MSMEs have adequate infrastructure and human resources. Sutrisno et al. (2025) found that the utilization of e-commerce and innovation significantly impacts the competitive advantage of MSMEs in Semarang, provided there is policy support and internal readiness. Xie (2023) emphasized that cross-border e-commerce based on big data is only effective if MSMEs possess sufficient analytical and logistical capabilities. A study by Salah and Ayyash (2024) also highlighted the importance of managerial readiness in optimizing digital marketing performance. Meanwhile, Fonseka et al. (2022) asserted that intensive e-commerce use presents a major opportunity for MSMEs, especially when supported by external environments such as digital infrastructure and regulation.

Thus, in line with Contingency Theory, it can be concluded that the success of e-commerce implementation in enhancing MSME competitiveness is not universal but highly dependent on the alignment between the digital strategy applied and the organization's internal and external conditions. Based on this theory and empirical findings, the following hypothesis is proposed:

H1: E-commerce implementation has a positive effect on improving competitiveness. The Influence of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) on Competitiveness

Contingency Theory posits that no single strategy is universally effective for all organizations; the success of a particular approach depends on how well it aligns with the specific situation and characteristics of the organization (Fiedler, 1964). In this context, the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) will only be effective in improving MSME competitiveness if it is accompanied by readiness in financial recording systems, the level of accounting literacy among business owners, and supportive leadership that can facilitate change.

Previous studies reinforce the importance of internal conditions in the implementation of SAK EMKM. Ezeagba (2017) stated that accounting standards are only effective in improving profitability and competitiveness when tailored to the complexity of operations and reporting capacity of the MSME itself. According to Putri and Sari (2022), the quality of financial information in MSMEs improved significantly after adopting SAK EMKM, but this result was more prominent in businesses with financial staff or owners with adequate accounting knowledge. The study by Saputra and Lestari (2023) indicated that the adoption of SAK EMKM can serve as a strategic tool to improve efficiency and transparency, but its effectiveness greatly depends on adaptive leadership and a supportive business environment.

Therefore, within the framework of Contingency Theory, the success of SAK EMKM implementation in enhancing MSME competitiveness requires alignment between the financial reporting strategy and the organization's actual conditions including structural, resource, and managerial aspects. Based on this theory and previous findings, the following hypothesis is proposed:

H2: The implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) has a positive effect on improving MSME competitiveness.

Profitability Strengthens the Influence of E-Commerce Implementation on Enhancing Competitiveness

From the perspective of Contingency Theory as proposed by Fiedler (1964), the effectiveness of a strategy greatly depends on how well it aligns with the internal conditions of an organization. In this case, the success of e-commerce implementation in enhancing MSME competitiveness is not solely dependent on technology adoption itself, but also on the financial condition of the business particularly its level of profitability. High profitability reflects operational efficiency and the organization's ability to generate profit from available resources. MSMEs with high profitability tend to have greater flexibility to invest in digital infrastructure, human resource training, and online marketing. As a result, the e-commerce strategy becomes more effective, supported by sufficient financial capacity. Conversely, for MSMEs with low profitability, e-commerce implementation may become a burden due to limited resources.

Previous studies have highlighted the importance of financial factors in moderating the effectiveness of digital innovation. Rahayu and Day (2015) found that the success of information technology adoption in small businesses is strongly influenced by internal readiness, including financial aspects. This is consistent with the findings of Fonseka et al.

(2022), which showed that MSME performance in utilizing e-commerce increases significantly when supported by healthy cost structures and profit margins.

Based on these considerations, the third hypothesis proposed in this study is:

H3: Profitability strengthens the influence of e-commerce implementation on enhancing competitiveness.

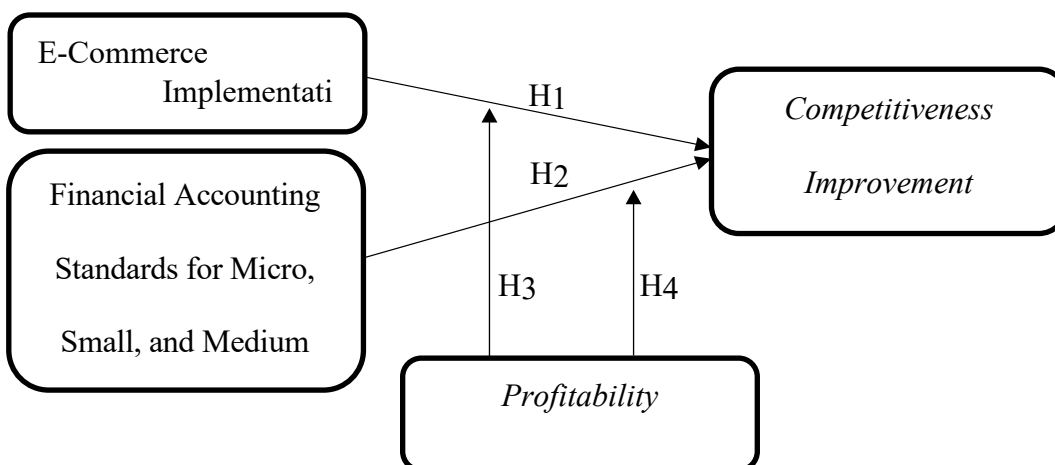
Profitability Strengthens the Influence of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) on Competitiveness

According to Contingency Theory, the effectiveness of organizational strategies is highly dependent on the alignment between the chosen approach and the specific conditions of the organization (Fiedler, 1964). In the context of SAK EMKM implementation, profitability is assumed to strengthen the influence of accounting standards on competitiveness, under the assumption that more profitable MSMEs possess better resources to implement financial reporting systems effectively. However, the findings of this study indicate that profitability does not significantly moderate the relationship between SAK EMKM implementation and competitiveness. This can be explained using the contingency approach, in which high levels of profitability do not necessarily align with the structural and human resource readiness needed to apply accounting standards effectively. For example, highly profitable MSMEs may still face challenges in bookkeeping, financial reporting, or technical accounting skills, which ultimately diminish the positive impact of SAK EMKM implementation on competitiveness.

Ezeagba (2017) noted that the success of SAK EMKM implementation is strongly influenced by financial reporting capacity, not merely by a business's financial condition. Similarly, according to Saputra and Lestari (2023), many business owners do not utilize financial reporting standards even when their businesses are profitable, due to limited accounting knowledge and the lack of strict regulatory requirements.

Taking both the theoretical framework and empirical findings into account, the fourth hypothesis of this study is:

H4: Profitability strengthens the influence of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) on enhancing competitiveness.



RESEARCH METHOD

This study employs a quantitative approach aimed at examining the influence of e-commerce and the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) on the competitiveness of MSMEs in Yogyakarta City, with profitability as a moderating variable. Yogyakarta City was chosen due to its rapid MSME growth and high level of technology adoption among business actors. Data were collected through a 5-point Likert scale questionnaire distributed both offline and online (via Google Forms). To ensure data quality, a participant consent form was included, and validation was conducted on the response patterns provided by the respondents. Profitability was measured using the Net Profit Margin (NPM) indicator, as it is considered to reflect MSMEs' efficiency in generating profit. This variable is used as a moderating factor because business profit is believed to strengthen or weaken the relationship between e-commerce and the implementation of SAK EMKM on competitiveness.

The sample size in this study will be determined using the Slovin formula, which aims to calculate a representative sample size from the MSME population in Yogyakarta City. This formula takes into account the desired level of precision or margin of error in decision-making, so that the results can accurately reflect the population's conditions. Data analysis will be conducted using multiple linear regression and interaction testing (moderated regression analysis) with the help of SPSS software version 26.

RESULTS AND DISCUSSION

Validity Test Results

Based on the results of the validity test, all items for each variable showed an *r table* value of 0.2787, while the *r calculated* values exceeded the *r table* threshold. Therefore, it can be concluded that all items related to the variables of e-commerce, SAK EMKM, competitiveness, and profitability are valid and appropriate to be used as research instruments.

Reliability Test Results

The results of the reliability test showed that the Cronbach's Alpha values were 0.645 for e-commerce, 0.615 for SAK EMKM, 0.700 for competitiveness, and 0.862 for profitability. The critical value for all four variables is 0.60. Thus, it is concluded that the Cronbach's Alpha values for all variables are above the critical threshold, indicating that all variables in this study are reliable and suitable to be used as research instruments.

Table 1.
Normality Test Results

Normality Test Results	Unstandardized Residual
N	116
Normal Parameters	
Mean	0.0000000
Std. Deviation	1.11510822
Most Extreme Differences	

Normality Test Results	Unstandardized Residual
Absolute	0.071
Positive	0.071
Negative	-0.065
Test Statistic	0.071
Asymp. Sig. (2-tailed)	0.200

In the normality test, if the data is normally distributed, the value of Asymp. Sig. (2-tailed) should be greater than 0.05. Based on the normality test results in Table 8, the Asymp. Sig. (2-tailed) value is 0.200, indicating that the data is normally distributed.

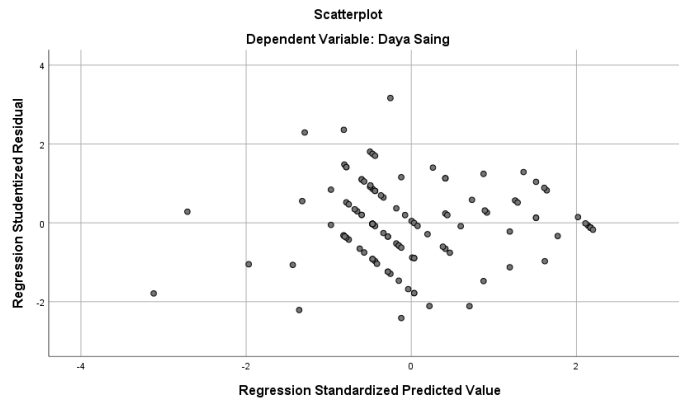
Table 2.
Multicollinearity Test Results

Variable	Tolerance	VIF	Remarks
(Constant)			
E-Commerce	0.320	3.125	No multicollinearity detected
SAK_EMKM	0.308	3.242	No multicollinearity detected
Profitability	0.916	1.092	No multicollinearity detected

Based on the test results presented in Table 2, the tolerance value for the E-commerce variable is 0.320 and the Variance Inflation Factor (VIF) is 3.125; for the SAK EMKM variable, the tolerance value is 0.308 and the VIF is 3.242; and for the Profitability variable, the tolerance value is 0.916 and the VIF is 1.092. All tolerance values are greater than 0.10, and all VIF values are less than 10, indicating that there is no indication of multicollinearity in the regression model.

This means there is no high correlation among the independent variables (E-commerce, SAK EMKM, and Profitability), and thus the regression model meets the classical assumption of no multicollinearity. Consequently, the three independent variables can be used simultaneously in the regression analysis without causing bias or distortion in the estimation results. These findings strengthen the validity and reliability of the model used in this study to examine the influence of E-commerce and SAK EMKM on MSME competitiveness with profitability as a moderating variable.

Table 3. Heteroskedasticity Test Results



Based on the figure above, it shows that the points are widely scattered and do not form a specific pattern, nor are they concentrated in just one area. This indicates that there is no sign of heteroskedasticity.

Table 4.
Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.
	B	Std. Error			
1					
(Constant)	-1.396	2.869		-0.487	0.627
E-Commerce	0.614	0.090	0.572	6.849	0.000
SAK-EMKM	0.359	0.098	0.312	3.675	0.000

Based on the results of the multiple linear regression analysis above, the regression equation model is obtained as follows:

$$Y = -1.396 + 0.614X_1 + 0.359X_2 + e$$

This equation indicates that the coefficients for both E-commerce and SAK EMKM are positive, which means both variables have a positive influence on the competitiveness of MSMEs.

The constant value of -1.396 indicates that if all independent variables (E-commerce and SAK EMKM) are assumed to have no effect or are equal to zero, the base (initial) value of MSME competitiveness is estimated at -1.396. While this value does not have standalone interpretative meaning, it is still relevant in shaping the overall predictive model. The E-commerce coefficient of 0.614 indicates that each one-unit increase in the use of E-commerce will increase MSME competitiveness by 0.614 units, assuming other variables remain constant. This coefficient is statistically significant (*sig* = 0.000), indicating that E-commerce has a significant and positive effect on competitiveness.

Furthermore, the SAK EMKM coefficient of 0.359 suggests that each one-unit increase in the application of financial accounting standards (SAK EMKM) will increase MSME

competitiveness by 0.359 units, also with a very strong level of significance ($sig = 0.000$). Therefore, it can be concluded that both independent variables E-commerce and SAK-EMKM, positively and significantly affect MSME competitiveness, and can serve as a basis for strategies aimed at enhancing competitiveness through digital platforms and improved financial reporting.

Table 5.
Coefficient of Determination (R^2) Test Results

Model	R	R Square	Adjusted R Square
1	0.750	0.744	1.130

Based on the Adjusted R Square test results in the table above, the Adjusted R^2 value is 0.744, which is greater than or equal to 0.5. This indicates that the E-Commerce and SAK-EMKM variables collectively influence the MSME performance variable by 74.4%. The remaining 25.6% is influenced by other factors not included in this study.

Table 6.
Partial Test Results (t-Test)

Variable	t-Calculated	t-Table	Sig.	Remarks
E-Commerce	6.849	1.981	0.000	H1 Supported
SAK-EMKM	3.675	1.981	0.000	H2 Supported
E-Commerce \times Profitability	3.839	1.981	0.000	H3 Supported
SAK-EMKM \times Profitability	-0.662	1.981	0.000	H4 Not Supported

Based on the results of the partial t-test, it is found that the variables E-Commerce and SAK-EMKM have a significant effect on the dependent variable, namely MSME Competitiveness. The t-test was conducted by comparing the calculated t-value with the t-table value at a significance level of 0.05, with degrees of freedom (df) of 113. The obtained t-table value is 1.981. The analysis results show that the E-Commerce variable has a calculated t-value of 6.793, and the SAK-EMKM variable has a t-value of 3.985. Both are greater than the t-table value, and each has a significance value of 0.000, which is less than 0.05. Therefore, it can be concluded that both E-Commerce and SAK-EMKM partially have a significant effect on improving MSME Competitiveness.

Table 7.
F-Test Results

Model	F	Sig.	Remarks
1 Regression	166.468	0.000	Significant

The results of the regression test show that the significance value of 0.000 is less than 0.05 ($\alpha = 5\%$), and the F-calculated value is 166.468. The F-table value is obtained using $df1 = k - 1 = 2$ and $df2 = n - k = 116 - 3 = 113$, resulting in an F-table value of 2.683. Since the

F-calculated (166.468) > F-table (2.683), the alternative hypothesis is accepted, which means that the regression model is fit for use.

Therefore, it can be concluded that the E-commerce and SAK-EMKM variables simultaneously have a significant effect on the MSME Competitiveness variable.

Discussion

The results of this study indicate that the implementation of e-commerce and the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) has a positive and significant impact on improving the competitiveness of MSMEs, while profitability plays a differentiated role as a moderating variable in both relationships. The following discussion is structured based on the Contingency Theory framework, which emphasizes that the effectiveness of a strategy is highly dependent on its alignment with the internal and external conditions of the organization (Fiedler, 1964).

First, the implementation of e-commerce is proven to enhance MSME competitiveness. E-commerce provides broader market access, operational efficiency, reduced transaction costs, and faster business processes. These advantages make e-commerce an adaptive strategy aligned with the demands of today's digital business environment. From a Contingency Theory perspective, the effectiveness of e-commerce depends on the compatibility between digital strategies and the internal characteristics of MSMEs, such as organizational flexibility, technological readiness, and task-oriented leadership. This aligns with the findings of Sharma (2023), Sutrisno et al. (2025), and Fonseka et al. (2022), which show that adopting e-commerce increases MSME revenues, market reach, and business process efficiency.

Next, the implementation of SAK EMKM also significantly contributes to competitiveness. This standard provides a clear structure for financial reporting, enhances transparency, accountability, and stakeholder trust. According to Contingency Theory, the success of SAK EMKM implementation is influenced by internal organizational readiness, including accounting literacy levels, organizational structure, and leadership style. MSMEs that are able to adapt to formal reporting systems and possess strong internal support are better positioned to optimize the benefits of SAK EMKM. The studies by Marzuin and Mardiaty (2024), Yanti and Masdiantini (2025), and Wong et al. (2018) reinforce these findings by stating that accounting comprehension and effective socialization play a role in improving report quality and business reputation.

In terms of moderation, the study reveals that profitability strengthens the influence of e-commerce on MSME competitiveness. High profitability provides financial flexibility for MSMEs to invest in digital technology development, online marketing, and improved customer service. This enables MSMEs to respond to market dynamics more swiftly and innovatively. Therefore, profitability acts not only as an outcome but also as an enabler for digital strategies. This finding is consistent with the research of Slamet et al. (2016), Yusuf et al. (2022), and Arianty et al. (2023), which affirm that profitability supports successful digital transformation in enhancing competitiveness.

However, in contrast to the relationship between SAK EMKM and competitiveness, profitability does not strengthen the influence of SAK EMKM. In fact, there is an indication that profitability may even weaken this relationship, although the effect is statistically insignificant. This finding suggests that the availability of profit does not automatically encourage MSMEs to implement accounting standards effectively. Factors such as low

accounting literacy, lack of training, and limited awareness of the importance of financial reporting have a greater influence on the success of SAK EMKM adoption. This supports the view that within the Contingency Theory framework, the alignment of strategy with organizational capacity is more crucial than mere financial strength. The studies of Rawun and Tumilaar (2019), Afriansyah et al. (2021), and Utari et al. (2022) support this perspective by emphasizing the importance of education, socialization, and regulatory support for the effective implementation of accounting standards.

Overall, the findings of this study reinforce that the competitiveness of MSMEs is significantly influenced by adaptive strategies such as e-commerce and professional financial reporting through the implementation of SAK EMKM. However, the effectiveness of these strategies largely depends on their alignment with the internal characteristics of the organization and support from the external environment, as explained by Contingency Theory. Profitability is proven to play a crucial role in supporting digital strategies, but it does not automatically guarantee the success of formal financial reporting strategies without managerial readiness and accounting literacy. Therefore, a contextual and organization-readiness-based approach is essential in designing strategies to enhance MSME competitiveness in today's digital era.

CONCLUSION

This study concludes that the implementation of e-commerce and Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) has a positive and significant influence on the improvement of MSME competitiveness in Yogyakarta City. E-commerce has proven to be an effective adaptive strategy in responding to digitalization challenges, enabling MSMEs to expand their market reach, improve efficiency, and strengthen their competitive position. Meanwhile, the implementation of SAK EMKM helps MSMEs structure their financial reporting more transparently, enhancing business credibility and access to financing. Profitability, as a moderating variable, has been shown to strengthen the relationship between e-commerce and MSME competitiveness, indicating that good financial conditions offer greater flexibility in adopting digital technology. However, profitability does not strengthen the relationship between SAK EMKM implementation and competitiveness, suggesting that other factors, such as accounting literacy, perceived benefits of financial reporting, and external support, are more decisive in the successful implementation of accounting standards. These findings affirm the relevance of Contingency Theory, in which the effectiveness of a strategy is largely determined by its fit with both internal and external organizational conditions.

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