

Triple Bottom Line Study: Sustainability, Technology Utilization, and Social Media Effectiveness in MSMEs: A Case Study of MSMEs in Cirebon Regency

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ABSTRACT

Micro, Small and Medium Enterprises are a business unit that dominates the activities of the current economic sector, so its sustainability needs to be considered. Along with its development, business actors are required to not only pay attention to profits, but also to pay attention to the environment and society. This is in line with the Triple Bottom Line (TBL) concept which has a tendency to measure business sustainability through three approaches, namely economic, environmental and social. This research was conducted to examine whether the Triple Bottom Line concept has been widely carried out by MSME actors, especially those in Cirebon district, by supporting the Triple Bottom line which includes sustainability, technology utilization, and social media effectiveness.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are widespread throughout the world's industries including Indonesia and play an important role in their contribution to economic development by creating jobs, poverty alleviation, and innovation (Telukdarie et al., 2022). Basically, MSMEs are small businesses operated by individuals or groups, where they operate with each other on a local scale and produce a variety of products and services, both traditional and modern (Vinatra et al., 2023). Business activities strive to increase the strength and level of welfare in the community, and with the existence of MSMEs, it is hoped that it can provide innovation for individuals to innovate and create and develop their skills, and is expected to expand business networks in all economic sectors.

The urbanization track has increased public awareness of natural resource consumption in all industries. This also applies to MSME actors, where currently business people are not only focusing on their income at that time, but also paying attention to the sustainability of their business and its role in the social environment. The economy is one of the fastest-growing parts of the world, especially in the economic sector, not only in terms of contribution to GDP but also in terms of employment and export income (Hasan et al., 2021).

The Triple Bottom Line (TBL) concept evolved to support the realization of sustainable development. The TBL terminology, which was famously coined by Elkinton in the 90s, began as an accounting framework that sought to include environmental and social aspects (Goh et al., 2020). TBL is an important factor that needs to be used as a benchmark for businesses, taking into account not only financial aspects but also social and environmental impacts, both beneficial and unprofitable for businesses is an important factor that needs to be used as a benchmark for businesses, taking into account not only financial aspects but also social and environmental impacts, both beneficial and unprofitable for businesses (Hidayat, 2023). This framework is also known as the 3Ps: People, Planet, and Profit. The point is that TBL can bring success or health of a company which can be measured not only by looking at its traditional financial benefits, but also based on its social/ethical performance, and also its environment.

Business sustainability must ensure the realization of environmental, social, and economic sustainability in a balanced and optimal manner, without one pillar dominating the other (Goh et al., 2020). Sustainability is in line with the concept of TBL, where here entrepreneurs know how their MSMEs can survive and continue to grow in the long term, as well as provide benefits to the surrounding environment, and positively affect social conditions in the local community.

Entering the 21st century, entrepreneurs, including MSMEs, face many serious challenges and very fierce competition. The number of continuous consumer orientations towards high-quality but low-cost products (Heriyani et al., 2019), making entrepreneurs, including MSMEs, experience difficulties, therefore an innovation is needed to provide solutions to complaints submitted by consumers. Innovation is the key to success in facing challenges, currently what can help MSME competition in their business operations is technology

innovation. Technology has important implications for long-term competitiveness and profitability (Heriyani et al., 2019). The development of information and communication technology opens up new opportunities for MSME actors to improve operational efficiency, reach a wider market and increase market competitiveness, generate new and better income and sustainable progress.

In addition to technology that continues to develop and helps in increasing profitability for MSMEs, currently there are also many online media that can help to further increase income and carry out social activities related to the marketing process for MSMEs by utilizing technology itself. In this digital era, social media has become an important and useful online platform in marketing and interaction with customers. Where social media can be used by most MSMEs to make personal contact with customers, promote or advertise, as well as record customer needs, and also convey responses to customers (Hartanto, 2022). In addition, business people and MSME actors can also find out what complaints are experienced by their consumers without having to face each other and without being limited by distance and time

By combining an in-depth analysis of all three aspects (sustainability, technology utilization, and social media effectiveness), this study aims to provide a comprehensive understanding of how MSMEs can improve their performance through the Triple bottom-line approach. Through a case study in Cirebon Regency, this research is expected to provide practical insights and valuable policy recommendations for stakeholders, both in terms of the government, academics, and business people, to support the development of sustainable, technological, and effective MSMEs in the use of social media.

LITERATURE REVIEW

Modern/New Economic Growth Theory

The stages of small and medium enterprise (SME) growth can be categorized in various ways. One commonly used framework is the following stages: Existence, Survival, Success, Takeoff, and Maturity. These stages reflect the various challenges and achievements that SMEs typically experience as they grow. For example, the "Existence" stage is characterized by a focus on customer search and registration, while the "Survival" stage involves worrying about making enough money to break even. Understanding these stages can be beneficial for entrepreneurs, policymakers, and other stakeholders involved in supporting the growth and sustainability of SMEs.

Prof. Simon Kuznet explained economic growth as a long-term increase to provide various kinds of economic goods that continue to increase to the public (Gramedia). A country's economy can be said to grow when the economic activities of its people have a direct impact on the increase in the production of goods and services.

The theory supported by Walt Whitman Rostow in his book entitled "The Stages of Economic Growth" has 5 stages in economic growth, namely:

- Traditional society is the stage where production activities are still simple just to meet the needs of one's own life

- Pre-takeoff, which is the stage where society is in a transition process by applying modern science to production in agriculture and industry
- Takeoff, which is the stage where society strengthens and encourages economic growth at large by making effective investments and productive savings
- The drive towards maturity, which is the stage when the economy grows regularly and the business field continues to increase in tandem with the application of modern technology. In addition, effective investment and savings increased by up to 20 percent.
- High consumption, which is the stage where the industrial sector is the leading sector. Real income per capita continues to increase so that some people experience an increase in consumption that exceeds the needs of basic materials.

Sustainability

Sustainability is the ability or effort to keep the business going from time to time in the long term by involving strategies and practices that support long-term business growth by paying attention to its impact. The concept of sustainability is generally based on three aspects: economic, social, and environmental also called the "Triple Bottom Line" (TBL), as put forward by Elkington (1994, 1998).

According to the United Nations Conference on the environment and development it explains that "Development that meets the needs of the present without sacrificing the ability of future generations to meet their own needs, taking into account environmental, economic and social aspects in a balanced manner".

According to the World Business Council for Development and Sustainability (WBCSD), "Development that exceeds current needs without sacrificing the ability of future generations to meet their own needs, by considering environmental, social, and economic aspects at the same time".

Finding the definition above, it can be concluded that sustainability is important for the sustainability of a business or MSME. There is a positive relationship between social capital and MSME empowerment in which there is financial, network and moral support obtained so that it can support the sustainability of MSMEs (Resty et al., 2022). On the other hand, the concept of sustainability is also in line with the Triple Bottom Line concept where sustainability also emphasizes three aspects, namely environmental, social, and economic at the same time without emphasizing only one aspect. Business sustainability also creates systematic development and development for business continuity in the long term.

Utilization of Technology

Digital transformation is a fundamental change process, which is made possible by the use of innovative digital technologies accompanied by the strategic utilization of key resources and capabilities (Costa Melo et al., 2023)

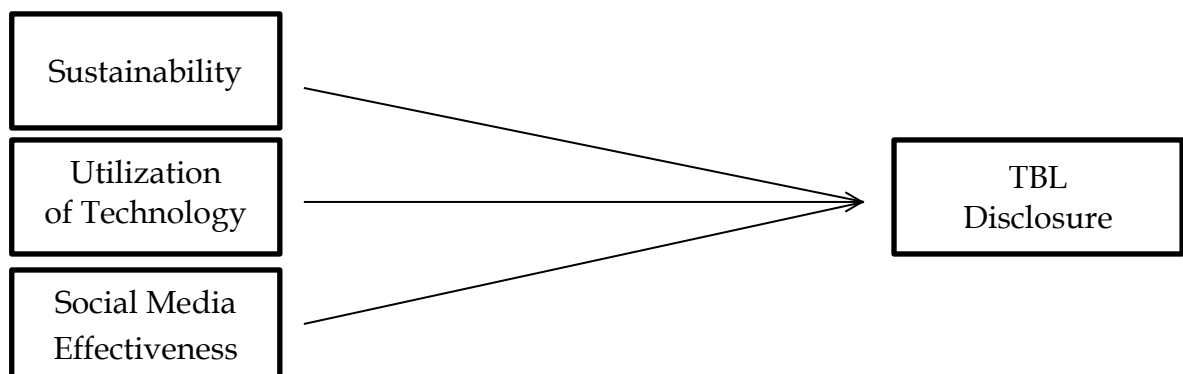
According to Barniker (1987) Technology is a knowledge in which there are methods, art, and ways of working to build the world. Currently, many technologies have been used to facilitate various activities carried out. , Technology is a tool to make it easier for people to utilize the resources needed (B. Rahardjo, Budi; Khairul, 2019). The use of technology involves the integration of tools and technological innovations in aspects of life and business, technology is a tool that aims to simplify and increase effectiveness by providing a large impact with minimal or little manpower. The rapid development of the internet has given birth to various innovations, including financial technology to meet the needs of (B. Rahardjo, Budi; Khairul, 2019).

The use of technology is one of the new business developments, where business actors or MSMEs can take advantage of technology to develop their businesses more widely. Related to the Triple Bottom Line concept where the use of technology includes advances in environmental aspects, where the environmental aspect emphasizes business actors not to harm the people who live around the business environment. With developing technology, business operators or MSMEs can minimize or even not harm the community, because the process of using technology does not have to involve the surrounding environment for the operation process.

Social Media Effectiveness

Social media can be understood as a digital platform that provides facilities to socialize and expand social interaction between each other which is carried out online, social media allows everyone to interact without measuring distance and without time limits. There are many positive impacts produced by social media if we can use it well, for example marketing, trade, to find connections, and to expand friendships.

The popularity of social media has created a new paradigm of e-commerce called social commers (Hartanto, 2022). Social media marketing is influenced by the use of ease of use and cost, In social media users can share information in following, making friends or can be seen publicly (Alimul, Nanik, 2021). Key factors include relevant content strategies, audience engagement and quick responses to feedback. MSMEs see opportunities in the use of social media marketing for better productivity and improved MSME performance(Kraus et al., 2019). This is related to the formation of social at large, imkm actors can sell their products with an even greater reach.



METHODOLOGY

This research was carried out in Cirebon Regency, Cirebon Regency was chosen because of the number of MSMEs that are widespread, both those that are just running and those that have been running for generations, on the other hand there are also many MSMEs in Cirebon Regency whose development is by utilizing technology and social media which makes us more interested in researching because it is in line with the concept that we will research, namely the Triple Bottom Line concept.

The data used in this study is primary data or surveys, namely by sending or distributing questionnaires to MSMEs. The survey method is used systematically, factually, and accurately on the facts and characteristics of the population in certain areas (Karimudin A, et al. 2022). Questionnaire is an information gathering technique that allows to analyze or study the attitudes, beliefs, behaviors, and characteristics of several people in an organization who are affected by a proposed or existing system (Ir. Syofian, 2013). The sample in this study is MSME actors in Cirebon Regency by spreading around 100 questionnaires.

The type of method used in this study is a quantitative method in the form of the results of a questionnaire using the Validity and Reliability Test, the Classical Assumption Test. The validity test is a test used to determine and test the accuracy and determination of a measuring instrument to be used as a measure of something that should be measured (Rosita et al., 2021).

No	VARIABLE	INDICATORS
1	Sustainability	1. Business Developenr 2. Management Ability 3. Product Strategy and Promotion
2	Utilization of Technology	1. Technologies used 2. Digital Marketing
3	Social Media Effectiveness	1. Innovation Ability 2. Reach and Impact 3. Post Frequency
4	Triple Bottom Line	1. Revenue and Net Profit 2. Environmental Compliance 3. Customer Satisfaction

RESEARCH RESULT

Validity and Reliability Test

Validity Test

To find out the validity of the questionnaire

Basis for Taking Pearson Validity Test

Comparison of R Calculated Value with R Table

1. If the value of $r_{table} \geq$ Valid
2. If the value of r calculates $< r_{table}$ = invalid

$n=100$ DISTRIBUTION VALUE OF 5% SIGNIFICANCE TABLE WHICH is 0.195.

Viewing Significance Values (Sig)

1. If the significance value < 0.05 = Valid
2. If the significance value > 0.05 = Invalid

Summary

Variable Validity Table X1

No Item	Distribution of RTABLE Values of 5% Significance	Pearson Correlation (r hitung)	Information
Item 1	0.195	0.758	Valid
Item 2	0.195	0.786	Valid
Item 3	0.195	0.841	Valid
Item 4	0.195	0.869	Valid
Item 5	0.195	0.836	Valid

Variable Validity Table X2

No Item	Distribution of RTABLE Values of 5% Significance	Pearson Correlation (r hitung)	Information
Item 1	0.195	0.705	Valid
Item 2	0.195	0.651	Valid
Item 3	0.195	0.774	Valid
Item 4	0.195	0.832	Valid
Item 5	0.195	0.745	Valid

Variable Validity Table X3

No Item	Distribution of RTABLE Values of 5% Significance	Pearson Correlation (r hitung)	Information
Item 1	0.195	0.824	Valid
Item 2	0.195	0.828	Valid
Item 3	0.195	0.735	Valid
Item 4	0.195	0.804	Valid
Item 5	0.195	0.708	Valid

Variable Validity Table Y

No Item	Distribution of RTABLE Values of 5% Significance	Pearson Correlation (r hitung)	Information
Item 1	0.195	0.786	Valid
Item 2	0.195	0.767	Valid
Item 3	0.195	0.833	Valid
Item 4	0.195	0.884	Valid
Item 5	0.195	0.874	Valid

Reliability Test

To find out the consistency of the questionnaire

Basis for Taking Reliability Tests

Comparison of Cronbach's Alpha Values with R Table

1. If the value of $r_{\text{calculate}} > r_{\text{table}}$ = Consistent (reliable)

2. If the value of $r_{\text{calculate}} < r_{\text{table}}$ = inconsistent (reliable)

$n=100$ DISTRIBUTION VALUE OF 5% SIGNIFICANCE TABLE WHICH is 0.195.

Summary

Table Reliability

Distribution of RTABLE Values of 5% Significance	Cronbach's Alpha	Information
0.195	0.929	Reliabel

Hypothesis Test Results

Table 1

Results of multiple regression analysis

Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	3.038	2.061		1.474	0.144
	Total X1	0.258	0.123	0.270	2.091	0.043
	Total X2	0.639	0.136	0.532	4.704	0.000
	Total X3	0.427	0.116	0.387	3.669	0.000

a. Dependent Variable: Total Y

The results of the multiple regression calculation showed that the constant number was 3.038 with t calculation of 1.474 or sig 0.144 greater than alpha 0.05, so the constant coefficient was not significant. The Sustainability regression

coefficient is 0.258 with a t calculation of 2.091 or sig 0.043 is smaller than alpha 0.05, then the Sustainability regression coefficient is significant. For the regression constant of Technology Utilization of 0.639 with t calculation of 4.704 or sig 0.000 smaller than alpha 0.05, then the coefficient of Technology Utilization is significant. And the regression coefficient of social media effectiveness is 0.427 with t calculation 3.669 or sig 0.000 smaller than alpha 0.05, then the regression coefficient of social media effectiveness is significant.

Table 2
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.729 ^a	0.532	0.517	1.801	1.620

a. Predictors: (Constant), Total X3, Total X1, Total X2

b. Dependent Variable: Total Y

Table 2 shows the magnitude of the determination coefficient, namely Rsquare of 0.532 which means 53.2% (percent) of changes in business development explained by changes in entrepreneurial characteristics, business capital, and marketing strategies. While 46.8% (percent) was explained by other variables that were not studied in this study.

Table 3
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	353.198	3	117.733	36.314	0.000 ^b
	Residual	311.242	96	3.242		
	Total	664.440	99			

a. Dependent Variable: Total Y

b. Predictors: (Constant), Total X3, Total X1, Total X2

Table 3 shows that the F value is calculated at 36,314 and the sig is 0.000, this condition shows that the sig value is smaller than alpha 0.05. The conclusions that can be drawn are a significant determination coefficient, and a significant multiple regression coefficient.

DISCUSSION

First Hypothesis

In a study conducted on MSMEs in Cirebon Regency, a hypothesis was proposed to determine the influence of entrepreneurial characteristic factors on business development.

The results of the study showed that there was a significant positive influence on the Sustainability factor in the implementation of the Triple Bottom Line for MSMEs in Cirebon Regency. To be able to follow this era of globalization,

an entrepreneur must have the ability to manage his products well so that the quality does not decline and continues to develop with the times, entrepreneurs must also be biased in regulating the company's strategies and actions to reduce adverse impacts on the environment and society due to business operations

Second Hypothesis

The results of the research conducted show that there is a significant positive influence of the Utilization of Technology factor on the Implementation of the Triple Bottom Line on MSMEs in Cirebon Regency. The use of technology in question is that with the existence of technology that has developed to date, entrepreneurs can make good use of it so that the business they run is biased even more, such as cellphones that can be used to photograph products, bias also so that it looks more attractive entrepreneurs can decorate or edit in advance the products that will be marketed. In addition to mobile phones, there are also computers or laptops that can be very helpful for entrepreneurs in doing reporting or bookkeeping journals to go in and out of cash, because by using this technology, it will make work easier and save more time.

Third Hypothesis

The results of the research conducted show that there is a significant positive influence on the Social Media Effectiveness factor on the Implementation of the Triple Bottom Line for MSMEs. Currently, there are a lot of social media used, for example Instagram, Facebook, TikTok, and many more. These social media can be used by entrepreneurs to introduce their products more widely, by utilizing these social media. In addition, entrepreneurs can also know about what trends are in demand by consumers, so that entrepreneurs are not fixated on existing products, but can add or modify products by following the market style that is in demand (popular).

Fourth Hypothesis

Sustainability Factors, Technology Utilization, and Social Media Utilization have been proven to have a significant influence on the implementation of the Triple Bottom Line for MSMEs in Cirebon Regency. That way, these three factors must get the same attention without highlighting one of them for better business development. If these three factors are applied properly and correctly, the business will be more developed, advanced, and can continue to follow existing developments from year to year.

CONCLUSIONS AND RECOMMENDATIONS

Through the research conducted, it can be concluded that Sustainability, Technology Utilization, and Social Media Effectiveness can encourage progress in MSMEs, not only by focusing on income, but also by paying attention to their social and environmental impacts. Entrepreneurs can also take advantage of this opportunity to find out more about many things, be it fashion, food, or other products that are in demand by their consumers without being limited by space and time. With social skills, entrepreneurs can hire their employees at home by

utilizing existing technology and social media, for example live on TikTok or posting photos of products that will be marketed.

ADVANCED RESEARCH

This research was only conducted on MSMEs in Cirebon Regency, and only used 3 dependent variables, so the scope used was not too broad. For future research, it is hoped that it can be further expanded for the research area.

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