THE MOTIVATION TO ADOPT SOCIAL MEDIA MARKETING AMONG SMALL ONLINE BUSINESS IN MELAKA

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APPROVAL

I hereby declare that I have read this thesis research and in my opinion this thesis issufficient in terms of scope and quality for the award of Bachelor of Technology Management (high tech marketing) with Honours

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A report submitted in fulfillment of the requirement for the degree of Bachelor of Technology Management (High Technology Marketing)

Faculty of Technology Management & Technopreneurship (FPTT)

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2023

DECLARATION

I hereby declared that this thesis entitled

"THE MOTIVATION TO ADOPT SOCIAL MEDIA MARKETING AMONG SMALL ONLINE BUSINESS"

is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in the candidature of any other degree.

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DEDICATION

Thank you, our Almighty Allah S.W.T, who gave me strength to complete this research successfully. I would like to take this opportunity to express my gratitude to Universiti Teknikal Malaysia Melaka (UTeM) for providing the chance for student to do this final year project. A special dedication to my parents, family, and friends who have always been supportive, encouraging, motivating, and helped me complete this study. I would like to express my sincere thanks to my supervisor, Dr. Atirah Binti Sufian who has given me guidance and guided me to complete this report. She has guides and assist me from the beginning until the end of final year project process. I would like to thank all my friends who helped me a lot while I was running my project and a big thank you to everyone who has always been by my side, always given words of encouragement, and helped me complete this study. Without them, this project would not be completed possible. Thank you very much.

ACKNOWLEDGEMENT

ABSTRACT

Social Media Marketing or SMM is a type of internet marketing that uses social media applications as a marketing strategy. These social media platforms allow companies to engage with their target audience in order to create a brand, enhance sales and generate traffic to websites. Business trends for this era are changing where adoption for social media marketing were taken into consideration. This research aims to identify the motivation to adopt social media marketing among small online business in Malacca. Five variables namely performance expectancy, social influence, facilitating condition, propensity to share information and viral marketing expectancy will be measured to study the motivation to adopt social media marketing among small online business by using Unified Theory of Acceptance and Use of Technology (UTAUT). This study used a quantitative method in which the researcher distributed a questionnaire where there are 306 usable respondents. Then the data were analysed using SPSS version 27.0 for testing the pilot test and actual survey. The results contribute to the understanding of small business' digital marketing behaviour by finding support for the idea that the technological benefits may not be the only motivators for small business owner or managers who undertake digital marketing. Through this study, the researcher able to provide new knowledge to business owners in understanding the factors that influence small online business to adopt social media marketing. Therefore, the study has important implications to the small online business that using social media marketing helps companies to increase a small business's awareness to grow steadily through social media advertising.

ABSTRAK

Pemasaran Media Sosial atau SMM adalah sejenis pemasaran internet yang menggunakan aplikasi media sosial sebagai strategi pemasaran. Platform media sosial ini membolehkan syarikat melibatkan diri dengan khalayak sasaran mereka untuk mencipta jenama, meningkatkan jualan dan menjana trafik ke tapak web. Trend perniagaan untuk era ini berubah di mana penggunaan untuk pemasaran media sosial telah diambil kira. Penyelidikan ini bertujuan untuk mengenal pasti motivasi untuk mempraktikkan pemasaran media sosial dalam kalangan perniagaan dalam talian kecil di Melaka. Lima pembolehubah iaitu jangkaan prestasi, pengaruh sosial, keadaan memudahkan, kecenderungan berkongsi maklumat dan jangkaan pemasaran viral akan diukur untuk mengkaji motivasi mempraktikkan pemasaran media sosial dalam kalangan perniagaan dalam talian kecil dengan menggunakan Teori Penerimaan dan Penggunaan Teknologi Bersepadu (UTAUT). Kajian ini menggunakan kaedah kuantitatif di mana pengkaji mengedarkan borang soal selidik yang mana terdapat 306 orang responden yang boleh digunakan. Kemudian data dianalisis menggunakan SPSS versi 27.0 untuk menguji ujian rintis dan tinjauan sebenar. Hasilnya menyumbang kepada pemahaman tentang tingkah laku pemasaran digital perniagaan kecil dengan mencari sokongan untuk idea bahawa manfaat teknologi mungkin bukan satu-satunya pendorong untuk pemilik perniagaan kecil atau pengurus yang menjalankan pemasaran digital. Melalui kajian ini, penyelidik dapat memberikan pengetahuan baharu kepada pemilik perniagaan dalam memahami faktor-faktor yang mempengaruhi perniagaan kecil dalam talian untuk mengamalkan pemasaran media sosial. Oleh itu, kajian ini memberi implikasi penting kepada perniagaan dalam talian kecil yang menggunakan pemasaran media sosial untuk membantu syarikat meningkatkan kesedaran perniagaan kecil untuk berkembang secara berterusan melalui pengiklanan media sosial.

TABLE OF CINTENTS

CHAPTER 3   RESEARCH METHODOLOGY

CHAPTER 4   DATA ANALYSIS

CHAPTER 5 DISCUSSION AND CONCLUSIONS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1

INTRODUCTION

1.0   Introduction

This chapter is about an overview of the thesis's scope. The overview regarding the topic is the motivation to adopt social media marketing among small online businesses. This thesis contains seven main areas which are research background, problem statement, research questions, research objectives, scope, limitation of the research, and the significance and contribution of the study. This thesis will focus on the motivation to adopt social media marketing among small online companies and the result of the use of social media marketing. In this chapter, the research objective is to determine the motivation to adopt social media marketing among small online business, to identify the social media marketing use by small online business and to examine the important of social media marketing use by small online business. Nowadays, internet surfing has become an essential part of our life from shopping to electronic mail and education.

1.1   Background of Study

In today's world, advancements in information and communication technologies (ICTs), notably social media, have transformed the way marketing operations are carried out (Eid et al., 2019; Khayer et al., 2020). Social media has evolved as a low-cost and

efficient means for everyone to communicate information. Social media has grown through time and has shown itself to be a distinct and critical marketing tool in determining the success of any product/service/business (Eid et al., 2019; Wamba et al., 2019).

Similarly, Radhakrishnan et al. (2018) investigated the impact of social media use on employee and organisational performance among Malaysian multinationals. Also, Nadzir, (2019) examined ways that individuals organizations engage with social media through Facebook affects Malaysian government agencies. Nawi et al. (2019) investigated the important factors influencing social media adoption as a commercial platform. Several further studies were conducted in the Malaysian setting to examine the adoption of social media and its impact on organizational performance.

Also, the use of social media as a marketing tool has provided entrepreneurs with rapid connection and client feedback (Camilleri, 2019; Durgam, 2015; Eid, Abdelmoety, & Agag, 2019; Lin, Li, Yan, & Turel, 2018). According to Armesh et al. (2010), Nadaraja & Yazdanifard (2013), and Vedenhaupt (2014), social media usage is critical and attracts a lot of attention since it has an economic cost to the entrepreneur and his or her firm (2016).

Small online business plays a vital role in the economy, even though they are often characterized by limited resources and capital acquisition. According to Statista 2012 from the top-10 E-commerce website in Malaysia in 4th quarter of 2020, Shopee has been the most popular E-commerce website in Malaysia, followed by Lazada and PG Mall. With around 47.3 million clicks, Shopee was the leading online shopping platform in Malaysia and Southeast Asia. 91% of the Malaysian population are active internet users. Malaysia's fast-growing economy and modern technology make it an attractive market for E-commerce in Southeast Asia, with 30 million people. A structural change emerged from the rapid advancement of technology. Customers prefer online shopping rather than in brick-and-mortar stores. Physical firms have been striving to acquire a competitive edge by interacting with clients through E-commerce. Rita and colleagues (2019). The new opportunities created by the existing technology are moving faster. E-commerce has become an important channel for many online businesses because it can allow transactions anytime and anywhere.

1.2   Problem Statement

Social media marketing is a new phenomenon in the globe that has altered traditional corporate operations. However, there are several contentious concerns surrounding the application of social media marketing. Some small-business retailers fail to use social media marketing methods for advertising, staff development, and interaction in order to enhance sales. SMEs hesitate to implement e-commerce applications due to a lack of resources and knowledge, inadequate personnel credentials, security concerns, and lack of preparation. According to Kang (2018), SMEs do not know the ways to make use of the potential of technology, they do not have a direction and talent to hand-hold them for these different technologies (Kang (2018). Next, small company owners have been slow to implement social media marketing methods, in part owing to a lack of funding, people, enthusiasm, and time. According to Chan (2016), many businesses fail to account for a shortage of funds as well as their capacity to market and generate sales. These ineffectiveness and lack of creative SMM implementation tactics have reduced the business's profitability. All of these issues will result in a decline in a company's competitiveness. In addition, many businesses disregard their lack of funds and inability to market and expand sales.

Although social contexts can have a favourable influence on the proclivity to use these technologies (Pentina et al., 2012), existing research shows that (Small Medium Enterprises) SME's entrepreneurs still display "resistance" when adopting social media, calling their sustainability and trustworthiness into doubt (Nakara et al., 2012; Durkin et al., 2013). Furthermore, while using social media, it is defined by the unplanned behaviours of the entrepreneurs and/or managers engaged, who are unaware of the accompanying benefits (Michaelidou et al., 2011; Meske & Stieglitz, 2013; Wamba & Carter, 2014).

Therefore, it is important to understand the motivations for adopting social media marketing among small online business and to determine how social media marketing plans impact small business online sales. This study will also investigate the most influential elements that influence online small business owners to adopt social media marketing for their companies.

3

1.3 Research Questions

1) What are the factors impacting the use of social media marketing among small online businesses in Melaka?

2) What are the most significant factors impacting the use of social media marketing on small online businesses in Melaka?

1.4 Research Objective

1) To determine the factors impacting the use of social media marketing among small online businesses in Melaka.

2) To examine the most significant factors impacting the use of social media marketing on small online businesses in Melaka.

1.5 Scope of Study

The research that is being discussed here is about the Motivation to Adopt Social Media Marketing Among Small Online Business in Malacca. The study's population will include online small business entrepreneurs who live in Malacca and are between the ages of 18 and 65. Businessmen who run their business using online social media marketing (WhatsApp, TikTok, Instagram, Facebook, You Tube and Twitter) and who have registered their account through social media in Malacca were chosen as research subjects, independent of gender, age, culture, or urban clientele, and many of them are active social media users (WhatsApp, TikTok, Instagram, Facebook, You Tube and Twitter).

1.6 Limitation of Study

This study has certain restrictions that limit researchers' ability to finish and get information. One limitation discovered throughout the investigation was time limits, we were allocated 24 weeks to do this study, which is inadequate time to complete a proper study. The research did not cover every state in Malaysia due to scheduling restrictions. Furthermore, the accuracy of the results is another weakness of the study, as these respondents were assumed to offer honest and accurate responses. Another disadvantage of this study is that respondents may misinterpret the questions due to variations in understanding, background, and education.

1.7   Significance of Research

This study gives a wonderful chance for Malaysian online small company owners or research marketers to have a better grasp of the influence of Social Media Marketing (SMM) which are (WhatsApp, TikTok, Instagram, Facebook, You Tube and Twitter) before adopting it to start-up their firm. It is beneficial to them since they will grasp how to utilize social media to advertise their products or services to boost sales performance, establish strong consumer relationships, and obtain customer insight. Furthermore, internet small company owners will be able to grasp how to use a strong social media marketing plan that are (WhatsApp, TikTok, Instagram, Facebook, You Tube and Twitter) for their firms, which may save a lot of money on ineffective advertisements. In addition, it is important to those research marketers who are interested in the study of SMM.

Moreover, this research will help online small company owners generate fresh ideas for advertising their items through social media to expand the business. Furthermore, this study might be used as a resource for future researchers interested in researching the issue of Social Media Marketing (SMM). Understanding the usage of SMM strategy which are (WhatsApp, TikTok, Instagram, Facebook, You Tube and Twitter) allows online small companies to grab their clients more successfully, according to this study. This research can assist organizations in better understanding their consumers' requirements and desires.

1.8   Summary

This chapter is mainly about the basic understanding of the research which is the impact of social media marketing among online small business. The current research identifies the basic understanding about social media marketing, especially the research questions and objectives of Chapter 1. The research was conducted in accordance with the study's objectives, scope, and limitations. This knowledge will be important in the next chapter.

CHAPTER 2

LITERATURE REVIEW

2.0   Introduction

This chapter discussed about social media, social media marketing, social media marketing strategy and its impact on adoption of social media of the online small business. This chapter also contains information about the background of the Unified Theory of Acceptance and Use of Technology (UTAUT) which was based on previous study done by another research. In addition, literature review is discussed and there are five independent variables for the usage of social media marketing tools were determined. This chapter will examine the empirical research on identifying which factors will impact the use of social media marketing of the online small businesses in Melaka. The purpose of the literature review is to enable researchers to identify the variables used in research, conceptualize the theoretical framework and hypothesis development.

2.1   General Overview of Social Media

Today, people tend to use social media to do shopping and pre-shopping activities. According to Malaysian Communications and Multimedia Commission (MCMC) (2020), approximately 88.7% of the population in Malaysia use the internet. Social media is one of the most prominent Internet sites where people communicate with one another to share their activities. Apart from that, social media is increasingly being used by businesses to sell their

products, owing to the enormous number of active users in Malaysia's advertising sector. According to the MCMC Internet Consumer Survey infographic (2020), there are the top 3 devices used by people to access the internet, namely smartphones (98.7%), laptops/netbooks/notebooks (37.9%) and the last is PC/desktop which is 16.2%. Another Kenyan research (Kimani, 2014) on the use and impact of social media on small company growth found that Facebook and Twitter had the most users among small enterprises. Their research also revealed that social media was an effective means of disseminating knowledge across socioeconomic classes. The platform raised product awareness, which could be used to track customer experience and encourage more active communication. A survey also conducted by Malaysian Communications and Multimedia (2020) found that, all Internet users in Malaysia are using the Internet to socialize with their friends through social media. The top 3 communication applications used by people to stay connected are WhatsApp (98.7%), Facebook Messenger (53.9%) and lastly Telegram (40.1%). Ristova (2014) mentioned that the most popular social media is beneficial to the online sales of a business and promotes their products and services. One of the reasons for marketers to engage with social media platforms is due to the higher growth rate of internet users and registered social media (Carim & Warwick, 2013).

Companies may use social media to network with consumers to create connections and gain a better knowledge of their requirements. Businesses want as many people as possible to hear their message. To optimize this reach, a company must have a presence in places where customers congregate. They are increasingly spending time on social networking sites (Halligan, Shah, & Scott, 2009). In addition, the evolution of social media allows small stores to generate perfect possibilities and promote brand engagement with prospective clients (Snelson, 2016). From a business perspective, social media is viewed as an effective tool and efficient channel to expand customer engagement and improve customer-business experiences (Sigala, 2012). Furthermore, social media provides an excellent platform for marketers to advertise their business and engage with their consumers. (Filo, Lock & Karg, 2015).

Todor (2016) mentions how social media platforms like YouTube, Facebook, and Twitter are utilized to acquire the confidence of current and future clients. In the business sector, social media is frequently used as a communication tool to promote and sell products and services, but in the public sector, it is frequently used to disseminate information and encourage user interaction (Royle & Laing, 2014; Gruzdet al., 2018). These social media tools

allow customers to access more information, search, analyze, choose, and evaluate items and services, all of which are key components in luring people to purchase online via social media and have an influence on online small businesses. As a result, because social media has a powerful communication platform in the online world, online small company owners must proceed with this marketing approach to work with social media.

2.2   Social Media Marketing (SMM)

As the customers today have developed their behavior by having smartphones as part of their usual life, SMM has become important for most online small business owners to connect and make transactions with their customers through a digital platform. SMM has become a powerful marketing tool for the dissemination of information, collaboration and building relationships (Ananda, Hernandez Garcia & Lamberti, 2016; Chang, Yu & Lu, 2014).

Mentioned by Mohammadian and Mohammadreza (2012), Social Media Marketing (SMM) is described as "any form of direct or indirect marketing that can be used to raise awareness, popularity, recall and action for a brand, business, product, person, or other organization utilizing the social networking tools such as blogging. Micro blogging, social bookmarking, social networking, and content sharing" (p. 59). It enables them to build powerful and long-lasting partnerships through marketing communication aspects. Furthermore, Social Media Marketing (SMM) has been employed across many sectors and is defined as "the use of social media technology, channels, and software to produce, communicate, distribute, and trade goods that are useful to the organization's stakeholders" (Tuten and Solomon, 2016, p. 21).

Kapoor et al. (2018) found that social media has been widely used as a marketing media. In an e-commerce environment, SMM can be defined as the process by which a company communicates, develops and delivers online marketing products to establish and improve relationships of stakeholders via social media platforms that improve value of stakeholders by facilitating interaction, information sharing, offering personalized buying reviews and creation of word-of-mouth among stakeholders about existing and popular offerings and services (Yadav and Rahman, 2017b, p.3). According to Munan, Sibai. Schivinski and Christodoulides (2018), the effect of social media marketing has an influence on customer satisfaction and is noteworthy in determining numerous opportunities for sales growth.

8

2.3   Social Media Marketing and Online Small Business

In this era of technology, businesses are using social media marketing to boost the companies' brand awareness, improve customers; connections and reach millions of users' synchronously. Technology is rapidly increase and the customers intend to buy based on the basis of the role of social interaction through the Internet (Hajli, 2014). According to Cant and Wiid (2016), the Internet phenomenon of social media marketing enables small retailers to build Internet communication in their business plans and has become an advertising platform.

Small businesses are the world's leading forces of economic development (Eid & El-Gohary, 2013). Small business owners tend to be autonomous and companies often rely financially on their owners, who maintain close control over business activities (Eid & El-Gohary, 2013). Small business has a global presence with social media that includes competitive exposure, product promotion, creating customer and supplier relationships, employee engagement and products and services marketing (Taneja, Pryor & Hayek, 2016).

Tsitsi Chikandiwa et al. (2013) studied SMM as an organization's strategic system for 'allowing marketers to participate, cooperate, communicate and harness marketing intelligence crowd sourcing'. In addition, Baccarani et al. (2014) perceive SMM as a multi-way communication method in which sender and receiver roles are combined and a pull marketing strategy technique is used; this means that the organizations use SMM to share data, knowledge and perceptions about their products or services in order to communicate and build relationships with customers.

Companies use SMM from a broad perspective to support a vast variety of marketing efforts including promotion, sales and brand management that are aimed at connecting the companies' internal capabilities to their external environment. SMM has major implications for different elements of an organization like customer relationships, interaction of organization and marketing innovation (Langer, 2014). Furthermore, Social Media marketing (SMM) is a strategic innovation for achieving sustainable competitive advantages, opening chances for strategies and business models (Bharati et al., 2015; Effing & Spil, 2016).

Besides, SMM involves transforming an organization in many ways such as marketing strategy, customer service, innovation and development of production. According to Ramsaran-Fowdar and Fowdar (2013), Facebook devices can help marketers accomplish business goals like advertising, creating brand survey and building fan pages of the company.

The fan pages of the company will support leaders of the business with increasing likes, follow-ups and shares on the company site.

Social Media Marketing (SMM) involves the reconstruction of customer relations, its customer engagement (Constantinides, 2014). Customers can communicate with the company easily and instantly through social media platforms as compared to traditional methods of gaining more power in doing business with the company.

In a competitive world, companies should constantly change their decisions and strategies regarding the environmental conditions for achieving their business objectives (Vincent et al., 2004; Herrera & Martinez, 2013; Health, 2014). Social Media Marketing (SMM) gives small businesses the opportunity to grow and prosper economically by opening channels of communication and building brand awareness (Baldwin, 2015).

2.4   Social Media Marketing Strategy

The implementation of SMM is rapidly expanding, which transforms the business environment and encourages companies to respond to these business developments. Effing and Spil (2016) stated social media marketing strategy as "a goal-oriented development process for creating customer-generated content, driven by a group of Internet applications, providing a different and beneficial sustainable advantage". It is also described as "a process that enables a company to focus its limited resources on the greatest opportunities to increase sales and gain a competitive advantage that is sustainable."

Furthermore, competitive advantage pressure also drives companies to be present on different social media sites as their customers expect them to be present (Larson and Watson, 2011). The ultimate aims of marketing strategy are to understand the businesses achieve and maintain a competitive edge which can refer to all organizations participating in a challenging world (O'Cass & Voola, 2011).

Other than that, Chantinok et al. (2015) illustrated another definition of social media marketing strategy as "the scope of marketing activity, sales, customer service and public relation via social networking, online communities or any online collaborative media to achieve

higher performance." Mentioned by Yang (2018), successful small businesses strategies include creativity, customer value acceleration and development.

2.5 UNIFIED THEORY OF ACCEPTANCE AND USE OF TECHNOLOGY (UTAUT)

The Unified Theory of Acceptance and Use of Technology (UTAUT) was introduced by Ventakesh et al., in 2003. According to Unified Theory of Acceptance and Use of Technology (UTAUT), it is functioned to investigates technological acceptability as determined by the influences of performance anticipation, effort expectancy, social influence, and enabling conditions. Studies on technology usage behaviour have mostly concentrated on basic systems (e.g., PCs) and have ignored the use of more complicated technologies (Venkatesh et al., 2003). The concentration on a single technology limits theories' explanatory ability because individuals' experiences, buying choices, and use cases differ based on IT systems and situations (Brown, Venkatesh & Hoehle, 2015). The reasons for consumers purchasing entertainment technologies, for example, are different from the demands of employees driving the use of business management systems.
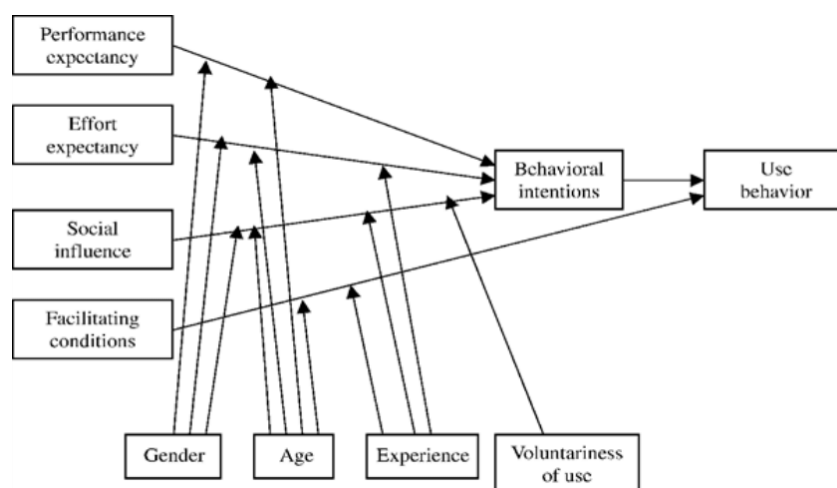

Figure 2.5: The research model UTAUT (Ventakesh et al. 2003).