

Fintech, Digital Branding, and Customer Engagement to Enhance Gayo Arabica Coffee SMEs' Performance

*Fintech, Digital
Branding, and
Customer Engagement*

3449

Deva Djohan

Institut Bisnis Informasi Teknologi dan Bisnis; Medan, Indonesia

E-Mail: deva.djohan@itnb.ac.id

Indra Budiman

Universitas Mahkota Tricom Unggul; Medan, Indonesia

Nasib

Institut Bisnis Informasi Teknologi dan Bisnis; Medan, Indonesia

Mhd Restu Razaq

Institut Bisnis Informasi Teknologi dan Bisnis; Medan, Indonesia

Mahammad Fathoni

Politeknik Ganesha Medan; Medan, Indonesia

**Submitted:
JUNE 2025**

**Accepted:
AUGUST 2025**

ABSTRACT

This study aims to analyze the influence of financial technology (fintech) and digital branding on the financial performance of Gayo Arabica coffee MSMEs in Central Aceh Regency, with customer engagement as a mediating variable. A quantitative approach was employed, with data collected through questionnaires distributed to 78 MSME actors actively utilizing digital technology in their business operations. Purposive sampling was applied, and data were analyzed using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) method. The findings indicate that both fintech and digital branding have a significant effect on customer engagement and financial performance. Furthermore, customer engagement is proven to be a significant mediating variable in the relationship between fintech and financial performance, as well as between digital branding and financial performance. These results highlight the importance of integrating financial technology and digital branding strategies with customer engagement to optimize business outcomes. This study contributes theoretically to digital entrepreneurship literature and offers practical insights for MSMEs, platform developers, and policymakers particularly regarding financial literacy improvement and brand strengthening. The study is geographically limited, and future research is recommended to conduct comparative studies across sectors and regions.

Keywords: *Customer Engagement, Digital Branding, Digital Transformation, Fintech, Financial Performance, MSMEs.*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh financial technology (fintech) dan digital branding terhadap Financial Performance UKM kopi Gayo Arabika di Kabupaten Aceh Tengah, dengan customer engagement sebagai variabel mediasi. Penelitian ini menggunakan pendekatan kuantitatif dengan data yang dikumpulkan melalui kuesioner dari 78 pelaku UKM yang aktif menggunakan teknologi digital. Teknik purposive sampling digunakan, dan analisis data dilakukan dengan metode Partial Least Squares–Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa fintech dan digital branding berpengaruh signifikan terhadap customer engagement dan Financial Performance. Selain itu, customer engagement terbukti sebagai

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 13 No. 5, 2025
pp. 3349-3360
IBI Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v13i5.3540

mediator yang signifikan dalam hubungan antara fintech maupun digital branding terhadap Financial Performance. Temuan ini menegaskan pentingnya integrasi teknologi keuangan dan strategi merek digital dengan keterlibatan pelanggan untuk mengoptimalkan hasil bisnis. Penelitian ini memberikan kontribusi teoretis dalam literatur kewirausahaan digital serta memberikan wawasan praktis bagi UKM, pengembang platform, dan pembuat kebijakan, khususnya terkait peningkatan literasi keuangan dan penguatan brand. Keterbatasan penelitian terletak pada ruang lingkup geografisnya, sehingga disarankan penelitian lanjutan dilakukan secara komparatif di sektor dan wilayah lain.

Kata kunci: *Keterlibatan Pelanggan, Merek Digital, Transformasi Digital, Fintech, Kinerja Keuangan, UMKM.*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the national economic development of Indonesia. Data from the Ministry of Cooperatives and MSMEs reveals that more than 99% of business units in Indonesia are MSMEs, contributing over 60% to the Gross Domestic Product (GDP) and absorbing more than 97% of the national workforce (Katadata, 2025). Among various sectors, MSMEs in agriculture hold a crucial position as they not only support national food security but also play a significant role in poverty alleviation in rural areas. The agricultural sector, particularly those based on key commodities such as coffee, tea, and spices, demonstrates a promising export potential (Barbu et al., 2025).

Digital technology advancements, particularly financial technology (fintech), offer MSMEs improved financial efficiency and market access. However, Gayo coffee MSMEs face limited fintech adoption due to low digital literacy, insufficient training, and security concerns, preventing them from fully realizing the benefits of enhanced financial efficiency. Digital technology advancements, particularly financial technology (fintech), offer MSMEs improved financial efficiency and market access (Bhatt et al., 2023). However, Gayo coffee MSMEs face limited fintech adoption due to low digital literacy, lack of training, and security concerns (Abueid et al., 2025), preventing them from fully realizing these benefits.

In addition to financial technology (fintech), which can drive financial efficiency and expand market access for MSMEs, digital branding also plays a crucial role in shaping product image and identity in the digital era. Through strong branding strategies on social media, marketplaces, or websites, business owners can create a positive perception of their products, attract new customers, and enhance consumer loyalty (Barbu et al., 2021). Unfortunately, most Gayo coffee MSMEs still lack an understanding of the importance of digital branding as an effective marketing communication tool (Abdelkader, 2023). The lack of knowledge about storytelling, visual identity, and digital content management has led to many premium products failing to compete in the increasingly competitive online market (Kini et al., 2024).

Customer engagement plays a crucial role as a bridge between digital strategies (such as fintech and branding) and the outcome of financial performance (Sonni et al., 2025). The level of customer engagement reflects how emotionally and functionally connected consumers feel with a particular brand or product (Wasik et al., 2023). This engagement fosters two-way interactions, repeat purchases, and highly effective word-of-mouth promotion. However, Gayo coffee MSMEs tend to lack a systematic approach in building interactions with consumers, both online and offline, resulting in missed opportunities to fully leverage customer loyalty.

Currently, the financial performance of Gayo Arabica coffee MSMEs lags behind its potential, primarily due to the limited adoption of fintech services, ineffective digital branding strategies, and low customer engagement levels in business operations. Many entrepreneurs lack an organized financial record system, face revenue fluctuations, and struggled to consistently expand their market reach through digital platforms. This

situation highlights the absence of a well-established digital ecosystem to foster the sustainable growth of MSMEs, necessitating strategic interventions that leverage technology and relationship-based marketing.

Research on the impact of fintech and digital branding on the financial performance of MSMEs has been extensively conducted. However, most studies remain general and have not focused on specific sectors such as the Gayo Arabica coffee MSMEs in Central Aceh, despite this sector's high export potential and unique cultural value. Additionally, customer engagement is often viewed merely as an outcome of marketing strategies, rather than as a mediating variable that plays a crucial role in bridging the impact of digitalization on financial performance. The significance of this study lies in the need to encourage Gayo coffee MSMEs to adapt to digital transformation, particularly in utilizing financial technology and digital branding strategies. Through this approach, the research aims to contribute theoretically to the development of digital entrepreneurship literature and provide practical insights for designing effective MSME empowerment strategies in a contextual setting.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Customer Engagement and Financial Performance

Customer engagement refers to the emotional and behavioral involvement of consumers with a brand, characterized by active interactions, sustained loyalty, and long-term relationships (Steinhoff et al., 2022; Udeh, 2025). It encompasses cognitive, affective, and behavioral dimensions, representing a motivational investment by consumers (Adediran et al., 2025). Engagement manifests through various digital channels, such as social media, email, and webinars, enhancing the two-way connection between consumers and brands (Djakasaputra et al., 2025). Key indicators of customer engagement include the frequency of interactions, participation in marketing campaigns, product satisfaction, and willingness to recommend the brand (Halim et al., 2024). The duration and quality of the consumer-brand relationship are also crucial for assessing overall engagement, as they indicate the depth and sustainability of interactions (Rana et al., 2025). Previous studies highlight the significant influence of customer engagement on the performance of MSMEs. High levels of emotional and behavioral engagement enhance customer loyalty, strengthen relationships, and foster positive experiences that encourage repeat purchases and word-of-mouth recommendations (Alkhasoneh et al., 2024). In a competitive market, strong customer relationships become a strategic asset for business continuity. Engaged consumers respond more positively to marketing strategies, improving their effectiveness (Arjang et al., 2024). Additionally, active interactions provide business owners with valuable insights into market needs and preferences, enabling them to make responsive adjustments to their products or services, ultimately leading to improved financial performance and sustainable growth (Matosas-López, 2024; Magableh et al., 2024).

H1: Customer engagement has a significant effect on SME performance.

Financial Technology and Financial Performance

Financial technology (fintech) refers to the use of digital technology to simplify and accelerate financial services, aiming to enhance efficiency, accessibility, and drive transformation in the banking sector (Feyen et al., 2022; Reddy et al., 2025). Fintech broadens financial inclusion, especially for MSMEs, by offering more accessible and affordable services (Yuk et al., 2025). Its platforms include digital payments, peer-to-peer financing, and financial management applications by Kini et al. (2024), enabling MSMEs to access financing, manage transactions, and support data-driven decision-making (Elmi et al., 2025). Fintech adoption significantly enhances the financial performance of MSMEs, allowing easier, faster, and more efficient access to financial services (Khashan et al., 2024; Al Rifai & Albaker, 2025). Features like mobile payments and peer-to-peer lending, as noted by Umar et al. (2025), improve cash flow, reduce costs, and ensure

accurate records. Additionally, they offer alternative financing options to strengthen capital structures and promote business growth (Khandelwal & Kapoor, 2024). Key adoption indicators include the use of e-wallets, QR codes, peer-to-peer loans, and financial record apps (Barbu et al., 2025), alongside digital literacy and effective technology use (Zhu & Guo, 2024). Trust and perceived ease of use are also vital (Putri et al., 2023).

Fintech promotes MSME innovation and enhances investment decision-making by Lontchi et al. (2023), encouraging strategic planning and human capital investment, including employee training and skill development (Nascimento et al., 2025). It also supports modern compensation methods like digital promotions and non-cash incentives (Roy & Vasa, 2025). Furthermore, fintech enhances customer engagement through user-friendly digital services, as noted by Tsuma (2025), thereby fostering both emotional and functional bonds (Kunal et al., 2025). This engagement boosts customer loyalty and business performance through repeat purchases and positive word-of-mouth (Nourallah et al., 2024).

H2: Financial technology has a significant effect on customer engagement.

H3: Financial technology has a significant effect on financial performance.

H4: Financial technology has a significant effect on financial performance through customer engagement.

Digital Branding and Financial Performance

Digital branding is a strategy to build and manage brand image across digital platforms, aiming to foster strong consumer relationships (Denga et al., 2023). It ensures consistent brand presentation across omnichannel platforms and encourages meaningful interactions (Surya et al., 2024). Key activities include aligning visual identity, delivering high-quality content, and promoting engagement via social media, with goals of enhancing brand awareness and loyalty in a competitive digital market (Fatorachian, 2025). Indicators of digital branding effectiveness include visual identity consistency (e.g., logos, colors), content relevance and quality, audience interaction, brand awareness, and customer loyalty (Aulia, 2023; Sudarmiati et al., 2023; Sutherland et al., 2024; Wu et al., 2024). A cohesive digital experience helps attract, engage, and retain consumers.

Digital branding has a significant impact on the financial performance of MSMEs (Bahukeling et al., 2024). A strong online brand presence boosts product visibility, builds trust, and nurtures long-term customer relationships. Its consistent application across digital platforms supports customer loyalty and repeat purchases, resulting in higher revenues and financial stability (Lyas, 2023). It also enhances competitiveness and supports sustainable MSME growth (Muhammad Dairobi & Anisah, 2024). Moreover, digital branding indirectly improves financial outcomes through customer engagement (Mitchuk et al., 2023). Consistent brand identity and relevant content increase customer participation and emotional connection by Aryseta et al. (2023) and Abu Jaish et al. (2023), driving loyalty and word-of-mouth promotion and which ultimately supports long-term business success (Wibawa, 2022).

H5: Digital branding has a significant effect on customer engagement.

H6: Digital branding has a significant effect on financial performance.

H7: Digital branding has a significant effect on financial performance through customer engagement.

Figure 1 presents a conceptual framework illustrates the relationships among Financial Technology (FinTech), Digital Branding, Customer Engagement, and Financial Performance. FinTech positively impacts Customer Engagement by enhancing convenience and accessibility, fostering trust and satisfaction. Similarly, Digital Branding strengthens Customer Engagement through a robust online presence and effective branding strategies, creating emotional connections with customers. Engaged customers

are more likely to make repeat purchases, recommend the brand, and remain loyal, thereby positively influencing Financial Performance. Additionally, FinTech directly enhances Financial Performance by improving operational efficiency and customer satisfaction. Strong Digital Branding also attracts customers and increases their lifetime value, contributing to sales growth. Furthermore, FinTech influences Financial Performance indirectly through Customer Engagement, highlighting the importance of customer experience in achieving financial success.

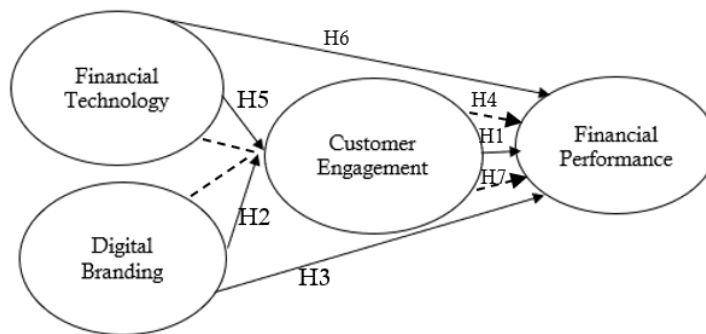


Figure 1. Conceptual Framework

RESEARCH METHOD

This study utilized a quantitative approach with a structured survey for data collection, focusing on Aceh Tengah Regency, a key production area for Gayo Arabica coffee. The target population consisted of Micro, Small, and Medium Enterprises (MSMEs) involved in the Gayo coffee industry. A purposive sampling technique was employed, selecting respondents who met specific criteria: they must be active MSME owners or managers using digital technology, such as financial applications, e-commerce, or social media. This selection was based on the premise that digitally engaged business actors can provide valuable insights into the impacts of fintech, digital branding, and customer engagement on financial performance. Primary data were collected using a questionnaire with a five-point Likert scale to measure responses for each research construct.

The measurement of financial technology adoption includes the use of digital payment systems such as e-wallets and QR codes, access to financing through digital platforms, utilization of financial applications for income and expense management, monitoring of customer transactions in real time, perception of increased transaction security through fintech services, and consistent exploration or updating of fintech applications for business improvement. Digital branding is measured through consistent use of digital platforms for product promotion, establishment of a clear and recognizable online visual identity, active customer interaction on social media, monitoring and responding to customer feedback on digital channels, utilization of storytelling and visual content to convey brand values, and allocation of business resources for digital branding management. Customer engagement is assessed through the frequency of customer feedback on online posts, implementation of promotional programs that encourage customer participation, the development of emotional connections between customers and the brand, receipt of direct customer inquiries through digital platforms, application of customer suggestions for business improvement, and voluntary sharing of products or content by customers online. Financial performance is measured by revenue growth resulting from digital platform use, improved control over cash flow and financial records, enhanced business profitability due to digital tools, reduction in operational costs through digital systems, expansion of sales to new customer segments via online visibility, and increased consistency in monthly financial reporting enabled by digital management tools.

Data analysis was conducted using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach. This method was chosen due to its suitability in

testing complex relationships between latent variables and its flexibility in handling small sample sizes and non-normal data distributions. SEM-PLS was employed to examine both the direct effects of financial technology and digital branding on financial performance, as well as the mediating role of customer engagement in this relationship.

RESULTS

Table 1 indicates that the study involved 78 respondents from Gayo Arabica coffee MSMEs in Central Aceh, selected through purposive sampling. The participants included business owners and managers actively using digital tools, such as fintech applications and digital branding platforms. Gender distribution was relatively balanced, with a slight majority of female respondents (51%) compared to males (49%), suggesting equal participation in managing digital-based MSME operations. Most respondents were within the productive age range, with the largest group aged 36–40 years (35%), followed by 31–35 years (27%), 26–30 years (23%), and 20–25 years (15%). This indicates that mid-career individuals are leading digital adoption in the Gayo coffee sector. Regarding education, over half of the respondents (51%) hold a bachelor’s degree, suggesting that most MSME actors possess sufficient educational background to understand and evaluate the impact of digital financial and branding tools in their businesses.

Table 1. Respondent Demographics

Variables	Scale	N	Percentage (%)
Gender	Male	38	49%
	Female	40	51%
Age	20–25 years	12	15%
	26–30 years	18	23%
	31–35 years	21	27%
	36–40 years	27	35%
	High school/equivalent	20	26%
Education	Diploma (D3)	8	10%
	Bachelor's degree (S1)	40	51%
	Master's degree (S2)	10	13%
Total Respondents		78	100%

Table 2 displays the measurement model (outer model) analysis results, showing loading factor values for indicators related to Financial Technology (X1), Digital Branding (X2), Customer Engagement (Y1), and Financial Performance (Y2). Most loading factors exceed 0.70, indicating a strong representation of the constructs. For example, indicator X1.1 has a loading value of 0.984 for the Fintech variable, demonstrating its strong reflection of the construct. Similarly, indicators Z1 and Y4 shows high values of 0.983 and 0.959 for Customer Engagement and Financial Performance, respectively. These results confirm that the research instruments meet convergent validity criteria for further structural model analysis.

Table 3 shows the results of the reliability and validity testing for each research variable. Cronbach's Alpha and Composite Reliability values for the four variables, Financial Technology (X1), Digital Branding (X2), Customer Engagement (Y1), and Financial Performance (Y2) are all above the minimum threshold of 0.70, indicating that the instruments have excellent internal reliability. Additionally, the Average Variance Extracted (AVE) values for all variables exceed the minimum value of 0.50, meaning that each construct meets the criteria for convergent validity. Therefore, all constructions in this study are proven to be reliable and valid and are suitable for use in the subsequent structural model testing.

Table 4 presented shows the results of the outer loading (factor loading) analysis for each indicator related to the constructs of the latent variables: Financial Technology (X1), Digital Branding (X2), Customer Engagement (Y1), and Financial Performance (Y2). Most of the factor loading values exceed 0.70, indicating that these indicators have good convergent validity in measuring their respective constructs.

Table 2. Outer Model Results

Indicator	Financial Technology (X1)	Customer Engagement (Y1)	Digital Branding (X2)	Financial Performance (Y2)
FT1	0.984			
FT2	0.983			
FT3	0.925			
FT4	0.969			
FT5	0.926			
FT6	0.932			
DB1			0.916	
DB2			0.981	
DB3			0.978	
DB4			0.966	
DB5			0.911	
DB6			0.918	
FP1				0.783
FP2				0.899
FP3				0.840
FP4				0.768
FP5				0.959
FP6				0.896
CE1		0.983		
CE2		0.922		
CE3		0.965		
CE4		0.918		
CE5		0.976		
CE6		0.945		

Table 3. Composite Reliability

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Financial Technology (X1)	0.980	0.981	0.984	0.909
Customer Engagement (Y1)	0.976	0.978	0.980	0.862
Digital Branding (X2)	0.972	0.973	0.977	0.843
Financial Performance (Y2)	0.963	0.969	0.969	0.759

Table 4. Discriminant Validity Results

Indicator	Financial Technology (X1)	Customer Engagement (Y1)	Digital Branding (X2)	Financial Performance (Y2)
FT1	0.984	0.674	0.981	0.738
FT2	0.983	0.673	0.978	0.734
FT3	0.925	0.621	0.916	0.681
FT4	0.969	0.664	0.962	0.725
FT5	0.926	0.610	0.911	0.664
FT6	0.932	0.619	0.918	0.671
DB1	0.984	0.674	0.981	0.738
DB2	0.983	0.673	0.978	0.734
DB3	0.972	0.669	0.966	0.729
DB4	0.926	0.610	0.911	0.664
DB5	0.932	0.619	0.918	0.671
DB6	0.911	0.611	0.925	0.683
CE1	0.595	0.945	0.627	0.899
CE2	0.632	0.709	0.720	0.840
CE3	0.562	0.627	0.641	0.768
CE4	0.667	0.983	0.703	0.959
CE5	0.592	0.922	0.628	0.896
CE6	0.619	0.708	0.701	0.830
FP1	0.649	0.965	0.683	0.940
FP2	0.601	0.918	0.631	0.892
FP3	0.660	0.976	0.703	0.964
FP4	0.667	0.983	0.703	0.959
FP5	0.592	0.922	0.628	0.896
FP6	0.649	0.965	0.683	0.940

Table 5 shows that R Square value for Customer Engagement (Y1) is 0.565, indicating that 56.5% of the variation in customer engagement can be explained by the independent variables, namely Fintech and Digital Branding, while model. Other factors outside the model influence the remaining 43.5%. The R-squared value for Financial Performance (Y2) is 0.990, which indicates that Fintech, Digital Branding, and Customer Engagement can explain 99% of the variation in financial performance. These factors can explain 99% of the variation in financial performance. This reflects that the model has a very high explanatory power for the Financial Performance variable. The similar Adjusted R Square value (0.990) further confirms that this model is stable and not significantly influenced by the number of indicators or predictor variables used.

Table 5. Determination Coefficient (R-Square)

Variable	R Square	R Square Adjusted
Customer Engagement (Y1)	0.565	0.556
Financial Performance (Y2)	0.990	0.990

Table 6 summarizes the results of hypothesis testing for the relationships among Financial Technology (X1), Digital Branding (X2), Customer Engagement (Y1), and Financial Performance (Y2). The findings reveal that Financial Technology significantly impacts Customer Engagement, with an original sample value of 1.783 and a p-value of 0.015, indicating a strong relationship. Similarly, Digital Branding has an even more substantial effect on Customer Engagement, with an original sample value of 2.481 and a highly significant p-value of 0.000. Both Financial Technology and Digital Branding also significantly influence Financial Performance, with original sample values of 1.307 and 1.554, respectively, and p-values of 0.000. Customer Engagement itself positively affects Financial Performance, with a moderate effect size of 0.746 and a p-value of 0.000. Furthermore, both Financial Technology and Digital Branding exert indirect effects on Financial Performance through Customer Engagement, with significant original sample values of 1.330 and 1.851, respectively, and p-values of 0.012 and 0.000. These results collectively indicate that Financial Technology and Digital Branding play crucial roles in enhancing Customer Engagement and improving Financial Performance in the context of MSMEs.

Table 6. Hypothesis Testing

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Financial Technology (X1) -> Customer Engagement (Y1)	1.783	1.784	0.729	4.446	0.015
Digital Branding (X2) -> Customer Engagement (Y1)	2.481	2.492	0.708	3.504	0.000
Financial Technology (X1) -> Financial Performance (Y2)	1.307	1.305	0.189	6,923	0.000
Digital Branding (X2) -> Financial Performance (Y2)	1.554	1.552	0.199	7.813	0.000
Customer Engagement (Y1) -> Financial Performance (Y2)	0.746	0.745	0.033	2.781	0.000
Financial Technology (X1) -> Financial Performance (Y2) through Customer Engagement (Y1)	1.330	1.322	0.527	2.525	0.012
Digital Branding (X2) -> Financial Performance (Y2) through Customer Engagement (Y1)	1.851	1.848	0.502	3.683	0.000

DISCUSSION

This study shows that financial technology (fintech) significantly enhances customer engagement among Gayo Arabica coffee MSME owners in Central Aceh. Fintech improves

customer experience through faster services, strengthens communication, builds trust, and increases transaction efficiency, ultimately fostering customer loyalty and ongoing engagement (Wahyudhi et al., 2024; Reddy et al., 2025; Fadli, 2025). Fintech is essential for accelerating transaction processes and facilitating capital access for small and medium-sized enterprises (SMEs), enabling them to provide faster and more effective services (Mardiana et al., 2025; Damayanti, 2025). It enhances service quality, fostering long-term customer engagement and strengthening brand loyalty (Mariam et al., 2025; Faadhilah & Firdaus, 2025). Gayo Arabica coffee MSME owners in Central Aceh should actively implement fintech solutions that ensure convenience, security, and transparency to build consumer trust. Additionally, training employees on fintech usage and collaborating with fintech providers can enhance service quality and support innovation, ultimately improving customer satisfaction and loyalty (Rahma & Aqmala, 2024).

This study demonstrates that financial technology (fintech) and digital branding significantly impact customer engagement and financial performance among Gayo Arabica coffee MSME owners in Central Aceh. The findings align with previous research indicating a positive relationship between fintech and customer engagement (Lontchi et al., 2023; Wahyudhi et al., 2024; Barbu et al., 2025). Fintech enhances customer experience by providing faster, more convenient services, which boosts engagement and strengthens communication between businesses and customers (Reddy et al., 2025; Anka & Shamim, 2025). It also fosters trust through secure payment systems, encouraging ongoing transactions (Fadli, 2025).

Moreover, fintech facilitates efficient cash flow management and reduces manual errors, enhancing profitability and liquidity (Kunal et al., 2025). It simplifies working capital management and accelerates transaction processes, directly improving financial performance (Tsuma, 2025). MSMEs can reduce transaction costs and access broader capital, supporting stable business expansion (Nascimento et al., 2025). Therefore, Gayo Arabica coffee MSME owners should optimize fintech usage by selecting user-friendly platforms and providing training to enhance their financial management capabilities.

Furthermore, the study underscores the substantial impact of digital branding on enhancing customer engagement and financial performance. A well-planned digital branding strategy builds a strong brand image, enhancing consumer trust and loyalty (Donaldson & Davis, 2025). Effective branding through packaging, logos, and active social media presence strengthens emotional bonds with customers (Hasan et al., 2025). By managing digital branding effectively, MSMEs can create meaningful relationships with consumers, leading to increased engagement and loyalty (Maulia et al., 2025).

The findings indicate that Gayo Arabica coffee MSME owners need to optimize their digital branding strategies by developing engaging content and utilizing social media for two-way communication. Employee training in digital branding management is essential to ensure consistent messaging. Additionally, leveraging digital technology for market analysis can help tailor marketing strategies.

Customer engagement also plays a crucial role in financial performance, as engaged customers form strong emotional bonds with brands, driving revenue growth (Steinhoff et al., 2022). High engagement fosters loyalty and enhances profitability, making it vital for MSMEs to design strategies that enhance customer interactions. Organizing community events and loyalty programs can deepen customer relationships and promote organic marketing.

The study reveals that customer engagement mediates the relationship between fintech and financial performance, emphasizing the need for MSMEs to adopt technology that enhances customer satisfaction (Elmi et al., 2025). Effective digital branding strategies also strengthen customer loyalty, directly impacting financial outcomes (Jain & Agrawal, 2025). By focusing on innovative branding and customer engagement, MSMEs can improve their competitiveness and ensure sustainable growth in a dynamic market. In conclusion, Gayo Arabica coffee MSME owners should invest in fintech and digital branding strategies to enhance customer engagement and financial performance, ultimately driving business success.

CONCLUSION

The hypothesis testing results confirm that financial technology and digital branding have a significant impact on customer engagement and the financial performance of MSMEs. Additionally, customer engagement proves to be a significant mediator in the relationship between fintech and digital branding and financial performance. These findings underscore the importance of integrating fintech and digital branding strategies, complemented by customer engagement, to enhance business outcomes. Practically, MSME owners, platform developers, and policymakers should focus on improving financial literacy and strengthening branding strategies that enhance customer engagement.

Theoretically, this study contributes to digital entrepreneurship literature. The limitation of this research lies in its geographical scope, which is confined to a single region. Future studies are recommended to conduct comparative research across various sectors and regions with a larger sample size and diverse methodologies to gain a deeper understanding of the role of digital technology in MSME performance.

Acknowledgement

The researcher expresses deep gratitude to DRTPM Kemendikbudristek for their support and facilitation through research grants and the beginner lecturer grant. This assistance was invaluable in the implementation and completion of the research, resulting in optimal outcomes. Without this support, the research would have been difficult to realize effectively. The researcher also appreciates the opportunity provided to enhance academic competence and expand scientific knowledge. It is hoped that the synergy and support from Kemendikbudristek will continue to foster research advancement and the improvement of education quality in the country.

REFERENCES

- [1] Abdelkader, O. A. (2023). ChatGPT's influence on customer experience in digital marketing: Investigating the moderating roles. *Heliyon*, 9(8), 121-131.
- [2] Abu Jaish, A., Murdipi, R., Abdul Razak, D., & Mohd. Alwi, N. (2023). The effect of digitalization on the sustainability of Malaysian SMEs. *International Journal of Academic Research in Business and Social Sciences*, 13(1), 1-21.
- [3] Abueid, A. I., Mohammad, A. A. S., Almomani, H. M., Mohammad, S. I., Vasudevan, A., Almohaimmeed, B. M., Alshuride, M. T., & Saraireh, S. (2025). Strategies for successful digital transformation in the Jordanian banking sector: Leveraging FinTech for enhanced customer engagement. In *Proceedings of the International Conference on Digital Transformation and Innovation* (pp. 212-231). New York: Springer.
- [4] Adediran, I. A., Bello, A. B., Adeusi, O. C., & Afolabi, O. N. (2025). Analyzing the impact of AI adoption and ICT platforms in improving customer engagement of Small and Medium-Sized Enterprises (SMEs). *Applied Sciences, Computing and Energy*, 1(1), 1-16.
- [5] Al Rifai, M., & Albaker, Y. (2025). The role of financial technology in enhancing financial inclusion: a regulatory perspective on current industry trends. *Corporate and Business Strategy Review*, 6(1), 43-52.
- [6] Alkhasoneh, O. M., Jamaludin, H., Bin Zahar, A. R. I., & Al-Sharafi, M. A. (2024). Drivers of social media use among SMEs and its impact on brand awareness and customer engagement. *Asia-Pacific Journal of Business Administration*, 1(1), 1-10.
- [7] Arjang, A., Utami, E. Y., & Redjeki, F. (2024). Utilization of social media and online platforms in improving customer engagement of fashion SMEs in Bali. *West Science Business and Management*, 2(01), 29-36.
- [8] Aryaseta, A. W., Rosidah, I., Cahaya, V. E., Dausat, J., & Darmayanti, R. (2023). Digital marketing: Optimization of uniwara pasuruan students to encourage umkm jamu kebonagung through branding strategy. *Dedication Journal*, 20(2), 12-22.
- [9] Aulia, M. R. (2023). Digital competencies and experience in partnership program on smes performance. *Journal Research of Social Science, Economics and Management*, 02(7), 1416-1425.
- [10] Bahukeling, T. S., Suroso, A. I., Buono, A., & Nurhayati, P. (2024). Digital marketing alliance on small medium enterprises (SMESs): A systematic literature review. *Jurnal Aplikasi Bisnis Dan Manajemen*, 10(1), 199-208.

- [11] Barbu, C. M., Florea, D. L., Dabija, D.-C., & Barbu, M. C. R. (2021). Customer experience in fintech. *Journal of Theoretical and Applied Electronic Commerce Research*, 16(5), 1415–1433
- [12] Barbu, C. M., Girboveanu, S.-R., Popescu, D. V., & Dabija, C. (2025). Examining customer brand engagement in online financial services provided by fintech. *Journal of Theoretical and Applied Electronic Commerce Research*, 20(2), 1–22.
- [13] Bhatt, D., Vyas, C., Lanjewar, P., Ramteke, S., & Sonia, F. ul Ain. (2023). The influence of social media marketing on brand loyalty. *Proceeding International Business and Economics Conference (IBEC)*, 2(2), 61–69.
- [14] Udeh, C. A. (2025). *Customer engagement techniques in green spare parts initiatives*. London: Deep Science Publishing.
- [15] Damayanti, N. A. (2025). Analysis of factors influencing gen z' s interest in using digital financial applications. *Jurnal Ilmiah Manajemen Kesatuan*, 13(1), 17–36.
- [16] Denga, E. M., Vajjhala, N. R. R., & Sefa Asortse. (2023). *Digital Branding in the Digital Era*. New York: IGI Global Scientific Publishing.
- [17] Djakasaputra, A., Stephanie, H., & Satriohantoro, M. (2025). The implementation of customer engagement strategies through social media in SMEs. *International Journal of Social Science and Community Service*, 3(1), 14–18.
- [18] Donaldson, L., & Davis, J. H. (2025). Digital customer engagement: A systematic literature review and research agenda. *Australian Journal of Management*, 16(1), 49–64.
- [19] Elmi, M. A., Abdulkadir, F. O., Mohamud, A. M., Osman, N. H., & Abdi, I. A. (2025). Exploring the effect of financial technology on the sustainability of small and medium enterprises in Mogadishu, Somalia. *Cogent Business and Management*, 12(1), 1–21.
- [20] Faadhilah, N. R., & Firdaus, V. (2025). The influence of work environment, job skills, and work engagement on employee productivity in MSMEs. *Jurnal Ilmiah Manajemen Kesatuan*, 13(1), 271–282.
- [21] Fadli, J. A. (2025). The impact of security, digital financial literacy, and trust on cryptocurrency investment experiences. *Jurnal Ilmiah Manajemen Kesatuan*, 13(2), 1075–1082.
- [22] Fatorachian, H. (2025). Digitalisation and customer engagement in fast-food SMEs: enhancing brand presence through social media. *Economics, Finance & Business*, 12(1), 1–18.
- [23] Feyen, E. H. B., Natarajan, H., Heffernan, R. P., Saal, M., & Sarkar, A. (2022). *World Bank Group Global Market Survey: Digital Technology and the Future of Finance*. Washington, DC: World Bank Group.
- [24] Halim, E., Joshua, Mailangkay, A., Nely, Sandi, R. T., & Poba-Nzaou, P. (2024). The impact of gamification on customer engagement in small and medium enterprises. *2024 3rd International Conference on Creative Communication and Innovative Technology, ICCIT 2024* 8(4), 1–21.
- [25] Hasan, S., Naim, M. R., & Aryadi. (2025). Building Brand Engagement through SocialMedia Brandposts in Beauty Services. *Jurnal Ilmiah Manajemen Kesatuan* 13(1), 1009–1018.
- [26] Jain, R., & Agrawal, R. (2025). Factors Affecting Digital Visibility of Small and Medium Enterprises in India. *Journal of Business*, 25(2012), 27–38.
- [27] Katadata. 2025. *UMKM RI diperkirakan tumbuh hingga 87% pada 2025*. Retrieved May 27, 2025 from: <https://katadata.co.id/berita/industri/67fcd8785d00c/umkm-ri-diperkirakan-tumbuh-hingga-87-pada-2025-masuk-tiga-pasar-utama-dunia>
- [28] Khandelwal, R., & Kapoor, D. (2024). The use of digital tools for customer engagement in the financial services sector. *Revolutionizing Customer-Centric Banking Through ICT*, 1(1), 29–55.
- [29] Khashan, M. A., Elsotouhy, M. M., Ghonim, M. A., & Alasker, T. H. (2024). Smart customer experience, customer gratitude, P-WOM and continuance intentions to adopt smart banking services: the moderating role of technology readiness. *TQM Journal*, 36(7), 1976–1995.
- [30] Kini, A. N., Savitha, B., & Hawaldar, I. T. (2024). Brand loyalty in FinTech services: The role of self-concept, customer engagement behavior and self-brand connection. *Journal of Open Innovation: Technology, Market, and Complexity*, 10(1), 1–20.
- [31] Kumar, R. P., Banerjee, A., Al-Salti, Z., & Ananda, S. (2024). Technology acceptance model and customer engagement: mediating role of customer satisfaction. *Journal of Financial Services Marketing*, 29(3), 1062–1076.
- [32] Kunal, K., Ramprakash, K. R., & Prasad, R. A. (2025). Enhancing livelihoods through digital finance: a study on the impact of fintech adoption on the financial performance of hawkers. *Qubahan Academic Journal*, 5(1), 565–579.
- [33] Lontchi, C. B., Yang, B., & Shuaib, K. M. (2023). Effect of financial technology on smes performance in cameroon amid COVID-19 Recovery: The Mediating Effect of Financial Literacy. *Sustainability*, 15(3), 121-131.
- [34] Lyas, A. R. M. N. K. F. U. G. B. (2023). The impact of digital marketing and brand articulating capability for enhancing marketing capability. *International Journal of Data and Network Science*, 7(1), 65–72.
- [35] Magableh, I. K., Mahrouq, M. H., Ta'Amnha, M. A., & Riyadh, H. A. (2024). The role of marketing artificial intelligence in enhancing sustainable financial performance of medium-sized enterprises through customer engagement and data-driven decision-making. *Sustainability (Switzerland)*, 16(24), 1–21.

- [36] Mardiana, R., Adha, A., & Juhari, A. (2025). The influence of social environment and motivation on students' decisions to become entrepreneurs case study of students of STIM Budi Bakti. *Jurnal Ilmiah Manajemen Kesatuan*, 13(1), 1–8.
- [37] Mariam, S., Agustia, R. D., & Ramli, A. H. (2025). Determinants of purchase intention on TikTok as an E-WOM Platform. *Jurnal Ilmiah Manajemen Kesatuan*, 13(3), 1309–1326.
- [38] Matosas-López, L. (2024). Can customer engagement in social media be used as a predictor of operating revenue in SMEs? *Journal of Open Innovation: Technology, Market, and Complexity*, 10(4), 1–23.
- [39] Maulia, I. R., Manrejo, S., Sulistyowati, A., & Suroso, S. (2025). The synergy between entrepreneurship curriculum and digital literacy in fostering entrepreneurial intentions. *Jurnal Ilmiah Manajemen Kesatuan*, 13(2), 787–794.
- [40] Mitchuk, O., Fayvishenko, D., Lorvi, I., Konopliannykova, M., Chernobrovkina, S., & Sytnyk, O. (2023). *Communication strategies of brand management and online marketing of digital products*. Kyiv: Borys Grinchenko Kyiv Metropolitan University.
- [41] Muhammad Dairobi, & Anisah, H. U. (2024). Influence of digital literacy, customer intimacy, and brand image on competitive advantage. *Open Access Indonesia Journal of Social Sciences*, 7(3), 1506–1516.
- [42] Nascimento, L. da S., Trizotto, R. C. A., Pufal, N. A., Camboim, G. F., & Zawislak, P. A. (2025). Which innovation capabilities are relevant for technological and non-technological innovation? Implications for manufacturing firms' financial performance. *Journal of Manufacturing Technology Management*, 1(1), 1–22.
- [43] Nourallah, M., Öhman, P., & Hamati, S. (2024). Financial technology and financial capability: Study of the European Union. *Global Finance Journal*, 62(6), 1–22.
- [44] Putri, G. A., Widagdo, A. K., & Setiawan, D. (2023). Analysis of financial technology acceptance of peer to peer lending (P2P lending) using extended technology acceptance model (TAM). *Journal of Open Innovation: Technology, Market, and Complexity*, 9(1), 231–241.
- [45] Rahma, I. V., & Aqmala, D. (2024). The role of e-trust, experiential marketing and advertising in purchasing decision on e-commerce Tokopedia. *Jurnal Ilmiah Manajemen Kesatuan*, 13(1), 151–160.
- [46] Rana, I. C., Ahmad, Y., Kayser, K. A., & Kabir, F. (2025). Transforming small businesses through analytics : boosting sales , customer engagement, and brand value. *International Journal on Science and Technology (IJSAT)*, 16(1), 1–13.
- [47] Reddy, L., Sondinti, K., Seenu, A., Dileep, V., & Yasmeeen, Z. (2025). The future of customer engagement in retail banking: Exploring the potential of augmented reality and immersive technologies. *International Journal of Computer Trends and Technology*, 73(1), 72–79.
- [48] Roy, J. K., & Vasa, L. (2025). Financial technology and environmental, social and governance in sustainable finance: a bibliometric and thematic content analysis. *Discover Sustainability*, 6(1), 1–22.
- [49] Sonni, A., Alkavi, N., & Amna, L. S. (2025). The effect of financial literacy, financial inclusion and fintech payment on the performance of UMKM in Bandar Lampung City. *International Journal of Education, Social Studies, And Management (IJESSM)*, 5(1), 122–132.
- [50] Steinhoff, L., Liu, J. (Sunny), & Palmatier, R. W. (2022). Customer engagement in international markets. *Journal of International Marketing*, 31(1), 61–76.
- [51] Sudarmiatin, S., Fitriana, F., & Hidayati, N. (2023). The Implementation of Digital Marketing in SME's: Opportunities and Challenges During the Covid-19 Pandemic. *Indonesian Journal of Business and Entrepreneurship*, 9(1), 72–80.
- [52] Surya, E. D., B. M., & Asnan, M. S. (2024). Digital marketing of tourism villages for sustainable visits Elfitra Desy Surya, Mesra B, Muhammad Syahrin Asnan. *1ST International Conference on The Epicentrum of Economic Global Framework (ICEEGLOF)*, 257–266.
- [53] Tsuma, J. S. (2025). Accounting information system and financial performance of manufacturing firms in Kenya. *African Journal of Commercial Studies*, 6(2), 26–35.
- [54] Umar, U. H., Baita, A. J., Hamadou, I., & Abduh, M. (2025). Digital finance and SME financial inclusion in Africa. *African Journal of Economic and Management Studies*, 1(1), 1–10.
- [55] Wahyudhi, H., Rozaini, R., & Syairozi, M. I. (2024). The role of financial technology and customer behavior mediation employee engagement on sharia bank performance In Padang, West Sumatra Province, Indonesia. *Education and Sosial Science*, 13(4), 131–141.
- [56] Wibawa, B. M. (2022). Utilization of social media and its impact on marketing performance: A Case Study of SMEs In Indonesia. *International Journal of Business and Society*, 23(1), 19–33.
- [57] Wu, C.-W., Botella-Carrubi, D., & Blanco-González-Tejero, C. (2024). The empirical study of digital marketing strategy and performance in small and medium-sized enterprises (SMEs). *Technological Forecasting and Social Change*, 200(1), 1–19.
- [58] Wasik, Z., Nugroho, C., & Iswanto, D. (2023). Improving UMKM marketing performance by optimising marketing strategy, creative product innovation and market orientation. *Journal of Managerial Sciences and Studies*, 1(2), 1–21.
- [59] Zhu, K., & Guo, L. (2024). Financial technology, inclusive finance and bank performance. *Finance Research Letters*, 60(2), 1–9.