



'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. This thesis is submitted to Universiti Teknikal Malaysia Melaka which fulfill the requirements for the completion and award of Bachelor Degree of Technopreneurship with Honors (Btech)."

SIGNATURE : 
NAME OF SUPERVISOR : PN. AZRINA BINTI OTHMAN
DATE : 27 JUNE 2019

SIGNATURE : 
NAME OF PANEL : DR. NORHIDAYAH BINTI MOHAMAD
DATE : 27/6/19

**THE EFFECTIVE STRATEGY OF INFLUENCER MARKETING THAT
ENHANCE PROMOTIONAL STRATEGY IN SME'S**

NURLIYANA NABILA BINTI EDI NORSAM


**The thesis is submitted in partial fulfillment of the requirements for the award of
Bachelor of Technopreneurship with Honors**

**Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka**

June 2019

DECLARATION OF ORIGINAL WORK

“I hereby admit that this report is the result of my own, excluded certain explanations and passage where every of it is cited with source clearly”

Signature : 

Name : NURLIYANA NABILA BINTI EDI NORSAM

Date : 27/6/2019

DEDICATION

I would like to dedicate the appreciation to my family members that supported me in terms of spiritually and financially and my beloved supervisor and panel who guided me throughout the research, and my friends that assisted me throughout the research journey.

ACKNOWLEDGEMENT

I would like to say my appreciation to Universiti Teknikal Malaysia Melaka for offering course of Final Year Project (FYP) as a subject. There were many knowledge and experienced that I have gained throughout the research.

I would like to express my profound sense of gratitude to my supervisor, Puan Azrina Binti Othman who despite of her busy schedule and workload, were able to find some time for her student and imparted the students the knowledge that paved a way for better understanding of fundamentals of research paper. I would like to express my thankful again to Puan Azrina for patiently correct and teaching me throughout the research.

I would like to extend my appreciation to my project coordinator, Dr Hidayah Binti Mohamad for her advices and assistance. Thank you for the coordinator and spending time to evaluate my undergraduate project.

Lastly, I would like to say thank you to my parents and also to my friends for always give me support and also guidance throughout my research journey. Not forgotten for the respondents who have spent their time in responding to my questionnaire and also who has involved directly or indirectly on this project. I very much appreciate for their kindness in helping me when I am doing the research.

ABSTRACT

Small medium enterprise (SMEs) is the backbone of the economy in Malaysia. In order to increase the promotional strategy, SMEs need to create effective action plan. Influencer marketing has become one of the tools of marketing that can enhance promotional strategy in SMEs. However, majority number of SMEs lack in practicing the correct way to use the influencer marketing strategy. There was also high use of Internet and social media has made changes in communication between the SMEs and consumers. The purpose of the study to identify the effectiveness of influencer marketing strategy. In addition, it also identifies the relationship between the strategy of influencer marketing and enhance promotional strategy in SMEs and also analyze the most important strategy of influencer marketing that enhance the promotional strategy in SMEs. There were total number of 338 respondents has contribute in answering the survey. The respondents were from online SMEs from all states in Malaysia. They have answered a set of questionnaires that consists of demographic profile, effective strategy of influencer marketing and also effective strategy of influencer marketing that enhance promotional strategy in SMEs. Data that have been collected were analyses through Software Package for Social System (SPSS). The results showed that all of the strategy were significant to enhance promotional strategy in SMEs. These findings, provides valuable information for businesses and online SMEs to improve the promotional strategy.

Keywords: Promotional Strategy, Influencer Marketing, Online SMEs

ABSTRAK

Perusahaan sederhana kecil (PKS) adalah tulang belakang ekonomi di Malaysia. Untuk meningkatkan strategi promosi, PKS perlu mewujudkan pelan tindakan yang berkesan. Pengaruh pemasaran telah menjadi salah satu alat pemasaran yang dapat meningkatkan strategi promosi di PKS. Walaubagaimanapun, sebilangan besar PKS kekurangan dalam mempraktikkan cara yang betul untuk menggunakan strategi pengaruh pemasaran. Penggunaan Internet dan media sosial yang tinggi juga telah mengubah cara komunikasi antara PKS dan pengguna. Tujuan kajian ini untuk mengenal pasti strategi pengaruh pemasaran yang berkesan. Di samping itu, ia juga mengenal pasti hubungan antara strategi pengaruh pemasaran dan meningkatkan strategi promosi dalam PKS dan juga menganalisis strategi paling penting dalam pengaruh pemasaran yang meningkatkan strategi promosi dalam PKS. Sejumlah 338 responden telah menjawab tinjauan tersebut. Responden adalah daripada PKS dalam talian dari semua negeri di Malaysia. Mereka telah menjawab satu set soal selidik yang terdiri daripada profil demografi, strategi efektif pengaruh pemasaran dan strategi berkesan pengaruh pemasaran. Data yang telah dikumpulkan dianalisis melalui Pakej Perisian untuk Sistem Sosial (SPSS). Keputusan menunjukkan bahawa semua strategi penting untuk meningkatkan strategi promosi dalam PKS. Kajian ini memberikan maklumat yang berharga untuk perniagaan dan PKS dalam talian untuk meningkatkan strategi promosi.

Kata Kunci: *Strategi promosi, Pengaruh pemasaran, PKS dalam talian*

TABLE OF CONTENTS

CHAPTER	CONTENT	PAGES
	DECLARATION OF ORIGINAL WORK	I
	DEDICATION	II
	ACKNOWLEDGEMENT	III
	ABSTRACT	IV
	ABSTRAK	V
	TABLE OF CONTENT	VI
	LIST OF TABLES	X
	LIST OF FIGURES	XII
	LIST OF ABBREVIATIONS	XII
	LIST OF SYMBOL	XIV
	LIST OF APPENDIX	XV
CHAPTER 1	INTRODUCTION	
	1.0 Introduction	1
	1.1 Background of Study	1
	1.2 Problem Statements	2
	1.3 Research Objective	3
	1.4 Research Questions	4
	1.5 Scope of Study	4
	1.6 Limitation	5
	1.7 Importance of Study	5

	1.8 Summary	6
CHAPTER 2	LITERATURE REVIEW	
	2.0 Introduction	7
	2.1 Concept of Marketing	7
	2.2 Promotional Strategy	8
	2.3 Promotional Strategy in SMEs	8
	2.4 Influencer Marketing	10
	2.5 Effectiveness of Influencer Marketing Strategy	10
	2.6 Strategy of Influencer Marketing	11
	2.5.1 Set realistic goal	11
	2.5.2 Know your audience	12
	2.5.3 Stay on message	13
	2.5.4 Recognize the power of emotional Stories	14
	2.7 Research Framework	15
	2.8 Hypothesis	16
	2.9 Summary	17
CHAPTER 3	RESEARCH METHOD	
	3.0 Introduction	18
	3.1 Research Design	18
	3.2 Methodological Choices	19
	3.3 Data Collection Methods	19
	3.3.1 Primary Data Sources	20
	3.3.2 Secondary Data Sources	20
	3.4 Location of the Research	20
	3.5 Questionnaire Design	21
	3.6 Sampling Design	21
	3.7 Research Strategy	23
	3.8 Data Analysis Method	23
	3.9 Reliability and Validity	25

	3.10 Summary	25
CHAPTER 4	DATA ANALYSIS	
	4.0 Introduction	26
	4.1 Pilot Test	26
	4.1.1 Reliability Test	27
	4.2 Descriptive Analysis	28
	4.2.1 Section A: Demographic Profile	28
	4.2.1.1 Gender	29
	4.2.1.2 Age	30
	4.2.1.3 Position	31
	4.2.1.4 Size of the Company	32
	4.2.1.5 Business structure of Company	33
	4.2.1.6 Location of Company	34
	4.2.2 Section B: The effectiveness of Influencer Marketing strategy	35
	4.2.2.1 Type of marketing use	35
	4.2.2.2 Heard about social media marketing	36
	4.2.2.3 Use social media	37
	4.2.2.4 Type of social media platform use by company	38
	4.2.2.5 Heard about Influencer marketing	39
	4.2.2.6 Use influencer marketing	40
	4.2.2.7 Type of influencer marketing	41
	4.2.2.8 Effectiveness of Influencer marketing	42
	4.2.3 Section C: The strategy of Influencer Marketing	44
	4.2.3.1 Realistic goal	44
	4.2.3.2 Know your audience	45
	4.2.3.3 Stay on message	46
	4.2.3.4 Recognize power of emotional stories	47

4.3 Scale Measurement	49
4.3.1 Reliability Analysis	49
4.4 Pearson Correlation	51
4.5 Multiple Regression	53
4.6 Summary	56
CHAPTER 5	DISCUSSION, CONCLUSION
	AND IMPLICATIONS
5.0 Introduction	57
5.1 Discussions of Descriptive Analysis	58
5.2 Discussions of Objective and Hypothesis Test	59
5.2.1 Objective 1: To identify the effectiveness of influencer marketing strategy	59
5.2.2 Objective 2: To identify the relationship Between strategy of influencer marketing and Enhance promotional strategy in SMEs	60
5.2.3 Objective 3: To analyzed the most effective Influencer marketing strategy that enhance Promotional strategy in SMEs	61
5.2.4 Discussion on Hypothesis Testing	61
5.3 Implication of the Study	65
5.4 Limitation of Study	66
5.5 Recommendation for Further Study	67
5.6 Conclusion	68
5.7 Summary	70
References	71
Appendix	75

LIST OF TABLES

TABLE	TITLE	PAGE
3.1	Sample size according to different population	22
3.2	Data Analysis	24
4.1	Reliability of pilot test for strategies of influencer marketing	27
4.2	Reliability of pilot test effectiveness of influencer marketing strategy	27
4.3	Gender	29
4.4	Age	30
4.5	Position	31
4.6	Size of the company	32
4.7	Business structure of company	33
4.8	Location of the company	34
4.9	Type of marketing use	35
4.10	Heard about social media platform	36
4.11	Use social media platform in promoting products and services	37
4.12	Type of social media platform use	38
4.13	Heard of Influencer Marketing	39
4.14	Use Influencer Marketing in promoting product	40
4.15	Type of Influencer Marketing	41
4.16	Statistic Effectiveness of Influencer marketing strategy	42
4.17	Statistic of Realistic goal	44

4.18	Statistic of Know your audience	45
4.19	Statistic of Stay on messages	46
4.20	Statistic of Recognize the power of emotional stories	47
4.21	The range value of Cronbach's Alpha and the internal consistency	49
4.22	Reliability statistic of effectiveness influencer marketing	50
4.23	Reliability statistic of strategy of influencer marketing	50
4.24	Pearson Correlation	51
4.25	Model Summary	53
4,26	ANOVA	54
4.27	Coefficient of all strategy of Influencer Marketing	55

LIST OF FIGURES

FIGURE	TITLE	PAGE
2.1	Research framework	15

LIST OF ABBREVIATIONS

ABBREVIATIONS	MEANING
SMEs	Small and Medium Enterprise
FYP	Final Year Project
H0	Null Hypothesis
H1	Alternative Hypothesis
SPSS	Statistical Package for Social Science
UTeM	Universiti Teknikal Malaysia Melaka
ANOVA	Analysis of Variance
V1	Set realistic goal
V2	Know your audience
V3	Stay on Message
V4	Recognize the power of emotional stories
Eps	Enhance promotional strategy

LIST OF SYMBOL

SYMBOLS	MEANING
R	Correlation coefficients
α	Cronbach's Alpha Coefficients
B	Beta value
H ₀	Null hypothesis
H ₁	Alternative hypothesis
m	Mean
s.d.	Standard deviation

LIST OF APPENDIX

APPENDIX	TITLE
APPENDIX A	Gantt Chart PSM 1
APPENDIX B	Gantt Chart PSM 2
APPENDIX C	List of Respondents
APPENDIX D	Questionnaire

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter provides a brief overview of the research study. This chapter introduced the problem statement, research question, research objective, scope, significance of the research and also the limitation of this research. The researcher also explained the definition term of this research.

1.1 Background of the Study

At present, the competition between SMEs in making the consumer to purchase their product or services becoming more challenging. Consequently, each of the SMEs need to create a more attractive strategy and a better action plan than its competitor. Thus, one of the best tool in attracting consumer attention in purchasing products is promotional strategy. Promotional strategy is the combination of the different channel that can be used to communicate the promotional message to the consumers (Adefulu, 2015). The example of channel in promotional strategy include with advertising, public relations, personal selling, sales promotion and direct marketing tools.

However, due to high use of Internet and social media among the user now days, the trend in promoting products and services is changing. Influencer marketing has become one of effective marketing tool in promotional strategy. Influencer marketing refers to the act of partnering with developers of social content (KI, 2019). Developer or also known as social media influencer usually have a many followers in the social media platforms such as Facebook, Instagram, YouTube and also Twitter.

Thus, in order to sustain in business now days, SMEs need to implement the effective strategy of influencer marketing that can enhance the promotional strategy in SMEs. This research was conducted to identify effective strategy of influencer marketing that enhance promotional strategy in Malaysia SMEs. The concept of influencer marketing was identified in the literature review. Moreover, the most important strategy of influencer marketing was analyzed and the relationship between the effective strategy of influencer marketing and enhance promotional strategy was identified.

1.2 Problem Statement

Influencer marketing has come with a new way of marketing and create more opportunities for SMEs in promoting their product and services. However, most of the SMEs faced challenges in developing their promotional strategy. In Malaysia, the Government has reported the status of poor uptake and low marketing strategies as SMEs weaknesses in leveraging the technology-related adoption (SME Annual Report, 2016/2017). Although majority number of SMEs today use the social media platform in promoting their products, there was a problem they faced which they are lack of practicing the use of social media. From the researcher view, SMEs know the important of using the social media platform, however they do not know how to use it effectively. For example, they have implemented the influencer marketing in their businesses. However, it was not successful due to their lack knowledge in implement the best strategy in influencer marketing.

A study regarding traditional marketing communication by T.G (2013) shows the presence of the Internet and the increasing use of social media has changed the way in which companies communicate with their target customers. This has led to greater competitiveness among the businesses. According to Malaysia Digital Association (2016), the total population in Malaysia (31.5 million), and there is 68.5% (21 million) which represent the internet users and this number is still increasing day by day. Thus, businesses need to change the way they promoted their products according to the preferences of their consumer.

1.3 Research Objective

Three research objectives were established to achieve the goal of this research which are:

- RO1: To identify the effectiveness of influencer marketing strategy.
- RO2: To identify the relationship between strategy of influencer marketing and enhance promotional strategy in Malaysia SMEs.
- RO3: To analyze the most effective strategy of influencer marketing that enhance promotional strategy in Malaysia SMEs.

1.4 Research Question

The suggested research questions to be answered in this study are as follow:

RQ1: What is the effectiveness of influencer marketing strategy?

RQ2: What is the relationship between strategy of influencer marketing and enhance promotional strategy in SMEs?

RQ3: What is the most effective strategy of influencer marketing that enhance p promotional strategy in Malaysia SMEs?

1.5 Scope of Study

The scope of the study focused the effective strategy of influencer marketing. There were 4 effective strategies that represent independent variable. There were set realistic goal, know your audience, stay on message and also recognize the power of emotional stories. On the other hand, enhance promotional strategy in SMEs as the dependent variable. From the variables, this research discussed on the effective strategy of influencer marketing that enhance promotional strategy in SMEs. Furthermore, the relationship between the variables and analyzed the most important strategy were discussed. The survey was aimed to target the respondents from online SMEs. The age of the respondents was between below 20 years old and above 41 years old. Furthermore, this research focus in Selangor and Melaka states. Based on this research, the researcher wants to find the results that achieved for each of the research objective that have been stated.

1.6 Limitation

There were three limitations that have been faced by the researcher while conducting this research. Firstly, the sample size. Since the researcher only focus for online SMEs, thus it does not cover all type of SMEs in Malaysia. Furthermore, the location in conducting this research only focus for two states which Melaka and Selangor. Thus, the results in conducting this research were not accurate. Secondly, the majority of the SMEs do not understand the term that have been used in the questionnaires. Hence, this make the SMEs do not understand the questions very well. The third limitation was there was a lack interaction between the researcher and also the respondents. Since this research was conduct in qualitative method, the questionnaires have been distributed to the respondents. The questionnaires that have been distributed was in the Google form type and it was distributed online. Hence, lack of the interaction has make the respondent cannot ask directly to the researcher if they were not understanding the questions and also they cannot give suggestion directly to the researcher.

1.7 Importance of the Study

Due to the rise of social media and also technology, it is important for the company to identify the most effective way of marketing strategy in promoting their product and services that can sustain their business. Nowadays, most of the business apply the influencer marketing in promoting their products and services. Few of the Malaysia research that focused on this topic. Therefore, it is important for the researcher investigate the effective strategy of influencer marketing that can enhance the promotional strategy in Malaysia SME's and analyze which was the most important strategy.

Throughout this research, the SME's company can have a clear understanding the effective strategies of influencer marketing that can enhance the promotional strategy in their businesses. It was guide for the company to sort out and solve the problem related to

related credibility issues later. Thus, the customer engagement with the product or services will increase the credibility of the messages.

1.8 Summary

This chapter was the summaries of the research study. In this chapter the background of the research was discussed. Followed by the problem statement. Next, the research objective and also research questions were outlined. The scope and limitation of the study were then discussed. Finally, the importance of the study was evaluated.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this chapter, information was collected from available secondary data source. The definition of SME's and the overview of SME's promotional strategy in Malaysia is reviewed. In addition, the concept of influencer marketing was discussed. Next, the review of type of influencers will be evaluate. The effective strategy of influencer marketing also discussed in this chapter. Then, the research framework has been reviewed. Overall, the purpose of this chapter is to identify what was already about an area of study. It also identifies question a body of research had not answer and why the further study of the research question is important to a field.

2.1 Concept of Marketing

According to Armstrong (2016), marketing is make an engagement or relationship with customers by providing a good services and product for the customers. In other words, marketing can be defined as activity that deals with people or target customers. From the researcher view, by providing a good service and product to the consumer it can give satisfaction to the customer. This is because, if the company knows what are the need and wants of the customer, they can easily sell the products to the customer. Thus, by