

**THE FACTORS THAT INFLUENCING TO USE SOCIAL MEDIA  
IN BUSINESS**

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**APPROVAL AND DECLARATION SHEET**

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## DECLARATION

"I admit that this report is my own work except the summary and excerpts of each of which I have mentioned the source"

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## DEDICATION

To

My Mother

Thank you for always be with me and all the advices given.

My Father

Thank you for supporting and encourage me to believe in myself.

My Friend

Thank you for all the support that you gave to me.

My Supervisor

Thank you for all your guidance during the completion of this project.

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## ABSTRACT

Social media are computer-mediated tools that allow people to create, share, or exchange information, career interests, ideas, and pictures/videos in virtual communities and networks. This research work examined the factors that influencing to use social media in business. There are five types factors that influencing social media in business, which are share and access information, communication, feedback, low cost and business performance. The data and information are collected by using questionnaires, which are distributed to customer and entrepreneur at area Johor Bahru, Johor. Structured questionnaire was used to collect data from one hundred (100) participants through simple random sampling method and data were analyzed by simple regression analysis with the aid of statistical package for social science (SPSS) version 2.0. As for the result, all of five independent variables (share and access information, communication, feedback, low cost and business performance) that have been studied in this research have significant relationships towards dependent variable (the factors that influencing to use social media in business) among customer and entrepreneur in Melaka.

**Keywords:** Share and access information, communication, feedback, low cost, business performance, Johor Bahru, Johor

## **ABSTRAK**

*Media sosial adalah alat komputer-pengantara yang membenarkan orang ramai untuk mencipta, berkongsi, atau pertukaran maklumat, minat kerjaya, idea-idea, dan gambar-gambar atau video dalam komuniti maya dan networks. Pengkaji membuat penyelidikan faktor-faktor yang mempengaruhi untuk menggunakan media sosial dalam perniagaan. Terdapat lima jenis faktor yang mempengaruhi media sosial dalam perniagaan, iaitu berkongsi dan akses maklumat, komunikasi, maklum balas, kos rendah dan prestasi perniagaan. Data dan maklumat yang dikumpul dengan menggunakan soal selidik yang diedarkan kepada pelanggan dan usahawan di kawasan Johor Bahru, Johor. Soal selidik berstruktur telah digunakan untuk mengumpul data dari satu ratus (100) orang peserta melalui mudah kaedah persampelan rawak dan data dianalisis dengan analisis regresi mudah dengan bantuan pakej statistik bagi sains sosial (SPSS) versi 20. Hasilnya, semua lima pembolehubah bebas (kongsi dan dapat maklumat, komunikasi, maklum balas, kos yang rendah dan prestasi perniagaan) yang telah dikaji dalam kajian ini mempunyai hubungan yang signifikan terhadap pembolehubah bersandar (faktor-faktor yang mempengaruhi untuk menggunakan media sosial dalam perniagaan) di kalangan pelanggan dan usahawan di Melaka.*

**Kata kunci:** *Kongsi Maklumat akses, komunikasi, maklum balas, kos rendah, prestasi perniagaan, Bandara Melaka, Melaka*

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction

This chapter discusses on the overview of research that consist of introduction, background study, problem statement, research question, research objectives, scope and limitation of the study, structure of proposal, significances of study and the summary that explained more detail.

#### 1.2 Background study

This research to explain about factors that influencing the use social media in business. There is a relationship between media social and business. This research focuses customer and entrepreneur in business.

Social media are computer-mediated tools that allow people to create, share or exchange information, career interests, ideas, and pictures/videos in virtual communities and networks. They introduce substantial and pervasive changes to communication between businesses, organizations, communities, and individuals.

Social media has brought revolutionary new ways of interacting, participating, cooperating and collaborating and involves users generating content and connecting with people through a many to many, rather than the traditional one-to-many, communication approach. Social media is becoming an integral part of everyday life for communicating and sharing information and other media. It is mainly free and easy to use and therefore can provide businesses with a relatively quick and low cost method of connecting with customers (Fischer and Reuber, 2011).

According to Pick (2013), 93 percent of marketers use social media for business, and with the continued growth of social media, 75 percent of marketers plan to increase this usage. Simply, they can be defined as sites based on user contributions (Agichtein et al., 2008). Social media can be classified into three categories according to Grewal and Levy (2013). social network sites example face book, LinkedIn, media-sharing sites example YouTube, Flickr, and thought-sharing sites example Blogs.

Social media is an important tool for all businesses because it allows businesses to communicate with, listen to, and learn from their customers in a way they have never been able to do before (Grewal and Levy, 2013; Smith et al., 2011). The major reason for this is that online communication offers the prospect of replacing physical proximity with virtual interaction and even intimacy as evidenced by the popularity of websites such as Facebook and LinkedIn” (Barnes et al., 2012, p. 688). Web pages and social media sites provide them opportunities to overcome these limitations of time and financial resources, allowing them to reach out to customers cost effectively.

Social media is becoming an integral part of everyday life for communicating and sharing information and other media. It is mainly free and easy to use and therefore can provide businesses with a relatively quick and low cost method of connecting with customers (Fischer and Reuber, 2011).

### 1.3 Problem Statement

It is not enough for businesses to simply introduce social media, for example, in the form of creating a Facebook page or a Twitter account. To use social media effectively, businesses must have a strategy for its use and consider why they are using it as well as, more specifically, how it can support business objectives (Stockdale et al., 2012). Social media is different from traditional means of face-to-face and online communication, and therefore requires a different approach to measurement. Some argue that the value or ROI of social media cannot be measured at all since the social media platforms are all about “people” and not “money” (Taylor, 2011; Bughin and Chui, 2010).

Social media are arguably more important for small businesses primarily because such businesses lack the traditional resources to market their products or services (Barnes et al., 2012; Levy and Powell, 2003). Yet, a Wall Street Journal survey of over 800 small businesses found that most small businesses are still unsure how to use social media, which ones to use, or whether it was worth the time and effort (Maltby and Ovide, 2013).

This is especially beneficial to small- and medium sized enterprises (SMEs) that may not have the financial backing or technical expertise required for other, more traditional, technical solutions (Stockdale et al., 2012; Zeiller and Schauer, 2011; Kaplan and Haenlein, 2010; Dyerson et al., 2009). Social media is used effectively, businesses must have a clear plan indicating how it will be used and what it will be used for, without this, businesses cannot determine its usefulness or effectiveness.

Consumers have been using internet technologies in increasing numbers and more intensively, which presents opportunities for businesses to reach and connect with more people using websites and social media sites (Armstrong and Hagel, 1996; Jung et al., 2013).

Despite many advantages of using social media, organizational-level research on social media and its impact on organizational performance has not grown as rapidly (Lovejoy and Saxton, 2012; Shahizan et al., 2012). Social media are known to have substantial impacts on the operations and success of businesses (Bennett, 2012).

#### **1.4 Research Question**

The research questions which served as a guideline to the research study. The following are some of the research questions for this study:

- I. What is the influence of access and share information to the use social media?
- II. What is the influence of communication to the use social media?
- III. What is the influence of feedback to the use social media?
- IV. What is the influence of low cost to the use social media?
- V. What is the influence of business performance to the use social media?

#### **1.5 Research Objective**

The main objective of this study is to fill up the above mentioned gap in the literature. In accordance with the research problem, the following listed objectives are identified in addition to the main objective to achieve through this research.

- I. To analyse the influence of share and access information to the use social media
- II. To analyse the influence of communication to the use social media
- III. To analyse the influence of feedback to the use social media
- IV. To analyse the influence of low cost to the use social media
- V. To analyse the influence of business performance to the use social media

### **1.6 The Scope and Limitation of the study**

This research study focuses on the factors that influencing the use media social in business. The scopes of the project focus to the business in Johor Bahru. The respondent was focus to the customer and entrepreneur. Data will collect through a field survey using a questionnaire from customer and entrepreneur.

In this study, the researcher has several limitations in the research. The first limitation was the researcher does not know how to read scientific journals and find good journals as a reference. This was because researchers lack of experience in doing research. In addition, the researchers also do not know how to write a research study. The second was that there are journals that need to be purchased. So, this would provide a barrier to the researcher to get good journal because researchers must spend capital in getting the desired journal. After the researcher met with the supervisor, the researcher can solve the problems that it faces limitations with the encouragement of his supervisor.

Finally, the potential from the results obtained from surveys for future. Even though no identifying information example name and address was required,

respondents may have been reluctant to answer questions regarding their true feelings or perceptions.

### 1.7 Structure of proposal

Chapter 1	This chapter discusses on the overview of research that consist of introduction, background study ,problem statement, research question, research objectives, scope and limitation of the study ,structure of proposal ,significances of study and the summary that explained more detail.
Chapter 2	This chapter will be discussing about the literature review for this research which the researcher obtained from several sources such as books, journals, and articles. Researcher illustrates theoretical framework development of this study and based on this researcher list the hypothesis.
Chapter 3	This chapter provided the research design and methodology used to achieve the objectives of the study. In this chapter, the researcher has been introduced all about steps, procedures and samples as methods of data collection used for data analysis

### 1.8 Significance of study

This research is relevant to practitioners especially the marketers because finding may reveal important aspects about the factor that influencing to use social media in business. This research also expected to be valuable to the research for future research.

- I. This research helps identify the main factor to use social media in business.
- II. This research helps identify factors to use social media in business
- III. Encouraging entrepreneurs and customers to use social media in business

### **1.9 Summary**

Chapter one briefly describes the development of the research framework. This chapter describes the five elements such as introduction, problem statement, research question, research objectives and scopes, limitation and significance of study. From this chapter, the researcher has been the scope of what was to be studied in the research. Based on this research, the researcher will study about the factor that influencing to use social media in business.