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Honours

SIGNATURE :

NAME OF SUPERVISOR : Prof. Datuk Dr. Izaidin Bin Abdul Majid

DATE :

SIGNATURE :

NAME OF PANEL : Ms. Sitinor Wardatulaina Binti Mohd Yusof

DATE :

FACTORS AFFECTING THE ACCEPTANCE OF SOCIAL MEDIA AS A
BUSINESS PLATFORM AMONG POTENTIAL ENTREPRENEURS

NURUL SOFIYAH BINTI MOHAMED SAID

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DECLARATION OF ORIGINAL WORK

I hereby declared that this report entitled
**“FACTORS AFFECTING THE ACCEPTANCE OF SOCIAL MEDIA AS A
BUSINESS PLATFORM AMONG POTENTIAL ENTREPRENEURS”**
is the result of my own research except as cited in the references. The report has not
been accepted for any degree and is not concurrently submitted in the candidature of
any other degree.

SIGNATURE :

NAME : NURUL SOFIYAH BINTI MOHAMED SAID

DATE :

DEDICATION

Firstly, I want to thanks to Allah and prise to Prophet Muhammad.

I would like to dedicate the appreciation to my beloved parents

My mother, Mrs. Umi Kaltom Binti Musa,

My father, Mr. Mohamed Said Bin Samat

that always supported me in term of spiritual and financial.

My precious family members who always supported me especially,
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and Mohamad Annur Hakim Bin Mohamed Said.

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Next, I am sincerely thanks to the researchers that they have previously conducted the similar study and published online. Although the research topic of the study was different, but the theory and knowledge provided were useful as a reference in this final year project.

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ABSTRACT

Entrepreneurs are individual or groups that lead businesses who are willing to seek opportunities, taking risks, meet the needs and demand of consumers with the purpose of gaining profit, enhancing the standard of society's living and the well-being. Social media is one of the phenomena that makes it a platform to potentially change the business environment. The purpose of the research are to identify potential entrepreneurs of UTeM incline to use social media as their business platform and to analyze the factors affecting the usage of social media among potential entrepreneurs of UTeM which are performance expectancy, effort expectancy, facilitating condition, perceived trust and perceived enjoyment. UTAUT model was adopted for the study with some modification and added more perceived factors that has been prove to be significant factors affecting the acceptance of social media in research done by other researchers. Primary data will collect 370 questionnaire from students at Universiti Teknikal Malaysia Melaka. Furthermore, the clear explanation had been included along the data provided. There are limitations in conducting this research, so in the future hopefully there are more sources of data and research studies. As a conclusion, this study has expected able to know the significant factors affecting the acceptance the social media as a business platform among potential entrepreneurs by having all the data provided.

Key word: Social Media, Entrepreneurs, Tendency, Student, Performance Expectancy, Effort Expectancy, Facilitating Condition, Perceived Trust, Perceived Enjoyment.

ABSTRAK

Usahawan ialah individu atau kumpulan yang mengetuai perniagaan yang sanggup mencari peluang, mengambil risiko, memenuhi keperluan dan permintaan pengguna dengan tujuan memperoleh keuntunga serta meningkatkan taraf kehidupan masyarakat dan kesejahteraan. Media sosial adalah salah satu fenomena yang menjadikannya platform untuk berpotensi mengubah persekitaran perniagaan. Tujuan kajian ini adalah untuk mengenal pasti usahawan berpotensi UTeM cenderung untuk menggunakan media sosial sebagai platform perniagaan mereka dan untuk menganalisis faktor-faktor yang mempengaruhi penggunaan media sosial di kalangan bakal usahawan UTeM iaitu jangkaan prestasi, penggunaan yang mudah, memudahkan keadaan, kepercayaan yang dirasakan dan keseronokan dirasakan. Model UTAUT telah digunakan untuk kajian dengan beberapa pengubahsuaian dan menambahkan lebih banyak faktor yang dilihat telah menjadi faktor penting yang mempengaruhi penerimaan media sosial dalam penyelidikan yang dilakukan oleh penyelidik lain. Sebanyak 370 soal selidik telah dikumpul dari pelajar-pelajar di Universiti Teknikal Malaysia Melaka. Tambahan lagi, penjelasan yang jelas telah disertakan bersama data yang telah disediakan. Terdapat batasan dalam menjalankan penyelidikan ini, oleh itu, pada masa depan diharapkan supaya terdapat lebih banyak sumber data dan kajian berkaitan penyelidikan ini. Sebagai kesimpulan, kajian ini dijangka dapat mengetahui faktor-faktor penting yang mempengaruhi penerimaan media sosial sebagai platform perniagaan di kalangan usahawan berpotensi dengan mempunyai semua data yang disediakan.

Kata kunci: Media Sosial, Usahawan, Kecenderungan, Pelajar, Jangkaan Prestasi, Penggunaan yang Mudah, Keadaan Memudahkan, Kepercayaan yang Dirasakan, Keseronokan yang Dirasakan.

TABLE OF CONTENT

| | ITEM | PAGE |
|-------------------------|-------------|-------------|
| DECLARATION | | ii |
| DEDICATION | | iii |
| ACKNOWLEDGEMENT | | iv |
| ABSTRACT | | v |
| ABSTRAK | | vi |
| TABLE OF CONTENT | | vii |
| LIST OF TABLE | | xiii |
| LIST OF FIGURE | | xv |

| CHAPTER | TITLE | PAGE |
|-------------------|---|-------------|
| CHAPTER 1: | INTRODUCTION | |
| 1.0 | Background of Study | 1 |
| 1.1 | Problem Statement | 2 |
| 1.2 | Research Question | 6 |
| 1.3 | Research Objective | 6 |
| 1.4 | Scope of Study | 7 |
| 1.5 | Significant of Study | 7 |
| 1.6 | Chapter Summary | 8 |
| CHAPTER 2: | LITERATURE REVIEW | |
| 2.0 | Introduction | 9 |
| 2.1 | Definition of Entrepreneurship and Social Media | 9 |

| | | |
|--|---|----|
| 2.2 | Social Media as a Business Platform | 12 |
| 2.3 | Entrepreneurs Role Tendency | 15 |
| 2.4 | Theoretical Foundation | 16 |
| 2.5 | Element of Factors Affecting the Acceptance of Social Media | 17 |
| 2.6 | Relationship between Factors Affecting the Acceptance of Social Media and Entrepreneurs Role Tendency | 22 |
| 2.7 | Theoretical Framework | 29 |
| 2.8 | Hypothesis | 30 |
| 2.9 | Chapter Summary | 30 |
| | | |
| CHAPTER 3: RESEARCH METHODOLOGY | | |
| 3.0 | Introduction | 31 |
| 3.1 | Research Design | 31 |
| 3.2 | Data Collection Method | 32 |
| 3.3 | Sampling Design | 33 |
| 3.4 | Research Instruments | 36 |
| 3.5 | Construct Measurement (Scale and Operational Definitions) | 37 |
| 3.6 | Data Processing | 39 |
| 3.7 | Data Analysis | 39 |
| 3.8 | Pilot Test | 41 |
| 3.9 | Chapter Summary | 42 |
| | | |
| CHAPTER 4: DATA ANALYSIS AND RESULT | | |
| 4.0 | Introduction | 43 |
| 4.1 | Pilot Test | 44 |
| 4.2 | Descriptive Analysis | 48 |
| 4.3 | Descriptive Statistics | 55 |
| 4.4 | Result and Analysis | 56 |
| 4.5 | Pearson Correlation Analysis | 57 |
| 4.6 | Hypothesis Test | 64 |
| 4.7 | Inferential Statistics Analysis | 67 |
| 4.8 | Chapter Summary | 70 |

| | |
|---|-----------|
| CHAPTER 5: CONCLUSION AND RECOMMENDATION | |
| 5.0 Introduction | 71 |
| 5.1 Summary of Descriptive Analysis | 72 |
| 5.2 Finding of the Study | 74 |
| 5.3 Implication of the Study | 81 |
| 5.4 Limitation of Study | 83 |
| 5.5 Recommendation and Future Research | 83 |
| 5.6 Conclusion | 85 |
| REFERENCES | 86 |
| APPENDIX I | 95 |
| APPENDIX II | 96 |
| APPENDIX III | 97 |

LIST OF TABLE

| NO | TITLE | PAGE |
|-----------|---|-------------|
| 3.1 | Sample size for different sizes and population | 33 |
| 3.2 | Reliability Statistics | 42 |
| 4.1 | Reliability Statistics of Performance Expectancy | 44 |
| 4.2 | Reliability Statistics of Effort Expectancy | 45 |
| 4.3 | Reliability Statistics of Facilitating Condition | 45 |
| 4.4 | Reliability Statistics of Perceived Trust | 46 |
| 4.5 | Reliability Statistics of Perceived Enjoyment | 46 |
| 4.6 | Reliability Statistics of the Tendency to Use Social Media as Business Platform | 47 |
| 4.7 | Reliability Statistics of the Total Variables | 47 |
| 4.8 | Frequency Distribution of Respondents by Gender | 48 |
| 4.9 | Frequency Distribution of Age | 49 |
| 4.10 | Frequency Distribution of respondents by Race | 50 |
| 4.11 | Frequency Distribution of Respondents by Student Year | 51 |
| 4.12 | Frequency Distribution of Respondents by Faculty | 52 |
| 4.13 | Frequency Distribution of respondents that Running Business | 53 |
| 4.14 | Frequency Distribution of Type of Intention to Become Entrepreneurs using Social Media as Business Platform | 54 |
| 4.15 | Descriptive Statistic Value | 55 |
| 4.16 | Overall Reliability of Research | 56 |
| 4.17 | Reliability Statistics of Total Variable | 56 |
| 4.18 | Correlation Result | 58 |
| 4.19 | Correlation Results of Performance Expectancy Factor | 59 |

| | | |
|------|--|----|
| 4.20 | Correlation Results of Effort Expectancy Factor | 60 |
| 4.21 | Correlation Results of Facilitating Condition Factor | 61 |
| 4.22 | Correlation Results of Perceived Trust Factor | 62 |
| 4.23 | Correlation Results of Perceived Enjoyment Factor | 63 |
| 4.24 | Hypothesis and Result | 66 |
| 4.23 | Model Summary of Total Variable | 67 |
| 4.24 | Regression Analysis on ANOVA | 67 |
| 4.25 | Regression Analysis on Coefficients | 68 |
| 5.1 | Regression Result for Objective 3 | 80 |

LIST OF FIGURE

| NO | TITLE | PAGE |
|-----------|--|-------------|
| 1.1.1 | Department of Statistics Malaysia show line chart of unemployment rate | 4 |
| 1.1.2 | Statistic show entrepreneurs start selling online with social media | 5 |
| 2.4.1 | Theoretical Framework | 27 |
| 4.1 | Pie chart descriptive analysis of frequency distribution of Gender | 48 |
| 4.2 | Pie chart of frequency distribution of respondents by Age | 49 |
| 4.3 | Pie chart of frequency distribution of respondents by Race | 50 |
| 4.4 | Pie chart of frequency distribution of Student Year | 51 |
| 4.5 | Pie chart of frequency distribution of respondent by Faculty | 52 |
| 4.6 | Pie chart of frequency distribution of respondents that Running Business | 53 |
| 4.7 | Pie chart of frequency distribution of Type of Business | 54 |
| 5.1 | Model of Hypothesis 1 | 74 |
| 5.2 | Model of Hypothesis 2 | 75 |
| 5.3 | Model of Hypothesis 3 | 77 |
| 5.4 | Model of Hypothesis 4 | 78 |
| 5.5 | Model of Hypothesis 5 | 79 |

LIST OF ABBREVIATIONS AND SYMBOLS

| | |
|----------|---|
| % | = Percentage |
| < | = Less Than |
| > | = Greater Than |
| / | = Or |
| α | = Cronbach Alpha |
| b | = Intercept |
| SPSS | = Statical Package for Social Sciences |
| IV | = Independent Variable |
| DV | = Dependent Variable |
| H1 | = Hypothesis One |
| H2 | = Hypothersis Two |
| H3 | = Hypothesis Three |
| H4 | = Hypothesis Four |
| H5 | = Hypothesis Five |
| R | = Correlation |
| P | = Significant |
| ANOVA | = Analysis of Variance |
| ANCOVA | = Analysis of Covariance |
| SM | = Social Media |
| UTAUT | = Unified Theory Acceptance and Usage Technology |
| UTeM | = Universiti Teknikal Malaysia Melaka |

| | |
|-------|--|
| FPTT | = Faculty of Technology Management and Technopreneurship |
| FTMK | = Faculty of Information and Communication Technology |
| FKP | = Faculty of Manufacturing Engineering |
| FKE | = Faculty of Electrical Engineering |
| FKEKK | = Faculty of Electronics and Computer Engineering |
| FKM | = Faculty of Mechanical Engineering |
| FTKEE | = Faculty of Electrical and Electronic Engineering Technology |
| FTKMP | = Faculty of Mechanical and Manufacturing Engineering Technology |

CHAPTER 1

INTRODUCTION

1.0 Background of Study

Entrepreneurs are individual or groups that lead businesses who are willing to seek opportunities, taking risks, meet the needs and demand of consumers with the purpose of gaining profit, enhancing the standard of society's living and the well-being. The major contributor of entrepreneurial business is to increase economic growth, development and employment in the country where SMEs have been identified as the largest contributors (Aziz & Samad, 2016). Malaysia is one of the countries that emphasize or prioritize digital businesses to promote and help new entrepreneurs use social media methods as a business catalyst platform. However, the usage of social media among Small Medium Enterprise (SMEs) in Malaysia still low which is estimated percentage of less than 20% (Hassan, Shiratuddin, & Salam, 2015).

Currently, social media is one of the phenomena that makes it a platform to potentially change the business environment. Nowadays entrepreneurs who join the businesses tend to use a new technology of Industry 4.0. This new technology promoted the revolution of the internet and communication tools by changing the way to conduct and run business by market the products and services on social media.

Social media (SM) is regarded as a value of business movers around the world. Nowadays, most entrepreneurs agree that SM plays a key role in promoting and advertising their goods around the world even known or unknown customers. Acceptance of social networking sites (SNS) enables social interaction on the Internet, has build a new trend in e-commerce. Thus, social media is also known as social commerce when consumers or entrepreneurs make it as a business platform. It is could be due to social media is not only for communication tool and amusement even used as marketing communication tools. The use of SM has contributed to changes in behavior and demeanor through influence and social impact (Nawi, et al., 2017). This is because of incredible influence among users with lifestyle and current trending.

Individuals and organizations could justify the implementation of newly introduced technology and techniques (Aarts & Gorman, 2007; Kaplan & Harris-Salamone, 2009), since the acceptance and use depend on successful implementation (Kijisanayotin, Pannarunothai, & Speedie, 2009). Effective social media marketing when accepted and used is an efficient way to reach more customers. The acceptance and the use of social media has sparked a high level of interest in using platform for business purposes, particularly among entrepreneurs. (Hashim, Nor, & Janor, 2016). Therefore, many businesses are now turning to social networks as useful communication tools and if they are used sufficiently, they can significantly increase the presence of their online customers, in the form of effective marketing.

1.1 Problem Statement

The ability and small business potential to expand on par with the long-standing traders significantly has become a real with the design of Web 2.0 and its accessibility. It was a tools of social networking by introduced the Internet of Things (IoT) which is social media offers entrepreneurs with leverage because it has built mechanisms for achieving sustainable competitive advantage.

The problem statement on this research found the consequence of social media as a business platform. (Smith & Taylor, 2004) says that companies are facing some unexpected new events and the developing of the Internet as a interaction channel that has gotten one of the most persuasive variables. Department of Statistics Malaysia state that business tendency are more confident for second quarter of 2019, with the first half of 2019, the overall confidence level grew to +2.8 per cent from -2.2 per cent. This means that the number of optimistic entrepreneurs increased compared to the quarterly pessimists. This is because the number of people involved with industry may raise the acceptance and use of social media as a business platform.

Placing their product in virtual reality makes it a major attraction for new entrepreneurs to compete with healthily and fairly. They also need to compete with largest company that already have long been using SM as a business platform to sell their products and services such as Leeyanarahman, Hijabista.Hub, Galeriariani and more. The fact that so many of these businesses prove that they are not able to compete and only get low profit return and should be seriously considered because of the detrimental affect they help increase economic growth.

Against of rising unemployment levels it is only logical to assume that entrepreneurship would be considered as the next-best career option. Department of Statistics Malaysia (2019) presents the unemployment rate in March 2019 risen to 3.4 per cent as contrasted to 3.3 per cent in February 2019. This is shows within a month the unemployment rate has increased by one percent. This is due to the reduction of recruitment against undergraduates and not interested in doing business is causing many to experience unemployment problems. However, previous studies state that university graduates show very little interest in becoming entrepreneurs (Shambare, 2013). By promoting social media as a business platform can create more benefits to the individual and become potential entrepreneurs. Therefore, the student has decided to start a business with social media to generate income with the adoption of advanced technology.

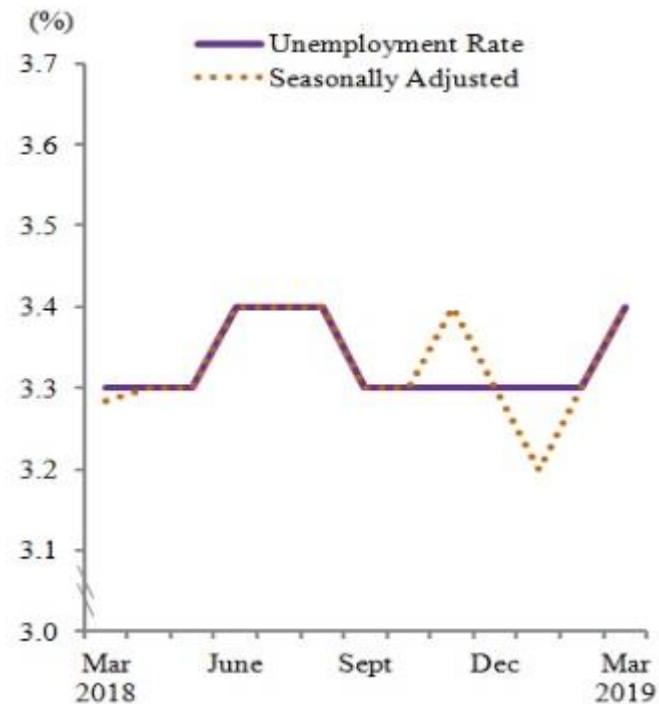


Figure 1.1.1: Department of Statistics Malaysia show line chart of unemployment rate

Besides that, the power of social networks cannot be ignored as it affects entrepreneurs who want to run a business and promote their products on social media. However, the question arising from this phenomenon, what causes the impact of affecting the use of SM as a platform for doing business? Individuals or users use SM and spend a lot of time without getting any benefits. So from that they takes the initiative to run the business as a platform to become potential entrepreneurs in the future and can grow their business. Standberry (2018), discusses about 74 percent choose to use social media to start selling online. Hence, an increase in the adoption of social media can assist entrepreneurs to grow their businesses by marketing their products on social media. For instance, the power of SM can reach more customers and market the product is cheaper than use traditional marketing.

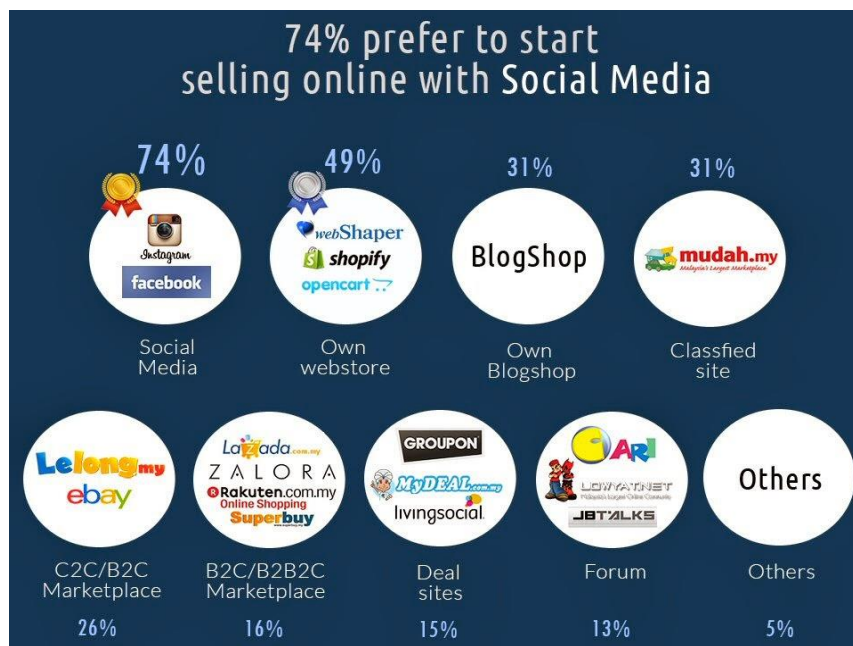


Figure 1.1.2: Statistic show entrepreneurs start selling online with social media.

Student entrepreneurs nowadays start to accept e-entrepreneurship or social commerce positively. This research assumes that all businesses should participate in social media not only at the level of products and services, but also in influencing business decisions. Thus, many people especially young entrepreneurs are actively involved in business activities due to the interest of infrastructure of social media, save time and enjoyable. Young entrepreneur's keen attempt to promote online entrepreneurship, which is in line with country vision to evolve as a high-income nation by 2020 (Badaruddin et al., 2012).

Therefore, this research will be clarifying the factors that will influencing the acceptance of social media as a business platform among potential entrepreneurs. This research also will be clarifying the relationship of the factors affecting the acceptance of social media as a business platform on inclination among potential entrepreneurs. From there, it can shows what the reason that can influenced the acceptance of social media among entrepreneurs who want to start or grow their business. Hence, factors that affecting the acceptance of social media are performance expectancy (PE), effort expectancy (EE), facilitating condition (FC), perceived trust (PT) and perceived enjoyment (PJ).

1.2 Research Question

The better understanding is needed for this research to know more about the the relationship of factors affecting the acceptance of social media as a business platform among potential entrepreneurs in UTeM. The following research questions are formulated to answer the problem statement.

- i. To what extend potential entrepreneurs of UTeM incline to use social media as their business platform?
- ii. What are the factors affecting the usage of social media among potential entrepreneurs of UTeM?
- iii. Which factor affect most on the usage of social media among potential entrepreneurs of UTeM?

1.3 Research Objective

The general objective of this research is to explore the relationship of factors affecting the acceptance of social media as a business platform among potential entrepreneurs in UTeM. The objectives of this thesis are as follow:

1. To identify potential entrepreneurs of UTeM incline to use social media as their business platform.
2. To analyze the factors affecting the usage of social media among potential entrepreneurs of UTeM.
3. To determine factor affect most on the usage of social media among potential entrepreneurs of UTeM.

1.4 Scope of the Study

This study is focus on the acceptance of social media as business platform which is the acceptance of introducing new technology method to run the business. The researcher will be focus on the factors affecting the acceptance of social media as business platform among potential entrepreneurs. This factors will influence the entrepreneurs to run the business by using social media. The factors affecting the acceptance of social media as business platform are from theoretical UTAUT model and other construct from previous study which are performance expectancy (PE), effort expectancy (EE), facilitating condition (FC), perceived trust (PT) and perceived enjoyment (PJ). From this factors, it helps to measure the result of acceptance and usage of SM as business platform. By using the quantitative research, the questions will be circulated to the respondents by the researcher. Where by the respondents will be the students from Universiti Teknikal Malaysia Melaka (UTeM) which are FPTT, FTKEE, FTKMP, FKP, FKE, FKEKK, FKM and FTMK.

1.5 Significant of the Study

Firstly, this study aspires to indicate the factor affecting the acceptance of social media as business platform among potential entrepreneurs. Once this research discovery is completed, it can increase the desire of a students to venture into business using advancement technology. This research would lead to the improvement of business management learning not only in business management faculty but also in other faculty. The results to be considered are: improving the ability of students to run business by generating revenue, academic competencies to meet successful young entrepreneurs and improving the independence of students, critical thinking, innovative and can increase the country's economic growth by applying the values of potential entrepreneurship.

Furthermore, people are the drivers of their future development and entrepreneurship. With this study, can influence the interest of students to become young entrepreneurs and be able to know the effects of using social media to doing

business. Therefore, it is necessary to understand the important encouraging student to become an entrepreneurs interest in social media to run business and become potential entrepreneurs towards students in University Teknikal Malaysia Melaka (UTeM).

1.6 Chapter Summary

This chapter begin explains of the indication connected to this research and the rationale for choosing the study. Thereafter, The implementation of study subject information contributes to the identification in the literature of the issue statement regarding to the factors affecting potential entrepreneurs interest on using and accepting the SM as a platform to run their business. Additionally, the research question, research objectives, scope of the research and the significant of the study are presented in this chapter. The next chapter will be discuss more about the factors affecting the acceptance of SM as business platform among potential entrepreneurs which is in the literature review.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter explain about the relevant of literature reviewed, which the definition of entrepreneurship and social media and by using their models and theoretical foundation use for this view. The researcher is interested in presenting here a few studies of factor affecting the acceptance of the social media as business platform among potential entrepreneurs. In this chapter also develops the theoretical framework of the proposal.

2.1 Definition of Entrepreneurship, and Social Media

2.1.1 Definition Entrepreneurship

Entrepreneurship has become the main topic of conversation in recent years. It is broadly by policymakers as one of the ways to prosperity, and the comparison between entrepreneurial and cross-country activities has become increasingly trendy. However, the concept of entrepreneurship is often not used properly, it does not necessarily have to be totally clear what the measurements are actually measuring as the definition of entrepreneurship (Iversen, Jorgensen, & Maalchow, 2008).