

**ONLINE SOCIAL NETWORKING AS A BUSINESS PLATFORM:  
PERCEPTION OF UT<sub>e</sub>M UNDERGRADUATE**

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“I/we admit was read this report and on my view this report is sufficient from scope and quality for purpose the certificate Bachelor of Technopreneurship.”

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**This report submitted in partial fulfilment of the requirements  
for the Bachelor Degree of Technopreneurship**

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**DECLARATION**

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“I hereby declare that the work of this exercise is mine except for the quotations and summaries that have been duly acknowledge.”

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## DEDICATION

This research paper is lovingly dedicated to my mother, Puan Noriah Binti Abidin, who have been my constant source of inspiration, she have given unconditional support to my studies. I am honoured to have her as my mother. Thank you for giving me a chance to prove and improve myself through all my walk of life. I would also like to thank my brothers and sisters, Badariah Binti Khotob, Badarudin Bin Khotob, Mohamad Shukri Bin Khotob, Syakirah Binti Khotob, Mohd. Zaki Bin Khotob, Nasimah Binti Khotob, Ahmad Rafie Bin Khotob, Siti Aishah Binti Khotob and Hasanadli Bin Khotob for your words of encouragement for me to continue my passion in my study. To all my family members, thank you for believing in me and for allowing me to further my studies.

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## ABSTRACT

Online social network or social networking site has been rapidly growing as a central communication channel in today's society. It became easier in no time with the distance between people by giving them a platform for social interaction and communication. It allows individuals to stay connected with the others effortlessly by time and geographical boundaries. Apart from that, the exceptional popularity of online social network among public has driven its deployment into today's business world. Such entrepreneur who greatly relies upon online social network or E-commerce can be known as cyber entrepreneur. Since setting up a business via online social network is not complicated, it has gradually becoming a trend. Due to its phenomenal popularity, researchers have conducted several studies on its effectiveness as well as undergraduates' reaction, satisfaction and continuance intention to adopt it. Thus, this study tries to fill the gap by proposing a conceptual framework to explore about undergraduates' perception towards the deployment of online social network in entrepreneurial activities. The identified constructs in this paper were inspired from the UTAUT theoretical frameworks respectively.

**Keyword: performance expectancy, effort expectancy, social influence, facilitating conditions, online social network, cyber-entrepreneur and young entrepreneur.**

## **ABSTRAK**

*Rangkaian sosial dalam talian atau laman rangkaian sosial telah berkembang pesat sebagai saluran komunikasi utama dalam masyarakat hari ini. Ia menjadi lebih mudah dalam masa yang singkat dengan jarak di antara orang-orang dengan memberikan mereka platform untuk interaksi sosial dan komunikasi. Ia membolehkan individu untuk terus berhubung dengan orang lain dengan mudah oleh masa dan sempadan geografi. Selain itu, populariti yang luar biasa dari rangkaian sosial dalam talian di kalangan orang ramai telah mendorong penggunaan ke dalam dunia perniagaan hari ini. Usahawan seperti ini yang sangat bergantung kepada rangkaian sosial dalam talian atau E-dagang boleh dikenali sebagai usahawan siber. Sejak memulakan perniagaan melalui rangkaian sosial dalam talian tidak rumit, ia telah beransur-ansur menjadi trend. Oleh kerana populariti luar biasa itu, penyelidik telah menjalankan kajian mengenai keberkesanan serta mahasiswa reaksi, kepuasan dan penerusan niat untuk mengambilnya. Oleh itu, kajian ini cuba untuk mengisi jurang dengan mencadangkan satu rangka kerja konseptual untuk meneroka tentang persepsi pelajar terhadap penggunaan rangkaian sosial dalam talian dalam aktiviti keusahawanan. Yang membina yang dikenal pasti dalam kertas ini diilhamkan dari UTAUT kerangka teori masing-masing.*

***Kata kunci: Jangkaan prestasi, jangkaan usaha, pengaruh sosial, memudahkan keadaan, rangkaian sosial dalam talian, cyber-usahawan dan usahawan muda.***



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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of study

As a result of changes in the new economic environment, "entrepreneurship" has emerged as a significant development in the business world. There are quite a few definitions of entrepreneurship, but in its qualities, it is a dynamic process of vision, change and creation (Ahmed, Hafiz, Kashif and Nadeem, 2011). In the wider definition entrepreneurship is the novel business enterprise formation and entrepreneurial deed in creating business-enterprise (Shane and Venkataraman, 2000). It requires the entrepreneurs to generate ideas, be innovative person, and creative ideas to accomplish both profit and success. Relation to profit and success, business will becomes more competitive and limited customer.



Information and Communication Technologies (ICTs) are considered to be one of the most pervasive technologies in this century. Such technologies are changing the world in a more prominent manner comparing with other technologies (Carrier, Raymond, & Eltaief, 2004). According to Romero, D. M., Galuba, W., Asur, S., & Huberman, B. A. (2011) the explosive growth of social media has provided millions of people opportunities to create and share content on a scale barely imaginable a few years ago. So, the social media space has become a common place for communication, networking, and content sharing. From that, many entrepreneurs seek marketing and business opportunities via these platforms.

Past studies commented online social network, that after search engines like Google and Yahoo are emerging as the favourable ways of communication to connect with friends and business partners, complementing established communication channels such as e-mail and phone (Nann, Krauss, Schober, Gloor, Fischbach, & Führes, 2010). Online social network can be the key of entrepreneurship as it attains the new way of communication and information sharing through the Internet (Hamidi et al., 2010). The widespread use of social network is able to give an advantage to entrepreneur in business development. This is because, most entrepreneurs are now using social network to market their products and reach consumers. Saravanan, A., Gupta, P. and Ghatak, S. (2008) argued that social media is a trend nowadays for just using a low cost to introduce their products. This is because entrepreneur just needs to get to the internet coverage area to use social network. It can also aid the development of a firm's worthiness, increase the customer and supplier contacts, and bring to light where resources and funding are available.

The people who are involved in online business can be call as a cyber-entrepreneur. Cyber entrepreneurship is extended version of entrepreneurship which cyber is a new method of doing business. The cyber entrepreneurship is using information technology as a platform and purely on internet platform (Badaruddin, et al., 2012). This is because they have seen opportunities in using internet as a platform for new business.

Students' interest to choose entrepreneurship as a career is rapidly growing, while interest for professional employment seems fading (Keat, et al. 2011). A previous research found out there is a great potential for university graduates in rising entrepreneurial initiative (Kolbre, Piliste, & Venessar, 2005). However, the research commented students have the knowledge but no motivation to start a business (Kolbre et al., 2005). An in depth study about perceptions of students to use online social network as a business platform needs to be done. Positive attitudes towards entrepreneurship can flourish and improve the level of entrepreneurial initiative among the students. Therefore, an improved understanding of activities by undergraduates on online social network and their perceptions are required. This research focuses on undergraduates as they have great innovation power and entrepreneurial competences which can lead to successful business start-ups (Fueglistaller et al., 2008).

## 1.2 Problem statement

According to Powell, (2009) online social networking has infiltrated people's daily life with stunning rapidity to become an important social platform for computer-mediated communication. From that, the social networking will provide leverage for entrepreneur because it can create mechanisms for attaining sustainable competitive advantage. Research revealed that the majority of the undergraduates had thought about starting a business, although most of them do not start right after graduation and rather postponed it to a more distant future (Venesaar, Kolbre, & Piliste, 2008). This shows that there is a lack of initiative among students to conduct their business through social online. Therefore, it is important to study the factors that affected the perception of cyber entrepreneurship to improve their entrepreneurial initiatives.

Furthermore, the major change in internet technologies has taken place in which replacing the traditional methods. Internet technologies provide consumers fast and always-on access to new information, services and content with real lifestyle and productivity benefits (Sawyer, Allen, and Lee, 2003). From this view, it shows that using internet will help business undergraduates to increase performance expectancy and able to compete with their competitors. With the accelerated growth of internet access technologies, users tend to have higher demand and expectation on internet based services (Wei Hin, 2004). Thus, internet based business has gained very much popularity in today's business world especially among the younger generations.

Another past research by Cheung, Chiu, and Lee (2010) emphasized on limited modes of social influence which encompasses social identity, subjective norm and group norm in investigating why students use online social network. Although the respondents of this study were mostly student, most of them were Facebook users. The collected data and results might not reflect the opinion of other social network sites users such as Twitter.

Some undergraduates involved in online business because of the conditions that force them to do for example they see limited employment opportunities in future (Andreea, M., & Ionela, G. P. 2012). From that, they started to open a small scale business that depending with their capital, ability, experience and so on. This showed their effort to survive by taking business as their job. Recognizing this, several training programs in entrepreneurship has been included as an important component of the government's program to support the development of young entrepreneurs. Therefore, the Ministry of Higher Education has created Majlis Keusahawanan Pengajian Tinggi Nasional (MKPTN, 2011) to initiate entrepreneurial cultures and small business among undergraduates, and providing financial support.

Moreover, now the increasing use of social media as a platform to sell products has become a trend. Therefore, it is attracts undergraduate to conduct online business because of the influence of friends who have managed to do this online business (Trusov, et al. 2010). With the increase use of social networking websites such as Facebook in Pakistan, it has opened a path for the organizations to use and explore the new domain for the products. Marketing on social networking websites (Facebook) is different from the internet marketing (Farooq, F., & Jan, Z. 2012). Furthermore, the researcher also agreed that the impact of this social influence in terms of increase in the sales and revenue for business undergraduate.

In this field of online business, student face problem such as lack of training, lack of knowledge, the biggest problem is to get a loan and so on (Hussain, et al. 2012,). Because of this problem, many undergraduates cannot continue with the intention to do business. There are several studies on entrepreneurial intention, such as intention to create new venture (Ahmed et al., 2011), new entrepreneurs (Korunka, Frank, Lueger, and Mugler, 2003), self-employment (Singh and DeNoble, 2003), and women entrepreneurship in Asian (Tambunan, 2009). From this view, the researchers agreed that cyber entrepreneurship is the practice of creating new business using internet has a platform in response to recognize opportunities.

The main aim of this paper is to examine the factor of intention on online social network as a business platform among undergraduates Universiti Teknikal Malaysia Melaka (UTEM). This issue is currently very important since it is a part of on-going national efforts to become high income nation in relation to the Malaysian Plan (2010-2015), greater opportunities for youth to participate in economic activities as public or private sector employees. The study focuses on the theoretical models of Unified Theory of Acceptance and Use of Technology (UTAUT) as a foundation to this research.

### **1.3 Research question**

- 1.3.1** Is there any relationship between performance expectancy and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities?
- 1.3.2** Is there any relationship between effort expectancy and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities?
- 1.3.3** Is there any relationship between social influence and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities?
- 1.3.4** Is there any relationship between facilitating condition and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities?

### **1.4 Research objective**

- 1.4.1** To investigate the relationship between performance expectancy and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities.
- 1.4.2** To investigate the relationship between effort expectancy and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities.
- 1.4.3** To investigate the relationship between social influence and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities.
- 1.4.4** To investigate the relationship between facilitating condition and UTEM undergraduates' intention to adopt online social networks in entrepreneurial activities.

### **1.5 GraduanBay definition**

GraduanBay is one of the activities planned by the Centre for Entrepreneurship and Continuous Education (PKPB) to expand the agenda of a campus of the University of Technical Malaysia Melaka (UTeM) as a reference centre of entrepreneurs in Malacca in particular and Malaysia in general. Graduanbay.com uses drop shipping concept which itself is the innovation platform that promises many benefits, especially in inventory management including cost reduction, and operational savings (Graduanbay.com, 2014).

### **1.6 Research scope and limitation**

This study involves only undergraduate in Universiti Teknikal Malaysia Melaka that joint in GraduanBay as an agent. This study only focuses on the factors that influence undergraduate to involve in cyber entrepreneur.

There are several obstacles encountered in this study, which are this study involves only UTEM business undergraduate that have intention to use social network as their business platform. In additions, these studies faced the problem on getting the respondents. This is because the number of business undergraduate is a lot and the researcher only pickup from undergraduate that joints in GraduanBay only. The researcher only pickup category of undergraduate because they have intention on doing online business.

## 1.7 Research significance

The dramatic increased in users of Social network is undeniable and potential consumers can be anyone among the users (Gross & Acquisti, 2005). Thus, entrepreneurs could seize this great opportunity to explore potential customers via social network. This research lays in factors which influence undergraduates' involvement in entrepreneurial activities via Social Network. Additionally, this research will present issues and information about cyber entrepreneurship. Consequently, the public could have an improved understanding on it. To extend the existing knowledge and applicability of cyber entrepreneurship, four determinants will be tested against undergraduates' intention to implement Social Network in entrepreneurial activities.

This study attempts to furnish potential entrepreneurs an improved knowledge and understanding on cyber entrepreneurship, allows them to conduct their business in a cost saving and efficient manner. Furthermore, the government could employ the research in strengthening the policy to nurture successful cyber entrepreneurs and compete in international level.