

THE ROLE OF FINANCIAL LITERACY AND FINTECH LITERACY IN SHAPING MSME DIGITAL READINESS

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Abstract

Digital transformation in the financial sector requires adequate digital readiness from Micro, Small, and Medium Enterprises (MSMEs) so that the use of financial technology has a sustainable impact. This research aims to map and synthesize literature related to the role of financial literacy and fintech literacy as the foundation of MSMEs' digital readiness. The method used was a *scoping review* of 25 reputable journal articles indexed by SCOPUS in Q1, Q2, and Q3 rankings. The research process includes identification, selection, and extraction of article data using structured extraction sheets, followed by thematic analysis and narrative synthesis to group key conceptual findings. The results of the *scoping review* show that financial literacy serves as a basic cognitive capacity in economic decision-making, while fintech literacy emerges as a specific extension that focuses on understanding the products, mechanisms, and risks of financial technology. The digital readiness of MSMEs is presented as a multidimensional construction that includes cognitive, behavioral, technical, and organizational aspects, and is formed through the process of literacy and continuous learning. Overall, this study concludes that the digital readiness of MSMEs cannot be understood as an initial condition or simply a technology adoption, but rather as a strategic outcome built through strengthening financial literacy and fintech literacy. These findings make a conceptual contribution to the development of MSME digital transformation studies and become the basis for further empirical research.

Keywords: Financial Literacy, Fintech Literacy, Digital readiness, MSMEs, *Scoping Review* research

INTRODUCTION

This Digital transformation in the financial and business sectors has created significant structural changes in the way business actors, especially Micro, Small, and Medium Enterprises (MSMEs), access, manage, and utilize financial resources. The development of financial technology or fintech expands access to digital financial services, but simultaneously increases the complexity of economic decision-making for business actors. Previous literature shows that financial digitalization does not automatically result in improved business performance or sustainability if it is not balanced with the capacity of knowledge and readiness of users. Financial literacy and fintech literacy emerged as the main prerequisites for the use of financial technology to provide sustainable economic added value. Without an adequate understanding, the adoption of digital financial services has the potential to pose new risks, such as financial mismanagement, over-reliance on digital credit, and vulnerability to security and fraud risks. This condition becomes more crucial for MSMEs that structurally face limited human, managerial, and institutional resources. Therefore, the digital readiness of MSMEs cannot be understood solely as technology ownership, but as a comprehensive capacity that includes the knowledge, skills, attitudes, and readiness of the

organization in utilizing financial technology effectively and responsibly (Le & Aralas, 2025); (Prabhakaran & L, 2025); (Fu & Xu, 2024).

State of the art Research shows that studies on digital finance initially focused on macro impacts on economic growth, reducing inequality, and financial inclusion. Cross-border studies confirm that digital financial inclusion is able to drive economic activity and reduce income gaps, but its effectiveness depends largely on the quality of institutions and user capacity (Le & Aralas, 2025); (Meniago, 2025); (Guo & Naseer, 2025). At the micro level, the research then developed by linking financial literacy with fintech use and individual financial well-being. Empirical findings show that fintech moderates the relationship between financial literacy and financial behavior and well-being, so traditional financial literacy is no longer adequate without a specific understanding of financial technology (Prabhakaran & L, 2025); (Anwarul Islam & Khan, 2024); (Palanisamy et al., 2025). However, most of these studies still place individuals as the main unit of analysis and have not explicitly examined MSMEs as organizational entities. In addition, many studies still position technology as a key determinant, while literacy and internal readiness are often treated as supporting factors. This condition shows that the integration between financial literacy, fintech literacy, and digital readiness of MSMEs has not been fully built in one complete conceptual framework.

The literature highlighting an organization's digital readiness reinforces the argument that technology only delivers optimal impact when supported by adequate internal readiness. Research shows that digitalization contributes to improving the quality of innovation, non-financial performance, and business sustainability if organizations have the readiness of human resources, systems, and an adaptive learning culture (Fu & Xu, 2024); (Lamey et al., 2024); (E. F. Hasan et al., 2025). In this context, digital readiness is understood as a strategic capability that bridges technology and performance. However, the digital readiness framework used in many studies still refers to large companies or the banking sector, so it does not fully reflect the characteristics of MSMEs. Studies that explicitly discuss MSMEs show that digital financial literacy and ecosystem support have an effect on business performance and sustainability, but digital readiness is rarely positioned as a stand-alone strategic outcome (Tandilino et al., 2025); (Msomi & Kandolo, 2023); (Atta, 2025a) In addition, fintech literacy is often not conceptually differentiated from general financial literacy, even though fintech has different risk characteristics, products, and mechanisms. This conceptual fragmentation creates a gap in understanding how MSMEs are truly ready to face fintech-based digital transformation.

Previous research also confirms that fintech literacy plays a role as a risk mitigation mechanism in the use of financial technology. Studies on banking fintech show that the use of technology can reduce financial risks and information asymmetry if users have an adequate understanding of the product and its risks (Wu & Lin, 2025). Other findings show that financial literacy and fintech literacy strengthen users' evaluative abilities, reduce reliance on trust alone, and improve the quality of economic decision-making (Palanisamy et al., 2025); (Stuart, 2025). On the other hand, fintech literacy is also seen as dynamic and can develop along with the intensity of technology use, so that the relationship between literacy and fintech is two-way (Gautam et al., 2022); (Amnas et al., 2024). In the context of MSMEs, this indicates that digital readiness is not a static condition, but the result of a continuous learning process influenced by financial literacy, fintech literacy, and institutional environmental support. Research on technology readiness also shows that psychological dimensions, such as optimism, innovation, discomfort, and insecurity, affect the sustainability of digital technology use (Ho et al., 2025). Thus, the digital readiness of MSMEs includes cognitive, behavioral, and organizational dimensions that interact with each other.

Based on the development of the literature, *Scoping Review* This is done because there is an urgent need to systematically map previous research that discusses financial literacy, fintech literacy, and digital readiness of MSMEs. *Scoping review* It was chosen because it allows for a comprehensive mapping of variations in research concepts, methods, contexts, and findings, while also identifying unanswered research patterns and gaps. In contrast to systematic reviews that

focus on the synthesis of certain empirical results, *Scoping Review* more suitable for fields of study that are still fragmented and rapidly growing, such as fintech literacy and MSME digital readiness. Main objectives *Scoping Review* This is to identify how financial literacy and fintech literacy are conceptualized, operationalized, and associated with digital readiness in various MSME research contexts. In addition, *Scoping Review* This aims to map the trends of the outcomes studied, both performance, sustainability, and financial inclusion, as well as assess the extent to which digital readiness is positioned as a strategic variable. By mapping the existing literature, *Scoping Review* This seeks to build a conceptual formulation that places financial literacy as the foundation, fintech literacy as its digital extension, and digital readiness as the strategic outcome of MSMEs. This relationship is in line with the findings of the literature that affirm that technology without literacy will not be sustainable, and that literacy without organizational readiness will not result in effective digital transformation (N. R. Hasan, 2025); (Zouitini et al., 2024); (Bu et al., 2024). Thus, *Scoping Review* It has strong theoretical and practical relevance in enriching the literature and provides a conceptual basis for the development of policies and strategies for empowering MSMEs in the digital era.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

This section presents the relevant literature and develops research hypotheses based on supporting theories, prior studies, and logical argumentation. Existing literature consistently highlights that financial literacy serves as a fundamental determinant of rational economic decision-making, both at the individual and business levels. Previous studies demonstrate that financial literacy enhances financial decision quality, reduces mismanagement of resources, and supports long-term business sustainability (Le & Aralas, 2025; Zouitini et al., 2024; Tullaili & Susanto, 2025). In the context of digital transformation, financial literacy alone is no longer sufficient without an adequate understanding of financial technologies, leading to the emergence of fintech literacy as an extension of traditional financial literacy. Empirical evidence indicates that fintech literacy strengthens the relationship between financial literacy and financial well-being or business performance, while also functioning as a risk mitigation mechanism in the use of digital financial services (Prabhakaran & L, 2025; Palanisamy et al., 2025; Wu & Lin, 2025). Furthermore, fintech literacy has been identified as a mediating factor that enhances digital financial inclusion and improves the effectiveness of technology utilization (Amnas et al., 2024; Islam & Khan, 2024).

Moreover, the literature suggests that digital readiness is a multidimensional construct reflecting the ability of individuals and organizations to adopt and utilize technology effectively. Prior studies emphasize that digital technologies generate optimal outcomes only when supported by adequate internal readiness, including human resources, organizational systems, and adaptive culture (Fu & Xu, 2024; Hasan et al., 2025; Ho et al., 2025). In the context of SMEs, digital readiness is often constrained by limited resources and varying levels of literacy among business actors. Empirical findings indicate that financial literacy and digital capabilities contribute to fintech adoption and SME performance, either directly or indirectly through mediating variables such as digital financial inclusion (Tandilino et al., 2025; Msomi & Kandolo, 2023; Atta, 2025). Additionally, institutional support and ecosystem quality have been shown to influence the effectiveness of digital financial technology utilization (Meniago, 2025; Guo & Naseer, 2025; Bu et al., 2024). These findings suggest that digital readiness is not solely determined by technological access but also by literacy capacity and environmental support.

Based on the synthesis of the literature, the relationship between financial literacy, fintech literacy, and digital readiness can be conceptualized as a hierarchical and interrelated process. Financial literacy provides the foundational knowledge necessary to understand financial concepts, while fintech literacy extends this capability into the digital financial environment. Digital readiness then emerges as the outcome of integrating these literacies into organizational practices and decision-making processes. Prior research indicates that without sufficient literacy, technology

adoption does not lead to optimal or sustainable outcomes (Susanto et al., 2025; Zouitini et al., 2024). Therefore, the relationships among these variables can be conceptualized as a transformation process from literacy to digital readiness.

Based on the theoretical and empirical arguments presented above, the hypotheses of this study are formulated as follows:

H1: Financial literacy has a positive effect on SME digital readiness.

H2: Fintech literacy has a positive effect on SME digital readiness.

H3: Fintech literacy mediates the relationship between financial literacy and SME digital readiness.

RESEARCH METHODS

This study employed a scoping review design to systematically map and synthesize existing literature related to financial literacy, fintech literacy, and SME digital readiness. The scoping review approach was selected because the research topic is still evolving, conceptually fragmented, and spans multiple disciplines, requiring a comprehensive exploration of theoretical and empirical findings. The research focused on identifying patterns, conceptual relationships, and research gaps across prior studies without conducting statistical meta-analysis. The population of this study consisted of scientific articles indexed in the SCOPUS database, specifically those categorized in Quartile 1 (Q1), Quartile 2 (Q2), and Quartile 3 (Q3) journals. A total of 25 articles were selected as the research sample using purposive sampling based on predefined inclusion criteria, including relevance to financial literacy, fintech literacy, digital financial inclusion, and digital readiness in the context of individuals, firms, or SMEs. The selected articles represent diverse contexts, including micro-level (individual), meso-level (firms and SMEs), and macro-level (cross-country studies), allowing for a holistic understanding of the research phenomenon.

Data collection was conducted through a structured and systematic process consisting of identification, screening, eligibility assessment, and inclusion of relevant articles. The primary instrument used in this study was a structured data extraction form, designed to capture key information from each article, including research context, unit of analysis, variables, theoretical framework, methodology, and key findings. The instrument ensured consistency and transparency in extracting comparable data across studies. All selected articles were reviewed in full text to ensure completeness and accuracy of the extracted information. The materials used in this research consisted exclusively of peer-reviewed journal articles, ensuring high academic quality and credibility of the data sources. No physical tools were required, as the study relied on digital databases and document analysis techniques.

The data analysis technique employed in this study was thematic analysis combined with narrative synthesis. The analysis began with categorizing findings into major conceptual themes, such as financial literacy, fintech literacy, and digital readiness, followed by identifying relationships among these constructs. The thematic coding process enabled the identification of recurring patterns, similarities, and differences across studies. Narrative synthesis was then used to integrate findings into a coherent conceptual framework, highlighting dominant trends, conceptual gaps, and inter-variable linkages. To ensure validity and reliability, the analysis process was conducted systematically and transparently, with consistent criteria applied across all selected articles. This methodological approach allows for replication by other researchers, as all procedures, selection criteria, and analytical steps are clearly defined and documented.

RESULTS AND DISCUSSION

RESULTS

Synthesis and Findings of the Scoping Review Conceptual

Financial Literacy as a Foundation for Digital Capacity

The consistently analyzed literature shows that financial literacy is positioned as the main foundation in the utilization of digital financial services and the digital readiness of users. Most studies emphasize that financial literacy plays a role in improving the quality of economic decision-making, both at the individual and business organization levels. The articles studied show that financial literacy affects financial behavior, attitude towards risk, and evaluative ability towards digital financial products. In the context of MSMEs, financial literacy is associated with the ability to manage cash flow, understand cost structures, and evaluate digital financing alternatives. The conceptual findings also show that financial literacy serves as a prerequisite for digital financial inclusion to generate positive economic impacts. Some studies note that access to digital services without adequate literacy has the potential to increase the risk of financial mismanagement. The literature also shows that financial literacy acts as a mediator between financial access and business performance or sustainability. In general, financial literacy is presented as the basic cognitive capacity that underlies the digital readiness of MSMEs.

Fintech Literacy as an Extension of Digital Financial Literacy

The findings of the scoping review show that fintech literacy has emerged as an increasingly prominent construct in the literature over the past decade. Fintech literacy is presented as a specific form of digital financial literacy that focuses on understanding financial technology products, mechanisms, and risks. The articles studied show that fintech literacy includes the ability to use digital financial applications, understand the costs and benefits of fintech services, and evaluate security and privacy aspects. In various research contexts, fintech literacy is associated with the use of fintech that is more rational and long-term oriented. The literature also shows that fintech literacy strengthens or moderates the influence of financial literacy on financial well-being and business performance. Several studies have shown that fintech literacy functions as a risk mitigation mechanism in the use of digital credit and technology-based financial services. Other findings show that fintech literacy acts as a mediator between fintech adoption and digital financial inclusion. Descriptively, fintech literacy is positioned as an advanced ability that is a bridge between conventional financial literacy and digital readiness.

Digital Readiness as a Multidimensional Capability

The results of the scoping review show that digital readiness is presented as a multidimensional concept that goes beyond technology ownership. The literature places digital readiness as a condition that reflects the readiness of human resources, organizational systems, culture, and learning abilities. Several studies have described digital readiness as a prerequisite for digital transformation to have an optimal impact on innovation, non-financial performance, and business sustainability. In the context of MSMEs, digital readiness is often associated with internal limitations, such as the competence of business actors and organizational capacity. The articles reviewed show that digital readiness affects the sustainability of technology use, not just early adoption. Digital readiness is also presented as a factor that moderates the relationship between technology and organizational outcomes. The literature shows that digital readiness includes cognitive, behavioral, technical, and institutional dimensions. Descriptively, digital readiness is positioned as a result of the interaction between literacy, experience of using technology, and ecosystem support.

The Relationship between Financial Literacy, Fintech Literacy, and Digital Readiness

The literature synthesis shows that there is a pattern of tiered relationships between financial literacy, fintech literacy, and digital readiness. Most articles present financial literacy as an initial foundation that affects the ability of individuals or MSMEs to understand financial technology. Fintech literacy then emerged as an extension that deepens a specific understanding of fintech and reduces the risk of using technology. Digital readiness is presented as an outcome formed when financial literacy and fintech literacy are internalized in organizational practices. Several studies show that fintech literacy acts as a mediator between financial literacy and digital readiness. The literature also shows that the relationship between these three constructs is indirect and influenced by institutional context and user characteristics. In many articles, digital readiness is not measured explicitly, but emerges as a conceptual implication of literacy and technology adoption. This pattern shows that digital readiness is understood as the cumulative result of the literacy and learning process. Descriptively, the relationship between these three variables is presented as a gradual process in the digital transformation of MSMEs.

MSME Context and Variation in Analysis Levels

The results of the scoping review show that the context of MSMEs appears at various levels of analysis, ranging from individual business actors to organizations and macro contexts. Some articles explicitly place MSMEs as the main unit of analysis, while others use large individuals or companies as conceptual proxies. The literature shows that the characteristics of MSMEs, such as limited resources and simple organizational structures, affect digital readiness. The descriptive findings also show that MSMEs in developing countries face more complex literacy challenges than the context of developed countries. Several studies emphasize the role of government support and institutional quality in strengthening the literacy and digital readiness of MSMEs. Variations in geographic contexts in the literature show a difference in emphasis between financial inclusion, business performance, and sustainability. Nonetheless, financial literacy and fintech literacy continue to emerge as central themes across contexts. In general, the literature explains that the digital readiness of MSMEs is influenced by the interaction of internal and external factors.

Table 1. Synthesis of Conceptual Findings of the Scoping Review

No	Key Concepts	Conceptual Findings	Descriptive Implications
1	Financial Literacy	Financial literacy improves the quality of financial decision-making and behavior	Becoming the foundation for the use of digital financial services
2	Fintech Literacy	Fintech literacy strengthens fintech product and risk understanding	Reduce the risk of using fintech
3	Digital Readiness	Digital readiness is multidimensional and organization-centric	Determining the sustainability of digital transformation
4	Digital Financial Inclusion	Digital access is effective if it is supported by literacy	Literacy as a prerequisite for inclusion benefits
5	Digital Financial Risks	Risk increases without fintech literacy	Literacy as a mitigation mechanism
6	Performance and Sustainability	Positive impact comes with internal readiness	Digital readiness as a supporting condition

7	The context of MSMEs	MSMEs face limited literacy and resources	Need for a contextual digital readiness approach
8	Variable Relationships	Literacy → fintech literacy → digital readiness	Gradual process of digital transformation

Discussion

Position of Scoping Review Findings in the Literature Map

Results Scoping Review This shows that financial literacy and fintech literacy are two key constructs that consistently appear in the literature as the main prerequisites for the use of digital financial technology. These findings are in line with previous research that places financial literacy as the foundation of rational economic decision-making, both for individuals and business actors. Cross-contextual studies show that without adequate financial literacy, access to digital financial services does not automatically improve business well-being, performance, and sustainability ((Le & Aralas, 2025); (Tullaili & Susanto, 2025); (Zouitini et al., 2024). Scoping review this strengthens this position by showing that financial literacy not only plays a role as an independent variable, but also as a structural prerequisite for the emergence of fintech literacy and the digital readiness of MSMEs. These findings confirm that digital transformation cannot be understood solely as a matter of technology adoption, but as a literacy-based learning process. Thus, the results of this study clarify the position of financial literacy as the main cognitive capital in the MSME digital financial ecosystem. This expands the understanding of the previous literature that tends to separate between literacy and technological readiness.

Further, the results Scoping Review It shows that fintech literacy develops as an extension of conventional financial literacy, not as a stand-alone construct. These findings are consistent with research showing that fintech moderates or mediates the relationship between financial literacy and economic outcomes, such as financial well-being, financial inclusion, and business performance ((Prabhakaran & L, 2025); (Amnas et al., 2024); (Palanisamy et al., 2025). In the context of MSMEs, fintech literacy is presented as a specific ability to understand the mechanisms of fintech products, assess digital risks, and manage short- and long-term financial implications. Scoping review This shows that fintech literacy plays an important role in reducing the risk of using digital credit and improving the quality of financing decisions, as shown in the study (Wu & Lin, 2025) and (Stuart, 2025). Thus, these findings confirm that fintech literacy is not just a technical skill, but an evaluative ability rooted in financial literacy. This position reinforces the argument that fintech literacy should be understood within the broader framework of financial literacy.

Digital Readiness as a Strategic Outcome, Not an Initial Assumption

One of the most significant findings of the Scoping Review This is the placement of digital readiness as a Strategic Outcome, not just an initial condition or control variable. Previous literature has often treated digital readiness as an implicit prerequisite for technology adoption, especially in the study of large corporations and the banking sector ((Fu & Xu, 2024); (Lamey et al., 2024). However, the results Scoping Review This shows that in the context of MSMEs, digital readiness is precisely the result of a sustainable financial literacy and fintech literacy process. These findings are in line with research (N. R. Hasan, 2025) which emphasizes the importance of organizational and cultural readiness in the success of MSME digital transformation. Scoping review It expands on those findings by showing that digital readiness encompasses cognitive, behavioral, technical, and institutional dimensions that interact with each other. Thus, digital readiness cannot be reduced to technology ownership or the use of digital applications alone.

These results are also consistent with research showing that technology adoption without internal readiness does not produce sustainable impacts ((Fu & Xu, 2024); (Ho et al., 2025). In the

context of MSMEs, digital readiness determines the sustainability of fintech use, not just early adoption. Scoping review This shows that fintech literacy contributes to increased optimism and innovation, as well as lowering discomfort and insecurity towards technology, as presented in the Technology Readiness study. These findings are important because they explain why many MSMEs have access to fintech but are unable to leverage it strategically. By placing digital readiness as an outcome, this study shifts the focus of the literature from technology adoption to capability building. This shift has significant theoretical implications for the study of MSME digital transformation.

Answering the Scoping Review Formula: Conceptual Relationships Between Variables

Scoping review This explicitly answers the main formulation of research on how financial literacy and fintech literacy are related to the digital readiness of MSMEs. The literature synthesis shows a pattern of tiered relationships, where financial literacy serves as the initial foundation, fintech literacy as a digital extension, and digital readiness as cumulative outcomes. This pattern is consistent with the findings that financial literacy improves the quality of financial attitudes and behaviors, which is then reinforced by fintech literacy in the context of technology use ((Islam & Khan, 2024); (Mishra et al., 2024). Fintech literacy further mediates or moderates the impact of financial literacy on digital outcomes, such as financial inclusion, risk mitigation, and business sustainability ((Amnas et al., 2024); (Wu & Lin, 2025).

Scoping review this also answers the formulation related to the position of the context of MSMEs in the literature. The findings show that although many studies use large individuals or companies as units of analysis, the conceptual implications remain relevant for MSMEs. However, literature that explicitly places MSMEs as objects shows that limited resources and simple organizational structures reinforce the role of literacy in shaping digital readiness ((Tandilino et al., 2025); (Atta, 2025b); (Msomi & Kandolo, 2023). Thus, the results Scoping Review This answers the research gap by consolidating cross-contextual findings into the MSME digital readiness framework. Answers to the formula Scoping Review This makes it clear that digital readiness is not a purely technological phenomenon, but a literacy-based learning phenomenon.

Significance of Research Results

The main significance of the results of this study lies in its ability to explain why the digital transformation of MSMEs often does not produce optimal impact even though access to technology is available. The literature shows that technology without literacy will not be sustainable, and Scoping Review It provides strong conceptual evidence for the statement ((Tullaili & Susanto, 2025); (Zouitini et al., 2024); (Bu et al., 2024). By showing that financial literacy and fintech literacy are determinants of digital readiness, this study provides a scientific basis for the shift in MSME development strategies from a technology-based approach to a human capabilities-based approach. Another significance is the affirmation that fintech literacy serves as a risk mitigation mechanism in the digital financial ecosystem, which is particularly relevant amid the increasing use of digital credit and high-risk fintech services. These findings are important for MSMEs that are vulnerable to financial decision-making errors.

In addition, the results of this study are significant because they integrate cognitive, behavioral, and organizational dimensions in one digital readiness framework. Many previous studies have only highlighted one dimension, such as technology or individual behavior. Scoping review This shows that digital readiness is a multidimensional construct that demands a holistic approach. This significance is also seen in its contribution to the literature of developing countries, especially the context of Indonesian MSMEs, which often face distinctive literacy and institutional challenges ((Tandilino et al., 2025); (Stuart, 2025). Thus, this research has high academic and practical relevance.

Contribution to the Scientific Field of Management Accounting

In the context of the scientific field of management accounting, this research makes an important conceptual contribution. Financial literacy and fintech literacy are presented as part of managerial capabilities that affect the quality of decision-making, risk management, and business sustainability. These findings are in line with research showing that accounting literacy and fintech security influence MSME investment decisions (Stuart, 2025). By linking literacy with digital readiness, this research expands the scope of management accounting from just measuring performance to developing strategic capabilities. The digital readiness of MSMEs can be understood as a condition that allows accounting and information management systems to function effectively in a digital environment.

Another contribution is the placement of digital readiness as a strategic outcome that is relevant for management control and long-term planning. In management accounting, organizational readiness affects the effectiveness of data-driven control and decision-making systems. This scoping review shows that financial literacy and fintech are prerequisites for the digital accounting system to be utilized optimally. Thus, this study enriches the management accounting literature by including the dimensions of literacy and digital readiness as key variables. This contribution is relevant to the development of MSME management accounting theory and practice in the digital era.

Research Implications

The implications of this research are theoretical, methodological, and practical. Theoretically, this study proposes the integration of financial literacy, fintech literacy, and digital readiness in one complete conceptual framework. This implication expands the digital transformation literature by placing digital readiness as a result of the literacy process, not just a technological prerequisite. Methodologically, this scoping review demonstrates the importance of a literature mapping approach in a still fragmented field, as well as providing a basis for further empirical research examining causal relationships between variables. Practically, the results of this study imply that MSME empowerment programs need to prioritize increasing financial literacy and fintech before or at the same time as technology digitalization. Public policies that only focus on providing digital platforms are potentially ineffective without literacy interventions.

Another implication is the need for a contextual approach in developing the digital readiness of MSMEs. The literature shows that social, cultural, and institutional contexts influence the effectiveness of literacy and technology adoption ((Hbib & Makhrouf, 2025); (Atta, 2025b); (Meniago, 2025). Therefore, the strategy to increase digital readiness needs to be adjusted to the characteristics of MSMEs and the environment in which they operate. This implication is relevant for academics, policymakers, and practitioners involved in the development of MSMEs.

Research Limitations

Although it has a significant contribution, this study has some limitations that need to be looked at. First, this scoping review is descriptive and does not conduct empirical causal testing, so that the relationship between variables is concluded based on the synthesis of the literature. Second, even using SCOPUS Q1–Q3 articles, variations in context and methodology in the literature may affect the generalization of findings. Third, most of the research studied still focuses on individuals or non-MSME contexts, so the implications for MSMEs are conceptual. Fourth, digital readiness in many articles has not been uniformly operationalized, thus limiting direct comparisons between studies. This limitation opens up opportunities for advanced empirical research that tests literacy-based MSME digital readiness models quantitatively or qualitatively.

CONCLUSION

This study concludes that financial literacy and fintech literacy are conceptual foundations that are very important in shaping the digital readiness of MSMEs. The results of a scoping review

of 25 reputable journal articles show that financial literacy functions as a basic cognitive capacity that enables MSME actors to understand the principles of financial management, risk, and rational economic decision-making. Fintech literacy then emerged as a specific extension of financial literacy that focuses on understanding the products, mechanisms, and risks of digital financial technology. The main findings of this study show that the digital readiness of MSMEs cannot be understood as an initial condition or simply a technology ownership, but rather as a strategic outcome formed through the literacy process and continuous learning. Digital readiness is presented as a multidimensional construction that includes cognitive, behavioral, technical, and organizational aspects, and is influenced by the interaction of internal and external factors of MSMEs. Thus, this study emphasizes that the sustainable digital transformation of MSMEs requires strengthening financial literacy and fintech literacy as the main prerequisites.

The contribution of this research to the scientific field, especially management accounting and digital finance of MSMEs, lies in the conceptual integration between financial literacy, fintech literacy, and digital readiness in one complete analytical framework. This research expands the perspective of management accounting by placing digital literacy and readiness as strategic capabilities that affect the quality of decision-making, risk management, and business sustainability. By placing digital readiness as an outcome, this research encourages a paradigm shift from a technology adoption-based approach to an approach based on human and organizational capability development. In addition, this research also contributes to clarifying the position of fintech literacy as a risk mitigation mechanism in the MSME digital financial ecosystem. Practically, this finding confirms that MSME digitalization policies and programs need to be designed in an integrated manner with financial and fintech literacy improvement programs. Thus, this research not only enriches the academic literature, but also has high relevance for the development of MSMEs in the era of digital transformation.

The study also provides a number of suggestions for future research. First, further empirical research is needed that quantitatively examines the causal relationship between financial literacy, fintech literacy, and digital readiness of MSMEs based on the conceptual framework that has been mapped in this scoping review. Second, future research can develop a more standardized and contextual instrument for measuring the digital readiness of MSMEs, considering that the existing literature still shows variations in definitions and indicators. Third, further research is suggested to explore the role of contextual factors, such as institutional support, organizational culture, and business sector characteristics, in strengthening or weakening the relationship between literacy and digital readiness. Fourth, a qualitative approach or mixed methods can be used to dig deeper into the learning process and adaptation of MSMEs in utilizing digital financial technology. Finally, future research can also expand the scope by comparing the digital readiness of MSMEs across regions or developing countries to enrich the generalization of findings. With this research agenda, the study on MSME digital literacy and readiness is expected to develop more comprehensively and sustainably.

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