FACTORS CONTRIBUTING TO DIGITAL TRANSFORMATION IN SMALL BUSINESS IN THE MELAKA RESTAURANTS

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This thesis is submitted in partial fulfilment of the requirements for the award of Bachelor of Technology Management (Technology Innovation) with Honors

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DECLARATION

I thus certify that all of the work in this thesis, "FACTORS CONTRIBUTING TO DIGITALTRANSFORMATION IN SMALL BUSINESS IN THE MELAKA RESTAURANTS," is unique to me, and that no part of the work in this research project proposal has been submitted in support of any other degree or qualification at this or any other institute or university of learning.

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DEDICATION

I want to express my gratitude for my loving family members' and my fiancé's effort to educating and motivating me to complete my education to the degree level. In addition, I am grateful to my professor, Dr. Hazmilah binti Hasan, who is also my supervisor for my final year project, and my fellow classmates. Throughout my investigation, they have offered me complete support and counsel. This research would be impossible to complete in a timely manner without their blessing and encouragement.

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Last but not least, I like to convey my gratitude to all of the respondents who took the time and effort to complete the questionnaires. They had given me helpful input that helped me conclude my investigation. I was able to complete all of the components of a questionnaire with the help and support of theresponders. Once again, I am grateful and thankful to everyone.

ABSTRACT

Recently digital transformation has become a necessity that organizations must accept facing the new demands of today's digital world. Previous research has investigated opportunities provided by digital transformation but still, there are gaps when it comes to digital transformation factors. This thesis addresses the main factors faced by restaurants during their digital transformation journey. The quantitative research method is through google form in the form of a questionnaire to investigate the challenges of digital transformation in restaurants in Melaka. Research findings show that most restaurants face performance expectations, effort expectations and social influence. This study has various contributions. On the one hand, this thesis provides practitioners with the main factors facing restaurants during their digital transformation travel, this study provides literature to fill the gaps that exist in digital transformation factors.

Keywords : Digital transformation, restaurant industry challenges, performance expectancy, effort expectancy and social influence.

ABSTRAK

Baru-baru ini transformasi digital telah menjadi satu keperluan yang mesti diterima oleh organisasi dalam menghadapi tuntutan baharu dunia digital hari ini. Penyelidikan sebelum ini telah menyiasat peluang yang disediakan oleh transformasi digital tetapi masih terdapat jurang yang berkaitan dengan faktor transformasi digital. Tesis ini menangani faktor utama yang dihadapi oleh restoran semasa perjalanan transformasi digital mereka. Kaedah kajian kuantitatif adalah melalui google form dalam bentuk soal selidik untuk menyiasat cabaran transformasi digital di restoran di Melaka. Penemuan penyelidikan menunjukkan bahawa kebanyakan restoran menghadapi jangkaan prestasi, jangkaan usaha dan pengaruh sosial. Kajian ini mempunyai pelbagai sumbangan. Di satu pihak, tesis ini menyediakan pengamal dengan faktor utama yang dihadapi oleh restoran semasa perjalanan transformasi digital mereka, kajian ini menyediakan literatur untuk mengisi kekosongan yang wujud dalam faktor transformasi digital.

Kata kunci : Transformasi digital, cabaran industri restoran, jangkaan prestasi, jangkaan usaha dan pengaruh sosial.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

Small and Medium Industries (IKS) or Small and Medium Enterprises (SMEs) are groups that have played an important role in the development of the country's economy while helping in the foundation of the country's industry. In general, Small and Medium Industries are divided into two sectors: the manufacturingsector and the service sector.

Secondly, these two sectors are defined on the basis of revenue from total annual sales and the number of full-time employees. For the manufacturing sector, Small and Medium Industries are defined as firms that have annual sales not exceeding RM50 million or number of full-time employees not exceeding 200 people. Meanwhile, for the service sector and other sectors, IKS is defined as firms with annual sales not exceeding RM20 million or number of full-time employees not exceeding 75 people. (SME Definitions, 2015)

The contribution of small business has reduced direct dependence on the global economy. Due to the existence of various advanced technologies in the world has led to a transformation in the small business enterprise process. Transformationsare often linked to the development effects of economic growth.

Digital transformation is the use of technology to transform analog to digital processes. Digital transformation refers more to the way technology has revolutionized business with new technology areas such as machine learning, big data and the Internet of Things. Mustapa said, Malaysia remains committed to achieving the targets of becoming a technologically advanced, digitally integrated and regional digital economy leader by 2030, as set out in the MyDIGITAL initiative.

Through the initiative, he said the digital economy is expected to contribute 22.6 percent to Malaysia's gross domestic product (GDP) by 2025 and generate 500,000 new employment opportunities. According to Mustapa,(2021) the government is targeting 875,000micro, small and medium enterprises (SMEs) to take advantage of e-commerce by 2025 in addition to the goal to make 80 percent of government services online in the same year.

1.1 Research Background

Digitization is one of the priorities under the ASEAN Coordination Committee for Micro, Small and Medium Enterprises (ACCMSME) for 2019, The Office of SMEs Promotion Thailand (OSMEP) with the support of Canada through the OECD Canadian Project for SMEs in ASEAN organized a Global Digitalisation Model for Micro Enterprises Workshop in May 2019 and a policy dialogue session on "Starting a Business in ASEAN: Formalisation of Micro Enterprises and How Digitalisation Can Support It" in June 2019 in Thailand. The main findings and conclusions of these two initiatives will be compiled in the Policy Guidelines on the Digitization of Micro Enterprises in ASEAN (Policy Guideline on the Digitization of ASEAN Micro Enterprises), among others, proposing policies to encourage entrepreneurs to officially register businesses and adopt digital solutions to leverage their businesses.

Apart from that, according to Harits Asyraf Hasnan (2019, December 25) " #MyAPEC2020: Rural digital economy, inadequate smartphones "Specialist, Astro Awani, Economist, Dr. Madeline Berma said the use of smartphones alone is not enough to put rural IKS at a proud stage in the use of the digital economy. Most rural small business entrepreneurs only use mobile phones for product marketing and that'snot a digital Economy system.

Finally, digital transformation will change the way humans manage and run their businesses as well as how to market business products to a wider market up to the international level in a faster time and at a lower cost (Dzulkefly Ahmad, 2019).

However, in this encouraging development, most businesses have not fully utilized digital technology to keep pace with the high internet usage among the population.

1.2 Problem Statement

The main issue in this study is, the level of implementation of digital transformation among entrepreneurs on the digital economy of small business and the challenges that drive the implementation of the system. Technological progress in the country is still unable to mobilize IKS entrepreneurs in the use of digital transformation systems. Small business entrepreneurs, especially in rural areas, still lack skills in the full use of digital electronics to run digital transformation systems. Furthermore, the Director of the Malaysian and International Research Institute (IKMAS), Universiti Kebangsaan Malaysia (UKM), Professor Dr Sufian Jusoh also said that the constraints of small business in expanding business through the digital economy aredue to internet access that is still not perfect with inadequate broadband speed.

Some firms are still resisting this new reality, but the majority are beginning to adapt their operations. The COVID-19 epidemic highlighted the importance of being digital in order to be able to operate from anywhere and provide services and goods through internet channels. (The Key Challenges of Digital Transformation, 2021) It has aided in the acceleration of this continuous occurrence, but there is a problem: even when a company recognizes the value of digital technology, it is not always able to strategically adopt it. Traditional businesses, on the other hand, cannot afford to wait for the technologies to be implemented because they are frequently competing with born-digital businesses that already have a digital strategy and the necessary skills.

1.3 Research Question

The research question is the essential process where it provides the focus and framework about the direction of the study. Research question is fundamentally the key components as it can guide and provide a concise and more understanding guideline of this study.

This research attempts to provide answer to the following question:

1.3.1)What is the factors of digital transformation towards small business?

1.3.2.)What is the practical method for small business to perform digital transformation?

1.3.3.)What are the impact by using digital transformation to the small business?

1.4 Research Objective

The objective to examine the factors contributing to digital transformation in small business in the Melaka restaurants. Thus, a research studied has developed in order to stay focus and guide throughout the study.

The objective of this research are as follow:

1.4.1.) To identify factors of digital transformation towards small business.

1.4.2.) To examine practical method for small business to perform digital transformation.

1.4.3.) To analyses impact by using digital transformation to the small business.

1.5 Scope of Study

This research looks at several factors from digital transformation to small business. Ayer Keroh, Melaka is the main place for researcher to conduct research. Researcher are focusing on a few strategies employed by the business owners in developing a premise and marketing methods performed in each store, such as communication methods to inform a product to customers. The focus of the study was on business owners in each premise. Questionnaires will be collected from 120 people using google forms or questionnaires will be distributed to business owners in each store, and they will have a week to answer all questions. Researcher are encouraged to investigate the factors faced by businesses owner in applying digital transformation to their small businesses.

1.6 Limitation of Study

There are some limitations encountered in this study that could sway the results. One of the initial limitations is that this study is limited to Melaka alone, which means that the findings may not be applicable in other states. The next limitation is that the information gathered is based on the opinions of business owners rather than actual entrepreneurs. One of the constraints impacting the findings was the use of secondary data obtained by others. As a result, the quantity of data points employed in this investigation was limited.

1.7 Significance of Study

This study was done to assess the needs and effectiveness of digital transformation in business among small business entrepreneurs recommended by the government to upgrade the position of small businesses in the country and contribute to the national economy. The information from this study will allow some useful information to be obtained and can then be used to enable an assessment and analysis

of digital transformation among small business entrepreneurs to be made. In addition, the information obtained will enable improvements to skills and knowledge in the implementation of digital transformation among existing small business entrepreneurs to be enhanced over time and further contribute towards strengthening existing skills. In the academic part, the university can give birth to productive and skilled graduates in the handling of digital transformation in business.

1.8 Summary

This chapter is structure as the introduction of the whole research. It introduces the topic of the study including background, the problem statements, the research questions and research objectives, scope, limitation and key assumptions ofthe study as well as the importance of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Chapter 2 reviews the definition of concept used in this research, and it also describes the suitable conceptual framework in order to guide the flow of research. The conceptual framework is adopted from relevant scholar and it is illustrated in diagram to enhance the understanding.

2.2 Definition of Concept

2.2.1 Digital Transformation

The emergence of new technologies such as the internet, big data, and mobile technologies has been disruptive in almost every industry. Therefore, companies must be aware of this disruption occurring in adjacent industries and react accordingly. To maintain their business relevance according to today's digital market and ensure their competitiveness, companies must embrace digital transformation otherwise they would go out of business (Andersson, Movin, Mähring, Teigland and Wennberg, 2018). Recently, Digital transformation has been an exciting trend for both strategic IS researchers and practitioners (Vial, 2019).

Researchers have defined digital transformation in different ways (Westerman, Calméjane, Bonnet, Ferraris, and McAfee, 2011); (Bekkhus, 2016) defined digital transformation as the use of digital technologies to increase the organization's performance. Whereas (Piccinini, Hanelt, Gregory and Kolbe, 2015b); (Horlacher, Klarner, and Hess, 2016) ; (Singh and Hess, 2017); (Paavola, Hallikainen, and Elbanna, 2017) defined digital transformation as a way to leverage

new digital technologies to enable the investing company with the capability to increase the customer experience, smooth operations or creating new business models. Also (Eymann, Legner, Prenzel, Krcmar, Müller, and Liggesmeyer, 2015); (Nwankpa and Roumani, 2016); (Andriole, 2017); (Clohessy, Acton, and Morgan, 2017) mention the change brought by digital technologies within the organization which results in changing the products, organizational structure, or even automating the system processes. Although the researchers defined digital transformation in different ways, they all have in common “the change of normal ways of working due to the introduction of new digital technologies or the improvement of outdated technologies to enhance the performance of the company".

2.2.1.1 A successful digital transformation

To reach a successful digital transformation, (Westerman et al., 2014). advised companies to build both digital and leadership capabilities. As a starting point, they should identify where they are on the matrix that he provided, which will help them know the lacking capabilities and what they can do to build those ones. The provided matrix is composed of four digital mastery levels: the fashionistas, the beginners, the conservatives as well as the digital masters.

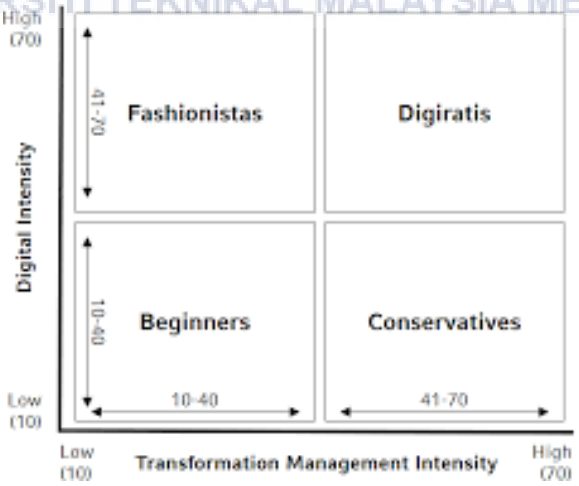

Figure 2.1: Digital maturity matrix is taken from (Westerman et al., 2014)

Considering the example of Fashionistas companies (those that have developed more digital capabilities rather than leadership capabilities), need to increase their leadership capabilities by strengthening their leaders. They can empower their managers by equipping them with the required skills and capabilities. The manager must have the ability to mobilize employees about the change that is going to occur within the organization due to engagement in the digital transformation journey. To deal with digital transformation-related challenges, (Westerman et al., 2014) provided three concepts to reflect upon, which are described as follows: signaling, earning the right to engage, and setting new behaviors. Signaling: This is the starting point of the organization mobilization, where the leaders should communicate the digital transformation information in a clear and sufficient way.

They should explain what a digital transformation is and the importance of engaging in it, and what they will need to engage in it. At the end of this step, at least all employees must be aware of the digital transformation information and its importance to the organization as well as to the individual employee. Earning the right to engage: This is the next step to reach after spreading the digital transformation information, where the leaders of the organization become role models for other employees. They must develop new behaviors that reflect the new vision and elaborate the implementation plan of the digital transformation vision with responsible employees. Also, they should look for those employees who understand the digital transformation vision more than others and make them the digital champions who will help them mobilize other employees.

Finally, the leaders should visibly show the quick business improvement that will bring digital transformation both internally and externally. Setting new behavior: This concept reflects how the implementation of digital transformation requires employees to change their behaviors in a way that makes them get adapted to a new culture that came from the use of new technologies.

2.2.1.2 Digital transformation strategy

"Many companies define great digital transformation strategies, but there is a huge difference between having a well-reasoned digital strategy on paper and successfully implementing it. Most digital transformation projects fail due to poor strategy execution" (Correani, Massis, Frattini, Petruzzelli and Natalicchio, 2020, p37)

Digital transformation is not an act of making some small improvements within the company but a journey to engage in, with a well-formulated strategy to reach certain goals. A well formulated strategy for digital transformation is a strategy where the business strategy is aligned with the IT strategy (Bharadwaj, Sawy, and Venkatraman, 2013). Sometimes companies fail to realize their digital transformation, not because they don´t have a good strategyformulation, but because they have a poor execution strategy. Researchers have shown their contribution to helping companies reach their goals. (Correani et al., 2020) suggested four main elements to consider; firstly, the investigating company must engage the customer base. They need to consider the customer behavior data, analyze them, and use the outcome topredict the future.

As a result, this will increase their customer experience which will be a good sign for the investigating company to reach a successful digital transformation. Second, they should empower their employees by equipping them with the required skills to help them cope with the new digital world of work, as well as all the changes associated with it. Third, they should improve their system performance by promoting the automation of their business processes across different departments. Lastly, they should start altering their services, products, or business models.

2.2.1.3 Digital transformation challenges

Embracing digital transformation creates opportunities that make organizations cope with the new demands of today's digital world (Clubbish and Aljuhani, 2021). This is not only a foundation for organizations to achieve another level of competitiveness but also a source of challenges. Therefore, the leaders of organizations must be aware of the different challenges associated with digital transformation. Researchers have conducted studies on digital transformation challenges in different sectors. In education, (Alhubaishy and Aljuhani, 2021) conducted research to assess the challenges faced by students and instructors during a digital transformation adoption at Saudi universities.

The results have shown that students mostly faced a lack of resources, the fear to change as well as learning performance challenges. Whereas the instructors mostly faced a lack of experience as well as a data privacy issue. Also, (Al-Ohali, Alhojailan, Palavitsinis, Najjar,Koutoumanos and AlSuhaibani, 2019) studied the human factor in digital transformation in the education sector and found that the main challenge mostly faced by both students and teachers is the lack of skills to adopt new technologies.

Traditional organizations (Shahi and Sinha, 2021) identified challenges they mostly face and described them as follows: the lack of vision, the organizational culture, the lack of skills, lack of sufficient infrastructure, having a limited budget, lack of integration of systems across different functions of the organization and the data security issue. In SMEs (Popescu, Homutescu, and Balanescu, 2018) identified the lack of knowledge as well as the lack of resources as the main challenges they face when they engage in digital transformation. By examining the leadership challenges during a digital transformation journey (Hai, Van, and Thi, 2021) argued that they lack the skills to fit in a new digital environment. For a strategic management system, according to (Maksimenko, Vashko, and Zdrestova-Zakharenkova, 2021)the problems they face while adopting digital transformation such as the lack of digital skills, the absence of digital culture, the lack of integration between systems, and budget limitations, and the implementation complexity.

Investigating digital transformation challenges requires exploring the organizational change concepts, as the former goes in line with the latter. Also, using organizational culture insights can help to clarify the reason why some organizations become resistant to changes. By considering the example of what (Senior and Swailes, 2016) argued concerning organizational change and culture, we found that sometimes the organization's culture can be supportive or against changes. In case the organization's culture becomes against changes this can lead to a digital transformation failure. It is always the responsibility of the organization's leaders to know how to deal with cultural challenges when engaging in a digital transformation journey.(Sambamurthy and Zmud, 2017) outlined the organizational change essence by comparing the speed of changing digital technologies with that of changing people's minds and behaviors. He found that it is easier for an organization to change digital technologies rather than change people's minds. He gave an example of what may happen in case the employees don't want to change their minds in a way that makes them fit in the newly adopted digital environment. They cannot accomplish the given tasks and if those tasks were to be associated with others inthe same project, this results in the failure of a project.

2.2.2 Digital transformation in the restaurant industry

To meet the competitive advantages and to increase efficiency in restaurants there is a need to automate the processes and increase the implementation of digital solutions (V.Verevka, 2019). The companies like restaurants or hotels completely deal with customer loyalty and their interest to return. Therefore, restaurants and hotels are always aware of innovations through customer experiences (Foroudi, Jin, Gupta, Melewar. And Mohammad, 2016); (Ottenbacher and Gnoth, 2005). These two factors are combined with the advancement of digital transformation and digital innovation (Sebastian, Jeanne, Martin, Kate, Nils, 2017) Digital Technologies used in the restaurant can increase the quality of services as it is stated by (Kim, Nicolau, and Tang, 2021) and (Pinchos, 2021). Pinchos follows a business model strategy as well as customer self-service in the digital transformation path. They take orders via a mobile application, and their model of serving as well as the encouragement of

cashless payment, made the organization win the Franchise of the future award in 2016 and continue the innovative process through customer self-service (Pinchos, 2021). Continuously focusing on the innovation of service experiences can lead to an increase in the overall quality and affect the increasing number of customers (Lin, 2013).

Restaurants are like other service-oriented industries, with the trend to adopt digital technologies for increasing customer value using g marketing tools such as social media. They also come up with web pages and phone applications for distance ordering services (Nambisan, 2017). Digitalization can be compared with the metaphoric snowball. Because a snowball is growing bigger but no clear vision down when it's rolling down the hill. The only thing is motion and broad effect. This is the same to apply digital technologies in restaurants and the food serving industry. Some of the traditional way processes of human interaction are abandoned due to the use of digital technologies in the restaurant industry. Traditional restaurants are apparently slow to achieve digital transformation and innovation. They are having difficulties adapting to digital technologies even if this is the only way they can pass through to gain a competitive advantage and increase their customer experience (Kim et al., 2019). Therefore, by adopting digital solutions in their regular processes and services, restaurants can increase their profits (Hanks et al., 2016)

2.2.3 Small Business

In the present era, Small and medium-sized enterprises (SMEs) have made a substantial contribution to the national economy. Small businesses consist of entrepreneurs who run on a shared or group basis according to defined criteria with total employees and total annual income. According to the released Economic Census 2016, as many as 98.5% of business establishments in Malaysia are Small and Medium Industries. As many as 89.2% were from the service sector, 5.3% from the manufacturing sector, 4.3% from the construction sector, 1.1% from the agriculture sector and 0.1% from mining and quarrying. Therefore, it is clear that the service sector makes the largest contribution in Small and Medium-sized Enterprises (SMEs).

Furthermore, in an age of fast-growing technology, digitization can help to enable transformation in business processes in terms of operating machines, managing customers, conducting transactions, delivering services and getting feedback in a fully digital environment.(The Essential Guide to DX, 2022).

2.2.4 The restaurant industry

The restaurant industry has many competitors including single sandwich shops, cafes, coffee shops, pizzerias, fast food chains as well as super luxuries restaurants that provide a wide range of dishes (Statista, 2018). Restaurants are an important area of the hospitality industry (Alt, 2021).

The Restaurant is a public organization that can provide catering services. In addition to that, restaurants have become places of social activity (Tan, 2021). The restaurant can get involved with two types of processes (Sachs, Allen, Terman, Hayden and Hatcher, 2014). The processes are referred to as Front-Of The-House (FOH) and Back Of-The-House. Front-Of The-House is the process of customers interaction during their visit in the restaurant. For example, waiting, seating, dining, and activities customers interact with before and after visiting the restaurant. This also involves functions such as website searching, marketing interactions, food delivery, payments, and reviews (Cavusoglu, 2019); (Sommerville, 2007). Back-Of- The-House represents areas where supply chain process, food preparation, cooking, administrative, souring and management processes are performed. (Cavusoglu, 2019); (Sommerville, 2007). Restaurants can be categorized based on their Front Of The-House (FOH) and Back-Of- The- House (BOH) processes. The restaurant industry is divided into several kinds of segments depending on food type, quality of services, atmosphere, and price range (Auty, 1992). The below diagram mentionsthe overview of the restaurant process.

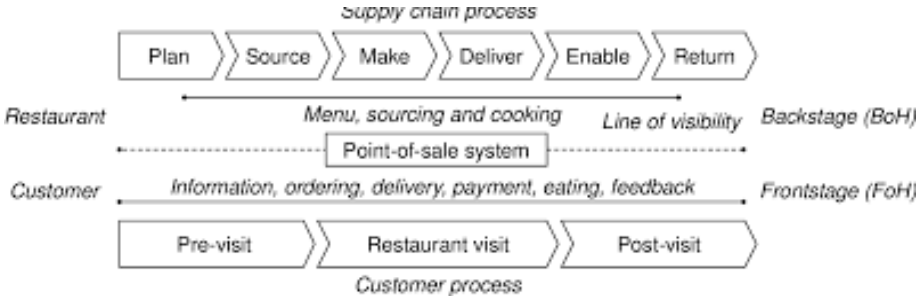

Figure 2.2: An overview of the restaurant process taken from (Alt, 2021)

2.2.4.1 Technology used in the restaurant industry

Digital technologies are used to reach a degree of perfection in terms of psychological, ethical, aesthetic, organizational, technological, and other aspects. Key factors we must consider as successful development in digital technologies are the ability to respond quickly, and sensitively. Apply those technologies to various parts of life which are making internal and external changes (Serebryakova and Avdeev, 2018). Most of the stationary devices that are used in the restaurant process have a trend to convert to smart devices (Berezina, Ciftci, and Cobanoglu, 2019); (Geron, 2017). The rapid development of digital technologies in the restaurant industry raises the question of how these technologies will improve and enhance customer dining experiences. People in the hospitality industry think digital technologies make revolutionary trends in eating and drinking. Back-Of-The-House (BOH) are areas that are related to purchasing, receiving, storage, food preparation, service, dishwashing area, sanitation, accounting, budgeting, and control (Meyer and Vann, 2013: 152). Back-Of- The House technologies contain product management systems for purchasing, managing inventories, menu management, controlling labor costs, and kitchen display systems. These mentioned systems and applications are built as software programs that contain up-to-date and accurate data for making management decisions (Walker, 2010: 392). When considering some of the other Back-Of-The-House technologies that are functionalities for accounting, smart kitchen, and restaurant management services. Also, when looking at SMAC (Social, Mobile, Analytics, Cloud) technology is playing an important role in enabling digital services (Alt, 2021).

Front-Of The-House (FOH) operations are related to customers and the dining area. For example, taking orders, food deliveries, and payments (Walker, 2010). Among the technologies used in the Front-Of The-House include tabletop technologies, digital display menu, kiosks with self-service technology (SST) as the main technology (Amiri, 2019). Front-Of The-House technological services are social media presences, digital signage devices as well as reward programs (Alt, 2021). The restaurant owners and restaurant staff use mobile devices such as smartphones and tablets to increase their customer experiences. This allows their customers to order food online or on-site ordering, self-service assisted ordering (Alt,2021).

2.3 Research Framework Development

Overall, the extent of needed digital transformation determines the technical preferences. Additionally, the leadership is allowed to choose the preferred technology for implementing the digital transformation. The leadership overcomes the various difficulties in implementing the new technology by giving the young talent effective training, making the workforce more adaptable and prepared to improve their overall performance. Therefore, choosing the right leadership style is essential for the success of the digital transition. (Azim, 2019)

2.3.1 Dependent Variable

2.3.1.1 Digital Transformation

The term "digital transformation" refers to a shift brought about by technology at many levels of an organization, including the exploitation of technologies to enhance operations and performance generally. The many organizational practices can change through innovation. Combining digital technologies with other elements to bring about overall betterment is known as

"digital innovation." Digital transformation is regarded as crucial in this day and age, thus the public sector is also paying attention to it.

According to the framework, digital transformation can be challenging and needs to be managed by the leadership effectively. Saul Berman (2012) reviewed the digital transformation with respect to the business models thus encouraged leaders to emphasize on the different complementary activities along the use of digital technology for attaining advantages like the collaboration of the customers and the interaction, reshaping the values of the customers for the transformation of the whole system. Boun four (2016) defined digital transformation as a new development that makes the use of the different artifacts, symbols and the systems of an organization and hence is an important aspect of the designed framework.

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The development of various digital technologies has accelerated organizational transformation in recent years (Yooet.al., 2012). In order to facilitate various organizational tasks, this has allowed the organizations to apply new situations and include various novel ideas and strategies (Fitzgerald et.al., 2013). The term "transformation" refers to a change in an organization that has an overall effect on the various functions and organizational structures along with the power hierarchy. Therefore, it appears to be tough for the entire organization for the organizations to coordinate and introduce the change in their internal structure as well as in their business approach. An organization can implement a digital transformation with the help of technology, but in order to do so, a comprehensive understanding of the digitization process as a whole must be developed.

2.3.2 Independent variable

2.3.2.1 Performance Expectancy

According to Unified Theory of Use and Acceptance of Technology model (UTAUT), performance expectancy (PE) is defined as the degree to which the user believes that using a particular technology will facilitate his or her performance in a certain activity (Venkatesh et al., 2003). PE is a significant predictor to determine a user's intention to adopt new technology. Concretely related to this study, users perceived the higher utility from FDAs, and the greater intention to continue using them (Mun et al., 2017; Yeo et al., 2017; Roh and Park, 2019). Meanwhile, previous researches have validated that PE has a significantly positive effect on user's continuance usage of various mobile technologies, such as mobile internet (Zhou, 2011a), mobile instant messaging and social networking apps (Lai and Shi, 2015), mobile banking (Yuan et al., 2016) and mobile shopping applications (Chopdar and Sivakumar, 2019).

Moreover, PE also has a significant effect on consumers' satisfaction towards affecting the continuance intention of using mobile technology (Tam et al., 2018). In terms of UTAUT, studies by Marinković et al. (2020) and Chong (2013) verified that PE is a significant predictor affecting the satisfaction of users' continuance usage of mobile commerce. Furthermore, the ECM posits that PE significantly influences the satisfaction and continuance intention of using mobile technology (Yuan et al., 2016; Susanto et al., 2016). Accordingly, PE is considered as a significant variable of UTAUT and ECM positively affecting users' continuance intention and satisfaction.

2.3.2.2 Effort Expectancy

Effort expectancy (EE) as a fundamental variable of Unified Theory of Use and Acceptance of Technology model (UTAUT) is defined as the degree of ease associated with users' utilisation of a certain technology (Venkatesh et al., 2003). EE positively affects users' continuance usage intention of using mobile apps (Kang, 2014; Fang and Fang, 2016), and has also been proved on FDAs (Ray et al., 2019). Specifically, in this study, EE refers to users' perceived easiness of using FDAs generating higher continuance intentions to use them during the COVID-19 pandemic. Moreover, EE has been involved in previous studies by applying UTAUT to explain the continuance usage of information technology (Venkatesh et al., 2011).

However, some studies found that EE has an insignificantly direct effect on continuance intention of mobile technologies, such as mobile banking (Yuan et al., 2016) and mobile shopping applications (Chopdar and Sivakumar, 2019). Because of users becoming increasingly familiar with mobile technology after their initial adoption, EE will no longer determine their intention. On the other hand, EE is validated as a significant indirect effect on technology's continuance usage by affecting other variables, such as PE and satisfaction. Specifically, EE significantly affected the PE of users' continuance intention of using mobile technology by implementing an ECM-based model (Yuan et al., 2016). Similar results have been verified by previous researches in various aspects, like, information systems (Kim and Malhotra, 2005), mobile Internet (Shin et al., 2010). Meanwhile, Marinković et al. (2020) applied a UTAUT-based model and validated that EE had a significant impact on satisfaction towards continuance usage of mobile commerce. Similar results are supported by Yeh and Li (2009); Agrebi and Jallais (2015) and Shang and Wu (2017).

2.3.2.3 Social Influence

According to Unified Theory of Use and Acceptance of Technology model (UTAUT), social influence (SI) is defined as the degree that users gain willingness from others' (e.g. families, friends and colleagues) encouragement that they should use a certain technology (Venkatesh et al., 2003). Related to this study, SI has been

validated as significantly determining users' intention to use an online-to-offline delivery service (Roh and Park, 2019).Moreover, from the continuance intention of using a mobile technology aspect, SI as an important variable in UTAUT has a significant impact on users' intentions to continue using mobile technologies (Lai and Shi, 2015). This angle has been supported in various aspects, such as mobile social network sites (Zhou and Li, 2014), shopping apps (Chopdar and Sivakumar, 2019) and mobile payment systems (Zhu et al., 2017). Furthermore, SI not only directly determines users' continuance intention, but also indirectly formulates users' intentionto continuously use mobile technology by affecting their satisfaction (Hsiao et al., 2016). Marinković et al. (2020) revised UTAUT to confirm that SI has a significant effect on users' satisfaction towards continuance intention of using mobile technology.

2.4 PROPOSED FRAMEWORK

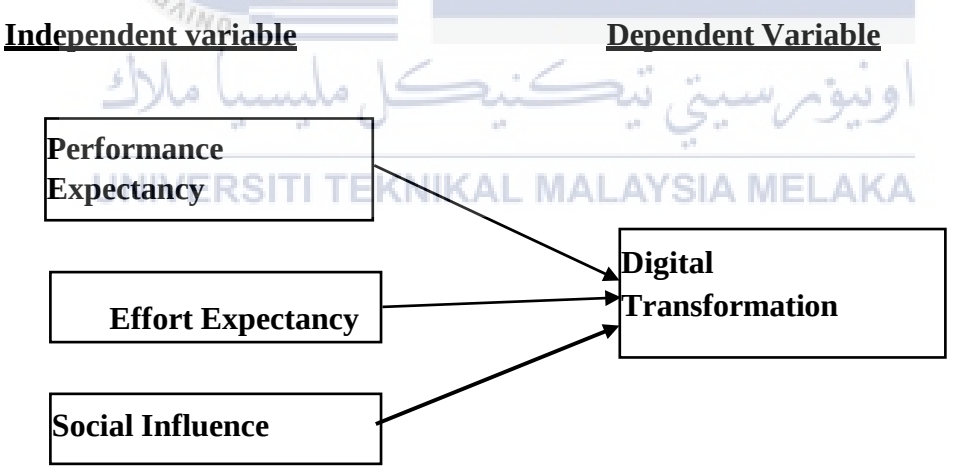

Figure 2.3: Proposed Framework

2.5 Hypothesis of study

Hypothesis 1 (Performance Expectancy)

H0: There is no significant relationship between performance expectancy toward digital transformation to small business in restaurants

H1: There is a significant relationship between performance expectancy anddigital transformation to small business in restaurants

Hypothesis 2 (Effort Expectancy)

H0: There is no significant relationship between effort expectancy and digital transformation to small business in restaurants

H1: There is a significant relationship between effort expectancy and digital transformation to small business in restaurants

Hypothesis 3 (Social Influence)

H0: There is no significant relationship between social influence and digital transformation to small business in restaurants

H1: There is a significant relationship between social influence and digital transformation to small business in restaurants

2.6 Summary

Digital transformation includes the process of digitization and emphasize on the overall efficiency along the digital innovation that focus on enhancing the overall performance with all the digital capabilities (Yooet.al., 2012). Hence it also brings different challenges for the leadership. According to the framework the challenges developed as the result of digital transformation can be addressed by the leadership. With the increased digital transformation and the enhancement of the overall functions, digital transformation has played an important role in the past years and allow the use of new technologies as well and thus it brought a major impact. Whenever it is needed to initiate a change for the different structures as the business models then digital transformation plays a very important role in the whole process(Bounfour,2014).

CHAPTER 3

RESEARCH METHODOLOGY

3.0 INTRODUCTION

This chapter looks at how data of the research were gathered, the research method employed in the study, the data collection technique used and the target population, the sample size and sampling techniques as well as the data analysis method employed. It finally looks at the procedures and the limitation faced in gathering these evidence.

3.1 RESEARCH DESIGN

A research design is a proposal or plan for the collection, measurement, and analysis of data, it is created to answer the research questions. (Sekaran & Bougie, 2016) It is also be considered as the construction of a research. It acts as the "Glue" that stick all the essential elements in research in its place, making sure that all the process is being done in a systematic way step by step. A research design can be defined as a plan for the proposed research. (Akhtar,2016)

Akhtar (2016) also state that a research design is required because it allows the various research processes to run smoothly from the start to the end. Thus, creating a research that is as good as it can get, providing maximum information with a minimum spend of hand work, time and financial. In order to have better, cost-effective and nice-looking structure of a house, a blueprint or map of the house is a must and it is prepared by an expert. The same goes to a research project, a research design or plan before hand of the collection and analysis of data is equally important.

3.1.1 Positivism

The research adopts a research paradigm of positivism. Positivism connects to the theoretical attitude of the natural scientist and involves operating with a noticeable social reality to provide law-like generalizations. It guarantees unambiguous and correct data (Saunders, Lewis and Thornhill, 2016). In this research existing theory is used to develop hypothesis. The hypothesis will be identified, examined and confirmed.

Table 3.1 : Characteristics of Positivism (Saunders, Lewis and Thornhill, 2016)

Positivism			
Real, external independent One true reality (universalism) Granular (things) Ordered	Scientific method Observable and measurable facts Law- like generalizations Number Causal explanation and prediction as contribution	Value-free research Researcher is detached, neutral and independent of what is researched Researcher maintains objective stance	Typically deductive, highly structured, large samples, measurement, typically quantitative method of analysis, but a range of data can be analysed

3.1.2 Quantitative Research

According to Saunders, Lewis and Thornhill (2016) :

'Quantitative data in a raw form, that is, before these data have been processed and analysed, convey very little meaning to most people. These data, therefore, need to be processed to make them useful, that is, to turn them into information. Quantitative analysis techniques such as graphs, charts and statistics allow us to do this, helping us to explore, present, describe and examine relationships and trends within our data'.

This research used quantitative method for collecting the primary data by using survey form. An identical set of questions from questionnaire survey will be distribute to a large group of target respondents for quantitative analysis. The data collection is easy to make comparison as the questionnaire will be distribute to different respondents (Saunders et al., 2016). The questionnaire is designed through Google Form whereas it is easy and free to distribute to target respondents in the format of URL or link. Besides from the reason of Google Form can make the questionnaire survey runs efficiently but also due to the pandemic of COVID-19. By

doing so, researcher can distribute the survey form through social media, e-mail, or others online- based application which correspond to the contactless during this crisis. The target respondents can easily access to the questionnaire through computer, mobile phone, pad, tab, or other devices which it can connect to network. Besides, it also helps to save time on data collection where the needed information can be easier transmitted into Excel spreadsheet.

There are 3 sections in the questionnaire form which are Section A, Section B, and Section C. Section A will emphasis on the general information of respondents. In Section B, the questions will relate to the independent variables such as Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI) which are the challenges digital transformation to small business in the restaurants during covid-19 pandemic. While Section C will focus on the dependent variable which is digital transformation during Covid-19 pandemic from the point of respondents' view. This survey form is created with the aim of address and achieve all the research questions and research objectives, was thus set based on the past study by other researchers.

Table 3.2: Sections in Questionnaire

Section A	General Information Of Respondents.
Section B	The Challenges of Digital Transformation to Small Business in Restaurants During Covid-19 Pandemic.
Section C	Small Business in Restaurants During Covid-19 Pandemic.

Based on the questionnaire design, the respondents will answer the questions by using the Likert scale which start from 1 to 5 based on their opinions Small Business in the Restaurants During Covid-19 Pandemic. The respondents need to choose for the most suitable and appropriate answer scale for each question. There are total five rating marks which starting from 1 represent strongly disagree, followed by disagree, neutral, agree and 5 represents strongly agree.

1	2	3	4	5
Strongly Disagree ⟷ Strongly Agree				

Figure 3.1: Likert Scale

Source: Saunders, M., Lewis, P., & Thornhill, A. (2016) Research methods for business students.

3.1.3 Operationalization Construct

Table 3.3: Operationalization of Constructs.

Constructs	No of Items	Scale of Measurement
Performance Expectancy (PE)	5	Likert Scale (1-5)
Effort Expectancy (EE)	5	Likert Scale (1-5)
Social Influence (SI)	5	Likert Scale (1-5)

3.1.3.1 Variables

Table 3.4: The Variables.

Label	Items	Source
PE	**Performance Expectancy**	
PE 1	By using digital transformation, it may help me to accomplish tasks more quickly	Yu Lin (2021), Kyun
PE 2	By using the digital transformation in my business, it may increase my company productivity.	Na,Yeon Yang & HoLee
PE 3	By using the digital transformation in my business, it make me easier to do my job.	

PE 4	If I use digital transformation system, I will increase my chance of getting more sales.	(2021),
PE 5	I believe that the digital transformation usage is useful in my business.	

Label	Items	Source
EE	**Effort Expectancy**	
EE 1	My interaction with digital transformation will be clear and understandable.	Chi Wang etal. (2021) ,Yu Lin (2021), Kyun Na, Yeon Yang & Ho Lee (2021),
EE 2	Learning to operate the business using digital transformation would be easy for me	
EE 3	It would easy to become skillful at using the digital transformation for my business.	
EE 4	I would find the digital transformation is easy to use for my business.	
EE 5	I believe that the digital transformation usage in my business is easy for me to adapt to my business.	

Label	Items	Source
SI	**Social Influence**	
SI 1	Peers who are important to me think that I should use digital transformation.	Yu Lin (2021), Kyun Na, Yeon Yang & HoLee (2021)
SI 2	Peers who influenced my behavior think that I should use the digital transformation in business.	
SI 3	I use the system because of the proportion of co-worker who use the digital transformation system.	

SI 4	The senior in business that use digital transformation in their business has been helpful in use of digital transformation.	
SI 5	In general, my organization has supported the used of digital transformation.	

3.3 DATA SOURCES

3.3.1 Primary

The primary data source is obtained from questionnaire given to entrepreneurs and small entrepreneurs at restaurants located in Ayer Keroh, Melaka.

3.3.2 Secondary

The secondary data is obtained from literature review of previous studies, online articles, e-book and website. The Secondary data is obtained from 2014 until year 2022. The literature works of related study are collected from the renowned website like, Research Gate, Science Direct, and others.

3.4 DATA COLLECTION TECHNIQUES

Before conducting a study in a population, the researchers identified several small business restaurants in Ayer Keroh, Melaka to be studied. The researcher also informs entrepreneurs that the form of the study is through google form in the form ofa questionnaire.

Respondents will have 10 minutes to answer the questionnaire. After answering, the researcher asked permission to see for himself the process of buying and selling activities that took place in the location. The study used primary data in

the study to obtain data. Primary data is data obtained directly from the main source. In the study, the researchers obtained data from the feedback of respondents consisting of small restaurant entrepreneurs in Ayer Keroh, Melaka.

3.4.1 Questionnaire Construct

The questionnaire consist of four sections which are Section A demographic information of the respondent which are gender, age, Section B, the Digital Transformation usage by small business challenges, Section C, appropriateness of Digital Transformation toward business performance, and Section D, the intention of users. The questionnaire was carefully created and properly designed. It will be gone through the inspection and proofread by expert in the relevant field. The questionnaire will be based on five-point Likert scale with responses included as, strongly agree, agree neutral, disagree and strongly disagree. Descriptive statistics will be used to analyse the data.

3.5 TARGET POPULATION

A population distribution is a statement of the frequency with which the units of analysis or that together make up a population are observed or are expected to be observed in the various classes that make up a variable. The researcher will conducting this research in several restaurants located in the Ayer Keroh area of Melaka. In this research, researcher chose restaurant entrepreneurs as the main target in completing this assignment. The goal of this study is to examine the challenges faced by restaurant entrepreneurs in the use of digital transformation. The total number of respondents was 150 and the selected sample size was 120.

Table 3.5 : Krejcie & Morgan Table(Source: Krejcie & Morgan, 1970)

Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

3.6 Sampling Techniques

In order to achieve the objectives of this study, selecting sample is extremely necessary. The method of choosing the proper individuals, objects, or events as representatives for the whole population is understood as sampling. A sample could be a subset of the population. It includes some members chosen from it. In different words, some, however not all, components of the population from the whole population, are undeniable. In research investigations involving tons of and even thousands of components, it might be practically not possible to gather data from, or test, or examine, each part. Even though it were doable, it would be prohibitive in terms of your time, cost, and different human resources. Study of sample instead of the whole population is additionally typically possible to provide a lot of reliable results(Sekaran and Bougie, 2016).

According to Walliman, 2010 sampling is a process of choosing a small group of cases from out of a large group. Sampling method is the most important aspect in order to manage systematically in a few research activities. There are two sampling technique that relevant in collecting the data which is probability or non-probability. Probability sampling is commonly used in quantitative research which uses a random method to pick a representative sample from the population to ensure the objectivity in selecting the sample. Non-probability sampling whereas focus on a sample that do not have predetermined chance of being selected as subjects. The method choice depends on the purpose of the study.

For this study, the researcher will be using probability sampling based on the goal of this research and some limitation of the study. Probability sampling procedures are synonymous with quantitative type research. This type of sampling procedure is implemented by selecting the sample subjects at random, is the subjects in the sample have all the characteristics found in the study population. Before the probability sampling procedure is performed, the researcher needs to identify the size of the population and obtain a list of subjects in the population. Based on the list of subjects, the selection of respondents was done according to random sampling method.

Simple random sampling is best suited to this research due to its accuracy results and easily accessible. Simple random sampling is a type of probability sampling in which the researcher randomly selects a subset of participants from a population. Each member of the population has an equal chance of being selected. The function of simple random sampling is to choose individuals became sample who will be representative of the population (Creswell, 2012: 142). Random selection is a process of selecting random respondents who share the same interest. Researcher has determined the number of respondents to answer questionnaire that was distributed.

3.7 Time Horizon

According to Saunders, Lewis and Thornhill (2016) mentioned that time horizon described on the 'snapshot' refers to cross-sectional whereas 'diary' viewpoint refers to longitudinal. Time horizon indicates the methods used in the quantitative and qualitative analysis within a certain period of time. In other word Time horizon is defines the time frame for the research. According to Saunders et al. (2007), time horizons are needed for the research design independent of the research methodology used. There are two types of time horizons namely Longitudinal and Cross-sectional. Longitudinal studies are repeated over an extended period. Cross sectional studies are limited to a specific time frame. This research is also limited to a specific time frame and hence the cross-sectional time horizon is used.

3.8 Data Analysis

After the data collection is completed, all the data is keyed into SPSS software for analyzing. The demographic information of the respondents is tabulated accordingly.

In statistics, linear regression models the connection between a dependent variable and one or more than one independent variables employing a linear function. If two or a lot of independent variable have a linear relationship with the dependent variable, the regression is named a multiple linear regression, multiple regression, on the opposite hand, could be a broader category of regressions that encompasses linear and nonlinear regressions with multiple independent variable. (Ahmad, 2018)

Regression analysis could be a common method to discover a relationship between dependent and independent variable. However, this statistical relationship doesn't mean that the independent variables cause the happening of dependent variable; it somewhat expresses of some important connection within the data. Linear regression makes an attempt to draw a line that comes nearest to the data by finding

the slope and intercept than define the line and minimize regression errors. (Blokhin, 2015)

The equation of multiple linear regression equation is shown below,

$Y = a + bX_1 + cX_2 + dX_3$

Where Y = dependent variable,

a = constant/other influence,

b = influence of X_1 (contribution degree)

c = influence of X_2 (information competitiveness)

d = influence of X_3 (user satisfaction)

X_1 , X_2 , X_3 = independent variable

In this research, multiple regression analysis is being used to analyze the data. It is to use to find out that if there is any connection between IMS and businessperformance.

3.8.1 Reliability and Validity Analysis

The reliability and validity analysis are one of the important parts for researcher to conduct quantitative study in order to ensure the optimal of research quality. In this analysis, reliability test is used to ensure that there is internal consistency of reliability in the dependent variable and all of the independent variables. Besides, all the variables should have the same underlying structure whereas to be correlated in this study of research. While the validity test is referring to the accuracy and precisely of the measure. Researcher can obtain a credible output data through the consistency and accurate of measurements.

In this study, Cronbach's Alpha is utilized to calculate the average correlation of each item/measurement in all variables. It is usually utilized to evaluate the consistency of data. The value of alpha coefficient is within 0 and 1. According to Hoque & Awang (2016), stated that the alpha coefficient value of 0.5 and above can identified as the measure is acceptable to prove the reliability of all variables. Table 3.6 shows the Cronbach's Alpha Coefficient Range and its internal consistency. The Cronbach's Alpha which is exceed 0.7 is considered acceptable; more than 0.8 is good while 0.9 and above indicated as excellent. In this study, both the dependent variable and independent variables will be utilized to identify its reliability and validity.

Table 3.6: Cronbach's Alpha Coefficient Range and Strength of Association.

Source : George and Mallery (2003).

Cronbach's Alpha Coefficient	**Internal Consistency**
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

3.8.2 Pearson Correlation Analysis

Pearson Correlation Analysis is used to do the testing on the presence and strength of relationships between dependent variable and independent variables. This analysis is considered as very useful tools because it can give an insight on whether there is a possible relationship between the two variables. This analysis will result from 0 (random result) to 1 (perfect linear relationship) or-1 (perfect negative relationship)

where the square will be demonstrated. The closer the value of correlation coefficient, r, to zero (0), the larger the variation data from the line best fit. While the closer the value of correlation coefficient, r, to 1 /-1, the smaller the variation data from the line best fit. Table 3.8 shows the Range of Pearson Correlation Coefficient.

Table 3.7 : Pearson Correlation Coefficient Range.

Coefficient Range	Strength of Correlation
± 0.00 to ± 0.30	Weak
± 0.40 to ± 0.60	Moderate
More than ± 0.70	Strong

3.9 ISSUES OF RELIABILITY AND VALIDITY

The issues that comes with the use of questionnaire are content validity and consistency. Content validity is to what extent the questions provide sufficient coverage of the research questions. Consistency refers to how the questionnaire will produce findings that are consistent with different sample and time. (Middleton, 2019)

As for dealing with the issue of content validity, the researcher made detailed analysis of definition through literature review and discuss with panel to proofread the questionnaire. To deal with consistency issue, questions that seems very alike with each other are used as the tool to measure reliability. The reason is the similar questions are measuring the same thing and the answer for the questions should be the same. (Zamanzadeh et al., 2015)

3.10 Pilot Test

The researcher needs to do a pilot test before making an actual survey. The pilot test is test in a small population. The purpose of the pilot test is to sharpen up the questionnaire in order to ease the respondents to answer the question. The pilot test is going to be collected in this study before distributing the questionnaire to the respondents. The researcher will select 30 respondents to conduct the pilot test. After the test, the researcher identifies some problem to the questionnaire such as unclear question, unclear content or difficult question. Thus, the respondents unable to answer the question. Hence, the researcher jots down the unclear part and redesign actual survey to distribute the new questionnaire to more clear and valid.

3.11 SUMMARY

The chapter of the study explained the methodology that will be used in this research. The elements of methodology consist of research design, data sources, data collection techniques, target population. This research adopts descriptive research with deductive approach. The data sources consist of primary and secondary which are the feedback of respondents and literature review respectively.

CHAPTER 4

RESULT AND FINDING

4.1 Introduction

In this chapter, results of the questionnaires surveyed of the target respondent's data were analysed. A pilot test had been distributed by the researcher before distributing to the actual respondents. Responds from the total of 120 respondents were collected to forms a major part of this chapter and cover the objectives of the study besides used it for the final analysis. There are 3 sections in the questionnaires which is three section that consist of demographic of respondents independent variables and dependent variables. Questionnaires were distributed to owner and restaurant workers in Melaka. Therefore, Statistical Package for Social Science (SPSS 28) was used to calculate and analyses descriptive analysis data, pearson correlation coefficient and multiple regression analysis.

4.2 Pilot Test

The researcher conducted a pilot test to ensure that the respondents would understand the surveys. Pilot test function was to show the researcher's questions design validity. Therefore, in this pilot, the risk of mistake and misinterpretation may be reducing which can affect the data's reliability and validity.

In hence, after the objective of this pre-test is to reduce respondents' confusion about answering the survey that could lead to incorrect study results. Thus, the completion of the pre-test, several changes were made. The researcher chose 30 persons at random from 120 respondents to fill out the questionnaire for the

pilot test. The items in the table below have all been confirmed to be valid and reliable.

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded[a]	0	.0
	Total	30	100.0

a. List wise deletion based on all variables in the procedure.

Table 4.1 : Reliability Test for 30 Respondents

[Sources : Data Analysis of SPSS]

Reliability Statistics

Cronbach's Alpha	N of Items
.916	20

Table 4.1 shows the Cronbach's alpha for 30 respondents used to collect the data. From the table can be concluded that all the independent and dependent variables were related owner and restaurant workers in Malacca have strong reliability and set if the questionnaire is proven valid because the Cronbach's Alpha value exceeds 0.7 which is 0.916.

4.3 Descriptive Analysis

Descriptive Analysis is the collecting of a data set that represents the entire population or a sample. It shows a summary of the sample and results. Furthermore, every data sample has been evaluated, along with the sample graphic analysis. Preliminary analysis, which includes data collecting from the questionnaire, is one type of descriptive analysis. This analysis explains what data is being displayed and how sample data works. The descriptive analysis approach uses tables, graphs, and summaries to illustrate, describe, and explain a collection of data. In this study, researcher choose to use the Google form method to distributing questionnaires.

The first section which is Section A are consist of gender, race, education level, experiences in the business, position in the company, business scale, number of employees. Meanwhile, questions have been covered in Section B is the independent variable that focuses on performance expectancy**,** effort expectancy and social influence and Section C dependent variable that consist of the challenges digital transformation to small business in restaurants.

4.3.1 Respondent Demographic Analysis

Researcher use demographic analysis to measure the respondent that using AR technology. Moreover, the data analysis shows that the basic demographic data collected from 120 who answered the questionnaires.

Table 4.2 : Summary of Total Demographic Information

DEMOGRAPHIC		FREQUENCY	PERCENT (%)
Gender	Male	48	40.0
	Female	72	60.0
Race	Malay	76	63.3
	Chinese	20	16.7
	Indian	24	20.0
Education Level	SPM	32	26.7
	STPM	4	3.3
	Diploma	8	6.7
	Bachelor Degree	76	63.3
Experiences in the business	Below 5 years	108	90.0
	Between 5 to 10 years	12	10.0
Position in the company	Business Owner	44	36.7
	Sales Marketing Manager	76	63.3
Business Scale	Micro	12	10.0
	Small	60	50.0
	Medium	48	40.0
Number of employees	Less than 5 employees	60	50.0
	From 5 to 30 employees	44	36.7
	From 30 to 80 employees	16	13.3

4.3.1.1. Gender

Table 4.3 : Gender of Respondents

[Source : Data Analysis of SPSS]

Gender

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Male	48	40.0	40.0	40.0
	Female	72	60.0	60.0	100.0
	Total	120	100.0	100.0	

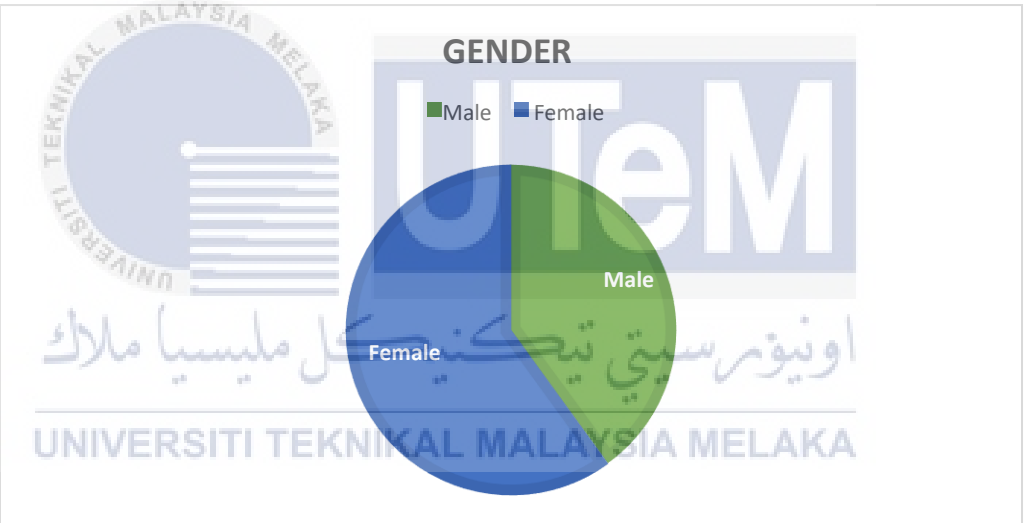

Figure 4.1: Gender of Respondent

[Source: Developed from the research]

Table 4.3 and Figure 4.1 shows the gender of respondent. According to the table and figure, male made up most of the sample, accounting for 40% with 48 respondents out of 120.The second category is female with 72 out of 120 respondents with 60%. Based on the results, researchers may assume that respondent's female are the most involved in this study.

4.3.1.2. Race

Table 4.4 : Race of Respondents

[Source : Data Analysis of SPSS]

Race

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Malay	76	63.3	63.3	63.3
	Chinese	20	16.7	16.7	80.0
	Indian	24	20.0	20.0	100.0
	Total	120	100.0	100.0	

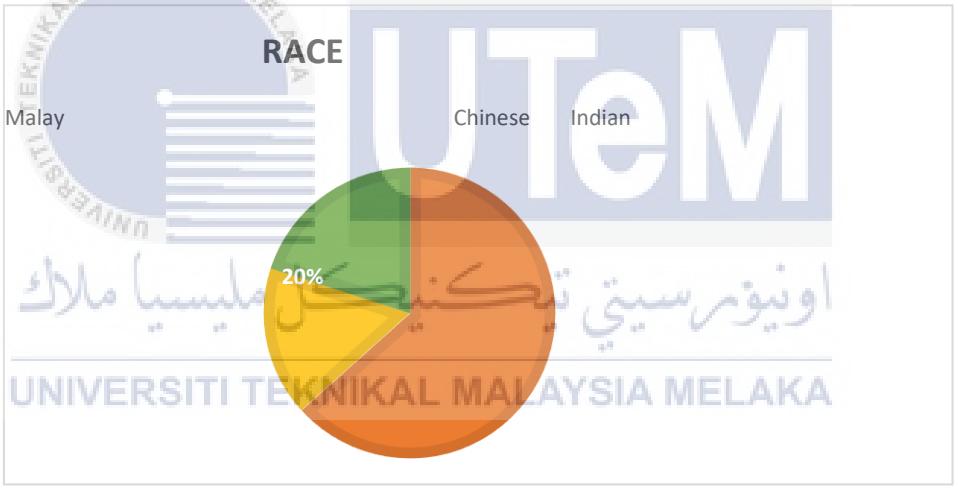

Figure 4.2: Race of Respondent

[Source: Developed from the research]

Table 4.4 and Figure 4.2 show the race of the respondents. According to the table and diagram, the Malay race is a large part of the sample, which is 63.3% with 76 respondents out of 120. The second category is the Chinese race with 20 out of 120 respondents with 16.7%. In addition, the Indian race showed 24 respondents equal to 20.0% of the 120 respondents. Based on the results, the researcher may assume that the Malay race is the most involved respondent in this study.

4.3.1.3. Education Level

Table 4.5 : Education level of Respondents

[Source : Data Analysis of SPSS]

Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	32	26.7	26.7	26.7
	STPM	4	3.3	3.3	30.0
	Diploma	8	6.7	6.7	36.7
	Bachelor Degree	76	63.3	63.3	100.0
	Total	120	100.0	100.0	

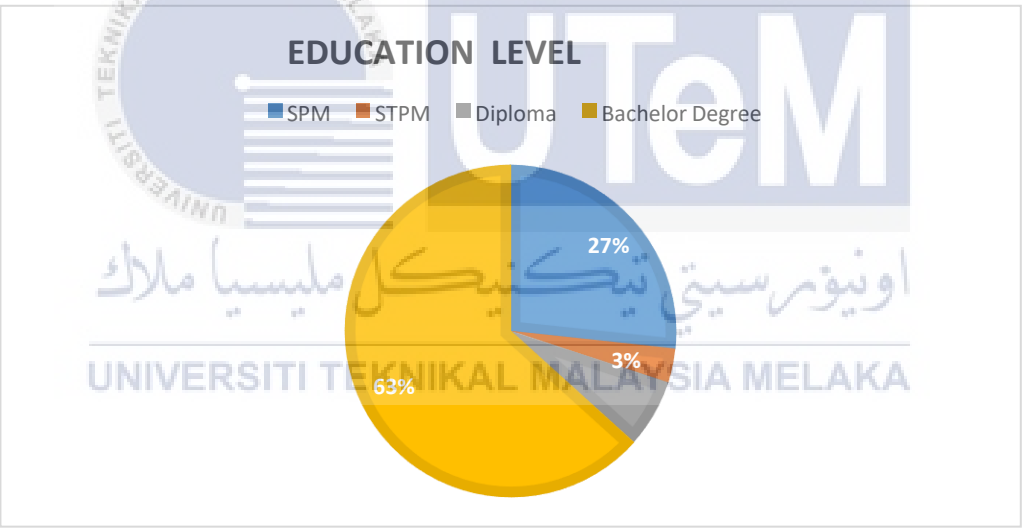

Figure 4.3: Education level of Respondent

[Source: Developed from the research]

The table above shows the education level of respondents who educated up to the highest bachelor degree level which is 63.3% or as many 76 people. Next followed by the level of education at the SPM level is 26.7% or 32 people, 6.7% or 8 people at Diploma level and 3.3% or 4 people educated at STPM level. Based on the results, the researcher may assume that the education level of a bachelor's degree is the mostinvolved respondent in this study.

4.3.1.4. Experiences in the business

Table 4.6 : Experiences in the business of Respondents

[Source : Data Analysis of SPSS]

Experiences in the business

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 5 years	108	90.0	90.0	90.0
Between 5 to 10 years	12	10.0	10.0	100.0
Total	120	100.0	100.0	

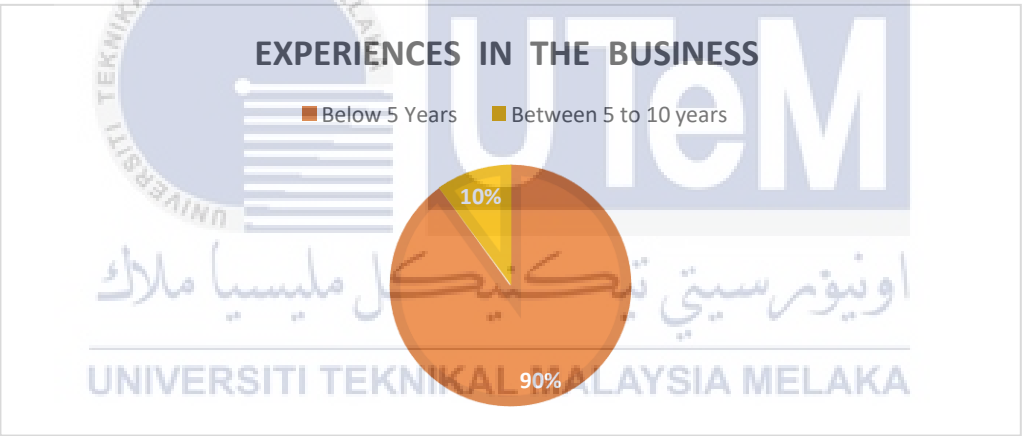

Figure 4.4: Experiences in the business of Respondent

[Source: Developed from the research]

Based on Table 4.6 and Figure 4.3, shows experience in the business. From the table and diagram shows the highest percentage is below 5 years with 90% which is 108 out of 120 respondents. Next, the second is between 5 to 10 years which is 10% with 12 respondents. Based on the results, the researcher may assume that the respondents have less than 5 years of experience in the business field.

4.3.1.5. Position in the company

Table 4.7 : Position in the company

[Source : Data Analysis of SPSS]

Position in the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Owner	44	36.7	36.7	36.7
	Sales Marketing Manager	76	63.3	63.3	100.0
	Total	120	100.0	100.0	

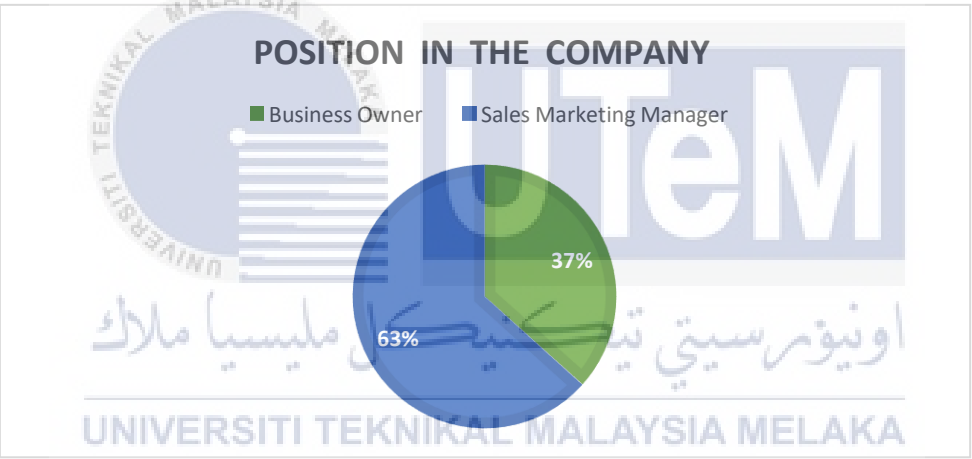

Figure 4.5: Position in the Company

[Source: Developed from the research]

Based on Table 4.7 and Figure 4.4, shows the position of the company. The table and diagram show that the highest percentage is the sales marketing manager which is 63.3% which is 76 out of 120 respondents. Next, the second is business owners which is 36.7% with 44 respondents. Based on the results, the researcher may assume that the sales marketing manager is the most involved respondent in this study.

4.3.1.6. Business Scale

Table 4.8 : Business Scale

[Source : Data Analysis of SPSS]

Business Scale

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Micro	12	10.0	10.0	10.0
	Small	60	50.0	50.0	60.0
	Medium	48	40.0	40.0	100.0
	Total	120	100.0	100.0	

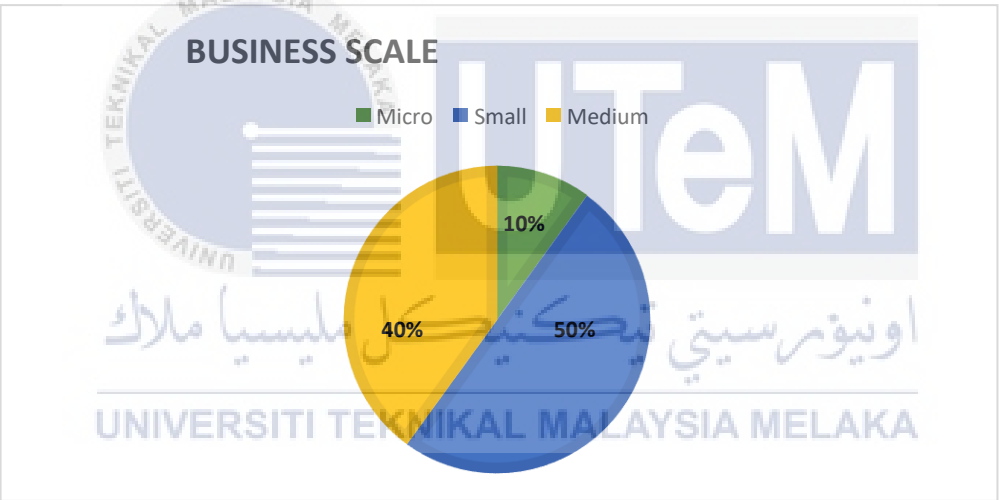

Figure 4.6: Business Scale

[Source: Developed from the research]

Based on Table 4.5 and Figure 4.8, it shows the business scale. From the table and diagram, it shows the highest percentage is Small with 50% which is 60 out of 120 respondents. Next, the second highest is Medium which is 40% with 48 respondents. Finally, Micro is the lowest percentage which is 10% with 12 out of 120 respondents. Based on the results, researchers may assume that small businesses can open more job opportunities to the community.

4.3.1.7. Number of Employees

Table 4.9 : Number of Employees

[Source : Data Analysis of SPSS]

Number of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 employees	60	50.0	50.0	50.0
	From 5 to 30 employees	44	36.7	36.7	86.7
	From 30 to 80 employees	16	13.3	13.3	100.0
	Total	120	100.0	100.0	

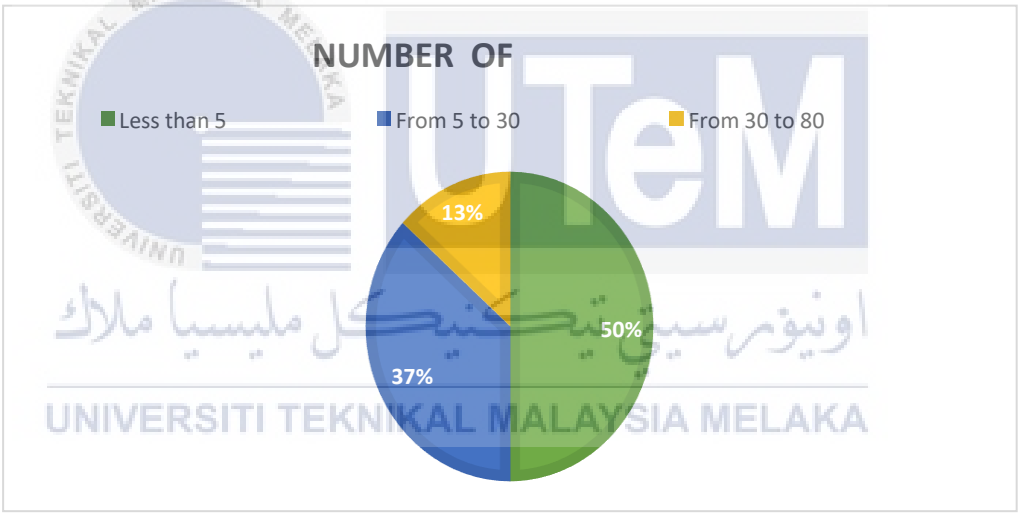

Figure 4.7: Number of Employees

[Source: Developed from the research]

Based on Table 4.9 and Figure 4.6, shows the number of employees. From the table and diagram shows the highest percentage is less than 5 employees with 50% which is a total of 60people out of 120 respondents. Next, the second highest is from 5 to 30 employees which is 36.7% with 44 respondents. Finally, from 30 to 80 employees is the lowest percentage which is 13.3% with 16 out of 120 respondents. Based on those results, researchers may assume that business management hires a minimum number of employees to reduce the risk of not being able to pay employees' wages if hiring excessive employees.

4.3.2 Research Question Analysis

4.3.2.1 Dependent Variable: Digital transformation to small business in restaurants.

Table 4.10: Digital transformation to small business in restaurants.

[Source: Data Analysis of SPSS]

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The lack of skills in the workforce to work in digital environments.	120	3	5	4.70	.528
Leaders need to develop digital skills, actively adapt to new situations and practices, as well as dealing with immediate complications.	120	4	5	4.83	.374
Leaders need a comprehensive digital transformation strategy toenhance smart, public, and transparent governance capabilities	120	4	5	4.83	.374
Digital transformation requires a strong, secure, and flexible digitalnetwork infrastructure.	120	4	5	4.87	.341
A digital leader should be understood as someone with digitalskills (digital knowledge) business knowledge and strategic thinking.	120	4	5	4.70	.460
Valid N (list wise)	120				

Table 4.10 shows the dependent variable of digital transformation to small business in restaurants based on 120 respondent. Owner has a lack of skills in the workforce to work in a digital environment with mean 4.70 with standard deviation 0.53. Second, Owners need to develop digital skills, actively adapt to new situations and practices, as well as dealing with immediate complications with mean 4.83 with

standard deviation 0.37. Third, Owners need a comprehensive digital transformation strategy to enhance smart, public, and transparent governance capabilities with mean 4.83 with standard deviation 0.37. Forth, owners need to have a digital transformation that requires a strong, secure and flexible digital network infrastructure with mean 4.87 with standard deviation 0.34. Last, a digital owner should be understood as someone with digital skills (digital knowledge) business knowledge and strategic thinking with mean 4.70 with standard deviation 0.46.

4.3.2.2 Independent Variable: Performance Expectancy

Table 4.11: Performance Expectancy

[Source: Data Analysis of SPSS]

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
By using digital transformation, it may help me to accomplish tasksmore quickly	120	4	5	4.83	.374
By using the digital transformation in my business, it may increase my company productivity.	120	4	5	4.80	.402
By using the digital transformation in my business, it make me easier to do my job	120	3	5	4.68	.550
If I use digital transformation system, I will increase my chanceof getting more sales	120	3	5	4.73	.576
I believe that the digital transformation usage is useful in my business	120	4	5	4.86	.350
Valid N (list wise)	120				

Table 4.11 shows the independent variable of performance expectancy based on 120 respondents. First, by using digital transformation, it may help me to accomplish tasks more quickly with mean 4.83 with standard deviation 0.37. Second, by using the digital transformation in my business, it may increase my company productivity with mean 4.80 with standard deviation 0.40. Third, by using the digital transformation in my business, it make me easier to do my job with mean

4.68 with standard deviation 0.55. Forth, if I use digital transformation system, I will increase my chance of getting more sales with mean 4.73 with standard deviation 0.58. Last, I believe that the digital transformation usage is useful in my business with mean 4.86 with standard deviation 0.35.

4.3.2.3 Effort Expectancy

Table 4.12: Effort Expectancy

[Source: Data Analysis of SPSS]

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
My interaction with digital transformation will be clear and understandable	120	3	5	4.82	.410
Learning to operate the business using digital transformation would be easy for me	120	3	5	4.63	.549
It would easy to become skillful at using the digital transformation for my business.	120	4	5	4.86	.350
I would find the digital transformation is easy to use formy business.	120	4	5	4.79	.408
I believe that the digital transformation usage in my business is easy for me to adapt to my business.	120	3	5	4.78	.439
Valid N (list wise)	120				

Table 4.12 shows the independent variable of effort expectancy based on 120 respondents. First, my interaction with digital transformation will be clear and understandable with mean 4.82 with standard deviation 0.41. Second, learning to operate the business using digital transformation would be easy for me with mean 4.63 with standard deviation 0.54. Third, it would easy to become skillful at using the digital transformation for my business with mean 4.86 with standard deviation 0.35. Forth, Owner would find the digital transformation is easy to use for my business with mean 4.79 with standard deviation 0.40. Last, owner believe that the digital transformation usage in my business is easy for me to adapt to my business with mean 4.78 with standard deviation 0.44

4.3.2.4 Social Influence

Table 4.13: Social Influence

[Source: Data Analysis of SPSS]

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Peers who are important to me think that I should use digital transformation	120	3	5	4.81	.416
Peers who influenced my behavior think that I should use the digital transformation in business.	120	4	5	4.80	.402
I use the system because of the proportion of co-worker whouse the digital transformation system.	120	3	5	4.73	.518
The senior in business that use digital transformation in their business has been helpful in use of digital transformation.	120	4	5	4.79	.408
In general, my organization has supported the used of digital transformation	120	3	5	4.76	.502
Valid N (list wise)	120				

Table 4.13 shows the independent variable of social influence based on 120 respondents. First, peers who are important to me think that I should use digital transformation with mean 4.81 with standard deviation 0.42. Second, peers who influenced my behaviour think that I should use the digital transformation in business with mean 4.80 with standard deviation 0.40. Third, owner use the system because of the proportion of co-worker who use the digital transformation system with mean 4.73 with standard deviation 0.52. Forth, the senior in business that use digital transformation in their business has been helpful in use of digital transformation with mean 4.79 with standard deviation 0.41. Last, in general, my

organization has supported the used of digital transformation with mean 4.76 with standard deviation 0.50.

4.4 Reliability Analysis

The reliability test was similar with questionnaire consistency, observation, test, and any other method of measure. There should be no bias in the analysis, that can guide respondents to choose any answer. For the reliability test instrument, Cronbach's Alpha can be done. The instrument has a high degree of reliability if the value of Cronbach's Alpha showed as follows:

- If Cronbach's Alpha > 0.90 = Very High Reliability
- If Cronbach's Alpha 0.70 to 0.90 = High Reliability
- If Cronbach's Alpha 0.50 to 0.70 = Reliability is Quite High
- If Cronbach's Alpha < 0.50 = Low Reliability

The Cronbach's Alpha of this research was showed in the table 4.16 below

Case Processing Summary

		N	%
Cases	Valid	120	100.0
	Excluded[a]	0	.0
	Total	120	100.0

a. Listwise deletion based on all variables in the procedure.

Table 4.14: Reliability Statistic

[Source: Data Analysis of SPSS]

Reliability Statistics

Cronbach's Alpha	N of Items
.914	20

From the table above, the alpha value of pilot test is 0.914. The acceptable level of alpha value is 0.70 and above. According to Sekaran (2000), constructing to show reliable data collected if the alpha value is greater than 0.7. So, it can be concluded that all items in the questionnaire were high reliability because the Cronbach's Alpha was above 0.70. Besides, having evaluated the validity and reliability is a prove that n result in the questionnaire is valid and reliable.

4.5 Pearson Correlation Analysis

Pearson Correlation Coefficient analysis is used to determine the strength of the relationship between the independent and dependent variables as well as to quantify the relationship between the variables. The correlation coefficient's strength is shown in Table 4.17. (Saunders et al., 2016).

Table 4.15: Strength of the Correlation Coefficient

Correlation Coefficient	Correlation Strength
0.71 to 1 (-0.71 to -1)	Perfect positive (Negative)
0.31 to 0.70 (-0.31 to -0.70)	Strong positive (Negative)
0.1 to 0.30 (-0.1 to -0.30)	Weak Positive (Negative)
0	Perfect Independence

Table 4.16: Pearson Correlation Coefficient Analysis

[Source: Data Analysis of SPSS]

Correlations

		MEAN_OF_IV1	MEAN_OF_IV2	MEAN_OF_IV3	MEAN_OF_DV
MEAN_OF_IV1	Pearson Correlation	1	.983**	.994**	.980**
	Sig. (2-tailed)		<.001	<.001	<.001
	N	120	120	120	120
MEAN_OF_IV2	Pearson Correlation	.983**	1	.985**	.963**
	Sig. (2-tailed)	<.001		<.001	<.001
	N	120	120	120	120
MEAN_OF_IV3	Pearson Correlation	.994**	.985**	1	.961**
	Sig. (2-tailed)	<.001	<.001		<.001
	N	120	120	120	120
MEAN_OF_DV	Pearson Correlation	.980**	.963**	.961**	1
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	120	120	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.16 shows that result of the correlation between independent variables which is the challenges digital transformation to small business in restaurants and dependent variable is digital transformation. Based on the results, it shows that all the independent variables are positively correlate to the dependent variable. The results show that the correlation between performance expectancy and digital transformation have strong positive correlation with a r value 0.980, n=120, p<0.01. Next, the relationship between effort expectancy and digital transformation is a strong positive relationship with the r value of 0.963, n=120, p<0.01. Last, the relationship between social influence and digital transformation is a strong positive relationship with the r value of 0.961, n=120, p<0.01.

In conclusion, the independent variables have a significant level, while the dependent variables are in the strong positive and perfect positive range. All the correlation values at level 0.01 (2-tailed) make it possible for the researchers to identify the relationship between independent and dependent variables.

4.6 Multilinear Regression

A technique for estimating a value based on two or more independent and dependent variables is known as multiple regression analysis. The effect of the independent variables on the dependent variables is analysed by multiple regression analysis in this study, with the independent challenges being concern performance expectancy, effort expectancy, social influence and digital transformation to small business in restaurants. Therefore, the table below presents the results of the multipleregression analysis.

Table 4.17: Model Summary

[Source: Data Analysis of SPSS]

Model Summary[b]

Model	R	R Square	Adjusted RSquare	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.988[a]	.976	.975	.04250	.976	1552.232	3	116	<.001

a. Predictors: (Constant), MEAN_OF_IV3, MEAN_OF_IV2, MEAN_OF_IV1

b. Dependent Variable: MEAN_OF_DV

Table 4.17 shows the results of the model summary of multiple regression analysis produced by the SPSS software. According to table 4.17, the value of R was 0.988, indicating that there was a relationship between the independent and dependent variables in the study. The R square value was 0.976, indicating that only 97.6% in digital transformation to small business in restaurants could be described by the variance of perceived ease of use and perceived usefulness. As a result, there were 2.4 % of other variances in the digital transformation to small business in restaurants that were not included in this analysis. Furthermore, the adjusted R square values of perfect positive 0.975 could explain around 97.5% of the variation in the digital transformation to small business in restaurants using regression prediction variables.

Table 4.18: ANOVA

[Source: Data Analysis of SPSS]

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.409	3	2.803	1552.232	<.001[b]
	Residual	.209	116	.002		
	Total	8.619	119			

a. Dependent Variable: MEAN_OF_DV

b. Predictors: (Constant), MEAN_OF_IV3, MEAN_OF_IV2, MEAN_OF_IV1

The F-test value from this multiple regression analysis is 1552.232, and the significant level is <0.001, according to table 4.18. The p value of <0.001 is less than the threshold of 0.05($p<0.05$). This means that numerous regression models may be use digital transformation to small business in restaurants. In other words, independent variable has the challenges digital transformation to small business in restaurants.

Table 4.19: Coefficients

[Source: Data Analysis of SPSS]

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Intervalfor B Lower Bound	95.0% Confidence Intervalfor B Upper Bound
1	(Constant)	.130	.068		1.895	.061	-.006	.265
	MEAN_OF_IV1	1.857	.129	1.893	14.378	<.001	1.601	2.112
	MEAN_OF_IV2	.287	.083	.295	3.469	<.001	.123	.451
	MEAN_OF_IV3	-1.171	.136	-1.211	-8.612	<.001	-1.440	-.902

a. Dependent Variable: MEAN_OF_DV

Based on Table 4.19, the beta for performance expectancy is 1.857, effort expectancy is0.287, social influence is -1.171. From the table, the researcher found that there is an independent variable with a negative sign, which indicates the of the variable, which has a negative relationship with the challenges digital transformation to small business in restaurants.

. The constant is 0.130. Therefore, the researcher formed the following equation: Y = A + Bx1

+ Bx2 + Bx3

Where:

Y = Dependent Variable

A = Constant form coefficients table

x = Beta, B value

Bx1 = Performance Expectancy

Bx2 = Effort Expectancy

Bx3 = Social Influence

Digital transformation to small business in restaurants = 0.130 + 1.857 **(performance expectancy)** + 0.287 **(effort expectancy) +** -1.171 **(social influence)**

According to the linear equation above, there is positive relationship between the challenges which performance expectancy and effort expectancy and digital transformation to small business in restaurants. In addition, there is a negativerelationship between challenges which social influence.

Based on the output above, challenges which are performance expectancy, effort expectancy and social influence has significant <0.001, which is p<0.05.That's means, performance expectancy, effort expectancy and social influence has a significant relationship with the digital transformation to small business in restaurants.

4.7 Hypothesis Testing

Hypothesis 1 (Performance Expectancy)

H0: There is no significant relationship between performance expectancy toward digital transformation to small business in restaurants

H1: There is a significant relationship between performance expectancy and digital transformation to small business in restaurants

Reject H0 if p lower that 0.05

Based on Table 4.16, the relevant value of perceived ease of use is <0.001, which is below p- value of 0.05. H1 is thus accepted, performance expectancy has major the challenges of digital transformation to small business in restaurants

Hypothesis 2 (Effort Expectancy)

H0: There is no significant relationship between effort expectancy and digital transformation to small business in restaurants

H1: There is a significant relationship between effort expectancy and digital transformation to small business in restaurants

Reject H0 if p lower that 0.05

Based on Table 4.16, the relevant value of perceived ease of use is <0.001, which is below p- value of 0.05. H1 is thus accepted, effort expectancy has major the challenges of digital transformation to small business in restaurants

Hypothesis 3 (Social Influence)

H0: There is no significant relationship between social influence and digital transformation to small business in restaurants

H1: There is a significant relationship between social influence and digital transformation to small business in restaurants

Reject H0 if p lower that 0.05

Based on Table 4.16, the relevant value of perceived ease of use is <0.001, which is below p- value of 0.05. H1 is thus accepted, social influence has major the challenges of digital transformation to small business in restaurants

Table 4.20: Hypothesis Results

Hypothesis	Result
Hypothesis 1	Accepted
Hypothesis 2	Accepted
Hypothesis 3	Accepted

4.8 Summary

The results of the study were discussed in this chapter. This section has evaluated four types of tests: descriptive analysis, pearson analysis, reliability analysis and multiple regression tests. The whole sample was analysed using SPSS version 28. The researchers identified the association between the independent and dependent variable using data in SPSS and assessed the significance of the hypothesis made in Chapter 2. Furthermore, Chapter 5 discussed the conclusion and recommendation

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Introduction

This chapter shows all analysis and data results from previous chapters and will explain all findings in this chapter. The discussion explanation of this chapter is classified according to the objective of study. Not only that, but this chapter also included a discussion on why the study topic and hypothesis was rejected or approved. Therefore, this chapter will not only explore the implications, limitations, and some recommendations for further study. The purpose of this research is to achieve the study objective.

5.1 Summary of Descriptive Analysis

Table 5.1: Summary of Descriptive Analysis of Respondent's Demographic

Demographic	Frequency with Highest value	Frequency	Percent (%)
Gender	Female	72	60.0
Race	Malay	76	63.3
Education Level	Bachelor Degree	76	63.3
Experiences in the business	Below 5 years	108	90.0
Position in the company	Sales Marketing Manager	76	63.3
Business Scale	Small	60	50.0
Number of Employees	Less than 5 employees	60	50.0

5.2 Summary of the study

The focus of this research was to the challenges of digital transformation to small business in the restaurants. There were three independent variables that form from the previous research which are performance expectancy, effort expectancy and social influence that has been selected to the challenges of digital transformation to small business in the restaurants to identify the solution that was describe in this study's research problem.

RO1: To identify factors of digital transformation towards small business.

RO2: To examine practical method for small business to perform digital transformation.

RO3: To analyse impact by using digital transformation to the small business.

A hypothesis was also created to investigate the relation between the independent and dependent variables. The hypothesis was used to know the relationship between performance expectancy, effort expectancy and social influence with the challenges of digital transformation to small business in the restaurants.

5.3 Discussion of Objectives and Hypothesis Testing

In this part, the researcher's hypothesis was evaluated to analyse the relationship between the independent and dependent variables to achieve the research objectives in this study. Therefore, the findings were analysed to measureif the research used to achieve the objective.

5.3.1 **Objective 1:** To identify factors of digital transformation towards small business.

In Chapter 4, the results of multiple regression analysis revealed that four independent variables, performance expectancy, effort expectancy and social influence. However, all independent are significant with values of <0.001 and p value is ($p<0.005$). The beta coefficient value of performance expectancy was larger than the effort expectancy and social influence which was 1.857 for others 0.287 and -
1.171. In hence, the pearson correlation of performance expectancy is 0.980 while effort expectancy and social influence are 0.963 and 0.961. As a result, performance is the strategy of digital transformation towards small business.

5.3.2 Objective 2: To examine practical method for small business to perform digital transformation.

5.3.3 Objective 3: To analyse impact by using digital transformation to the small business.

Table 5.2: Result of hypothesis Testing

1	Hypothesis	T-value	P-value	Decision
HI	There is a significant relationship between performance expectancy and digital transformation to small business in restaurants	14.378	<0.001	Accepted
H2	There is a significant relationship between effort expectancy and digitaltransformation to small business in restaurants	3.469	<0.001	Accepted
H3	There is a significant relationship between social influence and digital transformation to small business in restaurants	-8.612	<0.001	Accepted

Hypothesis 1: There is significant relationship between performance expectancy toward digital transformation to small business in restaurants

Based on results of coefficient table 4.19, it showed the performance expectancy has 0.001 significant value which the value is lower than 0.05. According

to this result, there was a relationship between independent variable, performance expectancy and dependent variable, digital transformation.

Based on early researcher Venkatesh et al. (2020), Performance expectancy was found to be an important predicting challenge for consumer's behavior toward new technologies They explain that if customers perceive more efficiencies from using the system, they are more likely to lead to positive behavioral intentions in using the system. Additionally, in the food service industry, it was assumed that if customers recognize the benefits of self-service technology, their kiosk behavioral intentions will consistently rise Therefore, it is assumed that the QSR's (quick-service restaurant) kiosk can be a key driving force for technology acceptance by providing practical advantages through a convenient using and transaction method.

Hypothesis 2: There is significant relationship between effort expectancy and digital transformation to small business in restaurants

Based on results of coefficient table 4.19, it showed the effort expectancy has 0.001 significant value which the value is lower than 0.05. According to this result, there was a relationship between independent variable, effort expectancy and dependent variable, digital transformation.

Based on early researcher Han et al,(2020), Effort expectancy is the degree to which we believe that the system will not be difficult to use. Service convenience is started with a customer's fundamental desire to reduce their time and effort. Studies agree with the opinion that if technology is perceived as easier to use, it is more likely to trigger system use behavior showed that the perceived ease of use has a positive influence on behavioral intention toward kiosks at fast food restaurants.

Hypothesis 3: There is significant relationship between social influence and digital transformation to small business in restaurants

Based on results of coefficient table 4.19, it showed the social influence has 0.001 significant value which the value is lower than 0.05. According to this results, there was a relationship between independent variable, social influence and digital transformation.

Based on early researcher Baba et al.(2020), Social influence is the degree to which consumers believe that other people who are important to them (such as family and friends) should use certain skills. When people discover the positive effects of the use of technology by co-workers and those around them, that view starts with the belief that one can gain similar benefits and values as others get by using the same technology at the same time. Social influence has been demonstrated to create a positive relationship between the technology acceptance of mobile food delivery apps and the usage behavior of smartphone diet apps. Consumers who are not experienced with a specific product or service generally rely on WoM (Word of Mouth) for information acquisition. We can actively receive the information not only from family and friends, but also through various means (e.g., SNS, blogger, Twitter, etc.) with the advancement of technology. Therefore, it is assumed that acquiring information of the kiosks by social influence will have a close relationship with thebehavior intention.

5.4 Implication of Study

This research discusses the challenges of digital transformation to small business in the restaurants. The collection is collected by owner and employee restaurants in Melaka. In hence, of study is to look how digital transformation works in Melaka restaurants. By examining the challenges of digital transformation to small business in the Melaka restaurants, it will help to improve digital transformation to

small business. The study uses surveys and other questionnaire sources. With the data produced from such outcome, researcher may learn the challenge of digital transformation to small business in the Melaka restaurants.

5.5 Limitation of study

This study has several limitations. First the methodology of this study is using Quantitative by survey questionnaire. A prepared questionnaire with survey questionnaires is used in quantitative research. It results in the restricted outcomes described in the research proposal. As a result, the findings cannot always accurately depict the real event. Furthermore, respondents have restricted response possibilities based on the researcher's selection.

Second, quantitative research is difficult to conduct and takes a long time to complete. This sort of research is meticulously organised to achieve complete randomization and proper control group identification. The target population is well represented by 120 respondents. As a result, data gathering in quantitative research technique is frequently excessively time demanding in comparison to the qualitative strategy to get in-depth replies on a problem.

5.6 Recommendation and Future Research

The researcher offers some suggestions for future research to enhance the study and raise the level of research quality under the appropriate title. The study advises the following researcher to use a higher sample size to acquire and create reliable data. This researcher only gain 120 respondent is considered a small sample size and it is insufficient to be representative of the general population. Future researchers may concentrate on collecting correct data by collecting more respondents for their studies. Furthermore, the researcher advises including interviews into future study to gain greater understanding by using

qualitative research methods. Also, recommend to not to specific respondent to only one state because of small population is hard to collect respondent.

5.7 Conclusion

As the conclusion, this research is focusing on the challenges of digital transformation to small business in the Melaka restaurants. The finding show that all study objective has been achieved through analysis from SPSS. In term of discussion about hypothesis testing and research objective also mentioned in this chapter to conclude the results finding that had analyse from chapter 4. Moreover, in this chapter also discussed the implication of this research study to explain what the contribution of the research for the future research are. Lastly, it also come out with limitation of study and recommendation to make the reference for the future researcher that want to make research study that similar with this topic. The researcher hopes that this study will guide many parties in attracting and identifying factors contributing to digital transformation in small business in the Melaka restaurants.

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APPENDICES A

GANTT CHART

PSM I

Procedure for PSM 1	Week														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
PSM talk							MIDTERM BREAK								
Search PSM topic															
WebEx Meeting with PSM supervisor															
Modify the research topic															
Identify the research objective and research question															
Identify problem statement and background of the study															
Find information for literature review															
Completed for chapter 1															
Completed for chapter 2															
Completed for chapter 3															
PSM 1 vid presentation															
Make correction for the proposal															
PSM 1 submission															

APPENDICES B

GANTT CHART

PSM II

Procedure for PSM II	Week														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
PSM II Briefing							MIDTERM BREAK								
Define Sample Frame															
Design and Testing Questionnaire															
Design of a final questionnaire															
Distribute questionnaire															
Gather completed questionnaire and coding data															
Writing Chapter 4															
Design and Testing data Programming															
Data Analysis Processing															
Writing Chapter 5															
Report up of findings															
Presentation of final research FYP 2															
PSM II submission															

APPENDICES C

QUESTIONNAIRE

FACTORS CONTRIBUTING TO DIGITAL TRANSFORMATION IN SMALL BUSINESS IN RESTAURANTS

FAKTOR-FAKTOR YANG MENYUMBANG KEPADA TRANSFORMASI DIGITAL DALAM PERNIAGAAN KECIL DI RESTORAN

Dear Mr/Mrs

Assalamualaikum and Greetings,

I am Nurul Balqis Abd Rahman, a final year student of Bachelor of Technology Management (Technology Innovation) with Honors from the faculty of Technology Management and Technopreneurship (FPTT), Universiti Teknikal Malaysia Melaka (UTeM). I am conducting a survey to acquire your opinion on the "FACTORS CONTRIBUTING TO DIGITAL TRANSFORMATION IN SMALL BUSINESS IN RESTAURANTS".

My main purpose of conducting this survey is to identify strategy of digital transformation towards small business. I am pleased to inform you that you have been selected to become a participant in this survey to represent your company to answer the questionnaire.

This survey will take around 5 to 10 minutes to be completed. . I have greatly appreciated your participation in this survey and kindly respond and return as soon as possible.

Kindly be informed that your answer to the survey questionnaire will be used for academic purpose only and kept highly confidential to protect your personal information.

Thank you for your time for filling this survey.

Tuan/Puan yang dihormati,

Assalamualaikum dan Salam Sejahtera,

Saya Nurul Balqis Abd Rahman, pelajar tahun akhir Ijazah Sarjana Muda Pengurusan Teknologi (Inovasi Teknologi) dengan Kepujian dari fakulti Pengurusan Teknologi dan Teknousahawanan (FPTT), Universiti Teknikal Malaysia Melaka (UTeM). Saya sedang menjalankan tinjauan untuk mendapatkan pendapat anda tentang " FAKTOR-FAKTOR YANG MENYUMBANG KEPADA TRANSFORMASI DIGITAL DALAM PERNIAGAAN KECIL DI RESTORAN".

Tujuan utama saya menjalankan tinjauan ini adalah untuk mengenal pasti strategi transformasi digital ke arah perniagaan kecil. Sukacita dimaklumkan bahawa anda telah dipilih untuk menjadi peserta dalam tinjauan ini bagi mewakili syarikat anda untuk menjawab soal selidik.

Tinjauan ini akan mengambil masa sekitar 5 hingga 10 minit untuk diselesaikan. . Saya amat menghargai penyertaan anda dalam tinjauan ini dan mohon maklum balas dan kembali secepat mungkin.

Sukacita dimaklumkan bahawa jawapan anda kepada soal selidik tinjauan akan digunakan untuk tujuan akademik sahaja dan dirahsiakan untuk melindungi maklumat peribadi anda.

Terima kasih atas masa anda untuk mengisi tinjauan ini.

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SECTION A: DEMOGRAPHIC AND GENERAL INFORMATION

BAHAGIAN A: MAKLUMAT DEMOGRAFI DAN AM

This section listed the question related to the personal information if respondents. Please fill the answer by placing (/) sign in the box for objectives questions and write your answer above underline for subjective question. / *Bahagian ini menyenaraikan soalan berkaitan maklumat peribadi sekiranya responden. Sila isi jawapan dengan meletakkan tanda (/) dalam kotak untuk soalan objektif dan tulis jawapan anda di atas garis bawah untuk soalan subjektif.*

1. Gender / *Jantina*

☐ Male/ *Lelaki* ☐ Female/ *Perempuan*

2. Race / *Bangsa*

☐ Malay/*Melayu* ☐ Indian/*India*

☐ Chinese/*Cina* ☐ Others/*Lain-Lain*

3. Education Level / *Peringkat Pendidikan*

☐ SPM/ *SPM* ☐ Master Degree/ *Sarjana*

☐ STPM/ *SPTM* ☐ Doctorate PhD/ *Kedoktoran*

☐ Diploma/ *Diploma* ☐ Other/*Lain-Lain*

☐ Bachelor Degree/ *Sarjana Muda*

4. Experiences in the business / *Pengalaman dalam perniagaan*

☐ Below 5 years/ *Kurang daripada 5 tahun*

☐ Between 5 to 10 years/ *Antara 5 ke 10 tahun*

☐ More than 10 years/ *Lebih daripada 10 tahun*

5. Position in the company / *Jawatan dalam syarikat*

☐ Business Owner/ *Pemilik Perniagaan*

☐ Sales Marketing Manager/ *Pengurus Pemasaran dan Jualan*

6. Business Scale / *Skala Perniagaan*

☐ Micro/ *Mikro*
☐ Medium/ *Sederhana*
☐ Small/ *Kecil*

7. Number of employees / *Bilangan Pekerja*

☐ Less than 5 employees/ *Kurang daripada 5 pekerja*
☐ From 5 to 30 employees/ *Daripada 5 ke 30 pekerja*
☐ From 30 to 80 employees/ *Daripada 30 ke 80 pekerja*
☐ From 80 to 200 employees/ *daripada 80 ke 200 pekerja*

SECTION B: FACTORS CONTRIBUTING TO DIGITAL TRANSFORMATION IN SMALL BUSINESS IN RESTAURANTS

BAHAGIAN B: FAKTOR-FAKTOR YANG MENYUMBANG KEPADA TRANSFORMASI DIGITAL DALAM PERNIAGAAN KECIL DI RESTORAN

This section aims to investigate the perception towards factors contributing digital transformation to small business in restaurants. Please tick (/) for the following suitable statements to present your answer. (Please answer all the questions). / *Bahagian ini bertujuan untuk menyiasat persepsi terhadap factor-faktor yang menyumbang kepada transformasi digital kepada perniagaan kecil di restoran. Sila tandakan (/) untuk pernyataan yang sesuai berikut. (Sila jawab semua soalan).*

Strongly Disagree / *Sangat Tidak Setuju*	Disagree / *Tidak Bersetuju*	Neutral / *Berkecuali*	Agree / *Setuju*	Strongly Agree / *Sangat Setuju*
1	2	3	4	5

Performance Expectancy (PE) described as a belief that the use of a particular technology will be advantageous or performance enhancing to the individual.

Jangkaan Prestasi (PE) *digambarkan sebagai kepercayaan bahawa penggunaan teknologi tertentu akan memberi manfaat atau meningkatkan prestasi kepada individu.*

No	Item	1	2	3	4	5
PE 1	By using digital transformation, it may help me to accomplish tasks more quickly *Dengan menggunakan transformasi digital, ini mungkin membantu saya menyelesaikan tugasan dengan lebih cepat*					
PE 2	By using the digital transformation in my business, it may increase my company productivity. *Dengan menggunakan transformasi digital dalam perniagaan saya, ia boleh meningkatkan produktiviti syarikat saya.*					
PE 3	By using the digital transformation in my business, it make me easier to do my job					

	Dengan menggunakan transformasi digital dalam perniagaan saya, ia memudahkan saya melakukan kerja saya					
PE 4	If I use digital transformation system, I will increase my chance of getting more sales *Jika saya menggunakan sistem transformasi digital, saya akan meningkatkan peluang saya untuk mendapat lebih banyak jualan*					
PE 5	I believe that the digital transformation usage is useful in my business *Saya percaya bahawa penggunaan transformasi digital berguna dalam perniagaan saya*					

Effort Expectancy (EE) based on the idea that there are relationships between the effort put forth at work, the performance achieved from that effort, and the rewards received from the effort.

Jangkaan Usaha (EE) *adalah berdasarkan idea bahawa terdapat hubungan antara usaha yang dilakukan di tempat kerja, prestasi yang dicapai daripada usaha itu, dan ganjaran yang diterima daripada usaha tersebut.*

No	Item	1	2	3	4	5
EE 1	My interaction with digital transformation will be clear and understandable *Interaksi saya dengan transformasi digital akan menjadi jelas dan boleh difahami*					
EE 2	Learning to operate the business using digital transformation would be easy for me *Belajar mengendalikan perniagaan menggunakan transformasi digital adalah mudah untuk saya*					
EE 3	It would easy to become skillful at using the digital transformation for my business. *Mudah untuk menjadi mahir menggunakan transformasi digital untuk perniagaan saya.*					
EE 4	I would find the digital transformation is easy to use for my business. *Saya akan mendapati transformasi digital mudah digunakan untuk perniagaan saya.*					

EE 5	I believe that the digital transformation usage in my business is easy for me to adapt to my business. *Saya percaya bahawa penggunaan transformasi digital dalam perniagaan saya mudah untuk saya sesuaikan dengan perniagaan saya.*					

Social Influence (SI) is the process of changing a person's behavior, opinions, or feelings due to what others do, think, or feel.

Pengaruh Sosial (SI) *ialah proses mengubah tingkah laku, pendapat, atau perasaan seseorang disebabkan oleh apa yang orang lain lakukan, fikir, atau rasa.*

No	Item	1	2	3	4	5
SI 1	Peers who are important to me think that I should use digital transformation *Rakan sebaya yang penting bagi saya berpendapat bahawa saya harus menggunakan transformasi digital*					
SI 2	Peers who influenced my behaviour think that I should use the digital transformation in business. *Rakan sebaya yang mempengaruhi tingkah laku saya berpendapat bahawa saya harus menggunakan transformasi digital dalam perniagaan.*					
SI 3	I use the system because of the proportion of co-worker who use the digital transformation system. *Saya menggunakan sistem ini kerana nisbah rakan sekerja yang menggunakan sistem transformasi digital.*					
SI 4	The senior in business that use digital transformation in their business has been helpful in use of digital transformation. *Orang kanan dalam perniagaan yang menggunakan transformasi digital dalam perniagaan mereka telah membantu dalam penggunaan transformasi digital.*					
SI 5	In general, my organization has supported the used of digital transformation					

	Secara amnya, organisasi saya telah menyokong penggunaan transformasi digital.					

SECTION C: DIGITAL TRANSFORMATION

BAHAGIAN C: TANSFORMASI DIGITAL

This section aims to investigate the intention to the digital transformation to small business in restaurants . Please tick (/) for the following suitable statements. (Please answer all the questions). / *Bahagian ini bertujuan untuk menyiasat cabaran transformasi digital kepada perniagaan kecil di restoran. Sila tandakan (/) untuk pernyataan yang sesuai berikut. (Sila jawab semua soalan).*

Strongly Disagree / *Sangat Tidak Setuju*	Disagree / *Tidak Bersetuju*	Neutral / *Berkecuali*	Agree / *Setuju*	Strongly Agree / *Sangat Setuju*
1	2	3	4	5

Digital Transformation (DT) refers to the process of using digital technologies to create new or modify existing business processes, culture, and customer experiences to meet changing business and market requirements. This reimagining of business in the digital age is digital transformation.

Transformasi Digital (DT) *merujuk kepada proses menggunakan teknologi digital untuk mencipta baharu atau mengubah suai proses perniagaan, budaya dan pengalaman pelanggan sedia ada untuk memenuhi keperluan perniagaan dan pasaran yang berubah-ubah. Imaginasi semula perniagaan dalam era digital ini adalah transformasi digital.*

No	Item	1	2	3	4	5
DT 1	The lack of skills in the workforce to work in digital environments.					

	Kekurangan kemahiran dalam tenaga kerja untuk bekerja dalam persekitaran digital.					
DT 2	Leaders need to develop digital skills, actively adapt to new situations and practices, as well as dealing with immediate complications. *Pemimpin perlu membangunkan kemahiran digital, menyesuaikan diri secara aktif dengan situasi dan amalan baharu, serta menangani komplikasi serta-merta.*					
DT 3	Leaders need a comprehensive digital transformation strategy to enhance smart, public, and transparent governance capabilities *Pemimpin memerlukan strategi transformasi digital yang komprehensif untuk meningkatkan keupayaan tadbir urus pintar, awam dan telus*					
DT 4	Digital transformation requires a strong, secure, and flexible digital network infrastructure. *Transformasi digital memerlukan infrastruktur rangkaian digital yang kukuh, selamat dan fleksibel.*					
DT 5	A digital leader should be understood as someone with digital skills (digital knowledge) business knowledge and strategic thinking. *Seorang pemimpin digital harus difahami sebagai seseorang yang mempunyai kemahiran digital (pengetahuan digital) pengetahuan perniagaan dan pemikiran strategik.*					