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EXPLORATION OF THE EXPERIENCES OF SARI LAUT BUSINESS ACTORS IN THE APPLICATION OF FINANCIAL TECHNOLOGY AND PRODUCT INNOVATION TO SUPPORT FINANCIAL PERFORMANCE

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ABSTRACT

This study aims to explore the experiences of seafood entrepreneurs in Wua-Wua and Mandonga Districts, Kendari City, in implementing financial technology (fintech) and product innovation to support financial performance. The study used a qualitative approach with a phenomenological design to understand the experiences, meanings, and adaptation processes of business actors in utilizing technology and developing products. Informants were selected purposively from business actors who have used fintech and implemented product innovation, with data collected through in-depth interviews, observation, and documentation. Data validity was checked through triangulation and member validation. checking, while the analysis was conducted using the Miles and Huberman model through data condensation, data presentation, and conclusion drawing. The results of the study indicate that fintech adoption is primarily related to transaction needs, financial recording, and access to financing. Adoption is influenced by user experience, perceived benefits, business needs, and the level of trust in the service. Barriers were found in literacy, security, infrastructure, and service conditions. Product innovation develops through learning from consumers, business experience, and changing market needs, but faces limitations in raw materials, production processes, and product durability. The impact on financial performance is perceived through changes in sales, cash flow, efficiency, and access to capital, although not uniformly felt. The study concludes that the benefits of fintech and product innovation are contextual and depend on the ability of business actors to integrate both with operational and market needs.

Keywords: financial technology, product innovation, financial performance, MSMEs, seafood business

INTRODUCTION

As an archipelagic country with a long coastline, Indonesia makes the fisheries sector one of the pillars of food security and the coastal economy (Roberts et al. 2023) . Within the value chain, seafood occupies a strategic position because its demand continues to grow in both domestic and global markets, while its processing opens up opportunities for added value and employment. (Saksono 2023) . Most processing and distribution activities are driven by micro, small, and medium enterprises (MSMEs) with unique characteristics, namely perishable products, supply dependent on seasons and weather, and fluctuating raw material prices (Kelling, Carrigan, and Johnson 2023) . This condition puts pressure on financial performance, especially when business records are not organized and access to formal financing is limited. (Arifin and Anshari 2026). In such a situation, financial technology (fintech) and product innovation are often seen as a way out (Husriadi 2026; Setiawan et al. 2026). Both have the potential to simplify transactions, expand access to capital, and strengthen competitiveness. (Nugraheni and Darma 2025). However, the availability of technology does not automatically result in effective utilization. (Aqilah and Tong 2026). Seafood entrepreneurs still face unequal digital literacy , doubts about platform security, limited coastal infrastructure, and adoption costs. (Sukriyah 2026). Furthermore, it is not yet clear how they interpret the contribution of fintech and product innovation to their business's financial performance. (Arifin and Anshari 2026) . This problem is difficult to answer through numbers alone, so understanding based on the direct experience of business actors is an urgent need. (Roberts et al. 2023) .

Based on previous research findings regarding digitalization, financial technology (fintech), product innovation, and financial performance of MSMEs in Indonesia, for example, (Sukriyah 2026) found that digital transformation is taking place gradually, especially through the use of digital and mobile payments. Banking. The use of this technology helps improve transaction recording accuracy, financial transparency, and operational efficiency. However, its use is still predominantly for operational activities and has not yet expanded widely into analytical and strategic financial management. The study also identified limited digital and financial literacy, concerns about data security, costs, infrastructure limitations, and traditional business practices as barriers to MSME digital transformation.

In addition (Raihana and Gubangco 2026) found a gap between digital footprints and business record information and fintech credit assessment mechanisms . Although some businesses have established digital footprints and adequate financial records, the financing thresholds obtained through fintech remain relatively low. These findings suggest that using fintech does not always yield substantive financing benefits because assessment systems may place more emphasis on identity and loan history than on information about business performance and structured accounting records. On the other hand, research (Rojab et al. 2026) found that financial Technology and product innovation have a positive and significant impact on the financial performance of MSMEs. Likewise (Halijah and Fitriah 2024) which

demonstrates a positive influence of product innovation on financial performance. These results indicate that product innovation can be associated with improved financial results, but these studies primarily describe the relationship between variables quantitatively and have not yet fully explored how business actors implement and interpret these innovations in their daily activities. The context of the fisheries and seafood sector is also beginning to receive attention. Similarly, (Lajaria 2025) shows a positive relationship between the adoption of eco-innovation and raw material efficiency, waste reduction, and improved product quality, while the integration of information technology in the supply chain and digital marketing plays a role in expanding market access. However, these studies use a quantitative approach, so the subjective experiences of business actors regarding the process of technology and innovation adoption have not been the primary focus. Therefore, this difference demonstrates the importance of research that not only measures the influence but also understands the processes, experiences, and meanings that business actors attach to fintech utilization and product innovation. Based on these studies, several research gaps remain. First, contextually, research on MSME digitalization is still largely conducted in the general sector, while studies specifically integrating fintech, product innovation, and financial performance in fishery processing MSMEs in eastern Indonesia are still limited. Research on seafood MSMEs have begun to be involved, but the focus is more on eco- innovation, production efficiency, and sustainability. Second, conceptually, research on fintech and product innovation is beginning to be studied simultaneously, as in research by Halijah and Fitriah (2024). However, this relationship is primarily tested quantitatively. There is still a need to understand how these two forms of innovation are implemented simultaneously in business practices, how business actors relate them to financial management, and what conditions influence whether or not these benefits are realized. Third, methodologically, there is still room for expanding qualitative research. Therefore, an experience-based approach from relevant business actors is used to understand the processes and meanings behind fintech utilization and product innovation. Therefore, Kendari City was chosen because it is the capital of Southeast Sulawesi and a hub for fisheries activity in eastern Indonesia. The city has a fishing port, a seafood trading center, and a growing number of processing businesses. On the other hand, studies on MSME fintech are still largely concentrated on the island of Java, so the experiences of business actors in the eastern region are under-documented.

Based on the above description, this study aims to explore the experiences of seafood entrepreneurs in Kendari City in implementing fintech and product innovation to support financial performance. Specifically, this study describes the forms and processes of fintech implementation, identifies drivers and barriers to product innovation, and examines entrepreneurs' perceptions of the contributions of both. Novelty and justification. The novelty of this study lies in three aspects. First, the context focuses on seafood MSMEs in eastern Indonesia. Second, fintech and product innovation are examined within a single

framework. Third, the approach is qualitative, experience-based, resulting in contextual explanations. Theoretically, the findings enrich the literature on technology adoption and innovation in natural resource-based sectors. Practically and policy-wise, the results can serve as a reference for entrepreneurs, fintech providers, and local governments in designing mentoring that aligns with the agenda of financial inclusion, the blue economy, and the digital transformation of MSMEs.

RESEARCH METHODS

This study uses a qualitative approach with a phenomenological design because its main objective is to explore the meaning of the experiences of seafood entrepreneurs in implementing financial management. technology and product innovation, which cannot be explained through statistical measurements. The research location was determined in Wua-Wua and Mandonga Districts, Kendari City, because both areas have a concentration of seafood businesses and adequate digital access, so that technology adoption experiences can be traced in real terms. The population includes all seafood businesses in both districts, while the sample was determined purposively with eight to ten informants until data saturation. Informants consisted of business owners who had used fintech and product innovation for at least one year, as well as one MSME assistant as a comparison, so that all informants had direct experience with the phenomenon being studied. The research procedure included preparation, in-depth interviews, observation, and documentation, followed by validity checks through triangulation and member validation. checking for the credibility of the findings. Data were analyzed using the Miles and Huberman model (condensation, presentation, and conclusion drawing) because this model systematically manages narrative data, allowing the themes of business actors' experiences with financial performance to be revealed.

RESULTS AND DISCUSSION

Motivation and forms of fintech implementation

Research findings show that the implementation of financial the adoption of fintech by seafood businesses in Wua-Wua and Mandonga Districts takes the form of digital services related to transaction activities, financial recording, and access to financing. This adoption does not occur in a purely technological space, but is closely related to daily business needs and informants' experiences when dealing with changes in transaction methods. In this context, fintech is not understood solely as a technological tool, but rather as part of business practices used when deemed capable of helping address specific needs. Informants' experiences demonstrate that the decision to use fintech does not always begin with rational and planned considerations, as depicted in some technology acceptance models. Adoption can arise from the need for more practical transactions, customer demands,

recommendations from the surrounding environment, or urgent business needs. Therefore, the adoption process is more accurately understood as a process that develops through experience. When the initial use provides a positive experience, the technology becomes more easily accepted and reused. Conversely, less pleasant experiences can make entrepreneurs more cautious in using it. This pattern is related to the findings (Purnama 2023). **This study** examined the determinants of fintech adoption among Indonesian MSMEs. The study showed that perceived benefits were positively related to trust, while perceived operational risks were negatively related to trust. Trust, in turn, plays a crucial role in explaining the continued use of fintech. These findings provide context for understanding the experiences of the informants in this study. Assessments of fintech are formed not only from what the technology offers but also from actual experiences after using the technology in business activities. In the context of the seafood business, this experience is crucial because business activities take place in an environment that demands speed and flexibility. Transactions with customers, payments to suppliers, and management of income and expenses are all recurring activities. Therefore, experience using digital services can provide a practical understanding of whether the technology truly helps the work or simply adds additional steps for business actors.

These findings can also be read in relation to research (Tariq, Zeenat, and Abbas 2024) This aspect is evident not only in the ability to use digital services but also in the informants' learning process through daily use and experience. Thus, initial experience can be understood as part of the process of forming acceptance of fintech. However, initial experience should not be viewed as the sole determinant of continued use. The decision to continue using fintech remains related to perceived benefits, level of trust, perceived risks, and the suitability of the service to business needs. Therefore, the decision to use fintech can be formed through a combination of practical needs and user experience, not solely because business owners perceive a technology as easy or useful. Therefore, the findings of this study demonstrate that the adoption of fintech by seafood businesses is a contextual process. Technology is accepted and used when user experience demonstrates a match between available services and business needs. At the same time, this experience can change when business owners encounter obstacles or risks in using it. A phenomenological approach is relevant because it allows research to view fintech not only as a variable influencing adoption decisions, but as an experience that is meaningful to business owners in carrying out their daily economic activities.

Barriers and adaptation strategies

Research findings show that barriers to fintech adoption by seafood entrepreneurs in Wua-Wua and Mandonga Districts relate not only to technological capabilities but also to infrastructure conditions, costs, and trust in service security. Informants' experiences indicate

that limited understanding of certain features can require a learning curve and adjustments to fintech use. Meanwhile, network, device, or service disruptions can be problematic when transactions require certainty and speed. These findings align with the IMF's analysis of the condition of MSMEs in Indonesia, which shows that companies facing inadequate infrastructure experience significant barriers to accessing financing. The IMF also emphasized that the digitalization and financial literacy gap remains a challenge in the expansion of digital financial services in Indonesia. Regarding risk and trust, informants' experiences regarding concerns about transaction security are related to the research. (Saadah 2026) that perceived benefits increase trust, while perceived operational risks decrease it; trust then plays a role in the decision to continue using fintech. Interestingly, research (Astuti 2026) The study found that financial literacy and government support had no significant impact on fintech adoption , while ease of use, usability, user innovation, and trust had significant impacts. This difference suggests that fintech barriers cannot be separated from the context of user experience. In this study, business owners not only faced obstacles but also adapted their technology usage to suit their business circumstances. Thus, this experience demonstrates a practical and gradual adaptation process.

Product innovation practices

Research findings indicate that product innovation among seafood entrepreneurs in Wua-Wua and Mandonga Districts is part of an effort to adapt products to market needs. The innovations identified include processing development, packaging updates, and the use of digital media in marketing. Innovation ideas do not always originate from a planned process but can develop through consumer feedback, competitor observations, business experience, training, and information obtained from social media. This suggests that innovation in small-scale businesses largely stems from the learning process that occurs during daily business activities. This pattern is similar to research (Sari et al. 2023). This finding indicates updates to packaging, production equipment, and marketing strategies as a form of business adaptability to changes in the business environment. Other findings (Augusto, Lemos, and Silva 2024) The utilization of marine resources can be the basis for product development, although business actors still face difficulties in translating knowledge into practically applicable innovations. However, innovation does not always result in improved performance. Research (Yaskun et al. 2023) The study found that product innovation had no significant impact on business performance. This difference suggests that innovation alone is not sufficient to generate economic benefits. Its impact depends on the product's suitability to consumer needs, production capacity, and the accompanying marketing strategy. In the context of the seafood business, this finding emphasizes that innovation must be understood as a market-linked process, not simply a product change.

Perception of financial impact

Perceptions of the Financial Impact of Fintech and Product Innovation Research findings reveal that seafood entrepreneurs in Wua-Wua and Mandonga Districts interpret the impact of fintech and product innovation on their financial condition through the changes they experience in their business activities, particularly in cash flow, sales, efficiency, and access to capital. These impacts are not perceived uniformly. Some informants can feel changes after using digital services or updating products, while others have not seen significant changes. These differences in experience indicate that the benefits of technology and innovation are not solely determined by the availability of services, but by how they are used in business activities. These findings regarding financial benefits align with research on entrepreneurs (Tjakrawala and Usman 2026) The study found that QRIS usage has a positive impact on business revenue. The study's findings suggest that payment digitalization can be linked to changes in financial performance in small businesses. Therefore, the financial impact of fintech and product innovation is contextual and should be understood as interconnected experiences.

CONCLUSION

Conclusion and Implications of the Research Conclusion This research shows that the experience of seafood entrepreneurs in Wua-Wua and Mandonga Districts in implementing financial Technology (fintech) is related to daily business needs and the ability of business actors to adapt technology to their operational conditions. Its implementation still faces obstacles related to literacy, security, infrastructure, and service conditions. Business actors respond to these obstacles through a learning process, adjusting usage methods, and utilizing support from the surrounding environment. Meanwhile, product innovation develops through a learning process from consumers, business experience, and changing market needs, although its implementation is influenced by limitations in raw materials, production, and product durability. The impact on financial performance is perceived through changes in sales, cash flow, efficiency, and access to capital, but the benefits are not felt uniformly. These findings indicate that fintech and product innovation need to be understood as interrelated and contextual business practices. Implications: For business actors, improving their ability to use fintech needs to be accompanied by product development that is responsive to market needs. Fintech providers need to consider simple, secure, and affordable services for MSMEs. Local governments can strengthen digital literacy assistance and network infrastructure support in marine product business areas. Future research can use mixed methods. methods, expanding research locations, and utilizing financial data to complement informant perceptions with more objective performance measures.

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