



Improving Accounting Literacy for Digital Entrepreneurs in the Development of Social Media

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ABSTRACT

The purpose of this community service activity is to provide awareness of the importance of improving accounting literacy for digital entrepreneurs in the development of social media. The target audience for this community service activity is entrepreneurs engaged in digital businesses in Indonesia through social media. The community service activity uses a socialization approach in its delivery. Community service activities focused on improving accounting literacy for digital entrepreneurs in the era of social media development play a crucial role in maintaining the sustainability of the creative economy. Today, social media is no longer simply a networking tool but has transformed into a massive business platform where millions of digital entrepreneurs market their products directly to consumers. Here are structured steps to improve accounting literacy for digital entrepreneurs in the development of social media are understanding social media-specific financial metrics, digitizing and automating recordkeeping, and managing e-commerce taxes and digital regulations.

INTRODUCTION

Digital entrepreneurship in the development of social media has emerged as a new economic force that is fundamentally changing the modern business landscape. Initially, social media served only as a social networking platform to connect individuals, but shifts in algorithms and feature innovations have transformed it into a highly dynamic digital marketplace. Entrepreneurs are no longer limited by geographic boundaries or the limited physical capital required to build a brand. The emergence of visual and short-video-based platforms provides a level playing field for both small businesses and large corporations to capture the attention of global consumers (Lastrri et al., 2025). This phenomenon has created a highly adaptive entrepreneurial ecosystem, where the success of a product is determined not only by its quality but also by clever content strategies, direct interactions, and the ability to read trends that change within days.

These technological developments have also sparked the emergence of new, far more personalized and interactive marketing methods, such as social commerce and live shopping. Today's digital entrepreneurs must be able to play multiple roles, from content creators and personal data analysts to skilled communicators for their consumer communities (Pandiangan et al., 2025). By utilizing analytical data provided by social media platforms, businesses can map market preferences with high accuracy, identify potential consumer demographics, and develop targeted advertising campaigns. The relationship between sellers and buyers is no longer solely transactional, but has shifted to one based on trust and emotional closeness through interactions in comment sections or direct messages. This demonstrates that social media is no longer merely a marketing tool but a central axis of digital business operations that continues to drive the growth of the creative economy worldwide.

The transformation of digital entrepreneurship in the era of social media has reached a point where the boundaries between entertainment content and commercial transactions have completely dissolved. Social media now functions as a standalone business infrastructure that provides an entire commerce ecosystem, from digital product showcases and integrated payment systems to direct customer service spaces (Pandiangan et al., 2024). This flexibility democratizes the business world, allowing anyone with internet access to launch their own brand without having to navigate the complex bureaucratic processes of traditional retail. The key strength of this entrepreneurial model lies in its remarkable adaptability to constantly changing platform algorithms, where a deep understanding of audience digital behavior becomes a far more valuable asset than cash capital. More profoundly, this phenomenon has given rise to the concept of a community-based economy that is radically changing the landscape of consumer loyalty. Digital entrepreneurs are no longer simply selling goods or services; they are building narratives, values, and lifestyles that resonate with specific segments of society. Through authentic content creation strategies, the use of artificial intelligence to read search trends, and strategic collaborations with other content creators, entrepreneurs can create market demand that previously didn't even exist. Modern consumers are no longer passive; they are directly involved in the product development process through instant feedback

in comments sections or digital polls. This intensive two-way interaction creates a strong sense of shared ownership, ultimately converting casual social media users into loyal customers and brand ambassadors who spread organic word-of-mouth marketing across cyberspace.

However, beyond the massive profit potential, the depth of digital entrepreneurship in the social media realm also demands psychological resilience and a high level of technical proficiency from its practitioners. The life cycle of a trend on social media moves so quickly that a product that's popular one week can be completely irrelevant the following week. This situation forces entrepreneurs to continuously innovate and master multiple disciplines simultaneously, from consumer psychographic data analysis and digital supply chain management to cinematic visual aesthetics (Andy et al., 2024). Those who succeed are those who are able to utilize real-time analytical data not simply as numbers but as a guide to predict shifts in global market tastes. Thus, digital entrepreneurship on social media has evolved from a side trend to a strategic pillar driving the creative economy, transforming the way the world produces, markets, and consumes commodities.

The rapid growth of social media has radically transformed the business landscape, giving rise to a new wave of digital entrepreneurs capable of reaching global markets with just a few clicks. However, this rapid market expansion is often not matched by competent financial management, making improving accounting literacy an absolute necessity for these entrepreneurs. In the digital era, social media is no longer simply a marketing tool or product display, but rather a hub of transactional interactions where cash inflows and outflows occur dynamically and in high volumes. Without adequate accounting understanding, digital entrepreneurs are vulnerable to being trapped in the illusion of high revenue, unaware that hidden operational costs, such as digital advertising costs, platform fees, and returns, actually eat away at their real profits (Masriyanda et al., 2024). Therefore, accounting literacy serves as a strategic compass that transforms raw social media transaction data into structured and meaningful financial information for decision-making. Integrating accounting literacy into the social media ecosystem requires entrepreneurs to go beyond manual record-keeping, which is prone to errors. This transformation involves adopting digital-based accounting technology that can be synchronized with sales features on various social platforms to ensure that every dollar that moves can be tracked instantly. When entrepreneurs understand the basics of accounting, they are able to prepare accurate profit and loss statements, analyze cash flow accurately, and calculate cost of goods sold with high precision. This ability is crucial for measuring the effectiveness of digital marketing campaigns, as it allows them to accurately calculate the return on investment for advertising spent on social media. Thus, accounting literacy prevents entrepreneurs from making dangerous speculative decisions, such as burning through capital on promotions without careful calculation, and instead directs them to healthier and more efficient working capital management. Furthermore, strengthening accounting literacy plays a key role in maintaining sustainability and elevating digital businesses to a more professional level. Social media does provide a broad platform for rapid

growth, but that growth will hit a wall if the business lacks an accountable financial foundation. When digital entrepreneurs intend to expand their reach, seek investors, or apply for financing from financial institutions, neat and transparent accounting reports are an absolute must. Investors and banks don't judge a business's success by the number of followers or engagement on social media, but rather by the soundness of its financial statements, which demonstrate its profitability and solvency. By improving accounting literacy, digital entrepreneurs will not only be able to survive the fierce competition of social media algorithms but will also have the capacity to build high-value businesses, comply with tax regulations, and be ready to face the challenges of future expansion.

The purpose of this community service activity is to provide awareness of the importance of improving accounting literacy for digital entrepreneurs in the development of social media. Community service activities are essentially one of the main pillars of the Tri Dharma of Higher Education, which carries the noble mission of bridging the gap between the academic world and the realities of social life. The main objective of this activity is to apply, disseminate, and transform the science, technology, and arts developed on campus so that they can be directly utilized to improve the quality of life and welfare of the wider community. Through this active interaction, the university is committed to providing real solutions to various concrete problems faced by the community, ranging from the economic, education, and health sectors to infrastructure and the environment (Kurdhi et al., 2023). In addition to providing a platform for lecturers and students to actualize their knowledge in real-world situations, community service also aims to foster independence and empower local potential in a sustainable manner. Through the transfer of appropriate knowledge and skills, communities are encouraged to become more empowered, adaptable to change, and able to independently resolve their internal challenges in the future. On a broader scale, these activities contribute significantly to supporting national development programs, strengthening emotional and social bonds between educational institutions and local residents, and shaping the character of academics with a strong sense of social awareness, empathy, and moral responsibility for the nation's progress.

IMPLEMENTATION AND METHODS

The target audience for this community service activity is entrepreneurs engaged in digital businesses in Indonesia through social media. The target audience for this community service activity covers all elements of society who are deemed to require intervention, guidance, and the utilization of science and technology to sustainably improve their quality of life. In general, the main focus of this activity is directed at productive community groups such as micro, small, and medium enterprises who require assistance in business management, marketing digitalization, and product quality improvement to compete in a wider market (Kurdhi et al., 2023). In addition to economic groups, the target audience also includes communities that are not yet economically productive but have great potential to be empowered, such as housewives, youth from youth

groups, and unemployed productive-age individuals, through various practical skills and entrepreneurship training. On the other hand, the world of education is also a strategic target, from schools in remote areas, teachers who need refreshed teaching methods, to students who need motivation and an introduction to modern information technology. Equally important, these community service activities also often target village or sub-district government officials to improve public administration governance and more effective public services. Through this comprehensive target mapping, universities or community service institutions can ensure that academic research results don't stop in the laboratory, but actually reach the grassroots, solving real problems in the field, and promoting social and economic independence in communities across the board.

The community service activity uses a socialization approach in its delivery. The socialization approach in conveying messages or values is a deep, interactive process that cannot occur instantly but requires continuous stages. In practice, this approach prioritizes the internalization of values, norms, and behavioral patterns expected by society so that individuals can function harmoniously within their social environment (Kurdhi et al., 2023). When conveying information or programs through a socialization approach, the communicator does not simply act as a passive provider of information, but rather as a change agent, establishing a persuasive two-way dialogue. This process relies heavily on the ability to understand the cultural, psychological, and social backgrounds of the target group so that the message is received without coercion and perceived as a shared need.

RESULTS AND DISCUSSION

Community service activities focused on improving accounting literacy for digital entrepreneurs in the era of social media development play a crucial role in maintaining the sustainability of the creative economy. Today, social media is no longer simply a networking tool but has transformed into a massive business platform where millions of digital entrepreneurs market their products directly to consumers. Unfortunately, rapid revenue growth through the use of live broadcasts and creative visual content is often not matched by an adequate understanding of financial management. Many novice entrepreneurs fall into chaotic financial management, such as mixing personal funds with business capital, not recording daily cash flow, and failing to accurately calculate net profit after deducting digital operational costs, including paid advertising and platform commissions. This situation prompted the community service team to provide structured education to eradicate financial illiteracy among digital entrepreneurs.

Through this community service program, digital entrepreneurs are equipped with practical knowledge on how to prepare simple financial reports tailored to the characteristics of modern businesses. The approach employed shifts from the rigidity of complex conventional accounting theories to the use of user-friendly smartphone-based digital accounting applications. The community service team guides participants step-by-step, from recording daily sales

transactions across various social media platforms, calculating the accurate cost of goods sold, and automatically preparing monthly profit and loss reports through the application. By understanding cost structures in depth, entrepreneurs can now evaluate the effectiveness of their social media marketing spending, allowing them to determine whether their promotional strategies are generating real profits or incurring hidden losses.

The positive impact of this community service activity is beginning to be seen in the changes in entrepreneurs' behavior in managing their daily businesses. This increased accounting literacy has been proven to boost digital entrepreneurs' confidence in making strategic decisions, such as setting competitive product prices, allocating advertising budgets more efficiently, and planning future business expansion. Furthermore, the clean and transparent financial records they now maintain also open up significant opportunities to access formal financing from financial institutions or attract potential investors previously unreachable due to administrative constraints. Ultimately, the synergy between the social media marketing skills and accounting literacy acquired through this community service program provides a solid foundation for digital entrepreneurs to advance and become highly competitive in the increasingly competitive global digital economy.

The massive growth of social media today is not only changing the way products are marketed but also the landscape of business financial management. For a digital entrepreneur, accounting literacy is no longer simply about manually recording debits and credits, but rather a strategy for surviving and thriving in the digital ecosystem. Here are structured steps to improve accounting literacy for digital entrepreneurs in the development of social media:

1. Understanding Social Media-Specific Financial Metrics

Understanding social media-specific financial metrics is crucial for modern companies to bridge the gap between digital interactions and real profitability. In an era where popularity doesn't always equate to revenue, organizations can no longer focus solely on metrics like likes, comments, or the often-illusory number of followers. Companies must begin to analyze more in-depth indicators such as the cost of customer acquisition through social channels, the future value of customers acquired through digital platforms, and the return on investment of specific social media advertising (Andy et al., 2024). This analysis requires strong integration of social media analytics data with the company's financial management system to track the complete customer journey from the first click to the final transaction in the shopping cart. When a business can accurately calculate the cost of converting a social media user into an active buyer, they can allocate their marketing budget much more efficiently (Fransisco et al., 2024; Yoppy et al., 2023). The biggest challenge in this process is multi-touch attribution, given that a consumer often sees a product multiple times across multiple platforms before finally deciding to make a purchase. Therefore, a thorough understanding of the financial contribution of each social media platform helps management avoid wasting budget on campaigns that appear high-performance but yield little sales conversion. Ultimately, mastering these

specific financial metrics transforms social media from being merely an expense or brand awareness tool into a measurable and financially accountable revenue-generating engine.

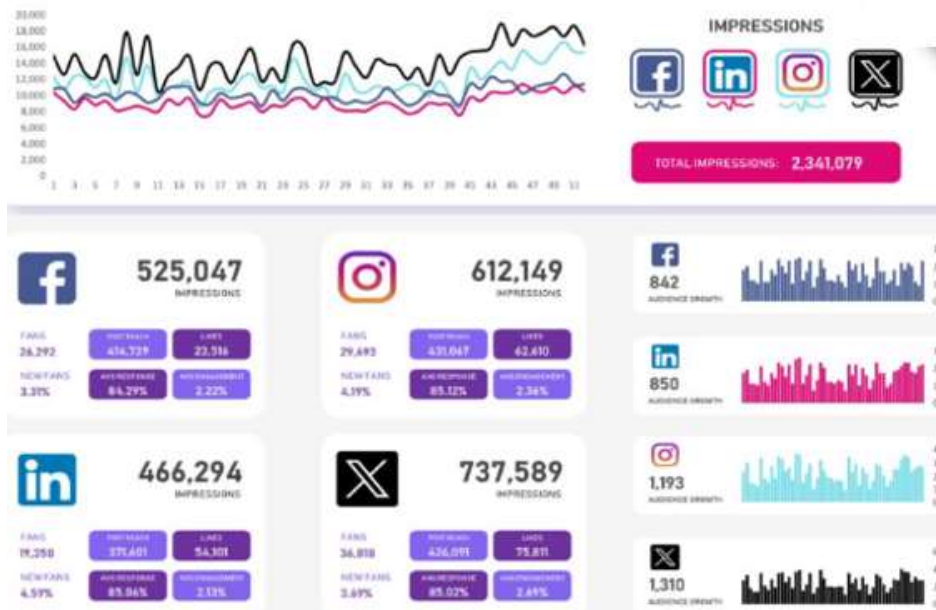


Figure 1. Social Media-Specific Financial Metrics

2. Digitizing and Automating Recordkeeping

The digital transformation process in today's operational management increasingly relies on the synergy between digitization and data recording automation. Digitization acts as the initial foundation, transforming all forms of physical data, such as transaction receipts, logistics manifests, or printed documents, into a structured and easily accessible digital format. Once this data has migrated into the digital ecosystem, automation plays a crucial role in eliminating manual data entry processes, which tend to be slow and prone to human error (Latri et al., 2025). These automated systems work instantly to capture, process, and update information directly into a central database without requiring constant intervention from operational staff. As a result, companies not only save significant time but also achieve a much higher level of data accuracy to support daily audits and analysis (Marcella et al., 2024; Pandiangan, 2024). The implementation of this integrated system has a far-reaching impact on the efficiency and agility of decision-making at the managerial level. By eliminating bureaucratic silos caused by conventional record-keeping, every department within the organization can access the same information directly and in real time. This model fosters greater transparency and accelerates coordination between teams, for example, between sales and inventory management in the warehouse. Furthermore, this automatically collected digital data becomes a valuable asset for processing by artificial intelligence or machine learning, enabling management to understand market trends, predict future needs, and formulate business strategies based on solid data, rather than intuition alone.



Figure 2. Digitizing and Automating Recordkeeping

3. Managing E-commerce Taxes and Digital Regulations

The rapid development of the digital ecosystem has forced governments in various countries to completely overhaul their fiscal policy architecture, particularly in managing e-commerce taxes and digital regulations (Masriyanda et al., 2024). E-commerce activities demand a highly dynamic approach because digital business models can generate massive economic profits in a country without the need for a physical presence or conventional branch offices. The traditional concept of taxation based on physical domicile is now shifting toward economic significance-based taxation, where the jurisdiction where the consumer is located has the right to collect tax on the added value created. Governments face a significant challenge in closing the tax escape loopholes of giant multinational technology companies, which often shift their profits to jurisdictions with low tax rates. Therefore, global consensus is crucial, as initiated through the agreement on a two-pillar solution to ensure fair redistribution of tax rights and the implementation of a global minimum tax rate (Sihombing et al., 2024; Wijaya et al., 2024). At the domestic level, the implementation of e-commerce tax regulations requires strong synergy between business compliance and a streamlined administrative system. The government typically requires digital marketplace platforms to act as tax collectors, depositors, and reporters for transactions conducted by merchants using their platforms. This step is taken to simplify the chain of custody and ensure the efficiency of value added tax collection on the use of taxable intangible goods or artistic services from outside the customs area. However, enforcement of this regulation often creates friction, especially for micro, small, and medium enterprises who feel burdened by the complexity of administrative reporting. If regulations are implemented too aggressively without adequate education, there is a significant risk that local businesses will shift to informal markets or social media platforms that are more difficult to track. Therefore, the formulation of ideal digital regulations must

strike a balance between optimizing state revenue and protecting the rapidly growing digital industry.



Figure 3. E-commerce Taxes

“Perjalanan Regulasi Komunikasi Digital di Indonesia”



Figure 4. Digital Regulations

CONCLUSION

Community service activities focused on improving accounting literacy for digital entrepreneurs in the era of social media development play a crucial role in maintaining the sustainability of the creative economy. Today, social media is no longer simply a networking tool but has transformed into a massive business platform where millions of digital entrepreneurs market their products directly to consumers. Here are structured steps to improve accounting literacy for digital entrepreneurs in the development of social media are understanding

social media-specific financial metrics, digitizing and automating recordkeeping, and managing e-commerce taxes and digital regulations.

RECOMMENDATION

Improving accounting literacy for digital entrepreneurs amidst the rapid development of social media has become a non-negotiable urgency to ensure business sustainability in the modern ecosystem. As social media transforms from a mere social interaction platform into a dynamic hub for economic transactions, business owners often become caught up in the euphoria of high revenues or false digital popularity metrics without understanding their true financial health. Therefore, a fundamental step that must be taken is to integrate practical financial education specifically designed to accommodate the characteristics of fast-paced digital businesses. Training programs provided should no longer be based on rigid and complex conventional accounting theories, but should instead focus on practical skills such as a clear separation of personal assets and business capital, an understanding of digital operational cost structures, and profit margin analysis of each marketing campaign launched on social media. In addition to self-paced education, the use of technology in the form of user-friendly digital financial recording applications is a crucial bridge to overcoming entrepreneurs' fear of complex accounting formulas. The government, business communities, and financial institutions need to collaborate to provide or recommend simple accounting software that can be directly connected to their digital payment systems and social media sales dashboards.

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