

**THE SUCCESS FACTORS OF SOCIAL MEDIA MARKETING TOWARDS  
BUSINESS PERFORMANCE AMONG MALAYSIA'S INTERNET  
ENTREPRENEURS**

**NADIRA BINTI NIZAM**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

I hereby confirm that I have examined this project paper entitled:

The Success Factors of Social Media Marketing towards Business Performance  
among Malaysia's Internet Entrepreneurs.

By

NADIRA BINTI NIZAM

I hereby acknowledge that this project paper has been accepted as part fulfilment for  
the degree of Bachelor of Technology Management (Hons) in High Technology  
Marketing

Signature : .....

Name of Supervisor : Siti Nor Wardatul Aina Binti Yusof

Date : 20 June 2014

Signature : .....

Name of Panel : Dr Norhidayah Mohamad

Date : 20 June 2014

The Success Factors of Social Media Marketing towards Business Performance  
among Malaysia's Internet Entrepreneurs.

NADIRA BINTI NIZAM

Report submitted in fulfilment of the requirement for the degree of Bachelor of  
Technology Management (Hons) In High Technology Marketing

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2014

I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature: .....

Name: Nadira Binti Nizam

Date: 20 June 2014

## DEDICATION

This research paper is dedicated to my parents and family who have been my constant source of inspiration. They have given unconditional support with my studies. I am honoured to have their as my parents. Thank you for giving me a chance to prove and improve myself through all my walk of life. To all my family thank you for believing me for allowing me to further my studies.

## ACKNOWLEDGEMENTS

Firstly, I would like to praise the Almighty Allah for giving us the blessing and strength with patience to complete this research paper entitles “The Success Factor of Social Media Marketing towards Business Performance among Malaysia’s Internet Entrepreneurs.

I also would like to thank to respected advisor Miss Siti Nor Wardatul Aina Binti Yusof for her kindness and willingness to help by sharing her knowledge and giving fully direction all over time. Special thanks to panel Dr Norhidayah Binti Mohamad for sharing her comments and knowledge during the VIVA. Sincere appreciation and thanks to Dr. Chew Boon Cheong and Dr. Ismi Rajiani for sharing their experience and knowledge in the Research Methodology and Marketing Research subject that really helped through the writing of this research. On this opportunity I would like to thanks our family for their love and understanding. Last but not least, as student I would like to apologize for any mistake and weakness in completing this report. This project involved many long hours of hard work, sleepless nights and personal sacrifices. Therefore I sincerely welcome any comments and suggestion for further improvement. Thank you.

## ABSTRACT

The purpose of this research are seek to analyse the success factors of the social media marketing towards business performance. This research is focused on business performance in terms of profitability. Surveys were conducted by distributed 150 questionnaires to respondent which is internet entrepreneurs. Previous study on Iran's perspective, indicate the success factors on social media marketing have 5 factors. However, in this research, only focus on three success factors. From the analysis, this research found that, there were three success main success factors which are interaction and communication, information content and security that contribute to business performance. This research is used reliability test, descriptive frequency analysis, correlations and regression analysis. From the data analysis, the entire independent variable are significant and the most success factor of social media marketing are information content. For conclusion, this research can bring contribution to academician and also internet entrepreneurs to making their business online success in terms of profitability.

*Key words:* business performance, profitability, social media, social media marketing, internet entrepreneurs, information content, security, interaction and communication.

## ABSTRAK

Tujuan kajian ini adalah untuk menganalisis faktor-faktor kejayaan pemasaran media sosial ke arah prestasi perniagaan. Kajian ini memberi tumpuan kepada prestasi perniagaan dari segi keuntungan. Kajian dijalankan dengan cara mengedarkan 150 soal selidik kepada responden yang merupakan usahawan internet. Kajian sebelumnya dari perspektif Iran, menunjukkan faktor kejayaan pemasaran media sosial mempunyai 5 faktor. Walau bagaimanapun, dalam kajian ini, hanya memberi tumpuan kepada tiga faktor kejayaan. Daripada analisis, kajian, mendapati bahawa terdapat tiga faktor kejayaan utama iaitu interaksi dan komunikasi, kandungan maklumat dan keselamatan yang menyumbang kepada prestasi perniagaan. Kajian ini menggunakan ujian kebolehpercayaan, analisis frekuensi deskriptif, korelasi dan analisis regresi. Daripada analisis data, pembolehubah bebas keseluruhan adalah signifikan dan faktor yang paling membawa kepada kejayaan pemasaran media social ialah kandungan maklumat. Kesimpulannya, kajian ini boleh membawa sumbangan kepada usahawan internet dan ahli akademik dan juga untuk membuat usahwan internet untuk menjadikan perniagaan online mereka success dari segi keuntungan.

*Kata kunci:* prestasi perniagaan, keuntungan, social media, pemasaran social media, interaksi dan komunikasi, kandungan maklumat, sekuriti.



## CONTENT

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGES</b>
	Declaration	
	Dedication	
	Acknowledgment	
	Abstract	
	Abstrak	
	Table of Content	
	List of Table	
	List of Figure	
	List of Abbreviation & Symbol	
	List of Appendices'	
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Problem Statement and Research Questions	4-5
	1.2 Research Objectives and Hypothesis	6-7
	1.3 Scope and Key Assumption	6
	1.4 Importance of the Study	7

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGES</b>
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.1 social media marketing	9-12
	2.2. business performance	12-13
	2.3 interaction and communication in social media marketing	13
	2.4 information content in social media marketing	14-15
	2.5 security in social media marketing	16
	2.6 Theoretical Framework	17-18
	<b>RESEARCH METHOD</b>	
<b>CHAPTER 3</b>	3.1 Research Design	19-20
	3.2 Methodological Choice	21
	3.3 Data Collection	22
	3.4 Research Strategy	23-24
	3.5 Time Horizon	24
	3.6 Data Analysis	24-25
<b>CHAPTER 4</b>	<b>DATA ANALYSIS AND FINDINGS</b>	
	4.1 Reliability Test	28
	4.2 Frequency Distribution (Descriptive Frequency Analysis)	29-43
	4.3 Correlations	44-46
	4.4 Regression Analysis	47-52
	4.5 Hypothesis Verification	53

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGES</b>
<b>CHAPTER 5</b>	<b>CONCLUSION AND RECOMMENDATION</b>	
	5.1 Summarize of the whole chapter	56-57
	5.2 Research Objectives	58-59
	5.3 Limitation	60
	5.4 Future Research	60
	5.5 Recommendation	61
	<b>REFERENCEE</b>	62-65
	<b>APPENDICES</b>	66-73

## LIST OF TABLE

<b>TABLE</b>	<b>TITLE</b>	<b>PAGES</b>
	4.1 Strength of Cronbach's Alpha	28
	4.2 Reliability Statistics	28
	4.3 Gender	30
	4.4 Age	31
	4.5 Race	32
	4.6 Marital Status	34
	4.7 Original State	35
	4.8 Level of Education	36
	4.9 Monthly Income	38
	4.10 Type of business	40
	4.11 Promote using Social Media	42
	4.12 Type of Social Media	43
	4.13 Correlation	44
	4.14 Regression	47
	4.15 ANOVA	48
	4.16 Coefficient	48
	4.17 Determine the most success factors	50
	4.18 Hypothesis	54
	4.19 Research Objective	58
	4.20 Regression	59

## LIST OF FIGURE

<b>TABLE</b>	<b>TITLE</b>	<b>PAGES</b>
	2.1 The Success Factor of Social Media Marketing Towards Business Performances Among Malaysia's Internet Entrepreneurs	17
	4.1 Gender	30
	4.2 Age	31
	4.3 Race	33
	4.4 Maritial Status	34
	4.5 Original State	35
	4.6 Level of Education	37
	4.7 Monthly Income	38
	4.8 Type of business	40
	4.9 Promote using Social Media	42
	4.10 Type of Social Media	43

## LIST OF ABBREVIATION

<b>ABBREVIATION</b>	<b>TITLE</b>
FB	Facebook
R	Correlation of coefficient
R <sup>2</sup>	Coefficient of Determination
SPSS	Statistical Package for Social Science
X <sub>1</sub>	Interaction and Communication
X <sub>2</sub>	Information Content
X <sub>3</sub>	Security
Y	Business Performance

## CHAPTER 1

### INTRODUCTION

In the era of globalisation, social media marketing have decided to waive the traditional marketing. Mostly entrepreneurs have decided to move their business into internet marketing; this is because they have to adapt with the new current media trends. Nowadays consumer are more interested on buying a stuff using internet and known as social media. The new current trends are consumer only have to search about the product and make a purchase through online. According to the “2010 Social Media Report” from Foresee result, about 69% of online shoppers use social media and 59% percent of shoppers visiting e-retail website on social networking. Many entrepreneurs they are still anxious whether this social media marketing can gain a profit or not. This study is focused on measure the effectiveness of social media marketing by measuring the business performance of respondent which is internet entrepreneurs.

In addition, we focused on profitability of the business performance. Normally performance of the business are determined by gaining a profit but in this study we explored on what are the success that making a social media marketing became successful. This study conducted in Malaysia. We distributed the questionnaire to internet entrepreneur who are doing a business using the certain social media which is Facebook, Blog and Instagram. The reason why we choose only three medium of

social media is because current trend are shown that many entrepreneur are using those three medium rather than other social media such as Twitter and Linked.

Kelly (2012) identifies and empirically validate that social media can mighty marketing tool if it's used in the right manner. Actually if entrepreneurs used this social media in the right way, it does definitely can be a most effective tool to promote and sell their product. All the online entrepreneurs needs is to identify which are the social media sites that their potential customer interact the most for example Facebook, twitter, blogger and many more.

Zuckerberg (2012) stated that the social network that his introduced to people eight years ago have hit the milepost of one billion active members on Sept 14. Based on that, we know that if Internet Entrepreneurs willing to sell or promote their product through Facebook, they can gains profits and make their business performance more efficient.

Kaplan (2010) showed that a social media is a something that can be used after connecting to Internet because it is the internet based application that construct on the ideological and technological foundation of Web 2.0 and that enable the creation and exchange of user –generated content. Social media is like people can communicate with each others, they can communicate from any place without limitation. Beside can communicate, social media assist people to share or exchange their opinion or knowledge.

According to Dholakia, Bagezzi & Pearo (2004) Social media offers opportunities for interpersonal in connectivity, self-discovery, entertainment, function value and social enhancement. Tuten & Solomon (2013) stated that for marketing organization those have several benefit. The benefit are engagement opportunities, media cost saving, the opportunity to encourage word of mouth communication and lastly accessibility to consumer group and reach.

Mohammadian & Mohammadreza (2012) introduce six kinds of social media. Many researchers have dealt with these six kinds of social media; other researchers are (Chung & Austria)



- Social Network: using this sites people are now can easily connect with people and also they can build their own personal web pages and lastly they are able to connect with friends in purpose of sharing the content and knowledge. The example of these kinds of social network is Myspace, bebo and Facebook.
- Blogs: blogs are alike online diary
- WIKIs: theses websites allow people to share the information regarding certain topic. All the information will be saved as databases.
- Podcast: podcast contain of audio and video files. All the files need to subscribe before used it.
- Forums: forums are the online discussion. Discussion for those who are shared the same interest and topics. Online communities will create through these forums.
- Content Communities: this sites are about to sharing particular kinds of content which is photo, video and bookmarked links.
- Micro-blogging: These sites are consisting of social networking and bite-sized blogging. Only small of content can be updated. Twitter is the example of Micro-blogging.

Trattner (2013) have pointed out social media marketing is an action of deriving website traffic or attending through social media sites. In simple words, Social Media marketing which using internet entrepreneur promote as well as sell their product through social media sites.

Mohammadian & Mohammadreza (2012) suggest the success factors of social media in marketing perspective consists of five elements which is communication, information content, the characters of social media, security in social media and lastly reputation. We will be going to make a research on 3 elements only, which is communication, information content and security in social media and we also have to determine which of the elements is the most of success factors. In the existing study, the academician only explain on the surface about those 5 elements and suddenly we curious to know how those 5 elements can makes social media became successful , thus we decide to making a study on that but only focusing on 3 elements like we have explained before.

In addition to this introduction, this study is structured through other three sections. The first section is present a conceptual base on the social media marketing toward business performance among internet entrepreneur. Second section describe all the literature review regarding on this study which is content of previous study on business performance and also success factor of social media marketing. The research methods that we will use are submitted at the third segment. Last but not least, on the last section, we will conclude all the study up to chapter 3.

### **1.1 Problem Statement and Research Question.**

Nowadays, social media are become medium of communication as well as part of the business. The explosive developments of internet itself are driven to making this social media more useful not only used for the purpose of communication. The development of internet has changed the shopping habit of consumer. In this era, consumers are more interested to buying online by accessing the virtual website rather than going to physical store. Davis (2013) stated in *The Rise of Online Entrepreneur: Ecommerce by the number (Infographic)* those have 7.084 billion people in the world. Around 2.4 billion of people are use the internet regularly, more than 1 billion are active using Facebook in 2013 and about 1.4 billion of people will use smartphones by the end of the year 2013. This shown that those have an opportunity from the internet entrepreneurs to moves into current trends and ignoring the traditional way. The present day, more people are not only connecting online through social media and their mobile phones and devices, they are buying more and more goods and service online. In future, about US online retail sales will reach \$370B by 2017 and US mobile payments will reach \$90B. 60% of people say they research consumer electronics and mobile /digital goods online before buying them and nearly half make 25% of their purchases online.

In the case of Malaysia, many of Internet Entrepreneurs faces the same problems among them, their major problems are they are lack of guidelines to make their online business success. They are still curious what will happen if the online business are not successful as others and they are still curious whether if they are involve on social media marketing ,they will gaining a profit or losses.

So, we were thinking to overcome their problems by make a research on how they can make their online business become more successful.. Normally in order to making their product can be acceptance by consumers, they have to know first what are the factors that can affect their Social Media Marketing success. Below are the research question of this research:

### **Research Question**

- What are the relationships between Social Media Marketing and business performance?
- What is the most success factor of social media marketing towards business performance?

### **1.2 Objectives**

- To investigate the relationship between Social Media Marketing and business performance?
- To determine the most success factor of Social Media Marketing towards business performance.

## **Hypothesis**

H1- There is a positive relation between interaction and communication with business performance.

H2- There is a positive relation between information content with business performance

H3- There is a positive relation between security with the business performance

## **1.3 Scope and Key assumption**

### **1.3.1 Scope**

In this study, we focus on factors that influence social media marketing became success towards business performance among internet entrepreneurs. So in this study, we focused to measure the business performance by the profit that internet entrepreneurs earn before and after using this medium to selling and promoting their product. This is because we think in this millennium era; consumers are more interested on using online marketing rather than using traditional way to make a purchase. Nowadays, social media is one of powerful marketing tool. The respondents of this research are internet entrepreneurs. We choose internet entrepreneurs because we willing to make a research on what is the most factor of this social media marketing that can enhance business performance.

### **1.3.2 Key Assumption**

We describe the factors that can make Social Media Marketing became success, what are the elements consists and what are the most important factors that can affect Social Media Marketing towards Business Performance.

## **1.4 Importance of the study**

According to this research, the significant of this study be applied to two parties which are researcher itself and Internet Entrepreneurs. The details on how this study significant to those two parties is listed as below:

### **1.4.1 Researcher/Academicians**

This research is significant to other researcher and academicians as to be guide in other research.

### **1.4.2 Internet Entrepreneurs**

This research is significant to researcher to Internet Entrepreneur because it can be a guideline to them, to achieve their goals on how to make their online business successful and enhances a lot of profit. Maybe they can change any elements that not suitable for their online business and makes this research as their benchmark to achieve their goals.

This chapter 1 is briefly explained about the development of the framework for the research. In this chapter consists of five elements which is introduction, problem question, problem objective, scope, key assumption and also the significant of this study and last but not least the scope of the study. This chapter include basic information about the social media, social media marketing, internet entrepreneur, business performance and the factor that can make social media marketing success. In further chapter, we will explain about the literature review. All the literature view comes from existing research, books, journal, article and many more. Thus, the next chapter we will explain on success factor of social media marketing which is represent the dependent variable and also consists of independent variable.

## CHAPTER 2

### LITERATURE REVIEW

Literature review is a text that written by someone who are expert in several field to comes up with the theories. To make the research be supported by accurate and precise evidence, literature review are a secondary data that can be use to support the whole research. Sekaran (2003) stated that literature review has shown the literature survey of the documentation of a comprehensive review of the published and unpublished work from secondary data in the area of specific interest to the researcher.

Thus, what we have understood, all the theories that have used should be provided with evidence to make it accurate.

A lot of theories regarding Business Performance, Social Media, Social Media Marketing, Internet Entrepreneurs, Communication, Information Content and Security have explained by existing researchers. We searched the literature review form newspaper, seminar paper, reference book, online material and other published sources. So in this chapter, we will briefly explain about the topic and provide with the evidences. This chapter further support the development of dependent variable and independent variable.

## 2.1 Social Media Marketing

Coles (2011) have pointed out that in *Learn Marketing With Social Media in 7 days* “social media “ can be understand by defined two terms which is “Social and Media” . For social it’s because after involve yourself on internet you will begin social and for media it’s because printed or issued on the web and the simplest way to became a platform for a conversation ways of communication and people are able to communicate with other people at once. So in this point, the key point of this social media is to communicated with other person.

Marketo (2010) manifested that in *The Definitive Guide to B2B(Business to Business) Social Media*, Social Media was defined as “the way to exchange the information, the production and consumption through online social interaction and platform. Greenberg (2010) asserted that the sharing same opinion by defining the social media, his argued that have a statement state regarding on social customer, his said all the customer are now “social customer” and all the company should implement the a vital part of CRM (Customer Relationship Management). But according to Ploof (2009), his said social media simply defined as “produce or make an opportunities for a companies to promote about their own stories”.

Keller (2012) showed that on *The Face-to-Face book: Why Real Relationships Rule in Digital Marketplace* defined a Social Media by creating a phrase with is said “all media are social”

Social Media defined as “online technologies that using the internet but using the application on the phone and widget that make a people able to share all the information ,content, opinions, insight, experiences, perspectives and media to other person” by (Tobin,2008) in *Social Media Cocktail Party and President of Lignite Social Media*. His also said Social Media are also tools that authorize to people to publish or issue about themselves. In Tobin article said, blogging, tweeting, facebook messaging or commenting are including on self publishing.

Author such as Boyd & Ellison (2008) defined those have 3 main definition which is a service that using a Web that let individual to build a public or semi –

public profile within bordered system, the second definition is state a list of other users about the with whom they share a connection and lastly outlook and crossing their list of connection and those made by others within the system.

Mahammadian & Mohammadreza (2012) Social Media refers to action, practise and conduct among communities of individuals who assemble online to share data, cognition, and impression using conventional media.

In all the definition defined by other academician on their journal or article or book, what we have understand is social media are the social sites where online user can communicate with each other by creating a profile and update their profile to became a community of those social network. After created the profile, user might need to add some friends to account and can start to communicate with them. After make a communication with others, the new user can find their similarities, hobby and many more. The evidence of those explanations is Boyd & Ellison (2008) showed that all the social media is functioning if social users of certain social media are sharing the same characteristic, qualities or interest.

Social Media is a website that using an internet to make a connection with a people. It's also making a people able to communicate, sharing information and sharing interest, opinion and many more. Social Media are now very famous in entire world because using this platform its make the life of person easier and happier. They are able to keep in touch with everyone in this world. The social media eliminate the traditional ways that the sharing the same function such as sending a letter or sending the text messages. To starting using those social networks it's simple as ABC its only have to having an email address by (Zarrella, 2010). As surveyed by (Trattner, 2013) Social Media Marketing is determined to the action of acquiring website traffic or attention through social media sites.

Literature revealed that The Social Media Marketing is a message by the corporate intended to spreads from user to user by (Schivinski,2013) April 2013 *“The Impact Of Brand Communication on Brand Equity Dimension and Brand Purchase intention through facebook”*