

FACTORS DRIVEN UTILIZATION OF SOCIAL MEDIA MARKETING
AMONG ENTREPRENEURS IN MELAKA

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DECLARATION

“I declared that this report is the results by my own work except certain explanations
And passage where every part of it is cited with sources clearly stated in References”

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Date :

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 honored to have them 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.

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ABSTRACT

The rise of internet issues have effect on marketing process and increasingly transforming business practices. There are important to concern about customer engagement in determine successful marketing strategy. The increment of online entrepreneurs is not a new thing today. Therefore, the aim of this study had been to examine the factors driven utilization of social media marketing among entrepreneurs in Melaka. The objective of this study is to identify the relationship, factors and most influence factors of utilization social media marketing. Based on the literature review, the influence factor of utilization of social media marketing is interaction and communication, business environment, customer behavior and perception. The quantitative method is in the form of questionnaire survey conducted to achieve the objective of the research. Survey were conducted by 210 respondent answered which is entrepreneurs where used social media in their business and the data was analysed using descriptive analysis, inferential analysis, and multiple regression to define the result. The result demonstrated that all variable have significant relationship with utilization of social media marketing among entrepreneurs in Melaka. The outcome of this study indicates that customer behavior and perception is the most influential factor that influence utilization of social media marketing among entrepreneurs in Melaka. For conclusion, this research can convey commitment to academician and furthermore online business visionaries to making their business online to the top achievement.

Keywords: Social Media Marketing, Entrepreneurs, Interaction and Communication, Business Environment, Customer Behavior and Perception.

ABSTRAK

Kebangkitan isu internet mempengaruhi proses pemasaran dan semakin mengubah amalan perniagaan. Menitik beratkan penglibatan pelanggan dalam perniagaan ada penting bagi menentukan strategi pemasaran yang berjaya. Peningkatan usahawan dalam talian bukan perkara baru hari ini. Oleh demikian, matlamat kajian ini adalah untuk mengkaji faktor-faktor pemacu penggunaan pemasaran media sosial di kalangan usahawan di Melaka. Objektif kajian ini adalah untuk mengenal pasti hubungan, faktor dan faktor yang paling mempengaruhi penggunaan media sosial pemasaran. Berdasarkan kajian literatur, faktor pengaruh penggunaan pemasaran social media adalah interaksi dan komunikasi, persekitaran perniagaan, tingkah laku dan persepsi pelanggan. Kaedah kuantitatif dalam bentuk soal selidik yang dijalankan untuk mencapai objektif penyelidikan. Kajian dijalankan oleh 210 orang responden yang telah menjawab kajian yang terdiri daripada usahawan yang menggunakan media sosial dalam perniagaan mereka dan data dianalisis dengan menggunakan analisis deskriptif, analisis inferensi, dan regresi berganda untuk menentukan keputusan. Keputusan menunjukkan bahawa semua pemboleh ubah mempunyai hubungan yang signifikan dengan penggunaan pemasaran media sosial di kalangan usahawan di Melaka. Hasil kajian ini menunjukkan bahawa tingkah laku dan persepsi pelanggan adalah faktor yang paling berpengaruh yang mempengaruhi penggunaan pemasaran media sosial di kalangan usahawan di Melaka. Kesimpulannya, penyelidikan ini dapat menyampaikan komitmen kepada ahli akademik dan seterusnya membantu perniaga dalam talian untuk meningkatkan prestasi perniagaan mereka.

Kata Kunci: Pemasaran Sosial Media, Usahawan, Komunikasi dan Interakssi, Persekitaran Perniagaan dan Tingkah Laku dan Persepsi Pelanggan.

TABLE OF CONTENTS

CHAPTER	CONTENTS	PAGE
	SUPERVISOR DECLARATION	
	RESEARCH TOPIC	i
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	ABSTRAK	vi
	TABLE OF CONTENTS	vii
	LIST OF TABLES	xi
	LIST OF FIGURE	xii
	LIST OF ABBREVIATION	xiii
	LIST OF APPENDICES	xiv
CHAPTER 1	INTRODUCTION	
	1.0 Research Background	1
	1.1 Problem Statement	3
	1.2 Research Questions	4
	1.3 Research Objective	5
	1.4 Scope and Key Assumption	6

CHAPTER 2 LITERATURE REVIEW

2.0 Introduction	7
2.1 Entrepreneur	8
2.2 Important of Entrepreneurs To Go Online	9
2.3 Fashion Industry	10
2.4 Social Media Marketing	11
2.5 Factor	12
2.4.1 Interaction and Communication	13
2.4.2 Business Environment Using Social Media	14
2.4.3 Customer Behaviour and Perception	16
2.5 Research Framework	19

CHAPTER 3 RESEARCH METHODOLOGY

3.0 Introduction	20
3.1 Research Design	21
3.2 Methodological Choice	22
3.3 Data Collection	23
3.4 Research Strategy	23
3.5 Pilot Test	25
3.6 Sampling Design	25
3.7 Location of Research	26
3.8 Time Horizon	26
3.9 Data Analysis	27
3.10 Validity and Reliability	28
3.11 Summary	29

CHAPTER 4 DATA ANALYSIS AND FINDING

4.0 Introduction	30
4.1 Reliability of Instruments	31
4.2 Descriptive Frequency Analysis	32
4.2.1 Demographic Profile	32
4.2.1.1 Gender	35
4.2.1.2 Age	36
4.2.1.3 Marital Status	37
4.2.1.4 Level of Education	38
4.2.1.5 Monthly Income	39
4.2.1.6 Type of Business	40
4.2.1.7 Usage of Social Media	41
4.2.1.8 Social Media that often use	42
4.3 Data Analysis	43
4.4 Result Measurement	43
4.5 Independent Variable Descriptive	44
4.6 Descriptive Statistic	47
4.7 Inferential Analysis	48
4.8 Relationship between Variable	52
4.9 Hypothesis Testing	55
4.10 Summary	57

CHAPTER 5 CONCLUSION AND RECOMMENDATION	
5.1 Introduction	58
5.2 Research Objectives	58
5.2.1 Objective 1	58
5.2.2 Objective 2	59
5.2.3 Objective 3	61
5.3 Limitation	62
5.4 Future Research	63
5.5 Recommendation	63
5.6 Summary	64
REFERENCES	65
APPENDICES	70

LIST OF TABLES

TABLE	TITLE	PAGES
3.1	Likert Scale	25
4.1	Cronbach's Alpha Each Variable	31
4.2	Cronbach's Alpha All Variable	31
4.3	Demographic Profile	33
4.4	Mean Score Interpretation	43
4.5	Interaction and Communication	44
4.6	Business Environment	45
4.7	Customer Behavior and Perception	46
4.8	Descriptive Statistic	47
4.9	Pearson Correlation Coefficient	49
4.10	Strength of Pearson Correlation Coefficient	50
4.11	Model Summary of Multiple Regression	52
4.12	ANOVA	52
4.13	Multiple Regression Coefficients	53
4.14	Result of Hypothesis Testing	56

LIST OF FIGURES

FIGURE	TITLE	PAGE
2.1	Framework	19
4.1	Gender	35
4.2	Age	36
4.3	Marital Status	37
4.4	Level of Education	38
4.5	Monthly Income	39
4.6	Type of Business	40
4.7	Do you use Social Media to Promote Business	41
4.8	Which of Social Media Network Used Often	42

LIST OF ABBREVIATIONS

IV	=	Independent Variable
DV	=	Dependent Variable
SPSS	=	Statistical Package for the Social Sciences
MRA	=	Multiple Regression Analysis
H ₁	=	Hypothesis Alternative
H ₀	=	Hypothesis Null
R	=	Correlation of Coefficient
Y	=	Utilization of Social Media Marketing
X1	=	Interaction and Communication
X2	=	Business Environment
X3	=	Customer Behavior and Perception

LIST OF APPENDICES

APPENDIX	TITLE
APPENDIX 1	Gantt Chart Final Year Project 1 (PSM 1)
APPENDIX 2	Gantt Chart Final Year Project 2 (PSM 2)
APPENDIX 3	Questionnaire

CHAPTER 1

INTRODUCTION

1.0 Research Background

In this era of globalization, social media marketing have decided to fade the traditional marketing. Many of entrepreneur start to move into social media marketing instead of using traditional way which is will give many benefits to the entrepreneur. According to Michael A. Stelzner (2016), the main two advantages of social media marketing are expanding expose and increase traffic. It also supported by a statistic according to “Social Media Examiner 2016” where 89% of marketers demonstrated that their social media endeavors have created more expose for their organizations, develop customer loyalty (68%) and 66% gain marketplace trough social media. This shown the effectiveness and impact of social media can bring to the business activities nowadays. Many of entrepreneur start to move into social media marketing because of some factor that influence them. This study focuses on measure factor driven the utilization of social media marketing of respondent which is entrepreneurs.

In addition, researcher focused on utilization of social media. Basically, social media just use in way of make paid review which to connect between business to consumer (B2C) but in this research, researcher investigate how social media become one of medium that mostly entrepreneurs used. Researcher will distribute questionnaire to entrepreneurs in Melaka that use social media as marketing platform like using Facebook, Instagram, and Twitter. The reason of why on focused on three

medium of social media is current pattern shown many entrepreneurs are using the medium than other social media like blog and Linked In.

Other than that, researcher also looked into behaviour that using internet which mean consumer that will use social media. This is because from there researcher can looked the possibility of the entrepreneurs will move into customer preference. Based on a survey that conducted by Malaysia Communications and Multimedia Commission (MCMC) showed that the level of internet user in 2015 demonstrated a striking increment of 11.6% which is increase from 66.6% (2014) to 77.6% (2015), therefore it's about two over three of Malaysian use the internet. By the statistic, researcher can assumed that majority of Malaysian is adapted with internet or social media by today.

Mack et al. (2017), identify that entrepreneurs utilize social media for an assortment of purposes running from branding and marketing to study customer behaviour especially on browsing and purchasing strategy. Based on that, if the entrepreneurs use social media marketing, they can gain benefits and study about market trend to build a good marketing strategy.

In an implication of social media marketing, there are importance to define the goal that entrepreneur need to accomplish. Mohammadian & Mohammadreza (2012) introduce five of the most common goals of social media marketing which is:

- Relationship building: The essential advantage of web-based social media marketing is the capacity to fabricate associations with effectively connected with consumer, supplier, business to business relationship, business to customer relationship, online influencers and more.
- Brand building: Using social media, an organization can create a conversation to present brand awareness, establishing and promoting using effective strategy and technique, and boost brand identity.
- Publicity: From marketing perspective, publicity is one of component of promotion and marketing. Besides, social media marketing will build an outlet where organizations can share imperative data and change negative discernments.

- Promotions: Through social media marketing, the entrepreneur can attract their customers and potential audience through exclusive discount and at the same time influence these people feel valued and special, as well as to meet short-term goals.
- Market research: Based on social media, a business can study about their customer, create segmentation and detailing behaviour of the customers, find similar audiences, identify the needs and wants of customers and find out about competitor.

Thus in this study, researcher will focus on to investigate factor utilization of social media marketing among entrepreneurs in Melaka. In addition to this introduction, this is brief explanation of connection between social media marketing and entrepreneurs, and literature review regarding on this study which is content of previous study on factor influencing the utilization of social media.

1.1 Problem Statement

Nowadays, social media are become medium of communication as well as part of 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 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 for the internet entrepreneurs to moves into current trends and ignoring the traditional way. Then, by a previous literature review that study about the need for an update marketing strategy campaigns are to remain valid in eyes of consumer by Eid and Truman (2002) which stated that it is impossible to apply a same marketing strategy (traditional marketing) without making a few alteration to be align to the electronic edge. That statement said by the

past researcher is to emphasize need to make some change from current traditional marketing into social media marketing.

In case of Malaysia, the main challenge faced by the entrepreneurs in this country are lack of knowledge regarding branding, marketing strategy or techniques, customer loyalty and also weak networking with other local and international entrepreneurs (Hashim and Wafa, 2002: Muhammad's, 2010). Then, internet has made it workable for the entrepreneurs to access any information widely than that owned by any major corporation (Rodnik, 2014). Besides, internet allows entrepreneurs to communicate as generally with people or exchanging accomplices as any business partnership. Many of Internet entrepreneur started switching from traditional marketing to social media marketing because of some factor that driven the entrepreneur towards social media as their business platform. Entrepreneurs start change or start their marketing platform by using social media. So, researcher were thinking looked into factor that make the switch from traditional way by make a research. Then, normally in order to making the product can be accept by consumers, the organization need to know first what are the factor that can affect their social media marketing success.

1.2 Research Question

- 1- What are the factors that driven utilization of social media marketing among entrepreneurs?
- 2- What is the relationship between the factors and utilization of social media marketing among entrepreneurs?
- 3- Which is the most factor that influencing moving of usage social media marketing towards entrepreneurs?

1.3 Research Objectives

- 1- To study factors influencing utilization of social media marketing among entrepreneurs in Melaka
- 2- To investigate the relationship between social media and utilization of social media marketing among entrepreneurs in Melaka.
- 3- To identify factor that has most influence on utilization of social media marketing among entrepreneur in Melaka

Hypothesis

- H1₁: There is positive relationship between factors influencing toward utilization of social media marketing
- H2₁: There is a positive relationship between social media and utilization of social media marketing among entrepreneurs in Melaka
- H3₁: There is a positive factor that most influence on utilization of social media marketing among entrepreneurs in Melaka.

1.4 Scope of Study and Key Assumption

1.4.1 Scope of study

In this study, researcher focus on factors utilization of social media marketing among entrepreneur in Melaka that focus on service of fashion sector. So in this study, researcher focused to know factors that make the entrepreneurs use social media marketing in their business in term of why social media they choose as their platform. Researcher know that in this millennium era, social media become big platform like communication, networking and online business. This show social media is one of powerful tool nowadays. Entrepreneurs which are used social media as their medium in fashion business is main scope of this research. Location of data collection will be limited only in Melaka. Then another explanation will be state in the methodological choice chapter (Chapter 3). So, the researcher assumed that the respondent were qualified to answer questionnaire.

1.4.2 Key Assumption

Researcher describe the factor driven utilization of social media marketing, what are the element consist and what are the most importance factors that influence entrepreneur toward social media marketing.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Literature review is discusses published information that distributed data in a specific branch of knowledge, and in some cases data in a specific branch of knowledge inside a specific era. It may give another understanding of old material or join new with old explanation. Literature review serves as a bridge which connects previous finding and the reviewers study and aims to identify research gaps, Liu, Fang (2010).Hence, what researcher has seen every theory that have seen, every theory that have utilized to be furnished with confirmation to make it precise.

In this chapter, the researcher started with about social media in business of develop and developing country before focused on Malaysia's academician view until it fit with this research scope. Lastly, research framework made by the researcher to list out the factors drive utilization of social media marketing among entrepreneurs in Malacca.

A lot of theories regarding social media, social media marketing entrepreneurs, interaction and communication and business environment by existing researchers. The researcher searched the literature review from reference book, online material and other published sources. So in this chapter, researcher will quickly clarify about the topic and provide with the evidence. This chapter further supports the development of dependent variable (IV) and independent variable (DV).

2.1 Entrepreneur

Firstly, the scope of the entrepreneurial parts is expanding relentlessly, and now incorporate online entrepreneurs, venture creators, entrepreneurs, self-employed, intrapreneurs and many more. In this content, the expression "entrepreneur" is utilized to allude to all these entrepreneurial scope. For this study, the researcher first look at the current business environment in order to understand that can be related to this study objective. According to Shaikh (2010), environment can be define by the surrounding of the external objects that can be influence by exists of someone or something meanwhile business environment is a continuous changing process that need to be restructure to keep up with the changing business environment. Business environment is powerful enough to bring deep and intense impact to any organization (Chandrani, 2015). In addition, Mircea, G. (2015) stated that the frequent uses and interaction of social media makes social media has a great influence on business environment. She (Mircea, G., 2015) also stated that the critical key factors in the business environment are involving the features of the modern organizations that more on knowledge such as intangible character of input and output, interaction with partners and clients, innovation, and many more. The features of the modern organizations are not only just needed, it is crucial and it also increases the possibilities to make speedy educational information and educational transfer.

The role of entrepreneurs is very critical for the economic development. Therefore, it's important to define the challenge facing by the entrepreneurs. The most crucial challenge that faced by most of the entrepreneurs is the way to engage with the audience on a personal level (Eunice & Jacqueline, 2016). Even though customer engagement is not a new concept, most of entrepreneur or organization mostly are facing difficulty in focusing on the acquisition of new audience and retaining their existing audience as it require more expenditure and time consuming. In addition, the entrepreneurs also fronting massive challenges which induced by the rise of information and communication technologies and globalization (Surugui, 2015). Thus, a knowledge and skill are important to the entrepreneurs in order to stay being competitive in current market and business environment.

In this millennium era, the customer behavior are changing by time. A.T. Kearney (2013) asserted that despite the flourishing e-commerce business on a worldwide scale, Malaysia had dropped out from the 30th position in Top 30th Global Retail E-Commerce positioning in 2015. This show that the Malaysian give positive respond on online shopping or online purchasing. This highlight by The Star (2014, March 29), online shopping is gaining its responsiveness in Malaysia were said by the president and chief executive officer (CEO) of Rakuten Online Shopping Malaysia (Masaya Ueno). Besides, development of internet was also encourage the customer behavior. In example, indeed, even in created nations, for example, United States, out of 63 percent of the customers would make a review on the social media or internet before continue to purchase it traditionally, however just 50% of the buyers will genuinely buy on the internet.

Hence, based on the statement by academician and past researchers, that have understanding and knowledge on business environment, entrepreneurs challenge and customer behavior give effect on the entrepreneurs their business performance. Thus it is important to the entrepreneurs to keep their eyes open on the changes of current environments and challenge.

2.2 Important of Entrepreneurs to go online

In fact, phenomena of entrepreneurs in Malaysia more to go online business in term of the selling and buying activities or in marketing strategy of the business. Internet is the a technology which will help the organization in get more up to date and cheaper technology to achieve customers on the internet and examination frameworks to appropriately consider business and marketing trend, deals procedures and customer behaviour. The selection of Internet advances by the entrepreneurs segment is vital to their on-going survival and to compete with lager firms. To contend in the present worldwide economy, entrepreneurs must figure out how to rapidly use new advances or IT to guarantee that their workforce stay aggressive.

Schlenker and Crocker (2003) state that the estimation of internet for business isn't in the innovation or technology adoption however it is how the way it can be utilized as an instrument to enhance business forms. Then, they state that what sector the internet can help in smoothness of business:

- Production and logistics - Stock, production, distribution process and acquisition
- Finance – Reporting to the banks, suppliers, client and reporting and auditing process.
- Human resources – Employee services, payroll and administrative.
- Marketing – Bundling, customization, brand management, affiliation and variable price.

In addition, through internet, entrepreneurs indirectly will joining e-commerce. E-commerce is where activity of selling and buying transaction through online. Piris et al, (2014) was explain that compelling online based business organization gives chance to accomplish expanded productivity and operational proficiency. Then, Stockdale and Standing (2004) have argued which estimated that SMEs can rival bigger associations through online based business as their estimate empowered them to be more versatile and receptive to changing conditions. The argument also supported with if an entrepreneur run in e-commerce, restriction of geographical location whereby can compete in new market and global market, (Dholakia and Kshetri, 2004). So, it is such open new gateway to entrepreneurs to go global and also obtaining growth in profitability.

2.3 Fashion Industry

The fashion industry is not stable or static, however is described by a constantly changing condition whereby business continuously adapt their product, service and image to meet the demand of the consumer market (Lewis and Hawksley,1990). Then, Doherty (2004) asserted that the form of fashion industry has changed massively in