

**CHALLENGES FACED BY WOMEN ENTREPRENEURS IN SETTING UP
ONLINE BUSINESS IN MALACCA**

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This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward of Degree Bachelor of Tecnopreneurship

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BUSINESS IN MALACCA

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Submitted in partial fulfillment of the requirement of the Bachelor of Technopreneurship with
Honors

Faculty of Technology Management and Technopreneurship
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

JUN 2014

“I hereby declare that this project paper is result of my independent work except the summary and excerpts that have been specifically acknowledgement”

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DEDICATION

To Mama and Abah, thank you for your efforts to provide me with an education, teaching me life experiences, and pouring me love from the bottom of your hearts. This is for you as my way of saying ‘thanks’. Also special thanks to my dear little sister who suffered a lot at night in the making of this report. This is for your big heart of love and patience.

ACKNOWLEDGEMENT

Praise to Allah S.W.T., I am giving my appreciation to the Almighty the most gracious and most merciful. I have finally completed my final year report. I would also like to give acknowledgement to my final year report supervisor, Dr Fararishah bt Abdul Khalid in guiding me in the preparation of this final year report. Thank you for giving advices when I was lost and facing problems in completing the report requirements. The advice that I received when preparing the report have been en taken into consideration. A special thanks to my second examiner, Mr Albert @ Mohd Feisal bin Ismail for his support and advises on improving this report. I also would like to say thank you to my fellow friends who was supervised under Dr Fararishah for their suggestions in completing the task within the reports. I also would like to say thank you to my parents and fellow classmates for their unstoppable support for the preparation of this project.

ABSTRAK

Baru-baru ini, usahawan wanita telah meningkat dalam bilangan kerana populariti perniagaan online. Manusia mula mengambil kepentingan menjadi usahawan atas talian kerana sifat yang membolehkan orang ramai untuk melakukan aktiviti-aktiviti perniagaan tanpa kekangan masa itu mereka biasanya mengalami apabila bekerja dengan organisasi. Sebab-sebab lain seperti mencari cara untuk meningkatkan kedudukan kewangan mereka dan juga sebagai hobi sambil juga menggalakkan orang ramai untuk menjadi usahawan atas talian. Walau bagaimanapun, terdapat beberapa cabaran yang wujud apabila mereka cuba untuk menubuhkan perniagaan atas talian. Cabaran daripada masyarakat, sebagai contoh, mendiskriminasi pada kebolehan mereka untuk membiayai perniagaan mereka kerana fakta bahawa mereka asalnya milik jantina yang lemah menjadi penghalang kepada mereka untuk memajukan lagi objektif laporan business. This mereka adalah untuk mengenal pasti cabaran yang dihadapi oleh usahawan wanita dalam menubuhkan perniagaan online di Melaka satu sama ada ketiga-tiga cabaran mempengaruhi keputusan usahawan untuk terus menubuhkan Penemuan perniagaan online menunjukkan bahawa keselamatan sistem pembayaran atas talian, pengetahuan perniagaan atas talian dan sumber kewangan adalah beberapa cabaran yang usahawan wanita yang dihadapi dalam menetapkan perniagaan kajian ini mengambil tempat di tengah-tengah Bandar Melaka, Melaka. Responden sasaran adalah 100 responden usahawan wanita terdiri daripada pelajar universiti, wanita kerjaya ditanya untuk mengenal pasti jika ketiga-tiga cabaran adalah cabaran yang mereka hadapi apabila menubuhkan perniagaan atas talian. Keputusan menunjukkan bahawa keselamatan sistem pembayaran atas talian adalah cabaran utama yang dihadapi mereka dalam menubuhkan perniagaan online berbanding dengan yang lain dua cabaran.

Kata Kunci : Usahawan Wanita, Perniagaan Online, Cabaran

ABSTRACT

Recently, women entrepreneurs have increased in number due to the popularity of business online. People began to take interest of becoming an online entrepreneurs due to its nature that enables people to do the business activities without having time constraints that they normally experiences when working with the organization. Other reasons such as looking ways for increasing their financial status and also as part time hobbies also encourage people to become online entrepreneurs. However, there are some challenges that existed when they tried to set up an online business. Challenges from society, for example, discriminating on their abilities to fund their businesses due to the facts that they originally belong to a weaker gender become an obstacle for them to further develop their business. This report objective is to identify the challenges faced by women entrepreneurs in setting up an online business in Malacca on whether these three challenges affect the entrepreneur's decision to continue setting up the online business Findings shows that the security of online payment system, online business knowledge, and financial resources are a few of the challenges that women entrepreneurs faced in setting up the business This study takes place in the heart of Malacca City, Malacca. The target respondents are 100 respondents of women entrepreneurs consists of university students, career women were asked to identify if these three challenges are the challenges that they faced when setting up the online business. Results show that the security of online payment system was the main challenge they faced in setting up the online business compared to the other two challenges, which are online business knowledge and financial resources.

Keyword: Women Entrepreneurs, Online Business, Challenges

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LIST OF ABBREVIATIONS

| | | |
|----------------|---|--|
| B | = | Beta |
| % | = | Percentage |
| R | = | Point of Estimate |
| R ² | = | Point of Estimate Square |
| P | = | P value |
| SME | = | Small Medium Enterprise |
| K– Economy | = | Knowledge Economy |
| GEDI | = | Gender Global Entrepreneurship and Development Index |

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CHAPTER 1

INTRODUCTION

1.1 Introduction

According to Goyal and Parkash (2011) women are always classified as a weaker sex and are often made to rely on the men in their family and outside community for whole life. The physical built of a woman who is small compared to men tends to make one think that women are subject that need to be protected instead of being the protector. Because of these inherited information that was passed down to every generation unintentionally, the phenomena of a woman becoming an entrepreneur in the economic world piques the attention of the literature society globally. These phenomena gained many positive responses as well as negative responses from society. Many research studies was directed on how these fragile entities thrive the hurdle that exists in the economic world which is highly dominated by men.

Most of the challenges faced by woman was supported by one big block of thinking that they are unable to take or was considered as not suitable to compete against the more superior gender; male in the world of competitive and ever changing business. Even in defining the word entrepreneur, in the olden days, the definition is focused more on men. It is only during a few years back, definition of entrepreneur becomes less gendered, which proposed entrepreneurs to produce something that is up to date in terms of value under disparate state. (Acs and Audretsch, 1993: Shane and Venkataraman, 2000, as cited in Casson, Yeung, Basu and Wadeson, 2006, p. 611). This study explores on the challenges faced by women entrepreneurs in setting up an online business. The first chapter addresses the introductory part of the study. It includes the background of the study, problem statement, research objectives and research questions, the scope of the study, limitation of the study, the significance of the study and summarize

1.2 Problem Statement

The recent trend of local economy where women become entrepreneurs in online business by using social network platform such as Facebook, twitter, blogs and other type of network to promote their product has caught the researcher to study the challenges faced by them to start the online business. This study focus on the challenges faced by the women entrepreneurs especially in setting up online business because there is lack of research in the literature world who focused their research towards this type of group compared to the existing research on women entrepreneur who focused their vision into investigating the challenge faced by women who already had a stabilize business and are on top of their career or the type of studies who focused on challenge faced women entrepreneur in rural area in some developed countries. This study helps to close the gap in investigating the challenge faced by women entrepreneur in a developing country who had the access to the technology, with good background in education, situated in a multicultural community who choose to set up an online business in Small and Medium Enterprise (SME) industry.

1.3 Research Questions

The aim of this study is to identify the challenges faced by women entrepreneurs in setting up an online business in Malacca. The main research questions I hope to answer are:

- 1) What are the significant challenges that women entrepreneur faced to set up business in online market?
- 2) To what extent are the women entrepreneur was affected by the challenge faced in setting up business in online marketing?

1.4 Research Objectives

The objective of this study is to investigate the challenges faced by women entrepreneurs in setting up an online business in Malacca. By observing the challenges that was already identified and discussed by the other researcher, this study aimed to:

- 1) To identify the significant challenges faced by the women entrepreneurs in setting up an online business in Malacca.
- 2) To investigate the challenges' impacts of the entrepreneur's decision to continue the online business.

1.5 Scope of the Study

This study covers on two types of scope, such as women entrepreneur and the challenge faced by women entrepreneurs in setting up an online business. Entrepreneurs have it owns challenges in the world of business. Being a woman makes the challenges faced by them to be magnified due to biased perceptions of society and other type of challenges. By doing a study in these two areas, I was hoping to investigate whether these two scopes relate to each other in the development of a new research in the world of literature.

1.6 Limitation of the Study

This study only investigates on the challenges faced the women entrepreneur in setting up an online business in Malacca and it does not focus on other factors related to women entrepreneurs. The information related to women entrepreneurs in literature studies came from the challenges faced by the women entrepreneur of those who already had established business over the years and their business is running successfully. There is a limited supply of research on investigating the challenge faced by women entrepreneur who are in the exact stage of setting up business and in the area of online business. Therefore, most of the challenge found in this study comes from the research of successful women entrepreneur who had several experiences in the business world and stating their challenge from their own experiences. Only a few of the literature resources come from research related to women entrepreneurs in online business. Another limitation of this study is it only focuses on the online sector due to the booming trend of local economy on the increase of women entrepreneurs.

1.7 Significance of the study

The importance of this study is that it focused on women entrepreneur in setting up an online business. It investigates the recent trend that occurred recently in the local economy where online business became the sector that most entrepreneurs, especially women sought after to either be independent in seeking financial income or doing it as a side income of financial source. It also stated that the fact that local economy are starting to open up their courage in taking risks in investing in a technology based economy following the guideline of the country who want the community to become a knowledge based economy or K-economy in the New Economy Model.

1.8 Summary

This chapter introduces a background story of women being entrepreneurs and the challenges faced by them in setting up online businesses. Although brief, the readers are also being introduced to the objective of the study, the question that will act as a guideline to this study along with the limitation of the study and the importance of doing this of study.

Other than that, doing this type of study helps to enhance the knowledge that already exist in the field of women entrepreneurs and perhaps can provide a solution in lessening the challenge faced by the women entrepreneurs that is mainly coming from the society's negative perception or traditional perception of male-domination in the society. Now that local economy seems ready to open up their heart in accepting new technologies, maybe this study would help them in changing their negative thinking toward women entrepreneurs into more positive ones.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter explains more about women entrepreneurs, the challenges faced by women entrepreneurs, and whether these challenges affect their decisions in setting up an online business. The chapter begins with the definition of entrepreneurs, women entrepreneur and online business. This chapter goes through the reasons why women became entrepreneurs by examining the pull and push model. After that, the challenges faced by women entrepreneurs will be examined, looking at the previously conducted studies of women entrepreneurs and discuss the challenges faced by women entrepreneurs. Lastly, this study explores whether the challenges faced have an impact on the independent variables decision to set up an online business. The research objective of this study will be answered and explained briefly with the validation from the previous research and studies that has been done before.