FACULTY OF TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP

ENHANCING SME DIGITALIZATION THROUGH SOCIOPRENEURSHIP – BASED PROGRAM

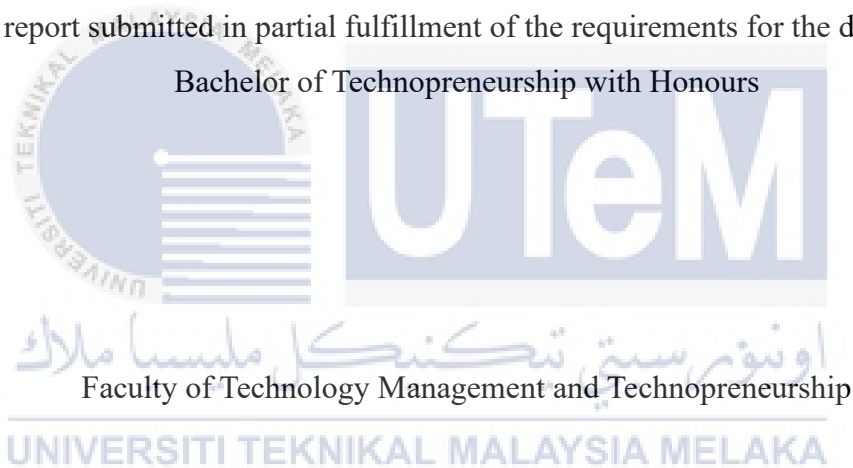**NUR SYAHZANANI ZULAIKHA BINTI ZAINOL ABIDIN**

BACHELOR OF TECHNOPRENEURSHIP WITH HONOURS

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ENHANCING SME DIGITALIZATION THROUGH SOCIOPRENEURSHIP – BASED PROGRAM

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DECLARATION

I declare that this thesis, entitled "ENHANCING SME DIGITALIZATION THROUGH SOCIOPRENEURSHIP – BASED PROGRAM", is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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APPROVAL

I hereby declare that I have checked this thesis entitled 'Enhancing SME Digitalization Through Sociopreneurship – Based Program' and in my opinion, this thesis is adequate in terms of scope and quality for the award of the Bachelor of Technopreneurship with Honours.

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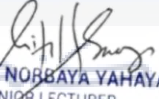
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DEDICATION

This sincere thanks goes to my wonderful family, especially my mom and dad, who always give me support and motivation, whether things are going well or not. I also want to say a million thanks to my supervisor Assoc. Prof. Dr. Juhaini Bin Jabar, who helped me with my thesis and gave me advice. Thank you, UTeM, for giving me access to a wide range of resources both in physical and digital form. The large collection of books, journals, and databases has been a great help to me in doing my literature review and finding relevant research materials. Not to forget my friends who helped me with this thesis, gave me advice, and pointed me in the right direction. It is hoped that this thesis can help students and small and medium-sized businesses (SMEs) by giving them some useful advice and information for the future.

ABSTRACT

Small and medium-sized businesses (SMEs) all over the world now see their problems and opportunities differently because of the digital revolution. Since the COVID-19 pandemic, digitalization in small and medium-sized businesses (SMEs) has grown and become more important. This is because SMEs are using e-commerce more than ever before. SMEs need to embrace digitalization and use new technologies to stay competitive and adapt to the changing business world. But many SMEs have trouble with digital transformation because of limited resources, a lack of digital skills, and resistance to change, which hinder their successful digital transformation. This thesis aims to explore the role of sociopreneurship-based programs in enhancing SME digitalization. Sociopreneurship, a blend of social entrepreneurship and technology-driven innovation, focuses on creating social impact while leveraging entrepreneurial approaches. In this research, the methodology that has been chosen is a qualitative research approach, including interviews and case studies. This study investigates the effectiveness of sociopreneurship-based programs in facilitating SME digitalization.

Keywords: Digitalization, current of technology, SME, sociopreneurship program, effectiveness, innovation.

ABSTRAK

Revolusi digital telah mengubah pandangan terhadap peluang dan cabaran dalam perusahaan kecil dan sederhana (PKS) di seluruh dunia. Pendigitalan dalam perusahaan kecil dan sederhana (PKS) telah berkembang dan menjadi penting dalam kehidupan setelah berlakunya pandemik COVID-19 yang mana meningkatkan lagi penggunaan e-dagang dalam kalangan PKS. Untuk kekal berdaya saing dan menyesuaikan diri dengan landskap perniagaan yang semakin berkembang, PKS perlu menerima pendigitalan dan memanfaatkan teknologi inovatif. Walau bagaimanapun, banyak PKS menghadapi halangan, seperti sumber yang terhad, kekurangan kemahiran digital dan rintangan terhadap perubahan, yang menghalang kejayaan transformasi digital mereka. Tesis ini bertujuan untuk meneroka peranan program berasaskan sosiousahawan dalam meningkatkan pendigitalan PKS. Sosiousahawan memfokuskan dalam mencipta impak sosial sambil memanfaatkan pendekatan keusahawanan. Dalam penyelidikan ini, metodologi yang telah dipilih adalah dengan menggunakan pendekatan kajian kualitatif termasuk temu bual dan kajian kes, kajian ini menyelidiki keberkesanan program berasaskan sosiousahawan dalam memudahkan pendigitalan PKS.

Kata kunci: Pendigitalan, teknologi semasa, PKS, program sosiousahawan, keberkesanan, inovasi.

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I would like to express my appreciation to my friends that unwavering support, understanding, and encouragement throughout this demanding process. Their love, patience, and belief in me have been a constant source of motivation and strength. I am grateful that I have a good friend that invite me to go library to find the resources that available both in physical and digital formats. The extensive collection of books, journals, and databases has been an invaluable asset in conducting my literature review and gathering relevant research material. Additionally, I would like to acknowledge the invaluable assistance provided by my friends and classmates. Their willingness to engage in thought-provoking discussions, offer constructive suggestions, and provide emotional support has been immensely beneficial.

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LIST OF ABBREVIATIONS

AI	Artificial Intelligence
UTeM	Universiti Teknikal Malaysia Melaka
SMEs	Small And Medium-Sized Businesses
CRM	Customer Relationship Management
SEO	Search Engine Optimization
GDP	Gross Domestic Product
MCO	Movement Control Orders
WFH	Work-From-Home
MDEC	Malaysia Digital Economy Corporation
IoT	Internet Of Things
DTAP	Digital Transformation Acceleration Program
PRIHATIN	Prihatin Rakyat Economic Stimulus Package
MaGIC	Malaysian Global Innovation and Creativity Centre
UiTM	Universiti Teknologi MARA
QR code	Quick Response code
NGO	Non-governmental organization

CHAPTER 1

INTRODUCTION

1.0 Introduction

According to (Gartner, 2023) digitalization is the use of digital technology to change the business model and create new revenue and value-generating opportunities more easily. Digitalization has enhanced productivity, accessibility, and connectedness, thereby transforming the ways in which we work, communicate, and interact. It has opened the way for technological advances such as internet platforms, automation, big data analytics, and artificial intelligence, hence creating the current digital era. Why do most small and medium-sized businesses (SMEs) use digitalization? It's because customers' habits have changed when they buy things. People who like to look for information on their website and mobile apps are more likely to buy things online especially after covid-19. People decide what to do by looking at the products they like and the companies that make them. In this case, give an impact on the company to put pressure for improve how they offer and treat their customers. In the time since covid-19, digitalization has helped businesses in many ways. It has made it possible for people to work from home, increased online presence and sales, automated processes to make them more efficient, helped people to make decisions based on data, improved customer experiences, optimized supply chains, encouraged innovation and adaptability, cut costs, given a competitive edge, and helped with sustainability efforts.

1.1 Background of the story

There are distinctions between micro, small, and medium enterprises in terms of size and worker number. SMEs are businesses with less than 249 workers. They are classified as micro (1 to 9 workers), small (10 to 49 employees), and medium (50 to 249 people). The process of transforming a business model through the utilization of

digital technology, which results in the creation of new income streams and chances to produce value, is known as "digitalization." This includes using automation, artificial intelligence (AI), data analytics and other technologies to improve operational efficiency, customer engagement, and overall business performance (European Union (EU), 2021). Sociopreneurship, which is short for "social entrepreneurship," isn't just about making money. It's also about giving the community the tools or techniques it needs to take care of itself and make sure everyone has the same level of welfare. A sociopreneur is someone who understands social problems and uses their business skills to make a difference in the world, especially in welfare, education, and health care. If business-minded entrepreneurs measure their success by their financial performance (profit or income), then social entrepreneurs measure their success by the good they do for society (Wulan and Hermanto, 2019). They use their company to support and encourage social awareness, change, and action with the purpose of improving SMEs to normalize using the digitalization based on program that them joined.

In today's rapidly changing digital world, digitalization is becoming more important. It is a key driver of innovation, growth, and competitiveness in many industries and sectors. In this era of globalization, the majority of SMEs transform traditional market to digitalization especially after COVID-19 since people can't go out to purchase product; consequently, many businesses improve their skills digitalization to reach customers but some SME's not able to apply digitalization in their business because have several problems such as lacking finance, lacking knowledge, avoid taking risks and other factors to adopting digitalization.

Through the program can increase the confidence of SMEs to participate in government program that can assist with digitalization improvement (Johannes Cornelis de Man, 2017). Some people think the program is a good way to market, but they prefer more traditional methods. They aren't open to new ideas, so their business stays the same and doesn't grow. In fact, SMEs should use digitalization in their business to gain benefit and be aware with the current situation that technology is significant. The benefits of joining the program include gaining knowledge and upgrading abilities to better techniques for attracting people with the appropriate digitalization tools to understand consumer needs and demands.

1.2 Problem statement

The rapid pace of digitalization has brought many benefits and advances across industries and society. However, it has also presented a lot of challenges and problems that must be resolved. The problems are the lack of skills and digital divide between small and medium-sized businesses (SMEs) and large companies. For example, SMEs don't have enough access to information, training, and support networks that can help them navigate the digital landscape effectively (Marques et al., 2017). Some SMEs are unaware of the potential benefits and opportunities provided by digital technologies (Sommer, 2015). Consequently, the complexity and cost of digitalization solutions are misunderstood and their potential economic benefits cannot be accurately quantified (Kilimis et al., 2019). This gap in the application of digitalization in businesses makes inequality worse and slows down social and economic growth. The digital divide needs to be closed so that everyone has the same chances and is included in the digital age.

A past study conducted a survey on digitalization for SMEs in Brandenburg, Germany. The goal of the study was to find out how many SMEs were using digital tools and what was getting in the way of digital transformation. The survey looked at many things, such as the use of digital tools, e-commerce activities, and training in digital skills. The findings revealed a large digital divide between urban and rural SMEs. Significant obstacles were noted as limited access to technology infrastructure, lack of digital skills, and financial limits. The study suggested funding program, training program and infrastructure development as ways to help SMEs in Brandenburg be more digitally innovative (Kilimis et al., 2019). In this research that researcher was going to look at the reasons that SMEs had with using digital technologies when current trend emerged and how long it takes for SMEs to improve after joining a program based on sociopreneurship. The results will show that SMEs need different period of time in the digitalization which is it will help improve the performance of SMEs.

This problem statement addresses SMEs lack the necessary digital skills and knowledge to fully leverage digital technologies since some of SME owners and managers may not be fully aware of the importance of skills development and training in the digital era. They may not realize the potential benefits that come from equipping their workforce with the necessary skills to navigate digital technologies effectively.

By addressing this problem, the sociopreneurship program works to add new knowledge, which is to be invested in training program and efforts to teach SME owners and employees the skills they need to manage the digital landscape well. In addition, researcher intend to overcome the digitalization helps economic growth and job creation since SMEs are a big reason why the economy grows, and more jobs are made. SMEs can drive innovation, create new business models, and create jobs by embracing digitalization. Getting rid of the problem will help SMEs use digital technologies to their full potential, which will lead to regional and national economic growth. This is why it is important to discuss this problem. SMEs are a big part of the economy and digitalization could help them grow and become more competitive. Researcher also want to close the digitalization gap between SMEs and large companies so that both have the same chances of being competitive and having long-term success in the digital age.

The purpose in this study, to give awareness to SMEs to digitalize their business give a lot of advantages after joining program and they can improve customer experience, expand market reach and gain data-driven insights and to determine how long it takes to achieve success after get knowledge and skills. After improving digitalizing and taking advantage of the benefits of digital transformation, the program helps SMEs compete with large companies. They can stand out from their competitors by using digital marketing strategies and personalised customer experiences. SMEs can also use digital tools to collect and analyze data, which gives them insights that can help them make strategic decisions. By embracing digitalization, SMEs can compete on the same level as large companies, making them more agile, scalable and able to respond to changes in the market. This will make them more competitive in the digital age.

1.3 Research questions

The purpose of this study is to understand about business digitalization that SMEs have participated in the program through sociopreneurship. Therefore, the research questions are answered in this study are:

1.3.1 What is current trend of technology SMEs digitalization among students?

1.3.2 What are the reasons for SMEs digitalization?

1.3.3 How can sociopreneurship program enhance digitalization of SMEs?

1.4 Research objectives

The purpose of this study about business digitalization that SMEs have participated in the program through sociopreneurship. The objectives of this study are shown in the below:

1.4.1 To identify the current trend of technology SMEs digitalization among students.

1.4.2. To determine the reasons of SMEs digitalization.

1.4.3. To evaluate sociopreneurship program enhance digitalization of SMEs.

1.4.1 Table of research questions and research objectives

RESEARCH	METHOD
1. What is current trend of technology SMEs digitalization among students? 2. To identify the current trend of technology SMEs digitalization among students. The past decade, from 2010 to 2020, saw significant advancements in digital	From 2010 to 2020, it will be determined through a review of the relevant literature when and how the adoption of digitalization by SMEs began to develop.

technology. There was a transition from 3G to 4G mobile networks, which provided faster internet speeds and better connectivity (Palandrani, 2022). Tablets such as the iPad were released and became widely used. Social media also grew in popularity, becoming a place to get all kinds of information and a way to talk to people and get involved. The switch from physical entertainment to streaming services was another big change (Ann, 2020). These changes in technology could not only change technology, but also change society. Moore's law says that semiconductor technology will improve 32 times over the next ten years, which will set the stage for more advances in the 2020 (Palandrani, 2022). Technology has changed our lives in the past decade. It is clear that technology is constantly evolving and that it will continue to have a profound impact on our lives in the years to come.	
1. What are the reasons for SMEs digitalization?	From interviews, researcher can interview people one-on-one or in groups to get their perspectives on a particular topic.
1. To determine the reasons of SMEs digitalization.	Observation, researcher can observe people in their natural settings to study how they interact with their surroundings, as well as conduct document analysis. To gain a deeper

	grasp of a topic, researcher can examine documents such as article, or social media posts that related about it.
1. How can sociopreneneurship program enhance digitalization of SMEs?	From interviews, researcher can interview people one-on-one or in groups to get their perspectives on a particular topic.
1. To evaluate sociopreneneurship program enhance digitalization of SMEs.	Observation and make an analysis so researcher can understand how people experience a situation.

1.5 Scope of study

The scope of studying the digitalization of SMEs involves current trend, factor that SMEs adopt digitalization and sociopreneurship program enhance skill digitalization of SMEs. The study should start by explain the current trend of digitalization of SMEs among students so from there, researcher know that SMEs follow the current issue to adopt digital technology that SMEs apply digitalization in their business so they maybe face the challenge after the technologies they adopt, and the benefits they can derive from digital transformation. By studying the digitalization of SMEs within this scope, researcher can gain insights into the opportunities, challenges, and implications of digital technology in the SME sector through program that they join. In addition, to find out SMEs has a different period of time in improving business digitalization after they join a sociopreneurship-based program. Some SMEs move up quickly after joining the program, while others stay at the same level. Also, some SMEs take a long time to become successful. With this information, strategies can be made to help and improve digitalization efforts, which will help SMEs grow and stay in business in the digital economy.

1.6 Significance of study

To spread awareness about digitalization in SMEs to follow current developments so SMEs can be competitive in digital economic with the large companies so the gap of digital divide. Digitalization in business is essential to comprehend its far-reaching implications on economies, societies, and individuals. It helps to adapt to the rapidly evolving digital landscape, harness its potential, address its challenges, and shape a future that benefits all especially for SMEs. In this study, researcher may know the reason that causes SMEs to use digitalization and how long the SMEs take a time to success digitalize in their business since the results of SMEs is not same after joining program through sociopreneurship to enhance digitalization. From this, researcher can help some SMEs that have problem to identify why them take a long time to be successful after joining the program so they can improve and follow tips from other SMEs that successfully.

In addition, SMEs may improve their customer experiences by learning about digitalization in business. This is because digitalization in business provides customers with experiences that are both personalized and seamless. SMEs can better understand their customers' needs, tailor their products and services, and build stronger relationships by utilizing digital marketing, social media engagement, and customer relationship management (CRM) tools that give the information and knowledge so that they can analyze what behaviour customer, purchase history and demand. By using this information, SMEs can customize their marketing messages, product suggestions, and interactions with customers. Personalization gives customers a sense that they are important and builds stronger relationships with them. This makes customers happier, and it will ultimately result in increased customer loyalty. With this, the digitalization gap can be closed so that SMEs can compete with large companies.

Digitalization also makes it easier for people to work together and talk to each other. SMEs can use online collaboration tools and cloud-based applications to share information, coordinate with teams, and cut down on delays or mistakes in communication. This makes teamwork more efficient by letting people participate in real time, regardless of where they live. Digitalization helps SMEs improve their operational efficiency by automating tasks, giving them more control, making collaboration easier, and making the best use of their resources. By cutting down on

the time, money, and work it takes to run a business, SMEs can become more productive and competitive in markets that are becoming more complicated. In the end, digitization helps SMEs deal with challenges and risks in their business, making them stronger. With all of these benefits in mind, SMEs need to study digitalization if they want to gain a competitive edge and grow in a sustainable way.

1.7 Limitation of study

The limitation with this study is that researcher don't have enough time to finish it because researcher have to work part-time jobs to make survive and busy schedules can make it hard to set aside enough time for studying, which puts limits on what researcher can do. In addition, researcher should be able to find a thorough review of the existing literature and relevant sources in this study. This will help readers build a strong foundation of knowledge about the study. This means researcher should reading articles, books, research papers, and reports to understand the current state of research, find gaps, and come up with research questions or hypotheses of this study.

Studying is one of the most important parts to get data during the research process. Researchers have to spend a lot of time looking at and making sense of the data collection. To do this, researcher need a deep understanding of the data and the right ways to analyze it. Studying in research also involves getting the word out about what has been learned. Researchers learn how to write research papers this means getting better at writing, knowing how to cite sources, and following ethical rules. Sometimes, researcher no have motivation to do because researcher can't focus so to get motivation and ideas, researcher go out to calm down and find inspiration so from there researcher have spirit to do this study because researcher want to add knowledge at the same time have experience and moment to do study.

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1.8 Definition of terms

1.8.1 Digitalization

"Digitalization is the integration of digital technologies and data analytics to drive efficiency, productivity, and innovation across various domains, such as business, government, and society" (McAfee and Brynjolfsson, 2017). They define digitalization as the incorporation of data analytics and digital technologies into a variety of fields, such as business, government, and society. Its main objective is to promote productivity, efficiency and innovation. The acceptance and use of digital tools and technology are emphasised by the authors as essential elements of digitalization. These tools are used to improve communication, expedite operations, and make it easier to use data to inform decisions. Organizations and institutions can improve their operations and reach better levels of performance and effectiveness by adopting digitalization. Additionally, McAfee and Brynjolfsson emphasise the importance of data analytics in the context of digitalization. They underline how crucial it is to use cutting-edge analytics approaches to glean insights and value from massive amounts of data. Organizations can use data to their advantage by revealing hidden patterns, trends, and possibilities that can guide strategic decision-making and produce better results.

1.8.2 Social entrepreneurship

"Social entrepreneurship refers to the practice of applying innovative and sustainable business approaches to address social and environmental challenges. Social entrepreneurs are individuals or organizations that aim to create positive societal impact by developing innovative solutions to social problems, fostering social change, and pursuing systemic transformation". They often focus on areas such as poverty alleviation, healthcare, education, environmental sustainability, and community development. This call to action can benefit from the efforts of social entrepreneurs. The term "social entrepreneurship" is used to describe both the idea and the practise of utilizing creative, low-cost, and community or user-co-designed methods to address social or structural difficulties faced by populations, economic markets, national public sector, and government (Khalid et al, 2022).

1.8.3 Performance

"Performance is the result or output achieved by an individual, team, organization, or system, reflecting the extent to which goals, targets, or expectations have been met" (Cascio, 2018). Cascio's definition emphasises the significance of monitoring performance against predetermined standards or criteria. By establishing distinct objectives and goals, individuals and organizations can objectively analyze and assess their performance. This review may employ a variety of techniques, such as performance evaluations, measurements, or comparisons to predetermined benchmarks. Cascio's definition of performance emphasises that it is the outcome or output delivered by individuals, teams, organisations, or systems, demonstrating the degree of achievement or success in reaching predetermined goals or expectations. It emphasises the importance of executing activities and functions with effectiveness and efficiency. Individuals and organisations can evaluate their development and make educated decisions to enhance their future performance by assessing performance against predetermined criteria.

1.8.4 Innovation

(Koffi et al., 2021) stated the notion that SMEs that engage in innovation activities are better performers and that innovation gives SMEs another chance to stand out from their competitors and improve their business performance so they can stay competitive. SME's have to use new technologies and be open to new ideas if they want to keep up with the rest of the business world. The goal of these technologies and innovations is to help SMEs do better business by getting them involved in new ways of doing business. One of the main reasons for SMEs to use innovation in their businesses is to cut down on time to market, costs, and risks, and to learn things they don't already know. SMEs can also improve their ability to come up with new ideas by working with people outside of the company. Businesses that don't use new technology and new ways of doing business are left behind by those that do. So, it's not surprising that many organizations including governments, try to get SMEs to use technology to improve their businesses so SMEs can keep a competitive edge by using innovative processes and solutions. In the end, the goal of innovation is to bring about good change and make things better for everyone involved.

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1.9 Summary

Digitalization program for SMEs give a structured way to use digital technologies to improve their business operations. Most of the time, these programs offer SMEs a variety of tools and support to help them through the digital transformation process. The program starts by figuring out what SMEs need and how ready they are for digitalization. They offer training and workshops to help SME owners and employees learn about and improve their digital skills. This helps them see the advantages and possibilities of digital technologies. Also, digitalization program often help SMEs build a strong online presence through website development, search engine optimization (SEO), and social media marketing. This helps SMEs reach more people, get more customers, and make their brand more visible. SMEs get ongoing support and guidance from the program to help them make a smooth transition to digital technologies and use them well.

LITERATURE REVIEW

2.0 Introduction

This chapter discussed about the literature review use in the research. The researcher begins this chapter by reviewing several journals, article, books, and sources from internet. In this chapter, the researcher will explain about current trend, reasons and sociopreneurship program enhance digitalization of SMEs. The researcher able to construct understand which contain summarizing of literature that related this research. In this chapter presents the past research done by previous researcher in the research and the facts are given to make the research topic easier to understand. Researcher able to use the past researcher's finding to support the research field of interest.

2.1 Definition of SME in Malaysia

The Small and Medium Enterprises Corporation Malaysia, an entity under the Ministry of Entrepreneur Development and Cooperatives, defines SMEs in Malaysia. The definition is based on the business's yearly sales volume or number of full-time employees. Small and Medium Enterprises Corporation Malaysia (SME Corp Malaysia, 2020) says that SMEs in Malaysia are split into three different groups based on their annual sales turnover or number of full-time employees. There are three types of businesses which are micro enterprises, small enterprises, and medium enterprises.

Micro enterprises, the smallest category, are defined as businesses in the manufacturing sector with a sales turnover not exceeding RM300,000 or having fewer than 5 full-time employees. In the services and other sectors, micro enterprises also have a sales turnover not exceeding RM300,000 or fewer than 5 full-time employees. Small enterprises fall in the middle range and have slightly higher thresholds. In the manufacturing sector, small enterprises have a sales turnover between RM300,000 and

not exceeding RM15 million or employ between 5 and not exceeding 75 full-time employees. In the services and other sectors, small enterprises have a sales turnover between RM300,000 and not exceeding RM3 million or employ between 5 and not exceeding 30 full-time employees. The largest category, medium enterprises, encompasses businesses that have higher sales turnover and employee thresholds. In the manufacturing sector, medium enterprises have a sales turnover between RM15 million and not exceeding RM50 million or employ between 75 and not exceeding 200 full-time employees. In the services and other sectors, medium enterprises have a sales turnover between RM3 million and not exceeding RM20 million or employ between 30 and not exceeding 75 full-time employees. These categorizations are important for understanding the landscape of SMEs in Malaysia and form the basis for various policies and support initiatives aimed at fostering the growth and development of these businesses (SME Corp Malaysia, 2020).

In addition, Malaysia has 920,624 businesses, and 99% of them are SMEs. In 2018, SMEs employed 66.2% of Malaysia's workers and contributed 38.3% of the country's GDP, or RM522.1 billion. They are put into three groups: micro, small, and medium. These groups are based on the type of business, the number of sales, and the number of employees. Micro-businesses account for 76.5 percent of Malaysia's total SME population. In contrast, only 2.3 percent of small and medium-sized businesses are considered to be medium-sized (The Impact of COVID-19 on SME Digitalisation in Malaysia, 2021). During the MCO, 84% of SMEs had trouble connecting to the Internet and communication to customers and suppliers through online. Many SMEs also said that work-from-home (WFH) connections were not good (Ernst & Young, 2020). SMEs had low levels of back-end digitalization before COVID. This made them less productive, less efficient, and less interesting to do business with during the MCO. The low levels of back-end digitalization among SMEs prior to COVID had a negative impact on their productivity, efficiency, and company operations during the MCO.

The Malaysia Digital Economy Corporation (MDEC) has facilitated discounted offerings through strategic partnerships with 237 local technology companies, including network providers, e-commerce platforms, and technology service providers, to incentivize SMEs to embark on a digital transformation journey. The Malaysian Government has introduced a series of initiatives to encourage SME

digitalization. For instance, the PRIHATIN Economic Stimulus Package features 28 initiatives primarily centered around providing financial assistance to SMEs. Furthermore, through strategic collaborations with 237 local tech companies spanning network providers, e-commerce platforms, and technology service providers, the Malaysia Digital Economy Corporation (MDEC) has facilitated discounted offerings to incentivize SMEs to embark on their digital transformation journey. In spite of the efforts made, the Covid-19 pandemic has resulted in a mere 25% of Malaysian organizations expediting their digital transformation plans, while a significant 60% have witnessed a deceleration in their progress. SMEs, in particular, have been heavily influenced by reduced cash flow, leading to financial constraints that make it unclear whether there is ample opportunity for substantial enhancements in SME digitalization during the pandemic. While the government is actively promoting SME digitalization, there are underlying challenges that hinder the progress of these initiatives (The Impact of COVID-19 on SME Digitalisation in Malaysia, 2021).

2.2 Digitalization

Digitalization is the use of digital technologies and data analytics to make business, government and society more efficient, productive and innovative. In their article, (McAfee and Brynjolfsson, 2017) talk about how AI and automation are changing the way people work and how the economy works. It emphasises how crucial it is for individuals, organizations and policymakers to adapt and be proactive in order to maximize the potential advantages and minimize the potential threats.

In addition, digitalization is widely seen as one of the most important technological strategies, and it is expected to have a huge effect on and change industry, mostly by making the whole value chain much better. With entire value chain, which includes management, human resources, logistics, production, customer support, and so on, is undergoing a digital revolution at the same time. As a result, there is a wide variety of technology at one's disposal for the purpose of adopting digitalization. Because a successful digitalization process will lead to the deployment of industry 4.0 were used to classify digital technologies. This was done because a successful digitalization process will result in the deployment of industry 4.0. New technologies not only make it easier, faster, and better for people to do things, but they

also make it possible for big changes to be made in how work is done in corporations (Kilimis et al., 2019).

Many authors say that digital, information, and communication technologies are changing quickly and radically and that these changes have a huge effect on almost every part and aspect of everyday life. So, as digitalization and the process of digital transformation of the business environment continue to grow in a big way, companies are facing new opportunities and challenges. (Ungerman et al.,2018) say companies must create strategies, methods, and procedures for more efficient and effective resource use in order to increase their overall competitiveness and performance in light of the current competitive environment. In this case, this means that high-level digital skills will become a must-have in the digital age. When tangible investments in the digital economy infrastructure, like communication and information technologies, are linked to intangible investments in human capital and organizational resources, companies can benefit from digitalization. From the previous article it highlights the benefits and challenges associated with digitalization and emphasizes the need for organizations to effectively leverage technology while ensuring ethical and inclusive recruitment practices (Bejtkovský et al., 2018).

2.2.1 The role of digitalization

The role of digitalization has become increasingly significant in modern society, revolutionizing various aspects of our lives. Researchers will explore the role of digitalization across different sectors and its impact on individuals, businesses, and society as a whole. Digitalization has transformed the way people connect and interact. The advent of social media platforms, instant messaging apps, and video conferencing tools has made communication faster, more accessible, and widespread. Digitalization has facilitated the sharing of information, ideas, and perspectives across geographical boundaries, fostering global connectivity and collaboration.

(Ahmad et al., 2020) research found that digitalization makes SMEs in Malaysia more efficient and productive in terms of operational efficiency. By using digital tools and technologies, SMEs can simplify their processes, automate tasks, and reduce the number of mistakes that are made by hand. This improves operational

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efficiency and saves money. Digitalization also has a big effect on how far SMEs can reach in the market and how easy it is to get new customers. A study by (Omar et al.,2019) showed that digital marketing activities help SMEs grow their markets and get more customers. By using digital marketing channels like social media, e-commerce platforms, and search engine optimization, SMEs can effectively reach a wider audience, increase brand visibility, and attract new customers.

Also, digitalization makes it easier for SMEs to come up with new ideas and products. According by (Hassan et al., 2021) showed that digital technologies like cloud computing, data analytics, and the Internet of Things (IoT) help small and medium-sized enterprises (SMEs) collect and analyse customer data, find market trends, and create new products and services. This digital transformation gives small and medium-sized businesses (SMEs) the power to adapt to changing consumer tastes and market needs. Digitalization also helps customers feel more involved and gives them more personalised experiences. A study by (Al-Mubaraki et al., 2022) showed that digital technologies give small and medium-sized businesses (SMEs) the tools they need to connect with their customers through different digital touchpoints. These interactions help small and medium-sized businesses (SMEs) learn about their customers' needs, customise their products and services, and give each customer a unique experience. This makes customers happier and more loyal.

The role of digitalization in transforming SMEs in Malaysia especially after covid-19 has been significant. As digital technologies continue to improve, it will be important for people, organisations, and societies to embrace digitalization and its potential while dealing with the problems it brings. From establishing online presence and expanding e-commerce capabilities to embracing digital marketing, enabling remote work, adopting contactless payments, enhancing supply chain operations, leveraging data analytics, and investing in skills development, digitalization has been instrumental in helping SMEs adapt, survive, and thrive in the post-pandemic era. The digital transformation of SMEs in Malaysia not only contributes to their individual growth but also drives economic resilience and innovation at the national level.

2.3 Current trend of technology

At the country level, many global experiences have shown that technological improvements or changes in the SME sector are needed to move the economy to the next stage of its structural cycle. After the economic crisis in Singapore in 1985, the government set up the Economic Committee, which emphasised the need to speed up the growth of local businesses and suggested five strategic trusts for the growth of SMEs. Among them, adopting and using technology and coming up with new ideas were seen as the most important things to do to face competitive challenges in the global economy and make things more balanced, vibrant, and resilient (Prasanna et al., 2019). Digitalization has been described as the most significant technology development that is transforming business and society. Businesses are under significant pressure to adopt digital technologies and adapt their business strategies to this new reality. However, despite the fact that turning digital offers many benefits, it is expensive and demands expenditures. Considering how far digital technologies have progressed, the question is when SMEs first adopted digitalization as a trend. Therefore, researchers must explain when the current trend of digitalization began in order to provide a comprehensive understanding of the term "digitalization."

The current trend of digitalization among SMEs gained significant traction in the early 2010. This was primarily driven by the widespread adoption of cloud computing, mobile technology, and social media platforms. These technologies allowed SMEs to access cost-effective digital tools and resources that were previously only available to larger organizations (Amankwah-Amoah et al., 2021). In 2010, social media platforms like Facebook and Twitter were already popular, but they were still in their early stages. SMEs were just starting to realize the potential of social media as a marketing tool, and many were still hesitant to invest in it. However, as social media continued to grow in popularity, SMEs began to see the benefits of using it to reach their target audience and engage with customers (Ediomo-Abasi, 2018). The rise of digitalization among SMEs was further accelerated by the covid-19 pandemic in 2020. The pandemic forced many businesses to adapt to remote work and online sales, leading to a surge in the adoption of digital tools and platforms. Digital technologies such as websites, social media, smartphones, content-sharing platforms, e-procurement systems, blockchain, automation technology, robotics, and wearable devices have paved the way for companies to effectively engage in innovation and

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R&D activities and capitalise on new market opportunities (Lupton, 2020, Vural et al., 2020). This shift highlighted the importance of digitalization for business continuity and resilience, making it a top priority for SMEs (Amankwah-Amoah et al., 2021). With the implementation of Movement Control Orders (MCOs) and other restrictions, many SMEs were forced to close their physical stores and shift their operations online to survive. According to a survey conducted by the Malaysia Digital Economy Corporation (MDEC), 63% of SMEs in Malaysia reported that they had adopted digital technologies during the pandemic. This included the use of e-commerce platforms, digital marketing, and online payment systems. The pandemic also gives the awareness that's importance of digital transformation for SMEs to remain competitive and resilient in the face of future crises. The Malaysian government launched various initiatives and programs to support SMEs in their digital transformation efforts, including the SME Digitalization Grant and the e-commerce campaign Shop Malaysia Online. The increasing digitalization of economies and the need for SMEs to stay competitive in a rapidly changing landscape indicate a sustained and continuous trend towards digital transformation. The period from 2010 to 2020 saw a significant trend of digitalization among SMEs in Malaysia. This trend was driven by the government's efforts to promote the of technology and the internet as part of the country's economic development plan.

The digitalization of SMEs in Malaysia has seen a significant revolution from 2010 to 2020. In the past decade, digital technologies have become more accessible and affordable for SMEs, allowing them to leverage these tools to enhance their operations and improve their competitiveness. For instance, the Malaysia Digital Economy Blueprint launched in 2016 aimed to accelerate the growth of the digital economy and promote digitalization across all sectors. The government also established several programs and funds such as the Digital Transformation Acceleration Program (DTAP) and SME Digitalisation Grant to support SMEs in their digital transformation journey. As a result, many SMEs in Malaysia have adopted digital technologies such as cloud computing, e-commerce platforms, and social media marketing. This has enabled them to reduce costs, increase efficiency, reach a wider customer base, and compete with larger enterprises. With more than 80% of Malaysians owning smartphones in 2020, SMEs have recognized the importance of having a strong online presence to connect with customers and promote their products

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and services (Priyadarshini et al., 2021). The digitalization of SMEs in Malaysia has undergone a significant revolution over the past decade, driven by government initiatives, technological advancements, and changing consumer behaviour. It is expected that digitalization will continue to play a crucial role in the growth and success of SMEs in Malaysia. Overall, the digital technology revolution has had a significant impact on SMEs over the past decade and it will continue to shape the way they operate and interact with their customers in the future.

2.4 Reason SMEs adoption digitalization

Digitalization has become increasingly important for SMEs in today's business landscape due to several key reasons. As stated by (Berman and Hagan, 2020), "Digital technology has been reshaping industries, blurring sector boundaries, and creating new avenues for value creation." SMEs need to embrace digitalization to stay competitive and relevant in their respective markets. With the rise of the covid-19 pandemic, SMEs have been forced to adopt digital technologies to continue operating in the new normal. The adoption of digital tools can help SMEs improve their efficiency, reduce their costs, and enhance their competitiveness. In this study, researchers will discuss the reasons that SMEs adopt digitalization and the benefits they can gain from embracing digital tools and technologies.

2.4.1 Environmental influence

Changes in the social, political, economic, government, legal, technological, and demographic environments are examples of environmental influences. The economy, society, and culture are all affected by the environment. Pressure from the environment comes from competitors, business partners, suppliers, customers, and sales expectations (Wahid & Zulkifli, 2021). The environment will force an entrepreneur to adopt digital transformation, even if their business is not having a problem. This is because the environment will force them to make changes, even if their business is doing fine. The digitalization process is often affected by things like the way the market works, whether an industry is high or low tech, and how specialised a company is (Tyler et al., 2020). The covid-19 pandemic has had a big effect on

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businesses all over the world, making it more important to digitalization in order to stay competitive. Organizations need to use digitalization to keep up with how quickly the business world is changing. When businesses use digital technologies, they can try out new business models, come up with new products and services, and adjust to changes in the market. In a digital landscape, staying competitive means being able to come up with new ideas and change quickly. The ability to quickly respond to market shifts and changing customer demands is essential in maintaining competitiveness. Digital tools and technologies streamline operations, optimize processes, and facilitate data-driven decision-making, enhancing a company's resilience to disruptions like the covid-19 pandemic. By keeping up with the most recent digital trends and technology, SMEs can maintain their agility and responsiveness to market changes.

2.4.2 Market competition

SMEs face intense market competition from larger corporations. In today's digital age, it is crucial for SMEs to embrace digitalization to remain competitive and improve customer engagement. Digitalization is the process of integrating digital technology into all areas of a business, resulting in fundamental changes to how companies operate and deliver value to customers. In order to stay ahead of the competition, SMEs need to adopt digital tools and technologies that can help them to improve their efficiency, productivity, and customer service (Bagale et al., 2021). Market competition plays a crucial role in shaping the behavior and performance of firms. It stimulates businesses to improve their products, services, and operational strategies to gain a competitive advantage over their rivals. This competition can take various forms, such as price competition, product differentiation, marketing campaigns, and customer service excellence. SMEs must analyse market competitiveness in order to use many sources of competitive information. These sources can provide insightful information regarding industry trends, client preferences, and competitor strategy (Colcord, 2022). Market research enables organizations to comprehend customer behaviour, economic trends, and market demand. It requires collecting demographic data, estimating market size, examining economic factors, and determining pricing. Market research provides a basis for identifying client wants and preferences, thereby guiding firms in the development of

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effective strategies. SMEs can employ current information sources, such as industry reports, market research, and public data. These sources provide a comprehensive summary of market trends, demographics, and the competitive environment. Despite the fact that they may not provide highly detailed insights suited to a certain audience, they can nonetheless provide useful information for decision-making (Heaslip, 2022). It is crucial for SMEs to recognize the potential of digital technologies and invest in the necessary infrastructure, skills, and resources to harness the benefits of digitalization. Governments, policymakers, and industry stakeholders should support SMEs in their digital journey by providing relevant policies, funding and training programmes. Through these collective efforts, SMEs can thrive in a digital economy and contribute to overall economic growth.

2.4.3 Customer engagement

Customer engagement is the process of having a conversation to potential and current customers through different digital channels. It helps you get to know your customers better on the Internet. Most of these digital channels are email, messaging, social media, live chats, video chats, and many more. Customers who might buy from you want you to know what they like, what they've bought in the past, and what they might be looking for in your brand. They want you to treat them more like people than like customers you want to sell something to. Your customers want you to keep track of their information and make it easy for them to do business with you. In light of this, companies need to track all the ways customers interact with them on different platforms and use that information to come up with new ways to keep customers interested. All of the companies will continue to do this, which will help them build on their success (Ng et al., 2020). In addition, digital tools enable the provision of unique and interesting customer interaction ways. Maintaining their interest in your brand and products while separating yourself from the competition requires this method. This is achieved mostly through the application of interactive technology, such as customer service. For instance, it can provide clients a real-time chat feature so they can engage with a representative without making a traditional phone call (Writer, 2022). From digital tools SMEs can benefit since they facilitate communication, information gathering, and transaction processing for customers. Live

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chat software, for instance, can assist firms to offer constant customer care, while e-commerce platforms simplify the purchasing process for clients. The digital technologies give SMEs with new channels to engage with their consumers. SMEs may better connect with their customers, learn about their needs, and personalize their products and services to them through the use of social media, email marketing, and individualised digital experiences. The result is happier and more loyal customers.

2.4.4 Reduce the operational costs

In recent years, advancements in digital technology such as cloud computing, artificial intelligence, and the Internet of Things, have led to new forms and models that meet market demands. These technologies enable the digitization, networking, and intelligence of enterprises, facilitating the reconstruction of economic development and governance models. Industrial digitization has become a crucial driving force for national economies, as demonstrated by China's industrial digital added value accounting for 29% of its GDP (Zhang et al., 2021). The goal of every business owner is to save time and, more significantly, money. Manual jobs and processes are inherently slower than automated tasks and processes since they are performed individually. Up to 30% of a company's annual income can be lost due to inefficient operations. When business procedures are performed manually, there is a larger likelihood that resources will be wasted. Digitalization offers the most effective and economical utilization of the key resources (Malak, 2022). Digital technologies can help businesses save money in a variety of ways, including lowering the need for paper, printing, and storage. For instance, a cloud-based document management system, can assist organisations in storing and accessing information online, reducing the need for paper and printing. Digitalization also enables organizations to leverage data analytics and predictive modelling to optimize processes and make informed decisions. By collecting and analyzing vast amounts of data, businesses can gain valuable insights into customer behaviour, market trends, and operational inefficiencies. These insights can help identify cost-saving opportunities and improve overall performance. For instance, retail companies can leverage digital tools to analyze customer preferences, optimize inventory management, and reduce carrying costs (Zhang et al., 2021). Moreover, digitalization facilitates remote work and collaboration, reducing the need

for physical infrastructure and associated expenses. With the adoption of cloud computing and communication tools, organizations can establish virtual work environments, enabling employees to work from anywhere. This flexibility reduces office space requirements, lowers utility costs, and minimizes commuting expenses, contributing to overall cost savings (Amankwah-Amoah et al., 2021).

2.4.5 Competitive pressure

Competitive pressure is something that affects a business or firm's products and operations. The effect of competitive pressure on a business is that it will have problems, and the worst thing that can happen is that the business will go out of business. In an emerging economy, one reason entrepreneurs move toward digital transformation is because there are more and more competitors. SME's decisions have shifted toward digital transformation because they are worried about competition (Tyler et al., 2020). One of the factors under competitive pressure, particularly for SMEs, is competitors. Increasing competition within a sector is one of the elements that influences awareness of digitalization. According to data from (SME Corp. Malaysia, 2018), the number of businesses increases year after year, putting pressure on existing entrepreneurs. When there is a lot of competition, companies have to work harder to stand out and get an edge over their rivals. So many businesses are switching to digital transformation strategies to get ahead of the competition, meet customers' growing demand for digital solutions, or just because it's important to stay in business. New competitive pressures include the globalization of markets and the internationalization of businesses (Wahid & Zulkifli, 2021).

2.5 Sociopreneurship program for SME

Sociopreneurship is a business model that combines social and economic goals. Sociopreneurs are entrepreneurs who use their businesses to solve social problems. They do this by creating products and services that benefit society, while also making a profit (Khalid et al, 2022). Sociopreneurship programs can be a great way for SMEs to make a difference in the world while also growing their businesses. These programs can provide SMEs with the resources and support they need to develop and implement

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social impact projects. There are a number of different sociopreneurship programs available to SMEs. Some of these programs are government-funded, while others are run by private organizations. There are also a number of online resources that can provide SMEs with information about sociopreneurship and how to get involved. Sociopreneurship program have become more popular as a way to help SMEs have a positive social impact and be more entrepreneurial. The goal of these program is to get SMEs to use business models that solve social and environmental problems while also making money. Several studies and projects have looked at the benefits and results of sociopreneurship programmes for SMEs to find out how well they work and what kind of effects they have.

The MaGIC Social Entrepreneurship Program, run by the Malaysian Global Innovation and Creativity Centre, is a good example of a social entrepreneurship program for SMEs (MaGIC). The program helps social enterprises grow by giving them the resources, mentorship, and training they need to do well on the market. Through this program, SMEs get the knowledge and skills they need to take into account social and environmental issues in their business models (MaGIC, 2020). Research by (Chew and Ho, 2020) looked at how the MaGIC Social Entrepreneurship Program affected Malaysian SMEs that took part. The study found that the program had a positive effect on the way SMEs thought about society and the environment, which helped them come up with new ways to solve problems. Also, the SMEs that took part said they had better access to networks and funding opportunities, which improved their chances of staying in business and growing. In addition, the PRIHATIN Economic Stimulus Package is an economic stimulus program also one of program that introduced by the Malaysian government in response to the COVID-19 pandemic. It aimed to provide support and alleviate the economic impact on individuals and businesses in Malaysia.

The Biji-biji Initiative is another initiative in Malaysia. It helps SMEs use more sustainable business practices through its social innovation programmes. The Biji-biji Initiative is based on circular economy principles and encourages SMEs to make products and services that reduce waste and make better use of resources (Biji-biji Initiative, 2021). Through training workshops, mentoring, and joint projects, the initiative helps SMEs share knowledge and improve their skills. Microsoft Malaysia

and the Biji-Biji Initiative have created a new programme to assist Malaysian youngsters in acquiring the skills and knowledge necessary for success in the gig economy. The "Digital Skills and Gig Economy Employability Programme" provides a variety of courses and materials. It aims to close the gap in digital skills, give people relevant skills, and make them more employable in a job market that is always changing (Kanagaraj, 2020). (Ibrahim and Fauzi, 2019) did a case study on how the Biji-biji Initiative affected SMEs that took part. The study showed that the program made it easier for SMEs to come up with sustainable business models and made them more competitive. Participating SMEs said that they had made improvements to product design, supply chain management, and market positioning, which led to a better reputation for the brand and easier access to the market.

Sociopreneurship programs have emerged as valuable initiatives for promoting social impact and sustainable entrepreneurship within SMEs. Programs like the MaGIC Social Entrepreneurship Program, PRIHATIN Economic Stimulus Package and the Biji-biji Initiative in Malaysia, as well as the European Commission's Social Innovation Tournament, have demonstrated positive outcomes in terms of social orientation, innovation, access to resources, and market competitiveness. These initiatives play a vital role in nurturing socially responsible SMEs that address societal challenges while generating economic value.

2.6 Important of digitalization

Digitalization of SMEs in Malaysia is crucial for their growth and competitiveness in the global market. With lockdowns during covid-19 and movement restrictions limiting physical interactions, SMEs have recognized the importance of leveraging digital platforms to reach customers. According to a report by the Malaysia Digital Economy Corporation (MDEC, 2020), digitalization can increase SMEs' productivity by up to 30% and their revenue by up to 20%. In this response, researchers will explore some of the reasons why digitalization is crucial for SMEs and provide relevant citations to support our claims.

2.6.1 Adapt to changing consumer behaviour

Digitalization in Malaysia has become more important, especially after covid-19, due to the shift in consumer behavior and the need for businesses to adapt to the new normal. The pandemic has accelerated the adoption of digital technologies, and businesses that were not previously digitalized have had to quickly adapt to survive. Many SMEs in Malaysia have developed or expanded their online stores and embraced e-commerce platforms. For example, SMEs in Malaysia have shown substantial development and adoption of contactless payment methods as well as digital financial services. There has been a rise in the use of digital payment methods such as mobile banking apps, digital wallets, and online payment gateways in recent years. These techniques are becoming increasingly popular for both health and safety reasons. These technologies have been welcomed by SMEs, which have provided their consumers with payment options that are both secure and convenient while also lowering their reliance on cash transactions. According to a report by (Google, Temasek, and Bain & Company, 2020), the COVID-19 pandemic has accelerated the growth of Southeast Asia's internet economy, with Malaysia's internet economy expected to reach USD 30 billion by 2025. The report also highlights that the pandemic has led to a surge in online activity, with more people shopping, working, and learning online.

2.6.2 Improve operational efficiency and reduce costs

Digitalization can help SMEs to improve their operational efficiency and reduce costs. By adopting digital tools and technologies, SMEs can automate repetitive tasks, streamline their workflows, and eliminate manual errors. This can lead to significant time and cost savings, as well as improved accuracy and productivity. According to a study by Deloitte, SMEs that adopt digital technologies can achieve up to 26% higher revenue growth and up to 22% higher profitability compared to their non-digital counterparts (Deloitte, 2019). "Digital Transformation to Improve Operational Efficiency" is an article by Retain Technologies that discusses the importance of digital transformation in today's business landscape. The article by Fernández mention the digital transformation can lead to improved operational efficiency, cost reduction, and increased competitiveness. It can improve operational

efficiency is through the use of automation. Automation can help SMEs to reduce manual labour and improve accuracy, leading to increased productivity and reduced costs. For example, automation can be used to automate repetitive tasks such as data entry, invoicing, and inventory management. Because of this, workers are able to concentrate on activities that are both more strategic and bring more value to the company, which eventually leads to greater business results (Fernández, 2020).

2.6.3 Reach new customers and expand the market reach

Digitalization can help SMEs to reach new customers and expand their market reach. With the rise of e-commerce and online marketplaces, SMEs can now sell their products and services to customers all over the world. During the pandemic, Harvard Business Review gives tips on how to reach new customers when you work from home and have virtual meetings. It talks about the problems and suggests ways to solve them. The article talks about how important it is to use digital platforms, build an online presence, and connect with potential customers through social media. It also talks about how important personalization and empathy are in online conversations (Zoltners, 2021). By leveraging digital marketing channels such as social media, email, and search engines, SMEs can also target specific customer segments and personalize their marketing messages.

2.6.4 Customer experience and build stronger relationships with their customers

Digitalization can help SMEs to improve their customer experience and build stronger relationships with their customers. By using digital tools such as customer relationship management (CRM) software, SMEs can track customer interactions, personalize their communications, and provide better customer support. This can lead to higher customer satisfaction, loyalty, and retention. According to a study by Salesforce, SMEs that adopt CRM software can achieve up to 43% higher customer retention rates compared to those that don't (Salesforce, 2019). By embracing digital tools and technologies, SMEs can unlock new opportunities for growth and success in today's digital economy.

2.7 Conceptual framework

Sub Independent variables	Independent variables	Dependent variables

- Reduced costs
- Improved efficiency
- Enhanced competitiveness
- Increased reach
- Seamless experience

Current trend of technology

- Market competition
- Customer demands
- Customer engagement
- Competitive pressure

Reasons for SMEs digitalization

- Transfer of digital skills and knowledge

Sociopreneurship program enhance digitalization of SMEs

Enhancing SME digitalization

2.7.1 Figure of conceptual framework

his conceptual framework shows the key environmental influences driving SMEs towards digital transformation, such as market competition and customer demands. To meet these pressures, SMEs digitalization operations and processes, aided by student collaborators who contribute digital skills and knowledge. The expected outcomes are improved efficiency, competitiveness, decision-making and customer experience. The student role in the sociopreneurship program enables the transfer of digital skills and knowledge to SMEs undergoing the transformation process.

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2.8 Summary

In general, this chapter is derived from secondary data where researchers get all the information from online article, journal, book and thesis. This chapter has also discussed the concept and different definitions according to previous researcher related to the research topic which is the enhancing SME digitalization through sociopreneurship – based program. Moreover, digitalization has permeated all facets of our life, and the rapid development of technology has facilitated the expansion of the digital economy.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

After evaluating past research and reviews of different journals on topics in Chapter 2, the summary of the research methodology to be used in the study is clarified in this chapter. The research methodology is intended to address the study's aim and respond to the research objective set out in Chapter 1. This chapter describes the overall approach that will be taken in this report. This chapter will identify the research method and research design in order to provide a more in-depth grasp of the procedures for executing the entire project.

3.1 Research design

Research design is a framework of methods and techniques chosen by researcher to conduct a study (Bhat, 2023). It is a strategy for answering research questions using empirical data and involves making decisions about research objectives, primary or secondary research, sampling methods, data collection and analysis methods and procedures for collecting data (McCombes, 2023). The process of research design involves determining research questions and objectives, selecting an appropriate research design, identifying the target population and sample size, choosing data collection methods, planning data collection procedures and analyzing the results (Bhat, 2023). There are two types to do in research, the quantitative research aims to understand the causative or correlative link between variables by testing hypotheses, whereas qualitative research seeks to understand a phenomenon in a real-world setting by employing interviews and observation. Both methods of study are valid, although some topics lend themselves better to one or the other (Stevenson University, 2022).

3.1.1 Explanatory

According to (George, 2023), explanatory research investigates patterns and trends in existing data that haven't been previously investigated and it is often used as a jumping-off point for future research. Qualitative explanatory research can be conducted through various methods such as literature research, in-depth interviews, focus groups, and case studies, as mentioned in. The importance of qualitative explanatory research is that it helps researchers study the research problem efficiently and gain a greater understanding of the phenomenon (Bhat, 2023).

3.2 Methodological choice

The method used in this study is qualitative. The qualitative approach in this study aims to obtain in-depth data from SMEs that join programs about their needs for digitalization in business.

3.2.1 Qualitative

This study used the explanatory qualitative method. Qualitative explanatory research is a method used to explore why something occurs when there is limited information available. It aims to provide an in-depth understanding of a particular phenomenon by seeking to explain how or why it happens. For this qualitative study, data was collected through face-to-face interviews with students had previously joined the program to improve their businesses. The topics discussed at the interview included reasons the SMEs adopt digitalization and to evaluate sociopreneneurship program enhance digitalization of SMEs. Also, the current trend of technology SMEs digitalization among students will be discussed too through a literature review. The research data was obtained through observation at the business location to take pictures and find out how the business conditions were direct, real and sustainable during the study, conducted in-depth interviews.

3.3 Data collection

      For this study's research goals, the researcher suggests to using both primary and secondary sources of information. Primary data is information about the topic of the research that was gathered by asking questions to people where the interviewee has to answer the questions asked. Secondary data will also be used in support of research as a source. Secondary data sources such as website, journals, articles, books, news publications, and statistical information, which contribute relevant information to this study.

3.3.1 Primary data

      Primary data refers to data that is collected first-hand by the researcher for a specific research purpose. This can be done through methods such as interviews, survey and observations. An interview is a conversation that is used to find out information. Interviews can be conducted face-to-face or over the telephone. The internet is also emerging as a tool for interviewing. According to (Merriam-Webster, 2023) the word "observation" means "the act of noticing and writing down a fact or event, often with the use of instruments," or "a record or description so obtained." Interviews and observations are both types of qualitative research methods that complement each other and give researchers a lot of information to study. Interviews give researcher the chance to directly ask people about their thoughts and experiences, while observation allows for the exploration of behaviors and interactions in real-world contexts.

3.3.2 Secondary data

      Secondary data are information that has already been gathered from primary sources and is readily accessible to researchers for use in their own studies. It is a type of information that has already been collected. This means looking again at information that has already been gathered and analyzed. This study also collects the data from governmental sources, and web scraping to find the data information about previous study (Formplus, 2020). Alternatively, secondary data may refer to information that has already been collected but may be repurposed to answer questions

for which it was not initially collected. For this study, researcher use the google, google scholar and library UTeM website to get the data related of this topic.

3.4 Research strategy

The research strategy determines the research's general direction. It is one of the components of research methodology and comprises the procedure for conducting research. The appropriate research strategy must be selected based on the research aims and questions, the quantity of available resources and time, the researcher's philosophical foundation and the breadth of current information in the area of study.

3.4.1 Case study

For this topic, the case study is suitable for research strategy because they allow for an in-depth analysis of a particular phenomenon or situation. They provide a detailed understanding of complex issues and can be used to generate hypotheses for further research. Additionally, case studies often involve multiple sources of data, including interviews, observations, and documents, which can provide a rich and nuanced understanding of the topic being studied. Case studies are particularly useful for the researcher is interested in understanding a particular case in its own right, rather than trying to generalize to a larger population. For example, a case study might be used to understand current trend of technology SMEs digitalization among students, the reasons for SMEs adopt digitalization and how sociopreneurship program enhance digitalization of SMEs? Case studies can also be used to compare and contrast different cases. This can be useful for identifying patterns or trends, or for developing new theories or hypotheses. For example, a researcher might compare and contrast the experiences of different SMEs that have implemented a particular new technology, factors that cause SMEs to using digitalization and time for business improvement after joining a program.

3.5 Sampling technique

Sampling technique or sampling method refers to a statistical methodology used to choose a representative sample from a population. It involves a thorough review of the demographic data collected and the selection of a suitable sample based on the data (Gulzar, 2023). There are lot of sampling techniques which are grouped into two categories as probability sampling and non- probability sampling.

3.5.1 Non-probability sampling

Non-probability sampling is a sampling technique in which the selection of participants or elements for the sample is based on subjective judgment or convenience rather than random selection. It involves the deliberate selection of individuals who are easily accessible or readily available, rather than using a random selection process (Siegle, 2019). Non-probability sampling methods are often used in situations where it is difficult or impractical to obtain a random sample from the population of interest. Examples of non-probability sampling techniques include convenience sampling, purposive sampling, snowball sampling, and quota sampling.

3.5.1.1 Purposive sampling technique

Researchers use purposive sampling, in this research because to learn more about how SMEs performed after joining a program to help them get better at digitalization. It allows researchers to intentionally select participants who possess the desired qualities or possess unique perspectives that are relevant to the research objectives. In this sampling technique, SMEs are specifically selected based on predetermined criteria that align with the objectives of the program. The goal is to know the impact of performance of SMEs after joining program through sociopreneurship. Also, this technique researchers can generate hypotheses or theories, so theory creation and testing are used to learn more about the research being conducted. By selecting individuals with rich and different viewpoints, researchers can build theories or test existing hypotheses within a specific sample, resulting in a better knowledge.

3.5.2 Target population

A target population is a group of people who have similar characteristics and are meant to be the audience for a product, advertisement, or research. The objective audience is a group of people chosen from the whole world. In this topic, the target population is student that have SMEs that already joined the program through sociopreneurship to enhance digitalization. From there, researcher can get information from students who come from many different places, cultures, and fields that to do SMEs. By studying the student population, researcher can capture a wide range of perspectives, experiences, and insights on SMEs, enabling a more comprehensive understanding of the topic.

3.6 Research location

The research location is mainly in Malaysia which is researcher will be do interview, observation and analysis to collect the data. The respondent in this research that students who already have SMEs that are part of a programme through sociopreneurship were asked to take part in this study. The researcher can gather enough information and come up with a clear goal for the research.

3.7 Data analysis

Data analysis is the process of cleaning, changing, and processing raw data to find useful, actionable information that can help a business decide what to do. The process lowers the risks that come with making decisions by giving useful information and statistics, which are often shown in charts, images, tables, and graphs (Kelley, 2023). It is necessary to have data preparation in order for researchers to be able to organize and clean the collected data in order to ensure that it is accurate and consistent before conducting data analysis and interpretation for SMEs digitalization through a sociopreneurship-based program. It's possible that this will require transcribing interviews and organizing survey responses into categories.

The thematic analysis will also be used to find themes or patterns that are common to SME digitalization and programs based on sociopreneurship. Look for

ideas, experiences, or points of view that come up again and again among the SMEs to learn more. It's helping researcher find the most important factors and come up with evidence-based suggestions for how sociopreneurship-based programs can help to improve business performance in digitalization.

3.8 Pilot test

A pilot test for enhancing SME digitalization through sociopreneurship-based program can be a great way to determine the effectiveness of the program and identify areas for improvement. The pilot test should be designed to test the program's key components and determine whether they are achieving the intended outcomes. One possible approach for conducting a pilot test is to select a small group of SMEs among students that are representative of the target population. The program can then be implemented with this group and data can be collected on the SMEs' digitalization progress over a set period of time. This data can be analyzed to determine the effectiveness of the program and identify areas for improvement. A pilot test can be an important step in enhancing SME digitalization through sociopreneurship-based programs. By carefully designing and implementing a pilot test, program developers can determine the most effective strategies for achieving the program's goals and objectives.

3.9 Summary

The researcher defined the research methodology in Chapter 3 by selecting the research design, research strategy, sampling technique, and data analysis. In this research, qualitative research was used as the method to collect data and information. In addition, qualitative research was chosen as the method for collecting data and information for this study because it lets researchers do in-depth analysis and avoid neutral bias while collecting data. The implementation of a sociopreneurship-based program has the potential to enhance the digitalization efforts of small and medium-sized enterprises (SMEs). Such a program combines elements of social entrepreneurship and digital innovation, fostering a supportive ecosystem for SMEs to embrace and leverage digital technologies effectively.

CHAPTER 4

RESULTS AND DISCUSSION

4.0 Introduction

This chapter will show the results of the data analysis after finished transcribed each respondent though interview session face to face and online such as google meet and telegram. The data are collected with a total of six respondent that have. All of information received during interview sessions was confidential and only used for research purpose.

4.1 Research design

In this research design, the analysis procedures are used step by step to interpret the data through the interview method. Research does the transcribe each respondent that convert audio recordings of interviews into written it helps researcher to determine the important keyword to identify the pattern, themes or concept in the interview transcripts through coding that help to highlight the significant elements. With the coding, researcher can categorize that based on group codes into sub codes based on their similarities about experience during interview. This step involves organizing the coded data into meaningful clusters. After determining the categories researcher will do comparison based on their opinion and experience each research questions so it will help researcher deeper understanding of the identified themes by interpreting their knowledge current trend of technology, the reasons SMEs adopt digitalization and evaluate about sociopreneurship program. In this case, researcher use inductive approach to gathering information and specific observation about the perspective and experience of respondents.

4.2 Respondent profile

The respondent is a student managing their own business from a public or private university to gain their perspective and experience on how digitalization affects their venture. The student's perspective may include topics such as what's going on the current trend of technology, why adopts digitalization and how the sociopreneurship program enhance digitalization of SMEs among students.

Respondent 1

Respondent 1 was identified as Muhammad Sabaruddin, a UTeM student who partners with his cousin to rent a car when they see an opportunity in Melaka. The demand for dependable and convenient transportation especially among UTeM students is rising. They provide customers with an effective and user-friendly media social platform by utilizing creative service delivery methods and strategic marketing.

Respondent 2

Respondent 2 was identified as Muhammad Taufiq has been running a bottled water business. He happy do the business while he can gain the money for his income side and he told that is not only a source of income, but also a vehicle to spread awareness about the importance of healthy living and taking care of the environment. A person who cares a lot about health and at the same time is in business to spread the importance of choosing water for health in the long term.

Respondent 3

Respondent 3 was identified as Nur Hamizah Hanna started the business of event advertising after understanding the market potential through learning experiences in event management. She utilizes theoretical knowledge and practical skills to provide quality event advertising services. Her creativity and strategic ability allow her to create memorable advertising campaigns, helping customers attract the attention of their targets.

Respondent 4

Respondent 4 was identified as Nur Hazwani that growing need for students to choose snack food on campus, Hazwani saw an opportunity to provide tasty and economical snacks. Her business also benefits the campus community by providing easily accessible food options. Hazwani not only meets the needs of students but also master's her business skills, providing meaningful practical experience apart from the academic world.

Respondent 5

Respondent 5 was identified as Nur Hidayah sell fried chicken at the night market as a side business. With her entrepreneurial spirit and love of culinary delights, she combines her cooking skills with a desire to be financially independent. Learning from the experience of running a small business, Hidayah has built a reputation for high quality fried chicken with his family's secret spices.

Respondent 6

Respondent 6 was identified as Syafiqah an ambitious UTeM student entrepreneur with a thriving coffee hub business. Syafiqah is not only excelling academically but also making waves in the entrepreneurial scene. Syafiqah's coffee hub has become more popular and have an own shop at Pangkin, Plaza Mahkota, Bandar Hilir Melaka before this her open her business at Sasana Niaga, UTeM which is place for student to sell their product and service. With a keen eye for business trends, she skilfully integrates digital tools for online orders, social media marketing, and customer engagement.

Name Of Respondent	Name Of University/Kolej	Age	Background Education	Types Of Business
Muhammad Sabaruddin	UTeM	23 years	Degree	Service (Rental car)
Muhammad Taufiq	UTeM	23 years	Degree	Food and beverage
Nur Hamizah Hanna	UiTM, Jengka	24 years	Degree	Service (Events management)
Nur Hazwani	UTeM	23 years	Degree	Food and beverage
Nur Hidayah	Kolej Mara, Banting	23 years	Asasi	Food and beverage
Nur Syafiqah	UTeM	23 years	Degree	Food and beverage

4.2.1 Table of profile respondents

The respondents consist of students pursuing degrees from different institutions. Muhammad Sabaruddin, Muhammad Taufiq, Nur Hazwani, and Nur Syafiqah are all 23 years old and studying at UTeM (University of Technology Malaysia). They have degrees and are involved in the food and beverage industry, except for Muhammad Sabaruddin, who operates a rental car service. Nur Hamizah Hanna, 24 years old, is a student at UiTM Jengka and specializes in events management services. Nur Hidayah, 23 years old, studies at Kolej Mara in Banting and is also engaged in the food and beverage sector.

4.3 Research question 1

4.3.1 RQ1: What is current trend of technology SMEs digitalization among students?

The adoption of digital technologies by small and medium-sized enterprises (SMEs) has become an increasingly important topic among students in recent years. As the next generation of business leaders and entrepreneurs, students recognize the need to understand how SMEs can leverage digital tools to enhance operations, reach new customers, and keep pace with larger competitors. Several key trends are driving SME digitalization among the student demographic. As consumer preferences rapidly

move away from cash to digital payment modes, students recognize that SMEs must keep pace by integrating secure online payments into their operations.

The current trend of technology SMEs digitalization among students revolves around the increasing adoption of e-wallets, QR codes, and debit cards as popular methods of making payments. These digital payment solutions offer convenience, security, and seamless transactions, aligning with the tech-savvy nature of students and their desire for efficient financial transactions. E-wallets have gained significant traction among students, allowing them to store funds digitally and make payments through mobile apps. Popular e-wallet platforms like Apple Pay, Google Pay, and PayPal offer a seamless user experience, enabling students to make quick payments online or in physical stores with just a few taps on their smartphones.

QR codes have also become a prevalent trend in technology SMEs digitalization among students. By scanning QR codes using their smartphones, students can make payments without the need for physical cash or cards. This contactless payment method has gained popularity due to its simplicity and ease of use, making it a preferred choice for students in various settings, including retail stores, restaurants, and even peer-to-peer transactions. Debit cards, linked to students' bank accounts, continue to be a widely used payment method. With the rise of online shopping and e-commerce platforms, students rely on debit cards to make secure transactions electronically. These cards facilitate seamless payments for both online and offline purchases, offering students a convenient way to manage their expenses.

Participation	Transaction payment method in business				
	Cash	Debit Card	QR code	Bank transfer	E-wallet
P1	I follow the situation if those who use or subscribe to rental cars we look at	'Debit card is also popular among students and office parties'	'Because now QR code err is a popular trend among students'		

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	the generation of renters, if the elderly who are not used to using modern tools prefer cash			
P2			'I often use digital payment methods, especially e-wallets and QR codes to facilitate transactions in my business'	'I often use digital payment methods, especially e-wallets and QR codes to facilitate transactions in my business'
P3		'There are also some cashless people, but they prefer to use cards to pay'	'I see is that many prefer to use QR code for online purchases'	'I prefer to use digital payment such as online banking
P4			'Many people tend to use cards	

			or QR codes so they don't have to struggle to pay, carry a wallet and others'		
P5	'I always use in business are all types of methods except debit and credit cards because those methods have to use a machine'		'For them it's easier because they just scan and buy.'		
P6			'I always errr use QR code, cash also e-wallet, grab pay'		'We use e-wallet in payment so it's quite easy'

P1-Sabaruddin P2-Taufiq P3-Hamizah P4-Hazwani P5-Hidayah P6- Syafiqah

4.3.1.1 Current trend of technology SMEs digitalization among students that using payment method in their business

From the interviews, the reveal cash still has a role, especially with older generations, but digital payments are rising in popularity. Debit cards maintain widespread use for their convenience and record keeping, though some merchant reluctance exists due to processing fees. QR code adoption is surging, particularly among youth who appreciate the ease, privacy and low cost. They are becoming

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common for online purchases and in-person transactions via apps like GrabPay. E-wallets also rate highly as they allow mobile-based transactions and ability to pre-load funds. However, some prefer anonymity over linking e-wallets to bank accounts. Bank transfers facilitate direct account-to-account payments but may be slower or less user-friendly. Businesses are transitioning to leverage QR code and e-wallet payments which customers now expect. The efficiency, lower costs, and omnichannel flexibility benefit vendors. Customers also driving adoption based on advantages like speed, security, and avoiding hassles with physical cash and cards. While cash and cards maintain a foothold in some segments, the rise of QR codes and mobile wallets is clear, especially among younger demographics. The COVID-19 pandemic further accelerated the shift away from cash. Digital payments reduce friction and costs while providing transparency. So long as open standards avoid fragmented ecosystems, seamless mobile-based QR commerce could displace older payment rails. This is a major trend, with students adopting more digital payment platforms and mobile money over traditional cash. There also adoption of sales or inventory software such as Point-of-sale and inventory management software is becoming more common to track student business operations. The awareness among students regarding technology SMEs digitalization is expected to be relatively high. Students today are generally well-connected and have access to various technological devices and platforms. They are likely to be familiar with the concept of digitalization and its impact on businesses, including SMEs. Moreover, educational institutions often emphasize the importance of technology and digital skills, which further enhances students' awareness of digitalization trends. The analysis of the table indicates that among the mentioned payment methods (cash, debit card, QR code, bank transfer, and e-wallet), there is a significant emphasis on the use of QR codes and e-wallets. These digital payment methods are preferred for their convenience and ease of use in various business transactions. Debit cards and bank transfers are also acknowledged as common payment options. Cash remains relevant, particularly for customers who are not accustomed to digital tools or for certain types of transactions.

4.3.2 The respondent's opinions on the current trends in payment methods.

'*Not everyone likes to hold cash in their hands and they prefer to keep money in a bank or online bank'* – Sabaruddin

'*People started spending more with digital payment methods than cash transactions due to MCO'* – Taufiq

'*Digital payment methods are easier than cash transactions. is just bring a mobile phone and cashless it's like using e-wallet or online banking. Arrr while for this cash transaction, it's a bit complicated, people say it's difficult to bring a wallet.*' – Hamizah

'*Many people tend to use cards or QR codes so they don't have to struggle to pay, carry a wallet and others.'* – Hazwani

'*I always use in business are all types of methods except debit and credit cards because those methods have to use a machine.'* – Hidayah

'*Potential payment method is QR code because it can be used anywhere'* – Syafiqah

The interviews reveal a clear shift away from cash to digital payments, especially among younger generations. Sabaruddin notes how some now prefer to keep money in banks/online rather than physical cash. The COVID-19 pandemic accelerated adoption of cashless payments according to Taufiq. Ease of use is also driving the transition as Hamizah points out - mobile-based options like e-wallets require only a phone versus the hassle of carrying cash and cards. QR code adoption is surging, including for in-person transactions, as Hazwani mentions. Syafiqah also sees QR codes as having great potential for ubiquity. Customers appreciate the speed, convenience and security of QR code payments compared to fumbling with cash. However, merchants have some reluctance around card payments as Hidayah notes, likely due to the transaction fees involved with debit/credit card processing. So options like QR codes that avoid card machine costs provide a beneficial alternative. In summary, digital payments, especially QR codes and mobile wallets, are displacing cash and even cards due to strong customer demand for convenience, security, and simplicity. The pandemic accelerated an already growing shift away from cash. While cash will persist to some degree, businesses and customers clearly both benefit from

adoption of seamless digital payment options. The analysis shows digital payment systems meeting user needs are likely to dominate going forward.

Transaction payment method in business	Interview data from respondents					
	P1	P2	P3	P4	P5	P6
Cash	H	M	M	M	H	M
Debit card	M	L	M	L	L	L
QR code	H	H	H	H	H	H
Bank transfer	M	M	H	M	M	M
E-wallet	M	H	M	M	M	H

(H- High usage M- Medium usage L-Low usage)

P1-Sabaruddin P2-Taufiq P3-Hamizah P4-Hazwani P5-Hidayah P6- Syafiqah

4.3.2.1 Current trend of level usage transaction digitalization among student in technology SME that has been identified through interviews

In the table summarizes interviews with six respondents on their usage of different payment methods for business transactions. Cash sees medium to high usage overall, indicating it still maintains a significant role, especially among certain demographics. However, QR codes rate highly across all respondents, suggesting this digital payment method is gaining significant traction and may eclipse cash going forward. QR code usage is high for all six respondents. Its quick, secure, cashless nature appears to provide strong utility for both businesses and customers. QR codes avoid the need for expensive card processing machines and merchant fees associated with debit/credit card payments. The widespread adoption of QR code payment apps like GrabPay also promotes usage. QR codes streamline transactions for vendors and offer convenience for consumers. E-wallets have high to medium usage among respondents. Their mobile-based access and ability to hold pre-loaded funds appeals to users. However, e-wallets may require linking to a bank account which reduces anonymity. Consumers potentially prefer QR codes for the added privacy benefit. E-wallets also have some geographical limitations compared to the wider international interoperability of QR codes. Bank transfers and debit cards see medium usage overall. Bank transfers allow payments directly from bank accounts but may have slower

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processing times that reduce convenience. Debit cards require a merchant account and fees but provide accessibility for established businesses. Declining debit card usage indicates users are shifting to faster QR code payments that cut out the middleman.

4.4 Research question 2

4.4.1 RQ2: What are the reasons for SMEs digitalization?

The trend of technology adoption by small and medium-sized enterprises (SMEs) is rising sharply among students for several compelling reasons. Firstly, students recognize the environmental influences and competitive pressures pushing SMEs towards digital transformation. With rapidly evolving technologies and digital-first customers, SMEs must adapt or risk falling behind. Secondly, students see digitalization as vital for SMEs to remain competitive in the market. By implementing digital tools, SMEs can reach broader audiences online, analyze data to refine offerings, automate processes for efficiency, and provide an omnichannel experience. These capabilities allow SMEs to better compete with large corporations.

Following the interviews, researchers have identified that certain respondents attribute their adoption of digitalization in their business to a primary factor.

Reasons for SMEs digitalization	Participation					
	P1	P2	P3	P4	P5	P6
Environmental influence	✓	✓	✓	✓	✓	✓
Market competition	✓	✓	✓	✓	✓	✓
Customer engagement	✓	✓	✓	✓	✓	✓
Reduce the operational costs			✓	✓		✓
Competitive pressure	✓		✓	✓		✓

P1-Sabaruddin P2-Taufiq P3-Hamizah P4-Hazwani P5-Hidayah P6- Syafiqah

4.4.1.1 Reasons of SMEs adoption digitalization

'*They prefer to use the online system to make transactions so when I create the idea of using online and digital transactions, customers are more interested in coming to order a car with me.*' – Sabaruddin

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'*Transformation can develop and give competitiveness because nowadays most people only carry mobile phones everywhere*' – Taufiq

'*We should upgrade, our marketing. What kind of techniques for us to apply digitalization in the right way to reach customers. Through err what does the customer have an opinion and decision haa like that.*' – Hamizah

'*I save my time and my cost, my fuel money to go to my place of business and deal with them.*' – Hazwani

'*I start using this digital method, many customers come to the store, and I automatically increase my knowledge about digitalization and can increase my business profit twice as much as before.*' – Hidayah

'*Customer asks if they can pay using a QR code, can they use an e-wallet? So, when I see customers like that, I see their demand for digitalization.*' – Syafiqah

The table shows the top factors cited are environmental influence, market competition, customer engagement, reduced costs and competitive pressure. This aligns with digital adoption being driven by both market pull and push factors. According to the interview excerpts, a major theme is satisfying the growing demand from customers for digital payment and commerce options. Sabaruddin, Taufiq, Hamizah, and Syafiqah all emphasize how digital functionalities effectively allure and retain customers who now anticipate omni-channel experiences. Obtaining a competitive edge is also a recurring incentive. Hidayah attributes the doubling of profit directly to the use of digital tools. Hazwani and Taufiq observe the benefits of time and cost savings, which enhance operational efficiency. Hamizah prioritizes enhancing marketing strategies to avoid falling behind. Essentially, in order to remain relevant in the face of shifting consumer behaviors and competitive pressures, digitalization has become a necessity. Those who do not engage in digitization run the risk of losing customers to technologically proficient competitors. The quotes exemplify how the adoption of digital technologies is frequently prompted by the discerned preferences of customers. Small and medium-sized enterprises acknowledge digitalization as an imperative for staying competitive, rather than merely a new and optional choice. The analysis confirms that customer-centricity and competitiveness are the two main

factors driving digital transformation. Success entails swiftly adjusting to emerging technologies that customers currently consider as standard. SMEs must possess digital fluency in order to prosper in the contemporary landscape of the 21st century.

4.4.2 Benefits of adopting digitalization in a business.

'The benefits of using errr this digitalization method are many errr it seems errr what I mentioned earlier it can make it easier for us to carry money anywhere by just carrying the phone no need to carry a lot of cash to fill the bank or our pockets' – Sabaruddin

'Digitalization in my business can facilitate purchase transactions because customers only need a mobile phone to make payments' – Taufiq

'The benefit is free marketing. Save capital by using technology like social media err which is our marketing method is more extensive without limits. Business products can penetrate the international market if there is a way to promote them.' – Hamizah

'The benefit of using digitalization is that the job is easy, the business is easy and in terms of ordering and payment. This gives competitiveness and resilience between traders to advance their business' – Hazwani

'By using digitalization I can continue my business and automatically, I make sure my business stays running and competitive because it is very important to learn this digital payment' – Hidayah

'Easy and fast so people won't have to wait to pay, people won't have to wait to find money' – Syafiqah

A key benefit mentioned is convenience and ease of transactions, highlighted by Sabaruddin, Taufiq and Hazwani. Digital payments allow customers to simply use their phones rather than cash. This simplicity and flexibility help drive sales. Hamizah also notes how digital tools facilitate international reach and penetration into new markets. Several interviewees emphasize the marketing advantages of digitalization. Hamizah points out social media provides free marketing without geographic limits. Hidayah notes digitalization helps ensure her business stays visible and competitive. Digital marketing levels the playing field for SMEs to reach broader audiences.

Operational efficiency is another benefit according to Hazwani. Digital systems streamline processes like ordering and payment. This reduces friction in transactions and makes the business more agile and resilient. It also lowers overheads once manual tasks are automated. A core theme is that digitalization provides indispensable advantages to SMEs today. It enables them to stay relevant, compete with larger players, access global markets, reduce costs, and meet customer expectations. Digital fluency is becoming mandatory regardless of company size. Those who embrace it reap benefits, while digital laggards fall behind competitors. The analysis shows that for modern SMEs, digital adoption is a necessity, not a choice.

4.5 Research question 3

4.5.1 RQ3: How can sociopreneurship program enhance digitalization of SMEs?

Sociopreneurship programs are emerging as an effective approach for empowering students to support small and medium enterprise (SME) digital transformation. Sociopreneurship combines social impact initiatives with entrepreneurial skills and mindsets. Through hands-on sociopreneurship programs, students can directly apply their digital knowledge to help SMEs adopt new technologies. There are several ways student-led sociopreneurship can boost SME digitalization. Students can consult with SMEs to assess their technology needs and readiness. They can provide training to SME leaders and employees on utilizing digital tools and platforms. Students can develop digital strategies for SMEs aligned to their business goals. They can also collaborate to implement new systems like e-commerce channels, CRM software, email marketing, and social media engagement.

Additionally, student teams can help SMEs analyze data and optimize business processes for efficiency through digital means. They can drive digital marketing campaigns and customer outreach through online channels. With guidance, students can even build website and mobile applications catered to SME requirements. By directly working with SMEs through sociopreneurship initiatives, students get hands-on experience while accelerating technology adoption. These partnerships allow students to apply their latest digital knowledge to real-world SME settings for mutual

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benefit. Consequently, sociopreneurship is a promising avenue to foster greater SME digitalization.

Has the participant ever been involved with a sociopreneurship program before?

'I have previously been involved with sociopreneurship programs, err, if I'm not mistaken, not too much and not too little, almost in 5-6 programs' – Sabaruddin

'Err, the last year ermm, UTeM held an embroidery program which was to meet err or whatever err err rural entrepreneurs to share err opinions and ideas about this digitalization' – Taufiq

'I am involved in a sociopreneurship program from the University where the University encourages students and rural entrepreneurs to help them improve and expand their businesses. From there we will teach these rural entrepreneurs to use social media and promote their products through the Facebook and TikTok platforms.' – Hamizah

'I went to a sociopreneurship program and I was able to learn a lot from that program. One of them, to be able to identify, identify what kind of arr technology for me to market my product to be more widespread in technology.' – Hazwani

'I've joined MAHA under MAIS' – Hidayah

'I got involved in some sociopreneurship programs. Okay, mostly it's a university recommendation and for my business I use errr, I help the Single Mother community to include their products in my cafe in my business. Meanwhile, in the University, I try to help the Juvenile community and also the prisoner community, but that thing is now in progress, still in progress.' – Syafiqah

Most interviewees indicate having some prior experience with sociopreneurship programs, though the extent varies. The programs were offered through various channels - universities, government agencies, and NGOs. The programs covered a variety of topics like embroidery, digitalization, social media marketing, and identifying relevant technologies. This shows participants have been exposed to different skills development. The programs helped participants in practical ways like promoting products online and including vulnerable groups in their

businesses. This demonstrates tangible impacts on SME operations and communities. Participants were able to learn valuable lessons about digital skills and marketing their businesses more widely using technology. This reflects that the goals of prior programs to enhance digitalization were achieved. The capacity building aligns with equipping traditional SMEs for the digital economy. The hands-on nature is emphasized by Hamizah and Hazwani, with practical guidance on leveraging technologies like social media and e-commerce. Direct skills application drives adoption. Hidayah's limited response indicates there may be some cohorts who have more minimal exposure to institutionalized sociopreneurship initiatives thus far. Syafiqah highlights how programs enabled synergy between her business and community groups. This exemplifies the collaborative approach sociopreneurship can foster.

Reviews and feedback students after joining the sociopreneurship	Participation					
	P1	P2	P3	P4	P5	P6
Hands-on learning and direct application of digital skills.			✓	✓		
Access to experts and mentors.			✓	✓		
Sharing of ideas spreads digital adoption more widely.	✓					
Raising awareness of the importance of digitalization.		✓			✓	
A learning mindset is critical to keep pace with digital change.		✓				✓
Students gain well-rounded support via knowledge, skills training and community.	✓	✓	✓	✓	✓	✓

P1-Sabaruddin P2-Taufiq P3-Hamizah P4-Hazwani P5-Hidayah P6- Syafiqah

4.5.1.1 Feedback and positive impact about sociopreneurship program

'From this program we can expand our knowledge so err we for us to expand business is better and at the same time we also get connections from other people and build bonds' – Sabaruddin

'Through participation in the program, I am confident that it can continue to improve itself and have a positive impact on the community and can develop the entrepreneurial community.' – Taufiq

'Through this program we can learn from the right experts, they will teach us the right way to market and grow our business' – Hamizah

'I think this is one of the good programs for today's society who don't know about digitalization and technology so this is one of the programs that is suitable for them to enter or join because this is one of the programs that increase their potential in terms of media social, so they don't have to worry about doing business in social media.' – Hazwani

'we as dealers play an important role to expand this program so that other customers can know and experience the advantages of this program for themselves' – Hidayah

'I think it's very worthwhile to improve our knowledge because as a student we have to have a sense of inquiry to learn and increase our knowledge so that we will improve ourselves, improve our business and also improve our economic life.' – Syafiqah

From their opinion, expanding knowledge is seen as a key benefit. Sabaruddin and Syafiqah point out the program provides learning opportunities to improve business practices, especially digitalization. Staying up to date on technology is crucial for SMEs. Gaining connections and community is also valuable per Sabaruddin. Peer learning and networking helps spread digital adoption. Collaboration can assist those struggling with technology. Hamizah and Hazwani note the program offers guidance from experts to build digital capabilities. The proper training and mentorship accelerate digital transformation. Enhanced social media and digital marketing skills are called out by Hazwani. The program can demystify online selling for traditional SMEs through hands-on guidance. Hidayah highlights the role of promoters to showcase the program's advantages. Successful examples and testimonials encourage wider participation and digital adoption. Syafiqah emphasizes the inquisitive mindset

needed to continually improve and evolve. Also, it helps entrepreneurs especially those unfamiliar with technology, gain skills and confidence in using digital tools and platforms. Overall, the program provides multidimensional support to advance the digitalization of SMEs - knowledge, community, expert guidance, practical training, promotion channels and a learning mindset. Collaborative learning ecosystems are invaluable in navigating the rapid pace of digital change. Sociopreneurship programs can raise awareness among students about the importance and benefits of digitalization for SMEs. These programs can educate students on the potential of digital tools, technologies, and platforms for business growth, efficiency, and sustainability. By highlighting real-life success stories through interviews, students can better understand the impact of digitalization on SMEs.

4.6 Summary of findings
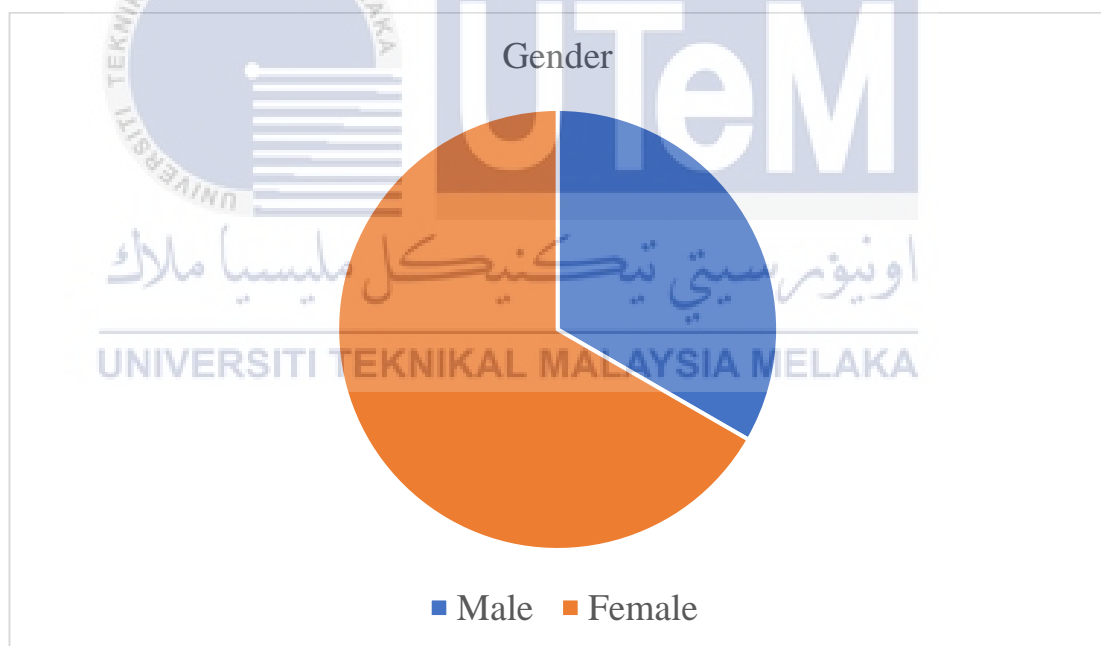
4.6.1 Respondents' gender

For my final year project, I conducted interviews with 2 male and 4 female participants. The purpose of the interviews was to gain insights for my research on enhancing SME digitalization through sociopreneurship – based program. Though a small sample size, the interviews revealed the current trend that most use in payment method, reasons to adopt digitalization and enhance sociopreneurship program. Further research is needed with a larger sample to better understand in this topic.

Name of Universtiy/Kolej

■ UTeM ■ UiTM ■ Kolej Mara
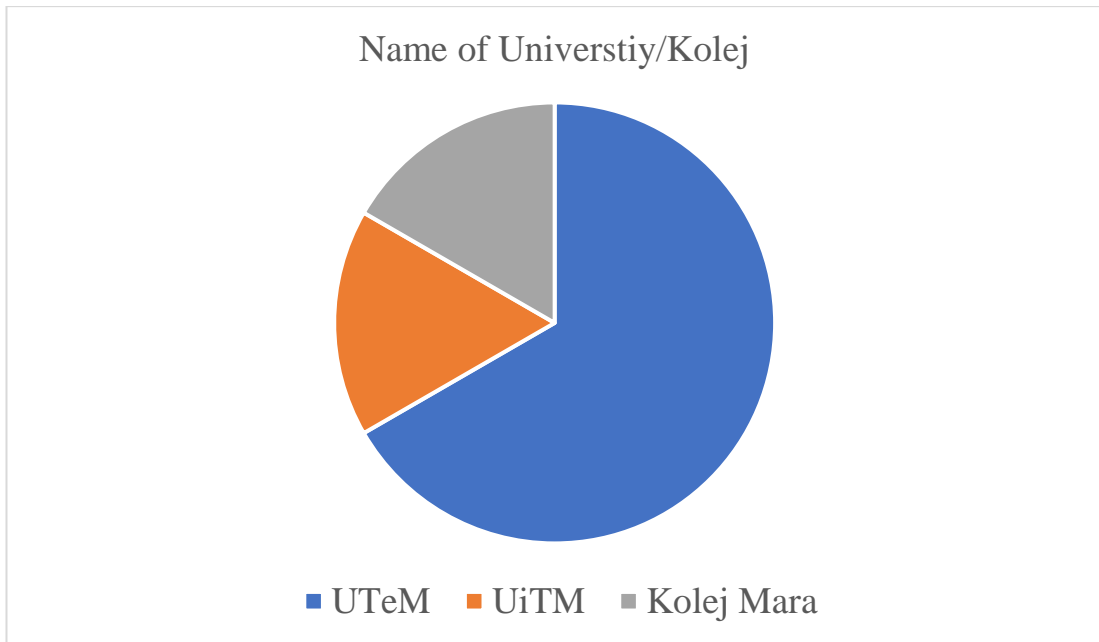
4.6.2 The name of the respondent's university or college

Almost above shows that from 6 respondent that I have interviews, four of them are from UTeM and while the remaining 2 were from other institutions which is 1 from Universiti Teknologi MARA (UiTM) in Jengka, Pahang and 1 from Kolej MARA Banting, Selangor.

Age
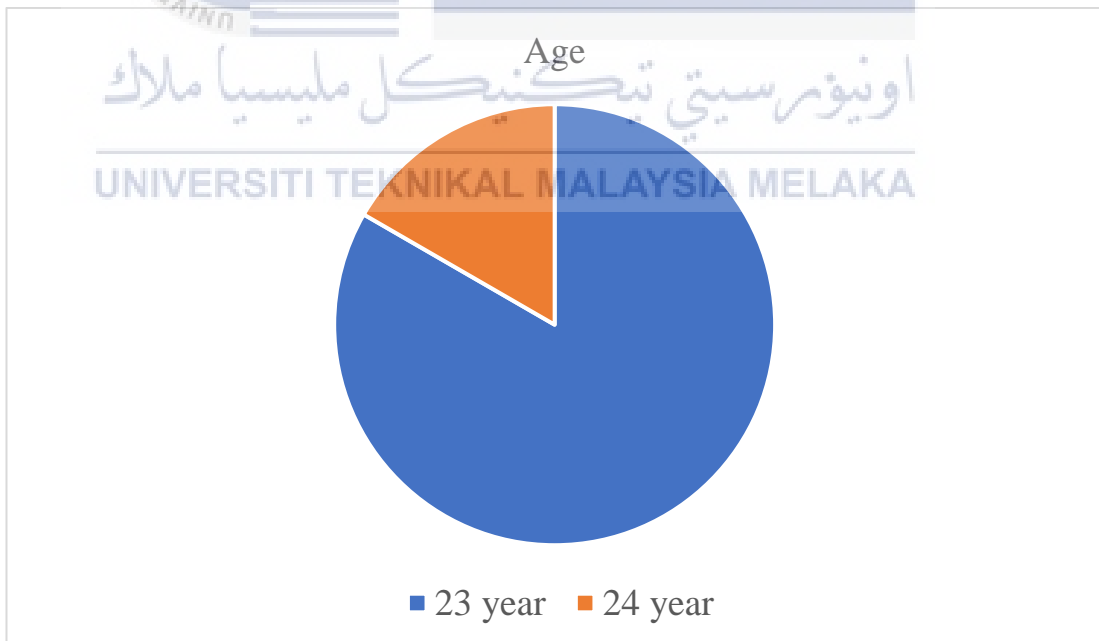
■ 23 year ■ 24 year

4.6.3 Age of respondents

Looking at the age distribution, 5 out of the 6 respondents were 23 years old, while only 1 respondent was 24 years old. This shows that the majority or 83% of the respondents were 23 years old, while just 17% were 24 years old.

Background of Education
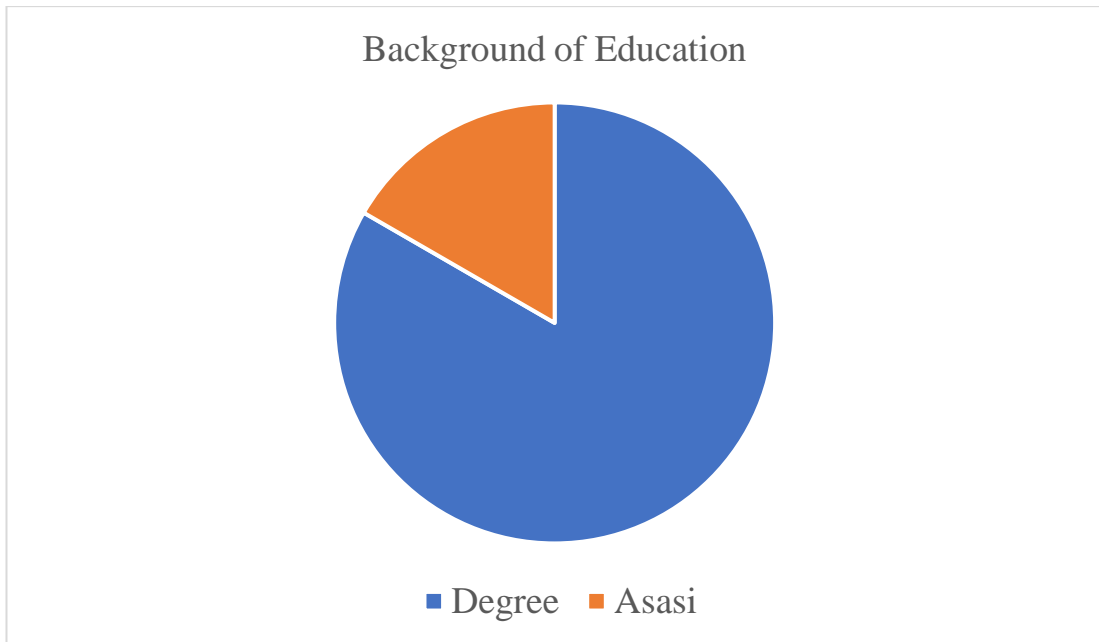
■ Degree ■ Asasi

4.6.4 Background education of respondents

Looking at the background education, 5 out of the 6 respondents had a university degree. The degrees varied among the respondents. Only 1 respondent had an Asasi (pre-university) level of education. In terms of education, most respondents (83%) had a university degree, while just 1 respondent (17%) had an Asasi level education.

Types of business

- Service (Rental car)
- Food and beverage
- Service (Event management)
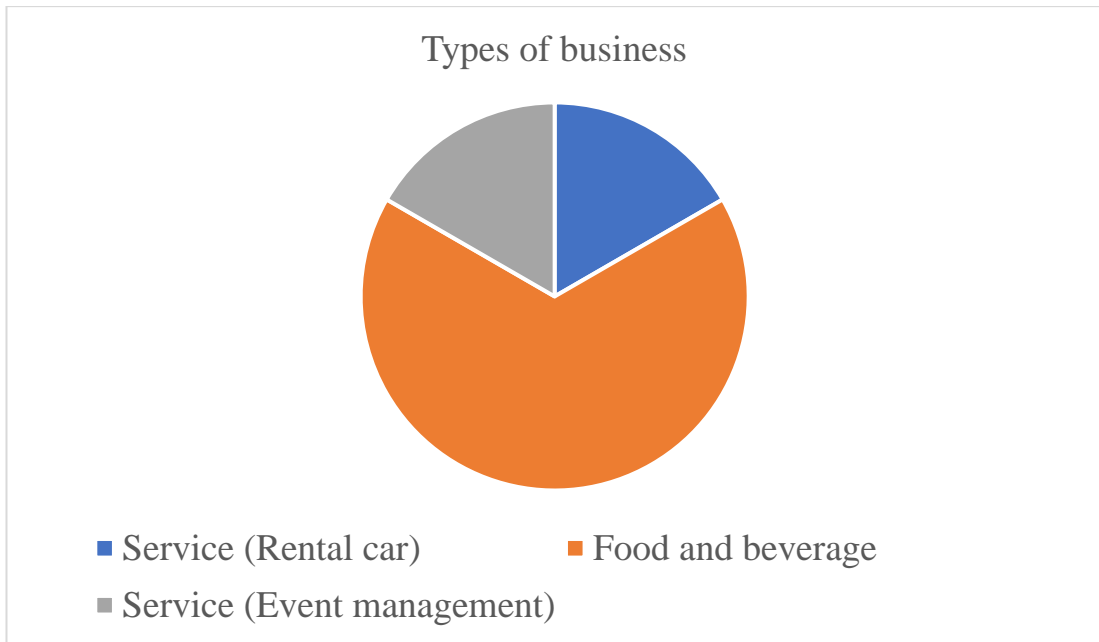
4.6.5 Types of businesses that respondents conduct

In terms of types of businesses, 4 out of the 6 respondents owned food and beverage businesses. The remaining 2 respondents had service-based businesses which is 1 in car rental and 1 in event management. The majority or 67% of respondents operated food and beverage businesses, while 33% had service-based businesses in car rental and event management.

Transaction payment method in business

- Cash
- Debit card
- QR code
- Bank transfer
- E-wallet
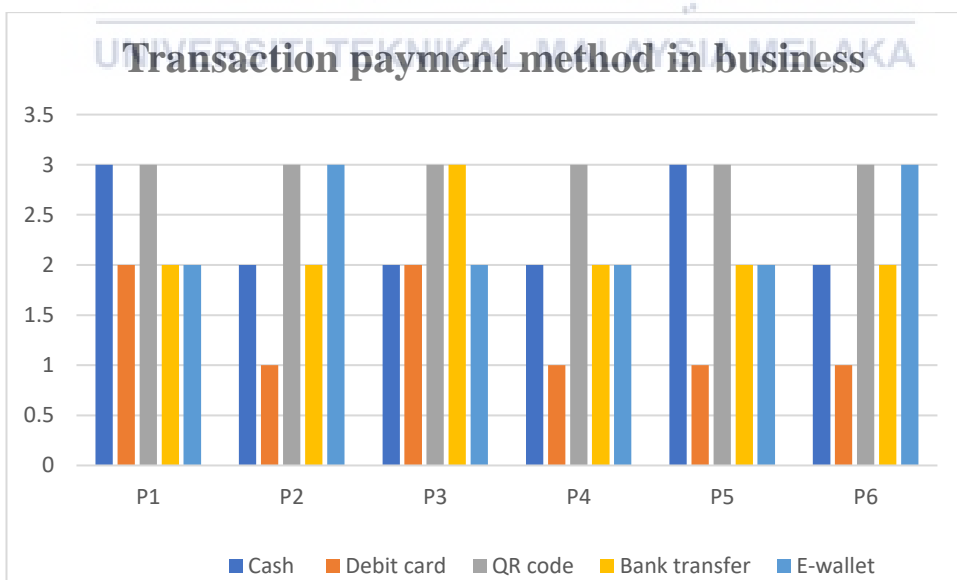
4.6.6 Use of payment methods

High usage = 3

Medium usage = 2

Low usage = 1

Figure shows the usage of participants use in their business. The research determines the value of the interviewee result by using numeric that is for high usage is 3, for the medium is 2 meanwhile for the low is 1.

Students are increasingly embracing digital payment methods such as e-wallets, QR codes, and debit cards as part of the growing trend of SME digitalization. These features offer ease, protection, and smooth transactions that are in line with the preferences of students. Reasons for SME digitalization include environmental influences, market competition, customer engagement, reduced costs, and competitive pressures. It is influenced by both market demand and supply factors. The primary advantages of digitalization for small and medium-sized enterprises (SMEs) include improved operational efficiency, increased market reach, informed decision-making based on data analysis, seamless customer experience across multiple channels, and enhanced competitiveness. It is increasingly imperative, rather than discretionary. The previous experience with the sociopreneurship program was generally positive, although it varied among different segments of small and medium-sized enterprises (SMEs). The programs facilitated the development of digital skills, supported marketing efforts, and encouraged collaborations. Sociopreneurship programs can bolster the digitalization efforts of small and medium-sized enterprises (SMEs) by facilitating the exchange of knowledge, providing expert guidance, offering practical training, fostering a sense of community, promoting successful case studies, and cultivating a curious and inquisitive mindset. Students acknowledge the importance of SME digitalization and are ready to promote its implementation through sociopreneurship initiatives, which facilitate the exchange of digital skills and experience. The results confirm that the digital transformation of small and medium-sized enterprises (SMEs) is becoming increasingly necessary due to market pressures and customer demands. Students actively participate as collaborators in this process, contributing their knowledge and skills acquired through their extensive use of digital technology and exposure to sociopreneurship.

4.7 Conclusion

The adoption of digital technologies by SMEs has transitioned from being optional to being essential, as student collaborations have the potential to improve proficiency in technology. The research makes it clear that small and medium-sized businesses can't do without digital skills these days. People who don't participate risk becoming less relevant and competitive. Some cash and paper processes are still used, but mobile and online solutions are becoming more common, especially among younger people. To succeed, SMEs must consistently adjust their operations to accommodate emerging technologies and meet customer demands for digital experiences. Sociopreneurship initiatives that promote technology adoption and digital literacy can assist SMEs in navigating this transition.

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.0 Introduction

The research in Chapter 4 provides valuable insights into the current trends of payment method, the reason for SMEs digitalization and evaluate sociopreneurship program enhance digitalization of SMEs. This chapter will also discuss on the research limitation and the recommendation for the future studies the enhancing SME digitalization through sociopreneuship – based program.

5.1 Discussion major finding of three research objectives

The adoption of digital payment methods is rapidly increasing among SMEs by students. This trend is being driven by a combination of market forces and social influences. This was apparent in the examination of the three research questions investigated in Chapter 4. The findings of research question one indicates a distinct transition towards digital payments in SME digitalization trends. Cash remains prevalent due to its ingrained usage, particularly among older age groups. However, the adoption of QR codes and mobile wallets is increasing rapidly, especially among young people. Digitally proficient students value the effectiveness, safety, and ease of use of mobile payment applications. Debit and credit cards are still used to a reasonable extent, although some merchants are hesitant due to processing fees. E-wallets are highly regarded for their convenient mobile accessibility, whereas QR codes are favoured for their ability to maintain privacy and facilitate interoperability. Customers are promoting the adoption of digital payment methods due to the benefits they offer, such as rapidity, user-friendliness, and the ability to avoid the necessity of carrying physical currency or cards. Nevertheless, cash continues to be prevalent among specific demographic groups such as the elderly.

The second research question examined reason for SMEs digitalization. Analysis identified a combination of market pull and technology push drivers. Environmental influences, competitive pressures, customer engagement and cost reduction are key factors motivating SME digitalization. Customers are demanding digital options with businesses adapting accordingly. The competitive climate also necessitates adoption to meet standards. Moreover, digital tools offer advantages like cost savings, expanded reach and streamlined operations. SMEs acknowledge technology adoption as an imperative, not just a choice, in order to remain relevant. Customer engagement emerged as a major motivator, with businesses adopting digital tools in response to changing consumer preferences. In today's business world, digital skills must be on par with those of larger companies. The need to keep up with peers and industry standards affects decisions about adoption. The study showed that SMEs see digital fluency as a must for staying relevant, not just an option. On the other hand, push factors come from the benefits that digital technologies themselves offer such as lowering costs, being able to grow, and making decisions based on data. Through digitalization, businesses are able to achieve streamlined operations, global reach, and informed insights. SMEs agree that these benefits are major reasons for adoption. SMEs are pushed toward digitalization by both market forces outside the business and operational factors inside the business. Adoption is driven by customer behaviour and competitive benchmarks while business are drawn to digital tools by the way technology works inherently. The fact that there are both push and pull factors creates a dynamic where they reinforce each other. SMEs don't just see digitalization as a goal but they see it as a must in today's rapidly changing digital economy. This has huge effects on programs that help small businesses and try to speed up the adoption of new technologies so that these businesses can stay competitive and survive.

Finally, the third research question explored sociopreneurship as a facilitator of SME digitalization. Participants had limited but positive prior exposure to collaborative digital skills programs. Case studies reveal hands-on learning and peer networking can transfer digital literacy from students to traditional SMEs. This propagates technology usage through social channels. Sociopreneurship provides multifaceted support via knowledge exchange, training, resources, and community building to advance technology adoption. The research found that sociopreneurship initiatives have promising potential to facilitate digital adoption among traditional

SMEs. Hands-on programs that foster collaboration between students and small business owners can transfer digital skills and mindsets. Participants had limited but positive exposure to cooperative digital literacy projects. Case studies highlighted tangible benefits like bolstered social media marketing capabilities. This demonstrates how students can directly impart technology knowledge through sociopreneurship partnerships. These programs make learning ecosystems with many parts, such as sharing knowledge, getting help from experts, using training materials, and building communities. Peer networking is very helpful because it helps spread the use of technology through social networks. Small businesses that aren't familiar with digital tools can learn from students who are in a sociopreneurship setting. Peer-to-peer learning across generations is a good way for small businesses to improve their digital skills and confidence. Programs that are based on mutual benefit and exchange encourage people to take part. Case studies of successful digital adoption also encourage more people to join in.

5.2 Contribution of the research

The in-depth interviews in Chapter 4 provide unique insights into digital payment behaviors, motivations, and sociopreneurship perspectives directly from student entrepreneurs. The research captures rich descriptions of youth experiences and preferences regarding digital adoption. Their excitement about ways to pay without cash shows how attitudes are changing. By asking people to tell their own stories, the study provides insight into complex motivations like balancing the needs of customers with the needs of competitors. The quotes show that going digital is no longer a choice but a necessity for staying relevant. The participant who have been through the sociopreneurship program before are very enlightening. The detailed reflections show how digital skill-sharing and peer networking work in real-life groups. This is strong evidence to back up this model of how social digital diffusion works. Overall, the qualitative part gives us important context by showing us the human experiences. Policymakers and business leaders can use these insights to learn how to connect with the next generation of small business owners in a way that works for them. The study shows that young people are eager to use new technologies like social commerce and mobile payments. Malaysia's small and medium-sized businesses can quickly become digital if they use this energy and knowledge.

5.3 Limitation of study

The limitation of study is only six student entrepreneurs were interviewed. Talking to more young business owners could reveal additional viewpoints and experiences. The small sample size makes it hard to generalize the findings. All of the participants were from the same university program in the same part of Malaysia. Better representation would come from hiring student SMEs from all over the country. Right now, the results can't be used in many situations because of their small scope. The study only looked at businesses that were run by students. By looking at how young and old small businesses use technology, we might be able to find areas where they are lacking. This comparison was not good enough. The information on payment methods came from participants' best guesses. Getting actual sales records could give more accurate and unbiased information. There are limits to self-reported data. The differences between types of businesses were not looked at. The ways that different industries like retail, services, manufacturing, and so on, adopt new technologies may be very different. Knowing the problems could help with better support. Getting rid of these problems could make future research better. Overall, though, the exploratory study gives us useful baseline data, even if it's not conclusive. We can learn more about SME digitalization by building on these first results.

5.4 Recommendation

The programs should help more student-run SMEs get access to technology skills training. Simple workshops on digital marketing and e-commerce can give them a boost. To understand adoption challenges, surveys across Malaysia are needed. This lets us see where the gaps are in digital abilities based on location, industry, age of business and so on. This exploratory study provides initial evidence of the promise of sociopreneurship for building SME digital capabilities, further research is needed to optimize such initiatives. Firstly, longitudinal tracking should evaluate technology adoption among SMEs over time after participating in cooperative programs relative to peers not involved. The sampling must expand beyond a handful of university students to encompass diverse SMEs across sectors, locations, size, demographics, and digital maturity levels. This will strengthen generalizability of findings and suitability of programs for broad scaling. Comparing technology utilization between trained SMEs and untrained counterparts is also insightful.

Industry groups can develop user-friendly guides to technology for SMEs based on the readiness levels. Step-by-step resources make digital migration less intimidating. Banks can give discounted lending rates for SME tech investments. Low-cost loans for digital equipment and software make adoption more feasible. Digital incentives can be offered for cashless transactions, such as tax deductions. This accelerates the shift away from cash among customers. Standardized national QR code payment platforms should be established through public-private partnerships. Fragmentation inhibits adoption. Rural internet access can be expanded so location does not inhibit tech usage. Digital equity must be ensured across geographic regions. Programs pairing student entrepreneurs with traditional SMEs facilitate digital knowledge transfer. This social support system propagates adoption. Simple, targeted support based on capability assessments, incentivizing technology investments, expanding rural infrastructure, enabling peer networking and leading by example with digital role models can help more SMEs transition successfully to the digital economy.

5.5 Summary

This study shows that SMEs run by students are leading the way in using digital payments. This has implications for the whole small business ecosystem. It shows the push and pull factors that cause technologies to spread. By using students' tech skills for good, sociopreneurship appears as one way to bring digitalization to small businesses that have been around for a while. More research can give us a better understanding of digital divides, help us figure out how to fix them and show how things change over time. However, this first study gives us a good idea of how student entrepreneurs use digital payments and what drives them. The results can help businesses and the government speed up the digitalization of small and medium-sized businesses. Malaysian SMEs need to adopt new technologies in order to stay competitive, and young people have shown they can lead the way in this.

Essentially, a primary focus of research should be on conducting thorough program evaluation and enhancing its quality. This encompasses pre and post-participation evaluations, comparison between groups that received training and those that did not, mechanisms for receiving feedback, and ongoing tracking over a period of time. In order to accurately measure the actual effects of sociopreneurship, it is

ultimately preferable to conduct extensive randomized controlled trials on a large scale. By engaging in ongoing learning and improvement, SMEs can fully realize the transformative power of digitalization. The progress in studying cooperative models for SME technology adoption necessitates a comprehensive approach, encompassing the validation of long-term effectiveness, the optimization of program design according to specific circumstances, the maximization of inclusion and accessibility, the standardization of diagnostic and evaluation tools, and the amplification of participant perspectives. This evidence-based and inclusive approach will facilitate data-driven decision-making to strengthen sociopreneurship programs as catalysts for empowering digital transformation across a wide range of small and medium-sized enterprises (SMEs) in Malaysia.

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APPENDICES

GANTT CHART FOR FINAL YEAR PROJECT 1

ACTIVITIES	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8	WEEK 9	WEEK 10	WEEK 11	WEEK 12	WEEK 13
PSM briefing	■												
Find research topic	■	■	■										
Meeting with supervisor	■	■	■	■	■		■	■	■	■	■		
Research journal	■	■	■	■		S							
Topic research confirmation			■			E							
Research question and research objective			■	■		M							
Writing on Chapter 1				■	■		■						
Discussion of chapter 2 with supervisor						B	■	■					
Briefing of chapter 3 with supervisor						R		■					
Writing on Chapter 2						E	■	■	■	■			
Writing on Chapter 3						A					■	■	
Preparation of slide presentation						K						■	
Submit full report												■	
Presentation of FYP 1												■	
QnA session													■

GANTT CHART FOR FINAL YEAR PROJECT 2

Activities	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15
Make a questions	■	■													
Discuss the question with supervisor			■	■											
Looking for respondents for interviews					■										
Interview session with respondent						S	■	■	■						
Make a transcript for each respondent after the interview						E			■						
Discuss with supervisor to do chapter 4						M				■					
Write up chapter 4: Discussion and Analysis										■	■				
Completion of chapter 4: discussion and analysis						B					■	■			
Write up 5: conclusion						R						■			
Completion of chapter 5: conclusion						E						■			
Do full report and poster						A						■			
Submission report and poster draft						K						■			
Presentation													■		
Do the correction on Final Year Project														■	
Submission of report and slide presentation															■

INTERVIEW QUESTIONNAIRE

ENHANCING SME DIGITALIZATION THROUGH SOCIOPRENEURSHIP – BASED PROGRAM

This interview question was used to learn about the SMEs' current technological trends, the reasons behind their adoption of digitalization and get their views from SMEs on their digital needs and how a program like this could support them.

Current Trend of Technology (Payment Method)

1. What do you think about digital payment methods and traditional cash transactions? What are the latest trends in digital payments that you know? If you don't mind, can you share your types of transaction payment method that you use in business?

Apakah pendapat anda tentang kaedah pembayaran digital dan transaksi tunai secara tradisional? Apakah trend terkini dalam kaedah pembayaran digital yang anda tahu? Jika anda tidak keberatan, bolehkah anda berkongsi jenis kaedah pembayaran transaksi anda yang anda gunakan dalam perniagaan?

Types of payment method *Jenis kaedah pembayaran*	Traditional payment *Bayaran secara tradisional*	Tick (/) Tanda (/)	Digital payment *Pembayaran melalui digital*	Tick (/) Tanda (/)
1	Cash *Tunai*		QR code *Kod QR*	
2	Credit card *Kad kredit*		Bank transfer *Pemindahan wang secara talian*	
3	Debit card *Kad debit*		E-wallet *E-dompet*	
Others: *Lain-lain:*				

2. What are the potential digital payment method and how can it improve business? And what are the digital payment method that you more focus to engage your potential customer?

Apakah kaedah pembayaran digital yang berpotensi dan bagaimana ianya boleh meningkatkan perniagaan? Dan apakah kaedah pembayaran digital yang anda lebih fokuskan untuk melibatkan bakal pelanggan anda?

3. In your opinion, is digital payment essential in ensuring success and growth in today's modern business? What the pros and cons about digital payment in your view?

Pada pendapat anda, adakah pembayaran digital penting dalam memastikan kejayaan dan pertumbuhan dalam perniagaan moden hari ini? Apakah kebaikan dan keburukan pembayaran digital pada pandangan anda?

4. Does the use of digital payments increase the convenience and comfort of customers in their financial affairs? Why young people choose digital payments over traditional payments?

Adakah penggunaan pembayaran digital meningkatkan keselesaan dan keselesaan pelanggan dalam urusan kewangan mereka? Mengapakah golongan muda lebih memilih pembayaran digital berbanding pembayaran secara tradisional?

5. Is your business able to adapt digitalization after covid-19 to perform transaction payment smoothly? Did you recognized the importance of digitalization in ensuring smooth transaction payments, especially in the covid-19 era?

Adakah perniagaan anda dapat menyesuaikan pendigitalan selepas covid-19 untuk melaksanakan pembayaran transaksi dengan lancar? Adakah anda menyedari kepentingan pendigitalan dalam memastikan pembayaran transaksi lancar, terutamanya dalam era covid-19?

Reasons SMEs to Adopt Digitalization

1. Are you understand about digitalization? What do you think implications for future innovation and economic growth?

Adakah anda faham tentang pendigitalan? Pada pendapat anda, apakah implikasi/kesan untuk inovasi masa depan dan pertumbuhan ekonomi?

2. What motivated you to use digitalization in your business? Since when did you start running a business? Why are you interested in doing this business?

Apakah yang mendorong anda menggunakan pendigitalan dalam perniagaan anda? Sejak bila anda mula menjalankan perniagaan? Mengapa anda berminat untuk melakukan perniagaan ini?

3. What are the benefits of adopting digitalization in a business? How does this transformation impact your competitiveness and resilience in a rapidly evolving digital landscape?

Apakah faedah menggunakan pendigitalan dalam perniagaan? Bagaimanakah transformasi ini memberi kesan kepada daya saing dan daya tahan anda dalam landskap digital yang berkembang pesat?

4. Can you give your opinion after use digital technologies? What big changes did you notice after using it?

Bolehkah anda memberikan pendapat anda selepas menggunakan teknologi digital? Apakah perubahan besar yang anda perhatikan selepas menggunakannya?

5. Did you notice customer behaviour in relation to appropriate digital technology? How can you understand customer behaviour changing? It helps you to improve your knowledge about digitalization?

Adakah anda melihat tingkah laku pelanggan berhubung dengan teknologi digital yang sesuai? Bagaimanakah anda boleh memahami perubahan tingkah laku

pelanggan? Adakah ia membantu anda meningkatkan pengetahuan anda tentang pendigitalan?

Siopreneneurship Program

1. Have you ever been involved with a sociopreneurship program before? If yes, can you share your experience?

Adakah anda pernah terlibat dengan program sosiousahawan sebelum ini? Jika ya, bolehkah anda berkongsi pengalaman anda?

2. What do you think about sociopreneurship program can help improve work processes and achieve objectives? How do they aim to make a positive impact on society?

Apakah pendapat anda tentang program sosiousahawan yang boleh membantu meningkatkan proses kerja dan mencapai objektif? Bagaimanakah mereka bertujuan untuk memberi kesan positif kepada masyarakat?

3. What challenges and obstacles might a business face when trying to implement digitalization efforts? What are your actions to maintain your business?

Apakah cabaran dan halangan yang mungkin dihadapi oleh perniagaan apabila cuba melaksanakan usaha pendigitalan? Apakah tindakan anda untuk mengekalkan perniagaan anda?

4. In your opinion, does the sociopreneurship program help a lot in improving digitization skills. Can you tell me about the digital skills that you practice in your business?

Pada pendapat anda, adakah program sosiousahawan banyak membantu dalam meningkatkan kemahiran pendigitalan. Bolehkah anda memberitahu saya tentang kemahiran digital yang anda gunakan dalam perniagaan anda?

5. Do you think it is worthwhile to increase your knowledge and awareness through program? How can these programs reach a wider audience?

Adakah anda rasa berbaloi untuk meningkatkan pengetahuan dan kesedaran anda melalui program? Bagaimanakah program ini boleh mencapai khalayak yang lebih luas?

TRANSCRIPTS OF INTERVIEW WITH STUDENT HAVE BUSINESS

Interviewer:	Assalamualaikum and peace a upon. I would like to introduce myself. My name is Nur Syahzanani Zulaikha Binti Zainol Abidin. First, I want to thank you for spending time with me in this interview. As stated in the consent form that your conversation will be recorded for my study. Can you introduce yourself first before we start the interview session?
Hamizah:	Okay Assalamualaikum, ermm my name is Nur Hamizah Hanna, and I am 24 years old. Today I was invited by Miss Syahzanani to attend an interview session with her to help her for the FYP project.
Interviewer:	Okay the first my question is can you give opinion about digital payment methods and traditional cash transactions?
Hamizah:	For me, digital payment methods are easier than cash transactions. Where I don't have to take my wallet to the bottom to store a lot of cards and cash. I don't fibrous to bring my wallet upstream and downstream to keep a lot of cards and cash. Which is just bring a mobile phone and cashless it's like using e-wallet or online banking. Arrr while for this cash transaction, it's a bit complicated, people say it's difficult to bring a wallet, even a mobile phone. If we are more into digital payment, we have a mobile phone is enough. I think everyone should carry a mobile phone when they go anywhere. Never go anywhere without the smartphone. There are also some cashless people, but they prefer to use cards to pay which is err cash transactions. So, for me, between these two payment methods have their own advantages and disadvantages, and it depends on the person whether they prefer to use the one that is easy for them.
Interviewer:	Okay fine, what are the latest trends in digital payments that you know?

Hamizah:	Most of the time, the trend I see is that many prefer to use QR code for online purchases, but some also use debit cards. These two methods err I think this two method is current trend of the world, both of the method are latest trend.
Interviewer:	Okay understand, if you don't mind, can you share your types of transaction payment method that you use in business?
Hamizah:	For business matters, I prefer to use digital payment such as online banking or QR code but sometimes I will also use cash. It depends on the situation. It also depends on my own customers. If they don't have online banking, I also accept cash.
Interviewer:	Okay understand, what are the potential digital payment method and how can it improve business?
Hamizah:	The most potential nowadays is QR code. Any business deal or any transaction is easier and faster than bank transfer. If online banking, we need to enter account number one by one. But QR code easier. Scan and enter the amount, we approve and zappppppp settle like that.
Interviewer:	What is the digital payment method that you more focus to engage your potential customer?
Hamizah:	I prefer my customers wear and use QR code or online baking. It's easy for me to deal with them anytime err and err the transaction went smoothly.
Interviewer:	In your opinion, is digital payment essential in ensuring success and growth in today's modern business?
Hamizah:	Important. It is too important for a business, especially nowadays, errr digital payments help businesses a lot in running their affairs. Example for stock order from supplier. Must buy online, which is the cheaper supplier. But the problem is, if the business only accepts cash, we use cash for any business. So, when he wants to order the item in stock from another supplier, it is not difficult to go to the bank to

	insert cash manually at the ATM. It's a waste of time to go to the bank, petrol, energy again, it makes it busy at that time, it's a rush. So, for me digital payment is important especially for any business dealings involving large transactions.
Interviewer:	Does the use of digital payments increase the convenience and comfort of customers in their financial affairs?
Hamizah:	Err can be considered comfortable because it's easy to use, business goes quickly but not really, customers will be more extravagant. When something is easy to use, it is also easy to use up quickly. So, the customer's finances are not very comfortable or organized if he is not good at managing them. So, for me it's 50 / 50.
Interviewer:	Got it, are you the extravagant type? hahahaha
Hamizah:	I'm very extravagant but I'm good at organizing. Insha'Allah we can manage.
Both:	HAHAHAHAHAHA
Interviewer:	Why young people choose digital payments over traditional payments?
Hamizah:	Because these young people, they are more digital literate. Love online shopping, anything online is all online. Then the phone is not detached from the hand. So, I believe that every young person prefers to use digital payment.
Interviewer:	Is your business able to adapt digitalization after covid-19 to perform transaction payment smoothly?
Hamizah:	Yes. After this covid-19, I see digital payment as more suitable where it is more efficient and flexible. Which is err facilitate all transactions.
Interviewer:	Understand, are you understand about digitalization?
Hamizah:	About digitalization, it usually involves innovation and technology, right?
Interviewer:	Yes, correct.
Hamizah:	Err for me, if it is the use of all kinds of gadgets and technology all at the fingertips.

Interviewer:	What motivated you to use digitalization in your business?
Hamizah:	I use it because my target customers are extensive. I don't want only the closest people to know. So online or offline. So it is not relevant if I only use traditional methods so it will not give development to my business.
Interviewer:	Since when you started running a business?
Hamizah:	At the beginning of 2021, no mistake.
Interviewer:	Why are you interested in doing this business?
Hamizah:	I am interested in running this business because I am influenced by my partner err where he needs my expertise in helping him promote their products and services widely on social media. Like IG, TikTok. So, from there, I learned a little bit about the field that was beyond my ability and what I saw, there are many opportunities that can be taken to find profit. That's why I do this business.
Interviewer:	Got it, what are the benefits of adopting digitalization in a business?
Hamizah:	The benefit is free marketing. Save capital by using technology like social media err which is our marketing method is more extensive without limits. Business products can penetrate the international market if there is a way to promote them.
Interviewer:	Can you give your opinion after use digital technologies?
Hamizah:	Of course, there are more and more requests from customers, and it is getting busier which is need promote no matter the time. We always want to find sales.
Interviewer:	Did you notice customer behaviour in relation to appropriate digital technology?
Hamizah:	Ha yes, what I noticed, through this digital technology, these customers can voice their opinions and they can make decisions about the items they want to buy.
Interviewer:	It helps you to improve your knowledge about digitalization?

Hamizah:	From this, actually…. it helps the traders to upgrade their services. When customers comment negatively on our services, we can see where our weaknesses are. We should upgrade, our marketing. What kind of techniques for us to apply digitalization in the right way to reach customers. Through err what does the customer have an opinion and decision haa like that.
Interviewer:	Have you ever been involved with a sociopreneurship program before?
Hamizah:	Yes, I am involved in a sociopreneurship program from the University where the University encourages students and rural entrepreneurs to help them improve and expand their businesses. From there we will teach these rural entrepreneurs to use social media and promote their products through the Facebook and TikTok platforms.
Interviewer:	What do you think about sociopreneurship program can help improve work processes and achieve objectives?
Hamizah:	Okay this program is capable, there is potential to improve the process and to achieve business objectives where for me this program will teach step-by-step and true and correct techniques to traders to develop their business and to find sales and targets that they want to achieve.
Interviewer:	What challenges and obstacles might a business face when trying to implement digitalization efforts?
Hamizah:	The challenge is usually lack of knowledge related to digitalization of digital technology. First, because we are less sensitive to current trends, second, we lack exploration or are not interested in trying something that is beyond our ability. But there has some or a bit of business habit, they have capital, but no knowledge and skills related to this. So that's a common obstacle or challenge for some businesses.
Interviewer:	What are your actions to maintain your business?

Hamizah:	Okay if the efforts to maintain this as I said earlier have capital but no skills. So, we can hire someone who is an expert in this field. So, with the presence of experts in this field. They can market properly so from there they will maintain and maintain our business.
Interviewer:	In your opinion, does the sociopreneurship program help a lot in improving digitization skills.
Hamizah:	This kind of program is very helpful for small entrepreneurs like me who is a student but wants to start a business. These kinds of programs will usually help small traders and improve our skills in promoting our goods digitally and online and it is very helpful for me.
Interviewer:	Can you tell me about the digital skills that you practice in your business?
Hamizah:	The skills that I errr the digital skills that I usually use are social media such as TikTok, Facebook and Instagram. We will promote our products and services.
Interviewer:	Do you think it is worthwhile to increase your knowledge and awareness through program?
Hamizah:	It's worth it. Through this program we can learn from the right experts, they will teach us the right way to market and grow our business so it's not wrong if we follow this sociopreneurship programs.
Interviewer:	Thank you for spending time with me. Hopefully your business will continue to move forward.
Hamizah:	Thank you, Miss Nani, there will be a time when we will meet again.

ANALYZE THE RESPONDENT'S KEYWORD OPINION

Number	Quotes	Location	Code	Sub code	Themes	Factor
1	just bring a mobile phone and cashless it's like using e-wallet or online banking. Arrr while for this cash transaction, it's a bit complicated, people say it's difficult to bring a wallet	P1, L17	Gadget	Smartphone	Technology	Easy to carry
2	trend I see is that many prefer to use QR code for online purchases, but some also use debit cards	P1, L31	Customer behaviour	Online shopping	Customer engagement	Mobility
3	I prefer to use digital payment such as online banking or QR code but sometimes I will also use cash	P1, L37	Payment method	Digital payment	Application of digital platform	Often quicker, easier, and more convenient than cash
4	But the problem is, if the business only accepts cash, we use cash for any business. So, when he wants to order the item in stock from another supplier, it is not difficult to go to the bank to insert cash manually at the ATM. It's a waste of time to go to the bank, petrol, energy again, it makes it busy at that time, it's a rush.	P2, L11	Save time	Efficiency in give money	Time management	Time consuming to make cash deposits/withdrawals from the bank
5	young people, they are more digital literate	P2, L31	Customer behaviour	Customer preference	Customer engagement	Easy to carry
6	Love online shopping, anything online is all online.	P2, L31	Customer behaviour	Customer preference	Customer engagement	Easy to carry
7	I believe that every young person prefers to use digital payment.	P2, L33	Customer behaviour	Customer preference	Customer engagement	Faster in payment
8	he needs my expertise in helping him promote their products and services widely on social media. Like IG, TikTok.	P3, L9	Marketing	IG, TikTok	Marketing and sales	To disseminate information about the business being conducted
9	customers can voice their opinions and they can make decisions about the items they want to buy.	P3, L26	Voice own decision	Considering alternative in payment method	Self-awareness	Knowledge and experience
10	use social media and promote their products through the Facebook and TikTok platforms.	P3, L40	Marketing	Facebook and TikTok	Channels of marketing	Trends or budget
11	teach step-by-step and true and correct techniques to traders to develop their business and to find sales and targets that they want to achieve	P3, L47	Learning	Developing products/services to meet demand	Research - Gather insights to identify opportunities	Understanding the target customers and their needs
12	lack of knowledge related to digitalization of digital technology.	P4, L1	Education and training	Understanding digital security and privacy especially payment method	Digital transformation	Lack of knowledge
13	less sensitive to current trends, second, we lack exploration or are not interested in trying something that is beyond our ability	P4, L2	Trend analysis	Track customer data	Improve and adapt	Testing marketing messages and product positioning
14	they have capital, but no knowledge and skills related to this.	P4, L5	Education and training	Assessing skills gaps	Accessible	Adapting to different needs
15	improve our skills in promoting our goods digitally and online and it is very helpful for me.	P4, L18	Insipiration and motivation	Learning from failure	Growth	Clear goals and positive environment
16	social media such as TikTok, Facebook and Instagram.	P4, L23	Social media	TikTok, Facebook and Instagram.	Interaction through social media	Attract people to buy the goods
17	we can learn from the right experts, they will teach us the right way to market and grow our business so it's not wrong if we follow this sociopreneurship programs.	P4, L28	Networking opportunity	Leveraging connection	Marketing and sales	Follow the current trend

REPORT TURNITIN

FYP NUR SYAHZANANI ZULAIKHA BINTI ZAINOL ABIDIN

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