

ENHANCING FAMILY BUSINESS THROUGH E-MARKETING IN SME

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**Laporan ini dikemukakan sebagai
memenuhi sebahagian daripada syarat penganugerahan
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DECLARATION

“I hereby declare that the work in this report is my own except for summaries and quotations which have been duly acknowledged.”

Signature:

Author:

Date:

DEDICATION

Khas buat

Ayahnda dan Bonda tersayang

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In the name of Allah the Most Gracious Most Merciful

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ABSTRACT

This study was undertaken to examine the extent of e-marketing can help a family business, especially in small industry (SME). As publicized, e-marketing is a new discovery in marketing. This method is used to further improve the existing marketing methods such as traditional marketing. E-marketing uses the internet as a basis of implementation. This because many studies have been carried out and proven internet marketing can increase sales rate. Furthermore, most family businesses in SME use traditional marketing as a platform to market product or services. Thus, studies were undertaken to improve business performance through e-marketing. To complete this study, researchers used Technology Acceptance Model (TAM) theory to apply it. In fact, this study was conducted to understand further the use of e-marketing in SME. Furthermore, this study was undertaken to examine the impact of e-marketing business in the SME family. And lastly, this study was undertaken to identify the implementation of e-marketing factor used by SME.

Keywords: E-marketing; Family business; Business performance

ABSTRAK

Kajian ini dilaksanakan untuk mengkaji sejauhmana e-pemasaran dapat membantu sesebuah perniagaan keluarga terutamanya didalam industri kecil (SME). Sepertimana yang diwarwarkan, e-pemasaran merupakan satu penemuan baru dalam pemasaran. Kaedah ini digunakan untuk menaiktarafkan lagi kaedah pemasaran yang sedia ada seperti pemasaran tradisional. E-pemasaran menggunakan internet sebagai asas pelaksanaan. Ini kerana, telah banyak kajian yang dilaksanakan dan terbukti pemasaran melalui internet mampu meningkatkan kadar jualan. Seterusnya, kebanyakan perniagaan keluarga dalam industri kecil (SME) menggunakan pemasaran tradisional sebagai platform untuk memasarkan produk atau servis mereka. Maka dengan itu, kajian dilaksanakan untuk meningkatkan prestasi perniagaan melalui e-pemasaran. Untuk melengkapkan kajian, penyelidik menggunakan teori TAM untuk mengaplikasikannya. Malah, kajian ini dilaksanakan untuk memahami dengan lebih lanjut penggunaan e-pemasaran dalam SME. Tambahan pula, kajian ini dijalankan untuk meneliti kesan e-pemasaran terhadap perniagaan keluarga dalam SME. Dan akhir sekali, kajian ini dilaksanakan untuk mengenalpasti faktor pelaksanaan e-pemasaran yang digunakan oleh SME.

Kata kunci: E-pemasaran; Perniagaan keluarga; Prestasi perniagaan

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CHAPTER 1

INTRODUCTION

1.1 Introduction

In this chapter include the problems faced by the family business, especially in the SMEs industry. Furthermore, in this chapter, the researcher explained the objectives of the study to be used as a yardstick in their research. Finally, through this chapter, researchers explain the scope of the study to be implemented so that it is more geared to achieve the study objectives.

1.2 Background of Study

E-marketing one of the techniques to distribute good or service directly to the customer or retailer by using the technology especially the internet. Futhermore, internet will help a seller to sell their product through online. The internet will advertise their product to many platforms such like a website, blog, Facebook, instagram and so on. In this era, E-marketing is the best approach to sell goods and services.

To prove the power of technology in this era, researcher use technology acceptance model (TAM) theory to manipulate it. “In 1985, Fred Davis proposed the Technology Acceptance Model (TAM) in his doctoral thesis at the MIT Sloan School of Management (Davis, 1985). He proposed that system use is a response that can be explained or predicted by user motivation, which, in turn, is directly influenced by an external stimulus consisting of the actual system’s features and capabilities”. (M Yasser Chuttur, 2009) (Figure 1)

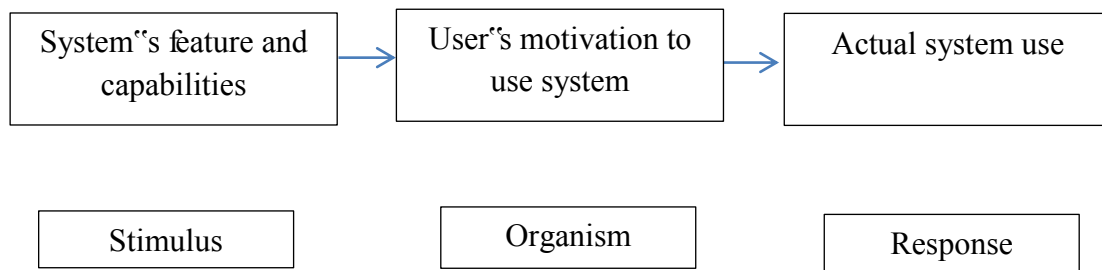


Figure 1: Conceptual model for the technology acceptance

Source: (Chuttur. M. Y., 2009; Davis, 1985)

Figure 1 shows the conceptual model for the technology acceptance model (TAM). Based on the **figure 1**, (Chuttur. M. Y., 2009; Davis, 1985) TAM consists three (3) stage. The first stage is system's feature and capabilities. System's feature and capabilities refer to the function of the technology has been used. For E-Marketing, the feature is easy to access. When using E-Marketing to market the product, it will ease access and reach organizations goal. In this era, E-Marketing very helpful to market the product. And nowadays everyone uses an internet to access anything like finding information. The capabilities of E-Marketing is enhancing sales of product, introduce the product, giving the best solution to market the product. (Chuttur. M. Y., 2009; Davis, 1985) defines it as a stimulus to do a testing. Secondly, is user's motivation to use system. User's motivation to use system as an organism. To implementing E-Marketing, the researcher need to know user's motivation to use system because many of internet user not fully trust about E-Marketing platform. Lastly, actual system use as a response. To do a testing, the researcher must finding a response which is what system are actually they use to market their product.

Generally, E-Marketing is used as a platform to market the product. Nowadays, many organizations use E-Marketing to market their product through online. Why they use E-Marketing? They use E-Marketing because this is the simple ways to sell the product. An idea to use E-Marketing comes from current information and newest technology may help to solve the problem within a simple ways. However, not all organizations believe E-Marketing as a good platform to market product. This because maybe that organization lack of information about the E-Marketing. Most family businesses in SME use a traditional marketing to market their product.

1.3 Problem Statement

This study was to investigate the implementation of e-marketing in family businesses, particularly in SMEs. A family business is a company generally owned and managed by a single root family. Succession and equity control are among the vital factors leading to problems within family businesses. Ayranci (2010) defines, “Family” emphasizes the definition of a family business. Furthermore, the proportion of family businesses to all other businesses is overwhelming as is the part of the family business of Gross World Product (GWP), employment and employment growth.

Moreover, family businesses, particularly in SMEs have problems to market their products. Normally they will use traditional marketing concepts such as offline marketing. Offline marketing is used before the existence of the online system. Offline marketing, including direct sales, word of mouth, and so on. According to Mehrdad Salehi et al. (2012), Traditional marketing used to speak more and more attracting customers to purchase their goods or services, modern marketing is the new method of attracting consumers by using modern facilities and technologies.

The problem with traditional marketing is wasting cost. Most small businesses are only using traditional marketing. Generally, traditional marketing would high cost compared to the modern marketing like online marketing. Among the costs involved in traditional marketing is as promotional costs, advertising costs, maintenance costs and other costs. According to Naik and Peters (2009), the surge in online marketing spending and large offline media expenditures raises important questions for managers. In fact, traditional marketing should be more time to implement it. This is because traditional

marketing requires manual maintenance starting of the finished product to the consumer. Traditional marketing requires the full involvement of all marketers.

By using e-marketing, people prefer to choose Electronic marketing to have a convenient and successful business in this era. With this definition we could look briefly to the world's market and feel the necessity of using new objects to solve the business problems and reduce the cost of transactions of trading. In the term suppliers will be able to introduce their goods or services in an easy access place and also costumers could find their needs in the right place. (Mehrdad Salehi, 2012).

1.4 Research Questions

Internet is now considered as a much greater resource than traditional means of advertising, (Rashad Yazdanifard et al, 2011). This study is to investigate E-Marketing use in SME. Futhermore, E-Marketing have many types. Secondly, when the firm use E-Marketing, is there any effect of E-Marketing towards Family Business in SME. And lastly, this study need to identify the key implementation factors of E-Marketing used by SME in Family Business.

1.5 Research Objective

This study is actually to investigate how E-marketing can help family business in SME to enhance their profit and sales. Besides that, this study will examine the effect of E-marketing towards family business in the SME. This study also to identify the implementation factor of E-marketing used by SMEs.

1.6 Scope

The scope of this study is E-Marketing, family business and business performance. This study is actually focusing on e-marketing that will use to enhance family business in SME industry. In addition, this study will identify which method suitable for enhancing family business in SME industry. Moreover, it will easier to measure business performance. This study also focuses on family business performance.

1.7 Summary

Overall, this chapter covers all aspects of an introduction for the start of the study. In fact, this chapter states clearly any study implemented by the statement of the problem, objectives and scope of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researchers tried to explain in depth the topics of study. In this chapter, the researchers describe each sub-topics involved in the research topic. Sub-topics can be summarized in a theoretical framework. Each sub-topic to be addressed in a comprehensive study conducted appropriately and can achieve the objectives laid out in the previous chapter.

2.2 E-Marketing

Marketing is influenced by this internet or so called World Wide Web (WWW). Information gathers in the internet is unlimited. It provides a virtual space and unlimited information to the user. As a user or a customer wants to search for a property, many will use the internet for a preliminary search before doing the actual searching outside. Hence, internet marketing is to expose a product. This is definitely a great tool to market the product to customers. The potential of internet marketing however is still yet to be determined, (Anuar Alias and Pui Z.T, 2012).

E-marketing also includes online marketing. How online marketing will increase their sales? According to El-Gohary (2010), Electronic Marketing (E-Marketing) can be viewed as a new philosophy and a modern business practice involved with the marketing of goods, services, information and ideas via the Internet and other electronic means. By reviewing the relevant literature it is noticed that definitions of electronic marketing (E-Marketing) vary according to each author's point of view, background and specialization. (El-Gohary, 2010).

Moreover, according to El-Gohary (2010), E-Marketing has a broader scope than internet marketing since Internet Marketing (IM) refers only to the Internet, World Wide Web, e-mails. E-Marketing includes all of that plus all other E-Marketing tools like: Intranets, Extranets and mobile phones. In contrast with that, E-commerce and E-business have a wider and broader scope than E-Marketing.



Figure 2: The component of Electronic Marketing (E-Marketing)

Source: El-Gohary et al (2010)

Figure 2 shown the component of Electronic Marketing (E-Marketing) contains online marketing. Online marketing can be defined in order to fulfil customer needs and wants by using the technology to improve sales promotion. According to Makesh (2013), in *International Journal of scientific research and management* , article E-marketing -- A New Concept; it's shown the 7 Cs of E-Marketing such as Contract, Content, Construction, Community, Concentration, Convergence and Commerce. The basis of E-Marketing like 7 Cs was introduced to find the new way to do 4Ps in the marketing mix. Furthermore, Makesh (2013) has already summarized each component that contains in 7 Cs. **Table 1** as on below shown the component of the 7Cs in E-Marketing.

Table 1: The component of 7Cs in E-Marketing

Component	Description
Contract	The e-marketer's first goal is to communicate a core promise for a truly distinctive value proposition appealing to the target customers.
Content	Content refers to whatever appears on the website itself and on hot linked web sites. If chosen appropriately, it can increase both the rates at which browsers are converted into buyers and their transactions
Construction	The promise made by e-marketers are not unique to the Internet, but the medium's interactive capabilities make it easier for them to deliver on their promises quickly, reliably, and rewardingly. In practice, this means that promises must be translated into specific interactive functions and Web design features collectively giving consumers a seamless experience.
Community	Through site-to-user and user-to-user forms of interactivity (such as chat rooms), e-marketers can develop a core of dedicated customers who become avid marketers on the site too
Concentration	Concentration is a targeting through online behavioural targeting (a.k.a., profiling) is vastly superior to simple demographic targeting
Convergence	We will soon enter the next round of the E-marketing battle as broadband reaches the masses.
Commerce	The last emerging fundamental of e-marketing is commerce, whether it includes offering goods and services directly, or marketing those of another company for a fee, thus helping to cover the fixed costs of site operations and to offset customer acquisition costs.

Source: Makesh (2013)

To attract a customer desired, the marketer should have a good relationship between customers. A contract shows the importance of core promise to get the value of proposition appealing to target customers. Next is content. Content shown how important to have a significant promotional activity to attract customer to click company advertisements.

According Makesh (2013), construction is the promises made by e-marketers are not unique to the Internet, but the medium's interactive capabilities make it easier for them to deliver on their promises quickly, reliably, and rewardingly. In practice, this means that promises must be translated into specific interactive functions and Web design features collectively giving consumers a seamless experience. Such design features as one-click ordering and automated shopping help deliver the promise of convenience.

On other hand, the new concept of E-Marketing also includes community. To enhancing family business, the electronic marketing that will used like community. Makesh (2013) defines community is through site-to-user and user-to-user forms of interactivity (such as chat rooms), e-marketers can develop a core of dedicated customers who become avid marketers of the site too. This is showing how the community works to decide a purchasing decision.

Next is concentration. A new concept of E-Marketing need concentration to fulfil customer needs and wants. According to Makesh (2013), concentration is a targeting through online behavioural profiling.