

Analysis of Social Media in Enhancing the Popularity and Reliability of Financial Statements Based on SAK EMKM

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) are crucial to national economies, yet they face challenges with reliable financial reporting and low adoption of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). Digital technology, especially social media, offers opportunities to enhance business visibility and financial transparency. This study analyzes social media's role in improving MSME popularity and financial statement reliability based on SAK EMKM. Using a descriptive qualitative approach, this study conducts a case study of MSME "dr. Kupa" in East Medan, collecting data via in-depth interviews and documentation. Findings indicate that strategic social media use, particularly on Instagram, significantly boosts popularity and community engagement through unique product promotion and interactive events. However, despite a high awareness of financial recording's importance and a partial transition to digital bookkeeping, a notable lack of familiarity with SAK EMKM challenges reporting reliability, although the owner is open to learning. This highlights a critical gap between digital marketing prowess and standardized financial management capabilities in the studied MSME.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) serve as a fundamental pillar supporting the structure of Indonesia's economy, as evidenced by their vital contribution to employment absorption and the increase of Gross Domestic Product (GDP). Data from the Ministry of Cooperatives and SMEs (2023) indicates that this sector comprises 99% of all business actors and contributes more than 60% to the national GDP. However, despite their strategic role, MSMEs in the contemporary era face a paradox that warrants closer examination. On one hand, many MSMEs have demonstrated remarkable adaptability to the wave of digital transformation, particularly in marketing and customer engagement (Nursini, 2020). On the other hand, they continue to encounter persistent challenges in internal management, especially regarding the implementation of accountable, transparent, and standardized financial management practices. This duality between rapid progress in external domains (digital marketing) and stagnation in internal areas (formal accounting) forms the primary foundation that underlines the urgency of this research (Harvie, 2019; Kilay et al., 2022; Maksum et al., 2020; Trie et al., 2022).

In recent years, social media has evolved into a central platform for MSMEs to engage with the market. Numerous studies have consistently documented the positive impacts of social media

utilization. Research by (Tarazona-Montoya et al., 2024) affirms that social media-based digital marketing strategies have proven effective in enhancing competitiveness, expanding market reach, and fostering deeper emotional connections with consumers. Furthermore, visual platforms such as Instagram and TikTok have been shown to significantly influence customer purchasing decisions (Elvira et al., 2023). However, while the body of literature discussing the success of social media as a marketing tool is already extensive, the focus has largely been confined to popularity-oriented metrics such as brand awareness, user engagement, and sales volume growth. These studies often do not extend further to investigate the implications of digital popularity on the evolution of internal managerial practices. In other words, there remains considerable room for exploration regarding how success in the realm of digital marketing interacts with or even drives transformations in more fundamental operational aspects, such as professionalism in financial recording and reporting.

In addition, a separate body of literature has extensively examined the importance of reliable financial reporting for MSMEs, particularly as a prerequisite for accessing formal financing and establishing business credibility (Zainarti et al., 2024). The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) have been specifically designed as a solution to address these challenges. However, existing literature also consistently reports that the adoption rate of SAK EMKM among MSMEs remains remarkably low. Various studies attribute this phenomenon to internal constraints, such as limited accounting literacy among business owners, the lack of effective training and mentoring programs, and the perception that the standards are too complex to be implemented within the scale of their operations (Lestari et al., 2023; Susanti & Ratnasari, 2022; Thaha et al., 2021). This highlights a perspective that has been largely underexplored in the literature: studies on the adoption of SAK EMKM tend to focus on analyzing internal “deficiencies” or “barriers,” while paying relatively little attention to how dynamic external factors such as increased visibility and market pressure resulting from digital popularity may influence the readiness or even the necessity for MSMEs to adopt greater financial transparency. The question of whether rapid advancements in digital marketing can serve as a catalyst for improving formal accounting practices within MSMEs represents an area that has received limited attention in prior research.

To provide a concrete illustration, this study conducts a case analysis of the culinary MSME ‘dr. Kupa’, located in East Medan. Established in October 2022 by Malik Fala, dr. Kupa is more than just an ordinary coffee shop; it is a space intentionally designed to accommodate a diverse clientele ranging from students to families and frequently serves as a gathering spot for the owner’s circle of friends. The name ‘dr. Kupa’, along with thematic decorative elements such as

stethoscope-like shapes and electrocardiogram (ECG) lines on the logo and interior walls, adds a distinctive and memorable touch to the brand identity. This uniqueness is further enhanced by its signature offerings, such as Nasi Goreng Kampung, which relies on an authentic homemade recipe passed down from the owner's mother, delivering a distinctive, home-style flavor that is difficult to replicate. Another highlight is the competitively priced Sanger Pancong (Rp 5,000), strategically aimed at attracting student and youth segments. These affordable price points significantly contributed to the business's early popularity through word-of-mouth marketing and active social media engagement. Dr. Kupa's marketing strategy relies heavily on social media, with Instagram serving as the primary platform and TikTok as a complementary channel. Their approach goes beyond menu promotion by fostering a sense of community organizing watch parties for sports matches or trending shows, and uploading engaging video content such as behind-the-scenes drink-making processes and light-hearted parodies. The selection of dr. Kupa as a case study is highly relevant, as it represents a new generation of MSMEs that are agile in adopting social media to enhance popularity and reach customers effectively. At the same time, as revealed in earlier interviews, the business remains in the developmental stage of improving its financial recording practices transitioning from manual bookkeeping to digital cashier applications with promising potential to align with SAK EMKM standards in order to support its sustainability and professionalism.

From the perspective of Islamic economics, the phenomenon observed in dr. Kupa can be deeply analyzed through the framework of Maqashid Shariah (the objectives of Islamic law), which serves as the spiritual foundation of every economic activity undertaken by a Muslim (Huda & Saripudin, 2022; Nafiah & Faih, 2019; Prilevi et al., 2020; Wati & Ulrizan, 2024). The use of social media to build popularity, expand market reach, and ultimately increase income is inherently part of an effort to ensure the sustainability and growth of a business. This practice aligns closely with one of the primary objectives of Shariah, namely the preservation of wealth (hifz al-mal), where a Muslim is encouraged to actively and productively manage wealth so that it does not remain idle, but instead generates broader economic benefit (maslahah) for themselves, their employees, and the surrounding community. Such innovative marketing efforts can be viewed as a form of maximal effort (ikhtiar) in business, as encouraged in Islam. However, Shariah principles do not stop at income generation. Islam emphasizes the importance of balance between external activities (such as marketing) and internal integrity (such as management practices) (Hamdi, 2022; Wulandari et al., 2022). The demand for accountable and transparent financial record-keeping is firmly rooted in core Islamic values such as justice (al-'adl) and trustworthiness (al-amānah). The command to

document transactions with precision is even explicitly stated in the Qur'an, in the longest verse Surah Al-Baqarah, verse 282 which reads:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا تَدَايَنْتُمْ بِدَيْنٍ إِلَى أَجَلٍ مُسَمًّى فَاكْتُبُوهُ ... وَلَا تَسْمُوا أَنْ تَكْتُبُوهُ صَغِيرًا أَوْ كَبِيرًا إِلَى أَجَلٍ ۚ

Translation: "... O you who have believed! When you contract a debt for a specified term, write it down... And do not become weary of writing it down, whether it is small or large, for its (specified) term..."

Although this verse specifically addresses debt-related transactions, scholars have interpreted it as a general exhortation on the importance of documentation and record-keeping in all forms of *muamalah* (economic transactions), in order to prevent disputes and to ensure clarity regarding rights and obligations. Therefore, the gap between digital marketing proficiency and formal accounting practices among Muslim MSMEs such as *dr. Kupa* emerges as a critical issue. As emphasized by (Lestari et al., 2023), digitalization among Muslim MSMEs should ideally reflect a balanced integration of economic, spiritual, and social dimensions. Accordingly, professionalism in financial record-keeping is not merely a modern business requirement for accessing capital, but also a manifestation of a Muslim entrepreneur's responsibility to conduct their enterprise on the foundation of honesty and transparency. This ensures that the growth achieved is not solely profit-oriented, but also blessed and aligned with the principles of Shariah.

Previous studies have generally discussed the effectiveness of social media in supporting marketing strategies and increasing product sales among MSMEs (Lestari et al., 2023; Zainarti et al., 2024). However, research that directly examines the linkage between digital marketing strategies and the reliability of financial reporting based on SAK EMKM remains very limited particularly within the context of local culinary MSMEs in urban areas such as Medan. Therefore, this study offers a novelty in the form of an integrative approach that combines the use of social media with standardized financial reporting practices as an effort to strengthen the competitiveness of MSMEs in the digital era.

The objective of this study is to analyze the contribution of social media usage to both the enhancement of business popularity and the reliability of financial reporting based on SAK EMKM, using a case study of the culinary MSME "*dr. Kupa*" in East Medan. The contribution of this research lies in offering a new perspective on the synergy between digital marketing strategies and financial reporting aligned with accounting standards. Furthermore, this study aims to provide practical recommendations in the form of a simple mobile application-based bookkeeping model integrated with social media, which can be adopted by micro-scale MSME practitioners.

METHODS

This study employs a qualitative approach with a case study design to analyze in depth the role of social media in enhancing the popularity and reliability of financial reporting of the MSME

"dr. KUPI", based on SAK EMKM. The qualitative approach was chosen to allow for a holistic and in-depth understanding of the phenomenon within its natural context, where the researcher acts as the key instrument (Sugiyono, 2017). A case study enables intensive exploration of a single unit of analysis (*"dr. KUPI"*) to obtain a comprehensive understanding of variable interactions within a real-life setting (Yin, 2018). The primary data source in this research is the owner of *"dr. KUPI"*, selected through purposive sampling. The informant selection criteria include individuals with direct knowledge and experience related to the business's operations, social media marketing, and financial management. The main data collection technique is semi-structured in-depth interviews, aimed at uncovering detailed information regarding perceptions, strategies, practices, and challenges faced by the business (Kawsati, 2019). In addition, documentation is conducted through content analysis of *"dr. KUPI"*'s social media posts (Instagram and TikTok) and, when available, existing financial records or informal reports, in order to complement and validate the interview data.

The data analysis procedure was conducted interactively, following the model proposed by (Miles et al., 2014), which consists of three main stages: data reduction, data display, and conclusion drawing/verification. Data reduction involves the process of selecting, focusing, simplifying, and organizing data obtained from interview transcripts and documentation into themes relevant to the research questions. The data display is presented in the form of systematic descriptive narratives, allowing the researcher to identify patterns and relationships within the data. The final stage involves drawing conclusions based on the analysis, which are then re-verified with field data to ensure the validity and credibility of the findings. Data validity is also reinforced through source triangulation, by comparing information obtained from interviews with documentation data, in order to achieve a more comprehensive and reliable understanding of the phenomenon under study.

RESULTS AND DISCUSSION

This study aims to conduct an in-depth analysis of how the MSME *"dr. KUPI"* in East Medan utilizes social media to enhance its popularity, as well as to examine its financial record-keeping practices and the extent to which understanding of SAK EMKM has been established. Primary data collection was carried out through semi-structured in-depth interviews with the owner of *"dr. KUPI"*, supported by participant observation and documentation analysis, including the business's official social media content and publicly available data such as customer reviews.

Social Media Utilization Strategies and Their Impact on the Popularity of *"dr. KUPI"*

Interview findings reveal that social media plays a central and strategic role in the marketing efforts and popularity growth of *"dr. KUPI"*. The owner explicitly acknowledged the reliance on and effectiveness

of digital platforms within the current business landscape. He stated: *"For businesses nowadays, if you're not active on social media, it's tough... For me, when it comes to attracting initial customers, there are two main factors networking and social media... The presence of [social media], in my opinion, is very influential hugely influential. I'd say it contributes about 70% to the business's appeal."*

This statement indicates that social media is not merely a supporting tool, but a critical component that the owner estimates contributes up to 70% to the attractiveness and success of the business. Instagram has been identified as the primary platform, with a relatively high posting frequency approximately 3 to 4 times per week. This preference is based on Instagram's strong visual orientation, which aligns well with the nature of culinary promotion and effectively reaches a younger demographic. In addition to Instagram, TikTok is also utilized, albeit with lower intensity. This likely reflects a platform diversification strategy aimed at reaching different audience segments or accommodating more dynamic and potentially viral content formats.

The content strategy employed by *"dr. Kupa"* demonstrates a strong understanding of market needs and effective methods for building engagement. Several key pillars of this strategy include:

1. Highlighting Product Uniqueness and Value Proposition

Product differentiation is a central focus of *dr. Kupa's* marketing strategy. Its signature menu item, *Nasi Goreng Kampung*, is consistently promoted with a narrative emphasizing its "family recipe seasoning," creating a perception of authenticity and distinctive taste that is difficult to replicate. As the owner explained: *"What makes our food stand out is definitely the Nasi Goreng Kampung, because the seasoning is made directly by my mother... she actually studied how to make spices properly."* In addition, the *Sanger Pancong*, priced at only Rp 5,000, serves as a powerful Unique Selling Proposition (USP), particularly appealing to the student and youth segment. This competitive pricing strategy is actively communicated through social media, making it a significant attraction. *"dr. Kupa"* also offers a diverse range of menu items, including various types of noodles (*Mie Aceh, Ifu Mie, Indomie Bangladesh*), rice dishes (*Nasi Ayam Penyet, Nasi Soto Sapi, Nasi Kar*), snacks (*Tempe Goreng, French Fries, Nuggets*), and a wide selection of beverages such as coffee, chocolate, tea, milk, and juices. These items are listed on the physical menu and frequently featured in visually engaging promotional content on social media platforms.

MIE	
MIE ACHEH	12K
MIE ACHEH UDANG	20K
MIE ACHEH AYAM	20K
KWEA TIAW	12K
KWEA TIAW UDANG	20K
KWEA TIAW AYAM	20K
IFU MIE	12K
IFU MIE UDANG	20K
IFU MIE AYAM	20K
INDONESIA BANGLADESH BIKSA	12K
INDONESIA BANGLADESH JAJAN	18K
INDONESIA BANGLADESH JAJAN	12K
INDONESIA BANGLADESH JAJAN	12K

NASI		CEMILAN	
NASI GORENG	10K	TEMPE GORENG	10K
NASI GORENG TELUR AYAM	17K	KENTANG GORENG	15K
NASI GORENG KAMPUNG	10K	NUGGET GORENG	13K
NASI GORENG KAMPUNG AYAM	17K	SOSIS GORENG	13K
NASI AYAM PERINT	12K	TAHU WALIK	13K
NASI TELUR DADAR	10K	TEMPURA	13K
NASI NUGGET SOSIS	10K		
NASI TELUR NUGGET SOSIS	11K		
NASI SOP AYAM			
NASI SOP SAPI			
NASI SOP KAMBING			
NASI SOTO AYAM			
NASI SOTO SAPI			
NASI KARI KAMBING			
NASI KARI AYAM			
NASI KARI SAPI			

Kopi & Cokelat		Teh & Susu	
Kopi Hitam Saring	8K/7K	Teh Manis	8K/6K
Kopi Susu	8K/10K	Teh Susu	8K/10K
Kopi Kacang	10K	Teh Tawar	8K/10K
Sanger	7K/20K	Teh Hajar Susu	10K/12K
Sanger Pancake (SP)	5K	Teh Hajar Tawar	12K/14K
Cappuccino	8K/20K	Green Tea Lemon	10K/12K
Cappuccino Oreo Ice Blend	15K	Lemon Tea	8K/10K
Cappuccino Oreo Ice Blend Cincau	18K	Lemon Tea Madu	12K/14K
Coffee Mix	8K/10K		
Cokelat	8K/10K		
Cokelat Cincau	13K		
Milo	8K/20K		
Milo Dink	16K/17K		
Milo Oreo Ice Blend	18K		
Milo Oreo Ice Blend Cincau	20K		
LIWA SUSU	8K/10K		
BEND-BEND	8K/10K		
CHOCOLATOS	8K/10K		

DRINK & MILK SHAKE		JUICE	
Kopi Hitam Saring	8K/7K	Juice Pomar	15K
Kopi Susu	8K/10K	Juice Jeruk	15K
Kopi Kacang	10K	Juice Kiwi	15K
Sanger	7K/20K	Juice Belimbing	15K
Sanger Pancake (SP)	5K	Juice Terong Belanda	15K
Cappuccino	8K/20K	Juice Mangga	15K
Cappuccino Oreo Ice Blend	15K	Juice Tomat	15K
Cappuccino Oreo Ice Blend Cincau	18K	Juice Wortel	15K
Coffee Mix	8K/10K	Juice Tomat	15K
Cokelat	8K/10K		
Cokelat Cincau	13K		
Milo	8K/20K		
Milo Dink	16K/17K		
Milo Oreo Ice Blend	18K		
Milo Oreo Ice Blend Cincau	20K		
LIWA SUSU	8K/10K		
BEND-BEND	8K/10K		
CHOCOLATOS	8K/10K		

PUDING	
Puding Ayam Kampung	10K
Puding Berek	10K
Puding Ayam Kampung	10K

Figure 1. Variety of Food and Beverage Menu Offered by MSME *dr. Kupi*

This menu diversity from hearty Acehnese and Bangladeshi-inspired dishes to specialty coffee and non-coffee beverage options reflects *dr. Kupi*'s deliberate effort to cater to a wide range of customer preferences. The owner emphasized the distinctiveness of one of their flagship dishes: *"What makes our food unique is definitely the Nasi Goreng Kampung, because the seasoning is made directly by my mother... she actually studied how to make the spice blend."* Clear product differentiation and competitive pricing, reinforced by a rich and varied menu, serve as strong selling points effectively communicated through social media. This strategic approach allows *dr. Kupi* to position itself not only as a culinary destination but also as a brand with authenticity, inclusivity, and value.

2. Community Building and Brand Experience

"dr. Kupi" offers more than just food and beverages it also creates a sense of experience and community. This is evident in the regular organization of *nonton bareng* (watch parties) for events that resonate with its target audience, ranging from Indonesian national football team matches and UEFA Champions League finals to presidential debates. As the owner explained: *"The watch parties are a way to attract customers, to show that this coffee shop is a popular hangout spot."* Such initiatives successfully foster a lively and engaging atmosphere, positioning *dr. Kupi* as a social destination rather than merely a place to eat or drink. This aligns with the concept of *experiential marketing*, which emphasizes the creation of memorable experiences for customers (Kamboj et al., 2018). By offering interactive and socially engaging activities, *dr. Kupi* strengthens emotional bonds with its patrons, enhancing both customer loyalty and brand identity (Kamboj et al., 2018).

3. Transparency, Creativity, and Personal Engagement

To foster trust and a sense of closeness with customers, *"dr. Kupi"* frequently uploads content that showcases the drink-making process carried out by its employees. As the owner shared:

"I often record my staff while they're preparing drinks and make videos—sometimes with a bit of parody, of

course, in our signature style, like highlighting our affordable Sanger for only 5,000 rupiah." The owner's direct involvement in content creation, despite its simplicity, adds a personal and authentic touch to the brand. Light parody content is also strategically used to maintain relevance and appeal among younger audiences. This blend of transparency, creativity, and personal storytelling strengthens audience engagement and reinforces the brand's approachable and down-to-earth identity on social media.



Figure 2. Front View of MSME dr. KUPI on Jl. Pasar III, East Medan

The impact of the implemented social media strategies on the popularity of *dr. KUPI* is considerable, further reinforced by its location and public perception. *dr. KUPI* holds an excellent rating of 5.0 out of 5 stars based on 24 reviews on Google Maps (as of data accessed on June 1, 2025), indicating a high level of customer satisfaction. The business is strategically located near several educational institutions, including SMP Pertiwi, SMA Negeri 3 Medan, SMA Dharmawangsa, as well as prominent universities such as Universitas Muhammadiyah Sumatera Utara (UMSU), Universitas Dharmawangsa, and STMIK LOGIKA. This location naturally provides a potential customer base consisting of students and university learners. Furthermore, the owner stated, "Not only do young people often visit this place, but office workers also frequently come here... sometimes, they even hold work meetings at this café." This suggests that *dr. KUPI's* customer reach has extended beyond its initial target demographic, now including professionals and other groups seeking a comfortable space for both leisure and work. The synergistic combination of active digital promotion, product quality, affordable pricing, and a strategic location significantly contributes to the increased popularity and customer traffic at *dr. KUPI*.

Financial Record-Keeping Practices, Understanding of SAK EMKM, and Implications for the Reliability of Financial Statements at *dr. KUPI*

In terms of financial management, *dr. KUPI* is currently in a transitional phase demonstrating an awareness of the importance of record-keeping, yet still facing various practical and conceptual challenges.

1. Financial Recording System: A key finding is the recent adoption of a digital point-of-sale (POS) application, which had only been in use for approximately one month prior to the interview. *"Currently, I use an app... it directly connects to our phone, so we can know today's revenue,"* the Owner explained. This step reflects an initiative to modernize daily transaction recording and facilitate monitoring. Interestingly, however, manual bookkeeping is still maintained. *"For my own records and backup,"* the Owner stated this may be interpreted as a personal control mechanism, a data redundancy effort, or a reflection of an ongoing adaptation period due to limited trust in the accuracy of technology alone.
2. Estimated Financial Performance Based on Dynamic Net Income Projections: To gain a deeper understanding of *dr. Kupa's* actual financial performance, this study references more detailed operational data from January and February 2025. These data, presented in the form of an Income Statement (see Table 1), provide concrete insights into the structure of revenues, cost of goods sold (COGS), and operational expenses. The analysis of these two months' financial reports allows for a preliminary identification of *dr. Kupa's* profitability and operational efficiency.

Table 1 Monthly Net Income of UMKM "dr. Kupa" Period: January 2025 – February 2025

Description	January 2025	February 2025
Revenue		
Food Sales	Rp 17.000.000	Rp 19.000.000
Beverage Sales	Rp 11.500.000	Rp 12.700.000
Total Gross Revenue	Rp 28.500.000	Rp 31.700.000
Cost of Goods Sold (COGS)		
Purchase of Food Ingredients	(Rp 6.800.000)	(Rp 7.600.000)
Purchase of Beverage Ingredients	(Rp 4.000.000)	(Rp 4.400.000)
Gas, Ice, and Other Supplies	(Rp 600.000)	(Rp 680.000)
Total Cost of Goods Sold	(Rp 11.400.000)	(Rp 12.680.000)
Gross Profit	Rp 17.100.000	Rp 19.020.000
Operating Expenses		
Employee Wages (2 people)	(Rp 4.000.000)	(Rp 4.000.000)
Employee Meals & Transportation	(Rp 500.000)	(Rp 500.000)
Rental Costs	(Rp 2.000.000)	(Rp 2.000.000)
Electricity & Water	(Rp 600.000)	(Rp 650.000)
Internet (WiFi)	(Rp 250.000)	(Rp 250.000)
Cleaning & Security	(Rp 50.000)	(Rp 50.000)
Maintenance/Promotion	(Rp 150.000)	(Rp 70.000)
Total Operating Expenses	(Rp 7.550.000)	(Rp 7.520.000)
Net Profit	Rp 9.550.000	Rp 11.500.000

The income statement data for the period of January and February 2025 includes details on gross revenue, cost of goods sold (COGS), and operating expenses. This report enables an initial analysis of cost structure, gross profit margins (approximately 60%), and net profit margins (ranging from 33.5% to 36.3%), indicating a healthy profitability potential for "dr. Kupa." Although the data covers only a two-month period and does not yet account for year-round fluctuations (such as the impact of Ramadan or the planned renovation period), the availability of such detailed information represents a significant step toward a better understanding of operational efficiency. It also serves as a critical foundation for the development of more reliable and comprehensive financial reporting in the future.

Although the presentation of the Income Statement data for January and February 2025 (as shown in Table 1) represents a commendable advancement in detailing revenue and expense components leading to a more transparent calculation of net income further analysis indicates that the overall financial reporting practices of "dr. Kupa" are not yet fully aligned with the requirements set forth in the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM).

One of the fundamental aspects regulated under SAK EMKM (IAI, 2016) is the completeness of the financial statement set, which must at minimum include the Statement of Financial Position (Balance Sheet), the Income Statement, and the Notes to the Financial Statements (CaLK). In the case of "dr. Kupa," although the presented Income Statement (Table 1) contains key components such as detailed revenues and expenses, findings indicate that a comprehensive Statement of Financial Position essential for presenting the enterprise's assets, liabilities, and equity in a structured manner as well as the Notes to the Financial Statements (CaLK), have not yet been formally prepared. In fact, the CaLK plays a crucial role in providing narrative explanations, outlining the basis of report preparation, specifying the accounting policies adopted, and offering further details on the figures presented—all of which are vital for users' proper understanding of the financial statements.

Furthermore, there is a lack of clarity regarding the consistent basis of financial statement preparation applied by "dr. Kupa." Explicit information on whether the business has fully adopted the accrual basis for revenue and expense recognition, or still relies on the cash basis for certain transaction items, has not been clearly disclosed. SAK EMKM does provide flexibility in this regard; however, it emphasizes the importance of clear disclosure in the Notes to the Financial Statements (CaLK) regarding the basis used, including other specific accounting policies such as the inventory valuation method (if material) or the revenue recognition approach none of which have yet been formally identified in the current reporting practice.

The primary underlying factor contributing to these various inconsistencies is the owner's lack of familiarity with the SAK EMKM itself. As revealed during the interview, the owner explicitly stated that they had never heard of the standard. This condition inherently indicates that the current preparation of financial statements although showing improved detail is most likely not based on a conscious understanding and application of the SAK EMKM framework and its provisions. Therefore, it can be concluded that while the financial data presented for January and February 2025 represents a positive step toward greater transparency and detail, several key elements of SAK EMKM remain unfulfilled. These shortcomings are particularly related to the completeness of the financial statement set (specifically the Balance Sheet and Notes to the Financial Statements), as well as the implementation and disclosure of accounting policies in a consistent and standards-compliant manner.

3. Challenges in Financial Management and Reporting

The owner identified several practical challenges, such as potential inaccuracies or discrepancies between the digital application and manual records "*sometimes the system crashes or the figures don't match what's written down*," they explained. Technical issues with the point-of-sale (POS) application were also noted as a concern. More fundamentally, the owner expressed difficulty in accurately determining the actual net profit, stating, "*What I'm still trying to figure out is how to calculate the actual net profit*." This suggests that not all cost components may have been systematically identified and recorded, a common challenge faced by micro, small, and medium enterprises (MSMEs) (Susanti & Ratnasari, 2022).

4. Understanding and Adoption of SAK EMKM

A significant finding is that the owner of "dr. Kupa" openly admitted to having never heard of or being familiar with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). "*I've never heard of that before perhaps because for businesses like small coffee shops, I've never had to use it*," he stated. However, he expressed a willingness to learn more if the standard could demonstrably improve efficiency and benefit the business: "*...but if it could help make financial monitoring more efficient and have a major impact, I might be willing to study it*." This low level of awareness and adoption of SAK EMKM is consistent with various studies conducted in Indonesia (Lestari et al., 2023; Puspitasari & Meutia, 2021), which often attribute the issue to limited dissemination, lack of training, and the perception that the standards are too complex for micro and small enterprises.

**Table 2 Adjusted Income Statement of the MSME "dr. Kupa" to Align with SAK EMKM
Period: January 2025 – February 2025**

Description	January 2025 (Rp)	February 2025 (Rp)	Adjustment Notes
Operating Revenue			
Food Sales	17.000.000	19.000.000	
Beverage Sales	11.500.000	12.700.000	
Total Operating Revenue	28.500.000	31.700.000	
Cost of Goods Sold (COGS)			
Food Raw Materials			
Beginning Inventory of Food Raw Materials	800.000	1.000.000	The beginning inventory for February is the ending inventory value of January.
Purchases of Food Raw Materials	6.800.000	7.600.000	
Food Raw Materials Available for Sale	7.600.000	8.600.000	
Ending Inventory of Food Raw Materials	(1.000.000)	(1.200.000)	The ending inventory value for the month is based on physical counting (stock opname) and the applied valuation method.
Cost of Goods Sold – Food	6.600.000	7.400.000	
Beverage Raw Materials			
Beginning Inventory of Beverage Raw Materials	500.000	600.000	
Purchases of Beverage Raw Materials	4.000.000	4.400.000	
Beverage Raw Materials Available for Sale	4.500.000	5.000.000	

Ending Inventory of Beverage Raw Materials	(600.000)	(700.000)	
Cost of Goods Sold – Beverages	3.900.000	4.300.000	
Other Direct Costs (Gas, Ice, etc.)	600.000	680.000	Includes costs directly related to production/sales other than the main raw materials.
Total Cost of Goods Sold	11.100.000	12.380.000	
Gross Profit	17.400.000	19.320.000	
Operating Expenses			Expense grouping is done to enhance clarity and analysis.
Employee Salaries and Welfare Expenses	(4.500.000)	(4.500.000)	A combination of employees' basic salaries and meal and transportation allowances.
Rental Expenses	(2.000.000)	(2.000.000)	Monthly rental cost of the business premises.
Utilities Expenses (Electricity, Water, Internet)	(850.000)	(900.000)	A combination of costs for electricity, water, and internet (WiFi) usage.
Cleaning and Security Expenses	(50.000)	(50.000)	Routine costs for maintaining cleanliness and contributing to environmental security.
Marketing and Promotion Expenses	(150.000)	(70.000)	Expenses incurred for marketing and business promotion activities.
Depreciation Expenses	(200.000)	(200.000)	Allocation of acquisition costs of fixed assets (e.g., equipment, initial renovations) over their useful life. Detailed calculations are based on the asset list and depreciation policies.
Total Operating Expenses	(7.750.000)	(7.720.000)	
Operating Profit (Loss) Before Tax	9.650.000	11.600.000	
Income Tax Expense	(0)	(0)	Micro, Small, and Medium Enterprises (MSMEs) with turnover exceeding a certain

threshold may be subject to a final income tax (PPh Final) of 0.5% on gross turnover. This applies if the cumulative gross turnover in the relevant year has exceeded IDR 500 million.

Net Profit (Loss) for the Current Period	9.650.000	11.600.000
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The presentation of the report as illustrated in Table 2 deliberately attempts to group income and expense accounts more systematically while introducing fundamental accounting concepts such as the calculation of Cost of Goods Sold (COGS) by considering inventory mutations (beginning and ending) and the recognition of Depreciation Expense for fixed assets. This clearly demonstrates how financial information that may have previously been scattered or recorded in a simplistic manner can be restructured to provide a far more comprehensive and analytical view of business performance. Grouping operating expenses into more specific categories such as Employee Salaries and Welfare Expenses, Rent Expenses, Utilities Expenses, and Marketing Expenses enables the owner to identify key expenditure areas and perform more effective cost trend analyses. Furthermore, by accounting for beginning and ending inventory values in the COGS calculation, the resulting Gross Profit Report becomes more accurate, reflecting the true margin from product sales after considering the direct costs of raw materials sold. The introduction of the Depreciation Expense item, although in this table its value remains a placeholder, is crucial because it recognizes that fixed assets used in business operations (such as cooking equipment, furniture, or even renovations) have limited useful lives and their values decline over time. Recognizing this expense provides a more realistic profit depiction and reflects the consumption of the economic benefits of those assets.

Although it is important to emphasize that this table remains illustrative—created by the author after studying several examples of circulated financial reports and attempting to align them with the basic principles of SAK EMKM it requires actual data and careful calculation for several key components, particularly accurate inventory values through routine stock opname and consistent valuation methods, as well as depreciation expense calculations for fixed assets based on acquisition cost, estimated useful life, and appropriate depreciation methods. It functions as an important conceptual bridge between the current recording practices at “dr. Kupi” and a more standardized and informative reporting format. By examining such a structure, the Owner can begin to envision how daily transaction data can be processed into information that holds deeper meaning for performance evaluation and strategic planning. Beyond merely the final net profit

figure, a structured report enables simple financial ratio analyses (e.g., COGS to revenue ratio, operating expenses to revenue ratio) that can serve as indicators of the business's financial health. Ultimately, full implementation of SAK EMKM not only improving the Income Statement but also involving the preparation of the Statement of Financial Position, which reflects the condition of assets, liabilities, and equity at a given point in time, as well as Notes to the Financial Statements that provide detailed explanations and accounting policies applied will significantly enhance the reliability, comparability, and usefulness of financial information. This standardized information is not only vital for the Owner in making smarter, well-informed business decisions but also crucial in building credibility and transparency with external parties such as financial institutions when applying for funding, potential investors, or even for fulfilling tax obligations more accurately.

5. Perception of the Importance of Financial Recording

Despite limitations in practice and understanding of formal standards, the Owner possesses a strong awareness of the critical importance of proper financial recording for business continuity. *"Oh, it's very important because finances are the riskiest aspect in a business... if you can't manage it, your business might even shut down,"* he emphasized. This awareness also extends to the importance of financial records in building trust with external parties, such as suppliers, who may require sales data for cooperation.



Figure 3. Interview Process with the Owner of dr. Kupa

CONCLUSION

This qualitative research, employing a case study approach on the MSME "dr. Kupa", concludes that the strategic and creative use of social media particularly Instagram has proven to be significantly effective in increasing popularity, expanding customer reach (including students, university students, and office workers), and fostering community engagement. This is achieved through highlighting the uniqueness of its products (such as its signature *Nasi Goreng Kampung* based on a family recipe and affordable *Sanger Pancong*), promoting a variety of menu items, and organizing interactive events such as public viewings. These findings enrich the understanding of the multifaceted role of social media for urban culinary MSMEs. On the other hand, in terms of

financial management, "dr. Kupa" demonstrates a transitional phase by beginning to adopt digital cashier applications and successfully presenting relatively detailed monthly income statements. Nevertheless, the overall financial reporting practices have yet to fully comply with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), particularly regarding the completeness of the financial statement set (the Statement of Financial Position and Notes to the Financial Statements are still absent) and the Owner's formal understanding of the standards, despite showing a high intuitive awareness of the importance of accurate financial records and an openness to learn about SAK EMKM. The gap between the ability to present detailed operational data and the application of formal accounting standards highlights the need for educational interventions and the development of more integrated tools tailored for MSMEs.

This study contributes to the literature by showing that digital popularity and the availability of detailed transaction data provide a strong foundation, yet do not guarantee the adoption of SAK EMKM without adequate understanding and assistance. The limitation of this single-case study opens opportunities for further exploration involving more diverse samples. Based on the research findings, it is recommended that the Owner of "dr. Kupa" utilize the existing detailed financial data (Income Statements for January–February 2025) as a basis to learn and gradually adopt SAK EMKM more comprehensively. The next steps may include preparing a simple Statement of Financial Position, initiating the drafting of Notes to the Financial Statements, and conducting regular stock opname to ensure accuracy in Cost of Goods Sold and depreciation calculations for fixed assets. The Owner's openness to learning should be followed by actively seeking information or mentorship related to SAK EMKM. For academics and policymakers, it is advised to intensify outreach and training programs on SAK EMKM that are practical and relevant to the daily operations of culinary MSMEs, as well as to encourage the development or promotion of MSME accounting applications that not only record transactions but can also generate a complete set of financial statements in compliance with SAK EMKM with minimal input. Future research may focus on evaluating the effectiveness of various SAK EMKM implementation assistance models for digitally active MSMEs, conducting comparative analyses of financial practices between MSMEs that have and have not adopted SAK EMKM, and developing models that integrate social media marketing data with MSME accounting information systems to support more holistic decision-making.

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