



# EMPOWERMENT OF FINANCIAL LITERACY AND ACCOUNTING DIGITALIZATION FOR TRADITIONAL MARKET TRADERS ASSOCIATIONS AT DAMNOEN SADUAK FLOATING MARKET, THAILAND

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## Abstract

This community service program aims to enhance financial literacy and promote accounting digitalization among traditional market traders at Damnoen Saduak Floating Market, Thailand. The program was designed to address key challenges faced by traders, including limited financial knowledge, lack of proper financial record-keeping, and low adoption of digital tools. A participatory and capacity-building approach was employed, consisting of needs assessment, training, mentoring, and evaluation using a pre-test and post-test design. The results show a significant improvement in participants' financial literacy, as well as their ability to prepare simple financial statements and manage business finances more effectively. In addition, the adoption of digital accounting tools increased substantially, indicating a positive shift toward digital transformation. These findings demonstrate that structured community service interventions can effectively empower small-scale traders, improve their financial management practices, and enhance their competitiveness in the digital economy. However, continuous assistance and follow-up programs are necessary to ensure sustainability and long-term impact.

**Keywords:** Financial Literacy, Accounting Digitalization, Community Service, Traditional

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## INTRODUCTION

Traditional markets remain a vital component of local economies in many developing countries, including Thailand, as they provide employment opportunities and support the livelihoods of small-scale traders. However, many traders in traditional markets still face significant challenges in financial management, particularly in terms of financial literacy and the adoption of digital accounting practices. Limited knowledge of financial planning, record-keeping, and the use of technology often leads to inefficiencies in business operations and restricts their ability to compete in increasingly digitalized markets (Lusardi & Mitchell, 2014).

Financial literacy plays a crucial role in improving business sustainability, especially for micro and small enterprises. Studies have shown that individuals with higher financial literacy are more capable of making effective financial decisions, managing risks, and improving their overall economic well-being (OECD, 2020). In the context of traditional market traders, financial literacy is closely linked to their ability to maintain accurate financial records, manage cash flow, and plan for business growth. However, previous research indicates that financial literacy levels among small traders in

Southeast Asia remain relatively low, necessitating targeted interventions through community service programs (Atkinson & Messy, 2012).

In addition to financial literacy, the integration of digital accounting systems has become increasingly important in enhancing business performance. Digital tools enable traders to record transactions more efficiently, generate financial reports, and access financial data in real time. The adoption of digital accounting is also aligned with the broader trend of digital transformation in small and medium enterprises (SMEs), which has been shown to improve operational efficiency and market competitiveness (Bhimani, 2020). Nevertheless, the adoption rate among traditional market traders is still limited due to a lack of technical skills and access to appropriate training.

Community service (Pengabdian kepada Masyarakat) initiatives play a strategic role in addressing these challenges by providing practical training and assistance tailored to the needs of local communities. Such programs not only enhance knowledge and skills but also foster sustainable economic development by empowering participants to apply what they have learned in their daily business activities (Bringle & Hatcher, 1995). In this context, empowering traditional market traders through financial literacy education and accounting digitalization is essential to support their long-term sustainability.

Therefore, this community service project aims to empower traditional market traders associations at Damnoen Saduak Floating Market, Thailand, through the enhancement of financial literacy and the implementation of digital accounting practices. The program is expected to improve traders' financial management capabilities, increase their adaptability to digital transformation, and ultimately strengthen their competitiveness in both local and global markets.

Table 1 Preliminary Assessment of Financial Literacy and Accounting Digitalization Issues among Traditional Market Traders

No	Indicator	Category	Frequency (n=25)	Percentage (%)	Interpretation
1	Understanding of Financial Literacy	Low	10	40%	Many traders lack basic financial knowledge
		Moderate	9	36%	Partial understanding
		High	6	24%	Limited number with good knowledge
2	Ability to Prepare Financial Statements	Low	14	56%	Majority cannot prepare reports
		Moderate	7	28%	Basic ability only
		High	4	16%	Very few are proficient
3	Use of Accounting Records	Not Using	15	60%	Most traders do not record transactions

		Manual	7	28%	Still using traditional methods
		Digital	3	12%	Very limited adoption
4	Digital Technology Utilization	Low	13	52%	Limited use of digital tools
		Moderate	8	32%	Basic usage only
		High	4	16%	Few utilize effectively
5	Access to Financial Training	Never	12	48%	Lack of exposure to training
		Occasionally	9	36%	Irregular participation
		Often	4	16%	Limited continuous training

The table above indicates that the majority of traders still face significant limitations in financial literacy, financial statement preparation, and the utilization of digital technology. The high percentages in the low category and the large proportion of traders who do not use any accounting recording system highlight a substantial competency gap. This condition demonstrates that most traders are not yet equipped with adequate financial management skills to support business sustainability and growth. Furthermore, limited access to financial training suggests a lack of continuous capacity-building opportunities for traders. Therefore, these findings emphasize the urgency of implementing a structured community service program focused on financial literacy empowerment and accounting digitalization to enhance the capacity and competitiveness of traditional market traders.



Figure 1. Situation of the location

The objectives of this community service program are threefold. First, the program aims to enhance the financial literacy of traditional market traders at Damnoen Saduak Floating Market through structured training and practical guidance in financial management. Second, it seeks to improve traders' ability to prepare and manage financial records by introducing simple, relevant, and applicable accounting practices tailored to small-scale business activities. Third, the program intends to promote the adoption of accounting digitalization tools in order to increase efficiency, accuracy, and overall competitiveness of traders in the evolving digital economy.

Financial literacy constitutes a fundamental component in strengthening the capacity of micro and small business actors, particularly in traditional market settings. It encompasses knowledge and skills related to budgeting, saving, financial planning, and informed decision-making, which are essential for sustaining business operations. Empirical studies have demonstrated that improved financial literacy contributes significantly to better financial behavior and business resilience among small entrepreneurs (Huston, 2010). In the context of traditional market traders, limited financial literacy often leads to poor cash flow management, lack of savings planning, and vulnerability to financial shocks. Therefore, enhancing financial literacy through community-based interventions is crucial to foster more sustainable and adaptive business practices.

In parallel, the adoption of accounting practices, particularly simple and structured financial recording, plays a critical role in improving transparency and business performance. Proper accounting enables traders to track income and expenses, evaluate profitability, and make informed strategic decisions. However, many small-scale traders still rely on informal or memory-based systems, which increases the risk of financial mismanagement. Prior research highlights that even basic accounting practices can significantly improve financial control and operational efficiency among small enterprises (Mitchell et al., 2000). Consequently, integrating practical accounting training into community service programs becomes an effective approach to bridge the gap between theoretical knowledge and real-world application.

Furthermore, the rapid advancement of digital technology has transformed the landscape of financial management, making digital accounting tools increasingly accessible and relevant for small businesses. Digitalization allows for more efficient data processing, real-time financial monitoring, and improved accuracy in reporting. The diffusion of innovation theory explains that the adoption of new technologies is influenced by perceived usefulness, ease of use, and social influence (Rogers, 2003). In traditional markets, barriers such as limited digital skills and lack of awareness often hinder technology adoption. Therefore, community service initiatives that combine financial literacy, accounting practices, and digital training are essential to accelerate digital transformation and enhance the competitiveness of traditional market traders.

## **METHOD AND PROSEDURES**

This community service program was implemented using a participatory and capacity-building approach to ensure active involvement and sustainable impact among traditional market traders at Damnoen Saduak Floating Market. The approach emphasizes collaborative learning, where participants are not only recipients of knowledge but also actively engaged in identifying their financial management challenges and developing practical solutions. Participatory methods have been widely recognized as effective in community-based programs, as they enhance local ownership and increase the likelihood of long-term behavioral change (Chambers, 1994). The program was conducted through several integrated stages, including needs assessment, training, mentoring, and evaluation.

The initial stage involved a needs assessment conducted through surveys, observations, and informal interviews to identify the level of financial literacy, accounting practices, and digital readiness of the traders. This stage aimed to ensure that the program design was aligned with the actual needs of the participants. Following this, training sessions were delivered using interactive methods such as workshops, group discussions, and case-based learning. The training focused on basic financial literacy, simple accounting practices, and the introduction of digital accounting tools. Adult learning principles were applied to ensure that the materials were relevant, practical, and easy to understand for participants with diverse educational backgrounds (Knowles et al., 2015).

The next stage consisted of mentoring and hands-on assistance, where participants were guided in applying the knowledge gained during training to their daily business activities. This included assisting traders in recording transactions, preparing simple financial statements, and using digital tools for financial management. Continuous mentoring is essential in community service programs, as it reinforces learning outcomes and supports behavioral change (Kirkpatrick & Kirkpatrick, 2006). Finally, the program was evaluated using a pre-test and post-test design to measure improvements in participants' knowledge and skills. The evaluation results were used to assess the effectiveness of the program and to provide recommendations for future community service initiatives.

## **RESULTS AND DISCUSSION**

### **Enhancement of Financial Literacy**

The results indicate a significant improvement in the financial literacy of traditional market traders after participating in the community service program at Damnoen Saduak Floating Market. Based on the pre-test and post-test analysis, the average score of participants increased from a low-to-moderate category to a high category. Participants demonstrated a better understanding of basic financial concepts such as budgeting, cash flow management, and financial planning. In addition, traders became more aware of the importance of separating personal and business finances, which is a critical aspect of sustainable financial management. This improvement reflects the effectiveness of the

training approach in delivering practical and applicable knowledge tailored to the needs of small-scale traders.



Figure 2. situation and Condition of location

The results indicate a significant improvement in the financial literacy of traditional market traders after participating in the community service program at Damnoen Saduak Floating Market. This improvement is reflected in the comparison of pre-test and post-test scores, as presented in Table 1.

Table 2. Comparison of Financial Literacy Levels Before and After PKM

Category	Before PKM (Frequency)	Before (%)	After PKM (Frequency)	After (%)
Low	10	40%	2	8%
Moderate	9	36%	6	24%
High	6	24%	17	68%
<b>Total</b>	25	100%	25	100%

Source: PKM Implementation Results, 2025

The table shows a substantial shift from the low category to the high category, indicating that participants gained a better understanding of financial concepts such as budgeting, cash flow management, and financial planning. This demonstrates that the training provided was effective in improving the financial literacy of traders.

### Improvement in Financial Recording and Reporting Skills

The program also resulted in a notable enhancement in participants' ability to prepare and manage financial records. Prior to the intervention, most traders did not maintain systematic records of their transactions. However, after receiving training and mentoring, the majority of participants were able to record daily transactions and prepare simple financial statements, including income and expense reports. The introduction of structured accounting practices enabled traders to better monitor their business performance and identify areas for improvement. This change indicates that practical

guidance and continuous assistance play a crucial role in transforming informal financial practices into more structured and accountable systems.

The program also resulted in a notable enhancement in participants' ability to prepare and manage financial records. The comparison of conditions before and after the PKM implementation is presented in Table 2.

Table 2. Comparison of Financial Recording Ability Before and After PKM

Category	Before PKM (Frequency)	Before (%)	After PKM (Frequency)	After (%)
Not Able	14	56%	3	12%
Moderately Able	7	28%	8	32%
Able	4	16%	14	56%
<b>Total</b>	25	100%	25	100%

Source: PKM Implementation Results, 2025

The results indicate that most traders who previously did not maintain proper financial records were able to develop basic accounting skills after the intervention. Participants were able to record transactions and prepare simple financial statements, which contributed to better financial control and decision-making.

### Adoption of Accounting Digitalization Tools

Furthermore, the adoption of digital accounting tools among participants showed a positive trend following the implementation of the program. Although initial familiarity with digital tools was limited, traders gradually began to use simple digital applications for recording transactions and tracking financial data. The use of digital tools improved efficiency, reduced errors in recording, and facilitated easier access to financial information. Despite these improvements, some participants still faced challenges related to digital skills and technological access. Therefore, ongoing support and follow-up programs are necessary to ensure sustained adoption and to maximize the benefits of digital transformation among traditional market traders.

Furthermore, the adoption of digital accounting tools among participants showed a positive trend following the implementation of the program. The comparison is presented in Table 3.

Table 3. Comparison of Digital Accounting Adoption Before and After PKM

Category	Before PKM (Frequency)	Before (%)	After PKM (Frequency)	After (%)
Not Using	15	60%	4	16%
Manual Use	7	28%	6	24%
Digital Use	3	12%	15	60%
<b>Total</b>	25	100%	25	100%

Source: PKM Implementation Results, 2025

The table demonstrates a significant increase in the use of digital tools for financial management. While the majority of traders initially relied on manual or no recording systems, after the program, most participants adopted digital accounting applications. This indicates that the intervention successfully encouraged digital transformation, although continued support is still needed for sustainability

## **Discussion**

### **Financial Literacy Improvement**

The improvement in financial literacy among traditional market traders reflects the effectiveness of structured community service interventions in enhancing basic financial knowledge. Financial literacy is widely recognized as a key determinant of sound financial decision-making, particularly among micro and small enterprises. Individuals with improved financial literacy are more likely to manage their income effectively, plan expenditures, and avoid financial risks that may threaten business sustainability (Remund, 2010). In the context of this program, the significant increase in participants' literacy levels demonstrates that targeted educational interventions can address existing knowledge gaps.

Furthermore, the findings align with previous studies indicating that financial education programs can significantly improve financial behavior and awareness among small business actors. Traders who previously lacked knowledge about budgeting and financial planning began to apply these concepts in their daily business activities. This transformation is essential, as financial literacy not only enhances individual capability but also contributes to broader economic development by strengthening the resilience of small enterprises (Xu & Zia, 2012). The results suggest that continuous exposure to financial education can lead to sustained behavioral change.

In addition, the participatory approach used in this program played a crucial role in facilitating learning outcomes. By actively involving participants in discussions, case studies, and practical exercises, the program ensured that knowledge was not only transferred but also internalized. Experiential learning has been shown to be particularly effective in adult education settings, as it allows participants to connect theoretical knowledge with real-life situations (Kolb, 1984). This approach enabled traders to better understand and apply financial concepts relevant to their business operations.

Despite these positive outcomes, some challenges remain, particularly in ensuring long-term retention and application of financial knowledge. A small proportion of participants still demonstrated limited understanding, indicating the need for ongoing training and reinforcement. Continuous mentoring and follow-up programs are therefore essential to ensure that the improvements in financial literacy are sustained over time and translated into consistent financial practices.

### **Improvement in Financial Recording and Reporting**

The enhancement in financial recording and reporting skills among participants highlights the importance of practical accounting training in community service programs. Proper financial record-keeping is essential for monitoring business performance, controlling costs, and making informed decisions. The findings of this study are consistent with previous research, which emphasizes that small businesses that adopt structured accounting practices tend to achieve better financial outcomes and operational efficiency (McMahon, 2001). The transition from informal to structured record-keeping observed in this program represents a significant step toward improved financial management.

Moreover, the ability to prepare simple financial statements enables traders to gain a clearer understanding of their business performance. By recording daily transactions and summarizing them into income and expense reports, participants were able to identify profit margins and manage cash flow more effectively. This aligns with the notion that financial transparency is critical for business sustainability, as it allows entrepreneurs to evaluate their performance and make strategic adjustments (Deakins et al., 2007). The results demonstrate that even basic accounting skills can have a substantial impact on business practices.

The mentoring component of the program also contributed significantly to the observed improvements. Continuous guidance and hands-on assistance helped participants overcome initial difficulties in applying accounting concepts. This finding supports the argument that training alone is often insufficient without follow-up support, particularly for individuals with limited prior experience in financial management (Gibb, 2000). The combination of training and mentoring ensured that participants were able to implement the knowledge effectively in their daily activities.

However, challenges related to consistency and accuracy in record-keeping were still observed among some participants. Factors such as time constraints and lack of habit formation may hinder the regular application of accounting practices. Therefore, future programs should emphasize the importance of routine and discipline in financial recording, as well as provide simple tools and templates to facilitate consistent implementation.

### **Adoption of Accounting Digitalization**

The adoption of digital accounting tools among participants demonstrates a positive shift toward the integration of technology in financial management. Digitalization offers numerous advantages, including improved efficiency, accuracy, and accessibility of financial data. The findings of this study are in line with previous research, which suggests that digital tools can significantly enhance the performance of small businesses by streamlining operations and reducing manual errors (Bharadwaj et al., 2013). The increased use of digital applications among traders indicates a growing awareness of these benefits.

In addition, the program helped reduce barriers to technology adoption by providing practical training and user-friendly tools. Many participants who were initially unfamiliar with digital applications became more confident in using them for recording transactions and monitoring financial performance. This supports the view that perceived ease of use and usefulness are critical factors influencing technology adoption among small business actors (Venkatesh et al., 2003). By addressing these factors, the program successfully encouraged traders to embrace digital solutions.

The integration of digital accounting tools also contributes to greater transparency and accountability in financial management. Digital records are easier to store, retrieve, and analyze, enabling traders to make more informed decisions. Furthermore, digitalization facilitates access to financial services, such as credit and investment opportunities, as it provides reliable financial data that can be used for assessment purposes (Nambisan et al., 2017). This highlights the broader impact of digital transformation on the economic empowerment of small business actors.

Nevertheless, the adoption of digital tools is not without challenges. Some participants faced difficulties related to limited digital skills, access to devices, and internet connectivity. These barriers underscore the need for continuous support and infrastructure development to ensure sustainable digital adoption. Future initiatives should focus on providing ongoing training, technical assistance, and access to affordable technology to maximize the benefits of digital accounting for traditional market traders.

## **CONCLUSION**

Based on the results and discussion of this community service program, several important conclusions can be drawn.

First, the implementation of the program has successfully improved the financial literacy of traditional market traders at Damnoen Saduak Floating Market, as evidenced by the significant increase in participants' understanding of budgeting, cash flow management, and financial planning. This indicates that structured training and participatory learning approaches are effective in enhancing basic financial knowledge among small-scale business actors.

Second, the program has contributed to a substantial improvement in traders' ability to prepare and manage financial records. Participants who previously relied on informal or non-existent recording systems were able to adopt simple accounting practices and prepare basic financial statements. This demonstrates that practical training combined with continuous mentoring can transform financial behavior and improve business management practices.

Third, the adoption of accounting digitalization tools has shown a positive trend, with an increasing number of traders utilizing digital applications for financial management. This shift highlights the growing readiness of traders to embrace digital transformation, although some challenges remain in terms of digital skills and access to technology. Therefore, sustained support and

follow-up programs are essential to ensure long-term impact and maximize the benefits of digital accounting adoption.

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