SUPERVISOR CONFIRMATION

'I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technopreneurship'

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THE SUCCESSFUL FACTOR OF JOHOR TRADITIONAL FOOD ENTREPRENEUR TOWARD SMEs PRODUCT: AN EMPIRICAL STUDY

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Submitted in Partial Fulfilment of the Requirement for the Bachelor of Technopreneursip (Honours)

Faculty of Technology Management & Technopreneurship
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DECLARATION

"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"

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DEDICATION

I would like dedicate the appreciation to my family members especially my parents Mr. Salekan Bin Tambi and Mrs. Rossidah Binti Mujiman who motivate me in completing this research. They continuously give me support and advice to fulfil the requirement of the research.

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Thank you

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ABSTRACT

Malaysia is a country which has a rich diversity of culture. One of it were, traditional food. "Diversity" is the key word that we often discuss, primarily on traditional food in Malaysia. Nowadays traditional food were less known by the younger generation as many snacks and junk food has been introduced on the market. Apart from that, the lack of promotion and exposure of the present generation towards traditional food also was the main course. The traditional foods need to be introduced and reminded to the younger generation. Johor is one of the emerging states in Malaysia .Therefore, as a way to attract tourists from home and abroad Johor has triggered the development of traditional food industry as a national cultural asset. Hence, to maintain the quality of traditional food products, recipes, how, skills, and special materials it has triggered traditional food processing operation by entrepreneurs who are experienced in working on traditional food industry. In addition, to maintain the quality and progress in the field of traditional food processing, entrepreneurs must improve the quality and development food in line with the demand and needs of society nowadays .So, this study aims to investigate and identify the factors of success traditional food entrepreneurs by Small and Medium Enterprise (SMEs) this .Research analysis using quantitative as an instrument of research. Moreover, the study involved 100 respondents which were clearly skilled and able to commercialize its own traditional food in traditional food control in Johor.

Keywords: Traditional Food, Entrepreneurs, Small and Medium Enterprise (SMEs)

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ABSTRAK

Malaysia merupakan Negara yang memiliki kekayaan keanekaragaman budaya.Salah satunya adalah makanan traditional. "Kepelbagaian" merupakan perkataan utama yang sering kita bincangkan ,terutamanya adalah tentang makanan traditional di Malaysia.Namun begitu,pada masa kini makanan traditional kurang dikenali oleh generasi muda kerana banyaknya makanan ringan yang mula dikenalkan di pasaran dan kurangnya promosi serta pendedahan generasi kini terhadap makanan traditional.Oleh itu,makanan traditional perlu dikenalkan dan diingatkan kembali pada generasi muda hari ini. Johor merupakan salah sebuah negeri di dalam Malaysia yang sedang pesat membangun .Oleh itu,sebagai salah satu cara untuk menarik minat pelancong dari dalam dan luar negara maka wujudlah perkembangan industri makanan traditional sebahagian asset kebudayaan di Johor. Seterusnya,untuk mengekalkan kualiti produk makanan traditional,resepi ,cara pembuatan, kemahiran , dan bahan-bahan istimewa maka wujudlah pengendalian pemprosesan makanan traditional oleh usahawan usahawan yang berpengalaman dalam mengusahakan industri makanan traditional. Selain itu,untuk mengekalkan kualiti dan kemajuan dalam bidang pemprosesan makanan tradisional usahawan haruslah meningkatkan kualiti dan mutu makanan seiring dengan kehendak dan cita rasa masyarakat sekarang.Oleh itu,kajian ini bertujuan untuk mengkaji serta mengenalpasti faktor-faktor kejayaan usahawan makanan traditional oleh Perindustrian Kecil dan Sederhana (PKS).Kajian ini mengunakan analisis kuantitatif yang menggunakan soal selidik sebagai instrumen analisis..Tambahan lagi,kajian ini juga melibatkan 100 responden yang jelas berkemahiran dan mengusahakan makanan traditional sendiri dalam bidang pengendalian makanan traditional di Johor.

Kata kunci: Makanan Traditional, Usahawan, Perindustrian kecil dan sederhana (PKS)

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LIST OF ABBREVIATIONS

IT	=	Information Technology
SMEs	=	Small Medium Enterprise
UPSR	=	Ujian Penilaian Sekolah Rendah
PMR	=	Peperiksaan Menengah Rendah
SPM	=	Sijil Pelajaran Malaysia
STPM	=	Sijil Tinggi Pelajaran Malaysia
PHD	=	Doctor of Philosophy

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LIST OF SYMBOLS

%	=	Percent
=	=	Equals
+	=	Plus
x	=	Multiple

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

The Malaysian food industry has become an important of a part in agro-based industry by following the government's focus on the agriculture sector .Furthermore, in early 1970 SMEs in Malaysia was initiated by the Malaysian government. At 1971 the "New economic Policy" was introduced and the objective is to develop the people's welfare and restructure ethnic economic imbalance in Malaysian .Second Industrial Master Plan (IMP2) is supporting government with expansion of SMEs.(Nor, Bhuiyan, Said, & Alam, 2016). Government support is no less important in affecting the success of SME. The government through various ministries and agencies have taken many initiatives and also programs to support the development of SME in Malaysian. It aims to promote the development of SME more competitive and resilient to enhance the contribution of SME to the national economy. Government support for the development of SME is in the form of a special program designed to provide infrastructure .This support to make it easier for entrepreneurs to venture into business cultivate the entrepreneurial spirit, expand their expertise and educate potential entrepreneurs.

Moreover, food industry in SMEs have high competitiveness is the main theme towards sustained economic growth. As well we know about SMEs, SMEs have long been believed to be important in supporting economics development within a country

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(Mazzarol, Volery, Doss, & Thein, 1999). SMEs are important in the process of economic development and also plays an important role in the network of national production.Currently, in food production of functional food, health food, convenience, food ingredients and halal food is classified as the industry key growth areas. From that, to ensure the sustainability of food industry especially in traditional food, they need to propose a new paradigm and new knowledge for the management of traditional food products.

Malaysia is famous among tourists mastermind abroad and more known for its uniqueness of cultures and races of people. Malaysia also as well-known as a multicultural and multiracial country consists of various ethnic such as Malay, Chinese, Indian and others. As major ethnic group, Malay is known to be descendants of the tribal proto-Malays, a mixture of modern India, Thai, Arab and Chinese ancestry .The pioneer settlement of Malay Peninsula, coastal Borneo and eastern island were among the Malay from Sumatran coast and indigenous from java and Celebes (Hutton, 2000; Jalis, Zahari, Zulkifly, Othman, 2009).One of the main tourist attractions in Malaysian, traditional food has become a symbol of the diversity of people in Malaysia. So, it is possible to consider that involvement in the traditional food industry is having opportunity and a good prospect in the future (Ibrahim & Ahmad, 2011).

Traditional food is often related to historical value of multicultural population of the people. Then, owned by the local and use natural of quality ingredients, and also have the knowledge and experience to produce traditional food itself with own uniqueness. In additional, to ensure that the resulting product gets attractions and celebrations, traditional food entrepreneur itself requires a competitive advantage to other competitors .Then, to meet consumer demand and also prepare by own unique way and own quality on their product. Furthermore, the rapidly changing economic environment has led to a major help SMEs in their agility, dynamism and also innovation. These firms are capable to respond rapidly and are exceedingly adaptable when faced with a changing environment (Tzadik, 2007) and their creativity fuels the soul and spirit of entrepreneurship and economic growth (Savlovschi and Robu, 2011).

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1.2 Problem Statement

This study focus on the successful factor of traditional food entrepreneur toward small medium enterprise (SMEs) product. Traditional food product is facing various challenges to compete in SMEs arena especially in food sector. The food sector is based on a very heterogeneous group with different degrees of product perishability, manufacturing lead times vary, and the demands of various customers in different amounts at different frequencies. So, which will enable them to maintain and expand their share market in a highly competitive at food sector.

Furthermore, the food industry is facing a period of rapid change driven by globalization, processing, health and safety as well. Which will help the organization's traditional food entrepreneurs to create more competitive products .Moreover, to know the weaknesses of traditional food operators towards SME products. Then, population of people also change lifestyles ,so they have led to an increase in demand for traditional foods, and now Malaysia became one of the favorite tourist destinations, therefore, culture and economic environment seems to be an important role in traditional food products in Malaysia.

1.3 Research Question

This study is to identify, evaluate and understand on the successful factor of Johor traditional food entrepreneur toward SMEs product. The successful factor given positive impact to the food sector especially in SMEs traditional food, which have been lead to the studies. The question is per below:-

RQ $_1$: What are the successful factor that influence traditional food entrepreneur towards SMEs product?

RQ $_2$: What is the relationship between the factors of technology use towards traditional food products?

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RQ $_3$: How the business performance of SME products effect the success factors of traditional food entrepreneur?

1.4 Research Objective

Objective of this study are as below:-

RO $_1$: To investigate the successful factor that influence traditional food entrepreneur towards SMEs product.

RO $_2$: To determine relationship between the factors of technology use towards traditional food products.

RO $_3$: To identify how the business performance of SME products effect to the success factors of traditional food entrepreneur.

1.5 Scope of Study

This study, try to investigate the successful factor influence traditional food entrepreneur .Moreover, this study also focus to determine between the successful factors of technology use for traditional food product and how business performance of SME products effect the success factors of traditional food entrepreneur.

This study will be conducted at Johor, Malaysia. The reason why the researcher choose Johor as the location for this study because many organization market traditional food area at a Johor such at Batu Pahat and Ayer Hitam.

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1.6 Significant of Study

The significant of this study is to identify the successful factor that influence Johor traditional food entrepreneur toward SME product. The analysis of influence will show the benefit to the food industry to determine the successful factor and automatically enhance the performance of the traditional food industry. In addition, this finding also provide the organization with information that will recognize the effectiveness of successful factor of traditional food entrepreneur toward SME product.

1.7 Summary

Chapter 1 was cover the background of study, problem statement, research question, research objective are pointed out in this chapter Besides that, this chapter also explain the scope that will be covered in this study. The following chapter 2 will describe in detail the literature review of traditional food. Hypothesis and theoretical framewor

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CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter will describe about the previous study related to traditional food, and also previous researchers and authors. In this chapter, the independent variable and dependent variable were formed and also was explained and discussed. This chapter also stated the overall view of raw material, financing, technology, and distribution. Moreover, the prediction of research which is the hypothesis and theoretical framework was also presented in this chapter. All of these will be explicate in detail in this chapter.

2.2 Entrepreneurship

The term “entrepreneurship” comes from the French verb “entreprendre” and the German word “unternehmen”, both of term mean to “undertake”. Then, defined by Bygrave and Hofer in 1891 the entrepreneurial. Procedure is ‘involving all the functions, activities and also actions associated with perceiving of opportunities and creation of organization to pursue them ’.Furthermore, Joseph Schumpeter introducing the modern definition of ‘entrepreneurship’ in 1934 .According to Schumpeter, “the carrying out of new combinations we call ‘enterprise’, and “the individuals whose function it is to carry

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