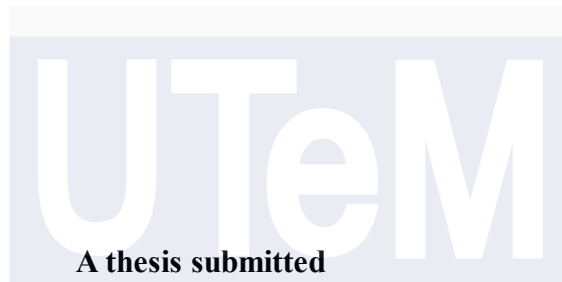


**PRACTICES AND BARRIERS IN ACHIEVING GOOD BUSINESS
PERFORMANCE AMONG MALAYSIAN ONLINE BUSINESSES**

LIEW JIA LI



**in fulfillment of the requirements for the award of the
Bachelor of Technopreneurship Degree**

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

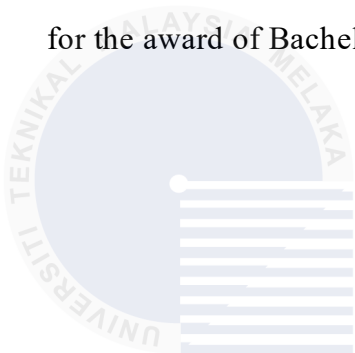
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JANUARY 2025

APPROVAL

I hereby declared that I have read this dissertation / report and in my opinion, this report is sufficient in terms of scope and quality as partial fulfilment the requirements for the award of Bachelor of Technology Management (Technopreneurship) with Honours.



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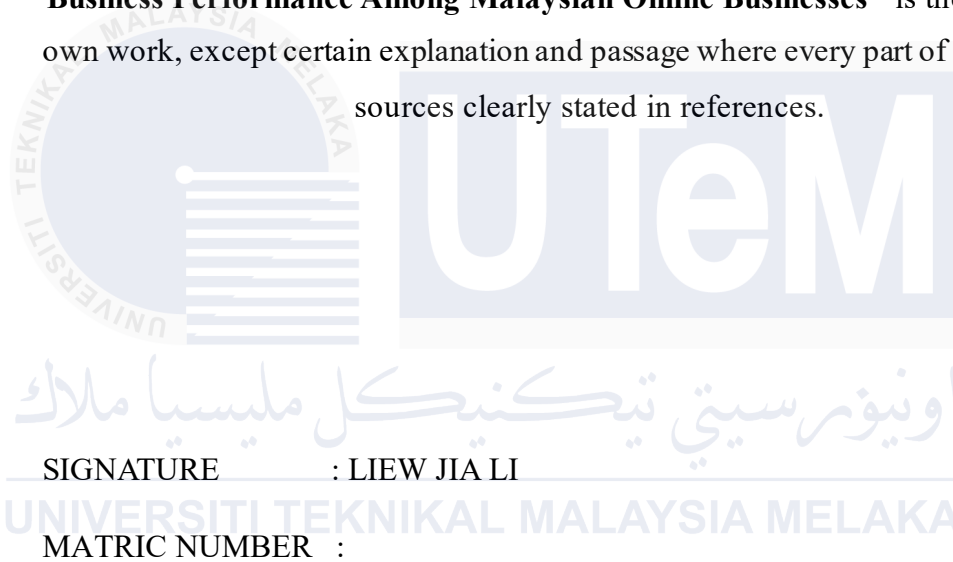
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STUDENT DECLARATION

I declared that this report entitled “**Practices And Barriers In Achieving Good Business Performance Among Malaysian Online Businesses**” is the result of my own work, except certain explanation and passage where every part of it is cited with sources clearly stated in references.



SIGNATURE : LIEW JIA LI

MATRIC NUMBER :

DATE : 14 February 2025

DEDICATION

This project is the result of hard work, learning, and support from the amazing people in my life. I want to dedicate this work to my parents, Mr. Liew Chin Loong and Mrs. How Wee Ting. Their love, sacrifices, and constant encouragement have given me the strength to keep going, even during the hardest times. I am also very thankful to my supervisor, Dr. Mohd Amin Bin Mohamad, for his guidance and support throughout this project. His expertise and mentorship have been a beacon, helping me navigate the complexities of this work and encouraging me to aim for excellence. I also extend my heartfelt thanks to my advisory panel, Professor Dr. Mohd Syaiful Rizal Bin Abdul Hamid, thank you for your valuable feedback and guidance. To my friends and classmates, thank you for your support and for making this journey easier. The shared laughs, teamwork, and encouragement meant a lot to me. Finally, I dedicated this project to everyone who believed in me and inspired me to keep going. Your support has made this achievement possible.

ACKNOWLEDGEMENT

As I reflect on the months of hard work and dedication that went into completing my final year project, I am filled with gratitude for the many individuals and organizations who supported and encouraged me along the way. This project is the result of the guidance, assistance, and unwavering belief of those around me. First and foremost, I would like to express my deepest gratitude to Universiti Teknikal Malaysia Melaka (UTeM) for providing me the opportunity to undertake this project and the resources to complete it. The learning environment and facilities have been instrumental in helping me achieve this milestone.

I am especially thankful to my supervisor, Dr. Mohd Amin Bin Mohamad, for his invaluable guidance, constructive feedback, and continuous support throughout this project. His patience and mentorship have been a source of motivation and have significantly contributed to the completion of this work. I would also like to thank Professor Dr. Mohd Syaiful Rizal Bin Abdul Hamid and the advisory panel for their thoughtful suggestions, encouragement, and for challenging me to refine and improve my work. Their input has been crucial in shaping the quality of this project.

Finally, I am profoundly grateful to my family, especially my parents, Mr. Liew Chin Loong and Mrs. How Wee Ting, for their unwavering love, support, and belief in me. To my friends and classmates, thank you for your encouragement and for sharing this journey with me. This accomplishment is a reflection of the collective support, guidance, and kindness I have received throughout this journey.

ABSTRACT

This study aims to identify the major barriers and best practices for Malaysian online businesses in achieving sustainable business growth. To achieve this objective, a qualitative research methodology was employed, guided by an interpretive philosophy and an inductive research strategy. The study utilized semi-structured interviews with 5 managers and owners of online businesses in Malaysia to gather detailed insights into their experiences and perspectives. Thematic analysis, following the six-step process outlined by Braun and Clarke (2006), was used to analyze the data, allowing for the identification of key themes and patterns. The results of the study revealed several significant barriers, including internal organizational challenges such as a lack of IT and marketing skills, financial constraints, and limited innovation. External factors, such as inadequate telecommunication and technology infrastructure and cybersecurity threats, were also identified as major obstacles. Despite these challenges, the research found that businesses are increasingly focusing on sustainability and environmentally friendly practices. Key practices that contribute to sustainable growth include leveraging data analytics to understand customer behavior, strengthening supply chain management, optimizing mobile user experiences, and forming strategic collaborations. The study concludes that by adopting these forward-looking practices, online businesses can effectively overcome barriers and achieve long-term success. Recommendations for future research include a mixed methods approach to provide a more comprehensive understanding of the factors influencing online business performance in Malaysia.

Keywords: Online businesses, market-oriented, digital marketing, telecommunication and technology infrastructure, e-commerce, business growth, long-term success.

ABSTRAK

Kajian ini bertujuan untuk mengenal pasti halangan utama dan amalan terbaik bagi perniagaan dalam talian di Malaysia dalam mencapai pertumbuhan perniagaan yang mampan. Bagi mencapai objektif ini, metodologi penyelidikan kualitatif telah digunakan, berpandukan falsafah interpretatif dan strategi penyelidikan induktif. Kajian ini melibatkan temu bual separa berstruktur dengan 5 orang pengurus dan pemilik perniagaan dalam talian di Malaysia bagi mendapatkan pandangan serta pengalaman mereka secara mendalam. Analisis tematik, berdasarkan proses enam langkah yang diperkenalkan oleh Braun dan Clarke (2006), telah digunakan untuk menganalisis data, membolehkan pengecaman tema dan corak utama. Hasil kajian menunjukkan beberapa halangan yang ketara, termasuk cabaran dalaman organisasi seperti kekurangan kemahiran teknologi maklumat (IT) dan pemasaran, kekangan kewangan, serta kekurangan inovasi. Faktor luaran seperti infrastruktur telekomunikasi dan teknologi yang tidak mencukupi serta ancaman keselamatan siber turut dikenal pasti sebagai halangan utama. Walaupun menghadapi cabaran ini, kajian mendapati bahawa perniagaan dalam talian semakin menumpukan perhatian kepada kelestarian dan amalan mesra alam. Antara amalan utama yang menyumbang kepada pertumbuhan mampan termasuk penggunaan analitik data bagi memahami tingkah laku pelanggan, pengukuhan pengurusan rantai bekalan, pengoptimuman pengalaman pengguna mudah alih, serta pembentukan kerjasama strategik. Kajian ini merumuskan bahawa dengan mengadaptasi amalan yang berpandangan ke hadapan ini, perniagaan dalam talian boleh mengatasi halangan dengan lebih berkesan dan mencapai kejayaan jangka panjang. Cadangan untuk penyelidikan masa hadapan termasuk penggunaan pendekatan kaedah campuran bagi memberikan pemahaman yang lebih menyeluruh tentang faktor yang mempengaruhi prestasi perniagaan dalam talian di Malaysia.

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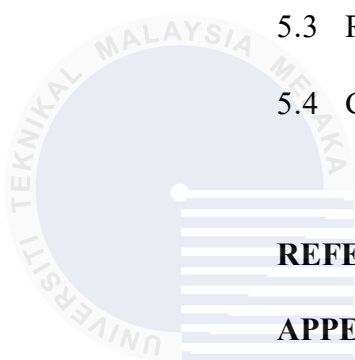
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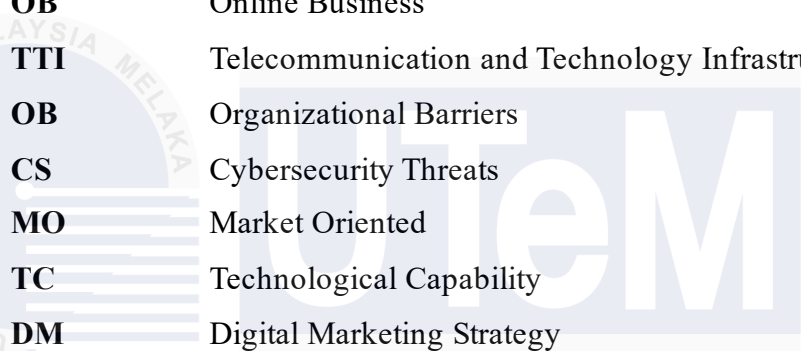
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LIST OF ABBRETIATIONS



OB	Online Business
TTI	Telecommunication and Technology Infrastructure
OB	Organizational Barriers
CS	Cybersecurity Threats
MO	Market Oriented
TC	Technological Capability
DM	Digital Marketing Strategy

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The digital age has completely changed how businesses operate, especially in Malaysia, where there has been an explosion of online enterprises in recent years. Malaysian online businesses cover a wide range of industries, from e-commerce platforms to digital service providers, and contribute considerably to the country's economic growth. However, attaining long-term business growth in the online space has a unique mix of barriers and opportunities.

In recent years, it has been increasingly difficult for Malaysian online businesses to maintain their growth. Aside from that, the available techniques, or tactics for Malaysian online enterprises to sustain good business performance do not show considerable improvement. The purpose of this study is to investigate the practices and barriers that Malaysian online businesses face in their quest for long-term business success and growth. This study will discuss the practices and barriers to achieving good business performance among Malaysian online businesses.

1.2 Background of study

The phrase online business, often known as e-business, refers to all business operations and services undertaken over the internet, while its subset, e-commerce, refers to executing online transactions such as selling and purchasing goods or services using an e-commerce platform. Both phrases will be extensively utilized in this investigation.

Malaysia has experienced a notable increasing in the number of online enterprises especially in the last 4 years during the Covid-19 pandemic (Bhatti, Akram, Basit, Khan, Raza & Naqvi, 2020). This can be attributed to various factors, including expanding lockdown periods that restrict people from going out, government encourage people to shop online, increase in smartphone ownership, rising internet penetration, and governmental efforts to foster digital entrepreneurship. The simplicity of starting an online business, combined with shifting customer preferences towards digital transactions, has resulted in a thriving ecosystem of online businesses across the country.

Malaysian online commercial activity is steadily increasing, particularly in the following years of the COVID-19 outbreak. According to Department of Statistic Malaysia (DOSM), e-commerce revenue has doubled from RM447.8 billion in 2017 to RM896.4 billion in 2020 (KKD, 2023). The United States International Trade Administration has also said that the Malaysian online business market, particularly e-commerce, is expected to rise by 20% by 2022 (ITA of U.S., 2024). This is mostly due to an increase in consumer preferences for online purchasing and the range of payment methods available.

In contrast, Malaysia is expected to be ranked twenty-fourth among the largest markets for electronic commerce by 2028, generating revenue of US\$18,201.3 million and will surpass Iran (ECDB, 2024). Furthermore, the revenue is projected to increase at a compound annual growth rate (CAGR 2024-2028) of 16.6%, which translates to a market volume of US\$33,672.5 million by 2028.

However, it is not always easy for an online business to expand or growth in most market economies. For example, most online firms will face numerous obstacles

or challenges, such as a lack of appropriate digital technologies, cybersecurity concerns, a lack of digital marketing abilities, excessive costs, and a lack of understanding of technology. Furthermore, scholars have highlighted several reasons why e-commerce has not been as successful in underdeveloped nations as it has been in rich countries (Ismail & Masud, 2020). This is because Malaysia is still a developing country, so the participation of Malaysian business owners in online business is not fully covered in the country. Moreover, the number of Malaysians participated in online business such as purchasing items online is still low. As a result, organizations have fewer options for conducting business and are slower about using the latest technology tools in online commerce.

Even though there are numerous advantages to conducting business online, as well as numerous practices or tactics for doing so, the failure rate of online businesses is still not decreasing. The current study intends to investigate the obstacles to the Malaysian online businesses in achieving good business performance as well as the best practices for Malaysian online businesses to thrive.

1.3 Problem Statement

Conducting online business in Malaysia offers several advantages. Entering the online market allows companies to reach a broader audience, including those in rural areas, enhancing sales potential. Digital platforms enable low-cost, widespread, and rapid distribution of products, encouraging customers to purchase online at reduced prices due to the absence of significant rent fees, state or local sales taxes, and physical infrastructure costs (He, Xiong & Lin, 2016; Tung, 2018; Loro & Mangiaracina, 2022).

These benefits promote economic fluidity and equal market opportunities (Hofacker & Belanche, 2016). Additionally, digital platforms facilitate efficient online interactions, optimizing business processes and reducing costs (Malak, Ferreira, Pessoa & Giovannini, 2021). As online operating costs decrease, so do the overheads of maintaining physical stores, allowing entrepreneurs to invest in higher-quality products, utilize resources more efficiently, or lower prices to attract more customers.

This creates a dynamic business environment that quickly responds to customer feedback, optimizes marketing techniques, and adapts to market changes.

However, online business in Malaysia faces significant challenges. A high failure rate of 60% suggests that many businesses struggle to remain competitive (Ahmad & Seet, 2009; Khalique, 2011). Business failure indicates poor performance and losses, deterring Malaysians from starting or transitioning to online businesses due to fears of financial loss, diminished social status, and psychological stress. This reluctance could lead to fewer job opportunities, less innovation, reduced market competition, and potential monopolies.

Customers might shift to international online shops, such as those from China, due to the ease of price comparisons and the convenience of online shopping. This shift provides access to a broader range of sellers, economical purchasing options, and reduced time spent sourcing and buying products (Loro & Mangiaracina, 2022; Tran, 2021).

Moreover, there is insufficient research on the long-term viability of online business growth in Malaysia. This study aims to examine the barriers and practices faced by Malaysian online businesses in achieving sustainable growth. It can help online business owners, and the Malaysian government understand these barriers and adopt effective practices.

1.4 Research Objective

The objectives of this study are as follows:

Research Objective 1: To identify the major barriers for Malaysian online businesses in achieving sustainable business growth.

Research Objective 2: To identify the best practice for Malaysian online businesses in achieving sustainable business growth.

The main objective of this study is to understand the barriers for Malaysian online businesses in achieving a good business performance. To achieve this objective, the

researcher must identify potential barriers and examine best practices for Malaysian online businesses to achieve a good business performance.

1.5 Research Question

Malaysia has a rising company failure rate, particularly in the wake of the COVID-19 pandemic. During that time, many enterprises closed. MEDAC reports that the Companies Commission of Malaysia (SSM) has declared that roughly 33,468 companies will cease operations overall between March and September (Ministry of Entrepreneur and Cooperatives Development, 2020).

This occurred not only in traditional brick-and-mortar businesses but also in the online business sector. Nonetheless, a great number of firms have continued to operate during that time, and some of them have even had strong, long-term business growth. Additionally, around that time, there were still several newly registered firms or businesses. According to data given by SSM, 82,555 new businesses were registered between April and July of 2020. The majority of these businesses use e-commerce platforms as their primary marketing channel (Bernama, 2020). As a result, the researcher came out with few research questions.

Research Question 1: What are the major barriers that cause Malaysian online businesses to achieve a good business performance?

Research Question 2: What best practical strategy should they implement to endure and achieve a good business performance?

1.6 Scope of study

This study mainly focuses on Malaysian online businesses, including e-commerce sellers that run their businesses through the use of any e-commerce platform as well as sellers who conduct other types of online business. In this study, interviews

with possible respondents will be conducted in order to investigate the obstacles that the participants face when attempting to maintain their online business performance in this highly competitive environment. In addition to that, the method for sustaining the performance of a business will also be presented and discussed in this study. There will be an interview done with Malaysian who own internet businesses by using a semi-structured questions when conducting this study. The location of this study will be focus in Selangor, Malaysia, and it will take place during the year 2024.

1.7 Limitation of study

The length of time is one of the limitations that this research is required to overcome. Due to the limited time frame for this study, which is only for two semesters, the researchers are only able to conduct interviews with a limited number of individuals and make use of the resources and data that have been made available. There is also a limitation on the number of individuals with whom they can conduct interviews.

As a consequence of this, it is possible that this will have an effect on the quantity and quality of writing for a topic of such scope matter in the context of the sustainable growth of businesses in Malaysian internet companies. In addition to this, it is possible that the respondents do not have sufficient knowledge regarding the practices and barriers that influence business performance. This could lead to a misunderstanding of the subject matter, which is another limitation of the research.

1.8 Definition of Term

Online Business: An online business is a type of commercial enterprise that conducts its operations primarily over the internet. This includes a wide range of activities, from selling products and services to offering digital content, providing online consultations, and facilitating digital transactions. It's also a business that generates its primary revenue through the Internet.

1.9 Summary

The digital revolution has had a significant impact on Malaysian business operations, particularly the rapid increase of online businesses across a wide range of industries. These businesses have played an important role in the country's economic development. However, maintaining growth in the online space poses unique challenges.

This study aims to better understand the practices and barriers that Malaysian online businesses face in achieving a good business performance. Increased internet penetration, smartphone usage, and government initiatives promoting digital entrepreneurship have all contributed to the growth of online businesses in Malaysia.

The COVID-19 pandemic fueled the expansion of online business activities. Other than promising growth projections, Malaysian online businesses face challenges such as a lack of digital tools, cybersecurity risks, and insufficient digital marketing skills. Furthermore, developing countries such as Malaysia face challenges in adopting e-commerce when compared to developed countries. Many Malaysian businesses and consumers have yet to fully adopt the online transactions, limiting market growth and technological advancements in the industry.

Besides the potential benefits and available strategies for online business success, failure rates are still a concern. Finally, the purpose of this study is to investigate the barriers to long-term growth for Malaysian online businesses and identify effective practices for sustaining the business in the long term.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Background research on the barriers and practices that Malaysian online businesses apply to achieve good business performance was described in the previous chapter. In this chapter, a literacy-based analysis will be performed to better understand the key concepts of determining the research questions discussed before. The final section of this chapter focuses on the study framework, assumptions, and identifying the research gap in the conclusion.

2.2 Online Businesses

According to Shufirahziana, Mohd and Caroline (2021), online businesses are currently gaining popularity in Malaysia in line with the country's development and economic advancement at the worldwide level of globalization. Nowadays, the community favors and supports online businesses. An online business refers to a company that operates through the internet network, utilizing a website or application media to distribute or sell its information (Infante & Mardikaningsih, 2022).

The concept of e-commerce, which encompasses the purchasing and selling of goods and services online, is increasingly popular among buyers and sellers within the nation. This includes purchasing and selling goods or services, as well as offering

technical or customer support over the internet. The internet offers traders many advantages in the trade industry, including the ability to quickly and easily obtain business information, add practical business knowledge, enter goods to be sold following customer preferences, and market their products to consumers. These things include paying taxes and bills, keeping a person connected to the outside world, and carrying out business operations.

The driving causes for the rise of online businesses are a combination of technological innovation and effective business expertise (Varalakshmi, 2023). Electronic commerce 'e-commerce' and electronic business 'e-business' are both innovative methods of conducting company operations through the use of internet technology to enter online markets.

Businesses can use internet technologies to facilitate a variety of business processes. This includes a wide range of tasks, such as performing transactions, optimizing operations, and encouraging open lines with both customers and suppliers. Businesses can also use the internet to efficiently start and finish transactions as well as to proactively create relationships with suppliers and customers before and after the point of sale. This integrated approach enables businesses to maintain long-term relationships, improve customer happiness, and maximize operational efficiency across the entire business cycle.

As a result, online business offers several opportunities because there are no market limitations or geographical boundaries, and the business website is accessible to people all over the world. The market is becoming very large, and the business is not restricted to any specific hours of operation as it can run all day, every day.

2.3 Business Performance

Business performance is a key measure for determining if a business is sustainable. According to Chuang and Lin (2017), business performance is a strategic

feature of business management that integrates all aspects of business operations carried out by business managers for them to expand the businesses they oversee.

The performance of a business can be evaluated using both financial and non-financial parameters (Seo & Lee, 2019). Nguyen, Huynh, Lam, Le and Nguyen (2021) define the non-financial aspect as an achievement of a business that cannot be measured in terms of money. The financial aspect, on the other hand, relates to an organization's profitability and value. Non-financial aspects may include the reputation of the brand, customer happiness, and business creativity efforts.

The financial performance, which refers to a performance that can be counted using currency and encompasses activities related to financial transactions. On the other hand, non-financial performance, which refers to a performance that cannot be count using currency and includes aspects such as organizational efficiency, how satisfied consumers are with products, level of brand strength and reputation, and performance in innovation (Seo & Lee., 2019).

Evaluating both financial and non-financial performance provides a comprehensive understanding of a company's overall health and success, as it takes into account both tangible financial metrics and qualitative factors critical for long-term sustainability and growth.

2.3.1 Financial Aspect

Business performance can be analyzed using a variety of financial metrics, with a particular focus on an online business's profitability and ability to meet the company's financial goals. Nagai (2009), Sanchez-Marín and Baixauli-Soler (2015), Taouab and Issor (2019), Sutejo and Silalahi (2021) indicate that profitability and financial objective achievement can be used to assess business performance. One key indicator of the financial aspect is operating profit, which reflects how much money the business makes from its core operations. For example, a business can achieve positive business performance if it experiences a boost in sales, such as during an e-commerce platform

sales event, or if its overall operating income has consistently risen over the past three years.

Apart from that, business performance can be seen from the number of sales and return on capital that has been owned (Rizal & Kholid, 2017). Return on capital is an important metric that shows how efficiently the company is utilizing its resources to generate profits. A rising sales volume over the past three years demonstrates that the business is effectively increasing its market share and generating more revenue (Nagai, 2009; Sutejo & Silalahi, 2021). Hence, a higher return on capital indicates better performance, as it signifies that the business is generating more income relative to the capital invested.

2.3.2 Non-Financial Aspect

When evaluating business performance, it's crucial to consider both financial and non-financial dimensions. While financial metrics like profitability and return on investment provide essential insights, non-financial aspects are equally pivotal. Research by Sanchez-Marín and Baixauli-Soler (2015), and Taouab and Issor (2019) highlights the use of non-financial dimensions in measuring business performance. Taouab and Issor (2019) emphasize that business performance can be measured through various lenses, including innovation, learning, and the effectiveness of internal processes.

Additionally, the viewpoints of customers are important as they reveal loyalty, fulfilment, and the satisfaction of their desires and requirements. Besides that, Sanchez-Marín and Baixauli-Soler (2015), Seo and Lee (2019), and Nguyen et al. (2021) further highlight the significance of non-financial aspects, such as meeting customer needs, enhancing customer satisfaction, and improving employee productivity.

Beyond these considerations, other key aspects of measuring business performance, as identified by previous researchers Nagai (2009), and Sutejo and

Silalahi (2021), include business development, business growth, and production increasement by Sanchez-Marín and Baixauli-Soler (2015).

Business development involves strategies for expansion and diversification, including the establishment of multiple business locations, the opening of subsidiaries beyond the current operational area, and the acquisition of additional assets to facilitate higher output and operational efficiency. For instance, business growth includes extending out into new geographical areas, improving product marketing tactics, and increasing the customer base annually during the previous three years.

Besides that, increased production quantity is equally important, reflecting a constant increase in total output and the ability to fulfil market demand successfully. These efforts promote long-term growth and adaptation to changing market conditions, thereby contributing to overall business success and achieving good performance.

2.4 Barriers to achieving good business performance

Achieving good business performance for Malaysian online businesses is often hindered by various barriers. These obstacles persistently obstruct or complicate the ability of online businesses to thrive in a fiercely competitive environment. Scholars have identified several barriers that restrict the success of online businesses, providing light on the challenges faced in this context.

2.4.1 Telecommunication and Technology Infrastructure

Technology plays a crucial role in the context of online business, digital business, and e-commerce. This is because failing to adopt cutting-edge technology in a business, particularly an internet business, can result in a decline in sales or being left behind in industry. There are always a few technology challenges or barriers that will face by online business. This can be proven from the studies conducted by Abbad,

Saleh and Abbad (2011), Suryawanshi (2017), and Bhaskar and Choudhary (2022), which state that poor telecommunications infrastructure is one of the challenges faced in conducting online business.

In addition to that, unreliable and poor internet connections and speed, and expensive internet access fees, provide infrastructure problems for online businesses in developing nations (Alyoubi, 2015; Ahmed & Hasan, 2016; Mthembu, Kunene & Mbhele, 2018; UNCTAD, 2019). This is the most significant restriction to widespread adoption of electronic commerce today because the telephone line serves as the backbone of the internet in our country. In many parts of Malaysia, the bandwidths available for telecommunications are still insufficient, and the tools used for software development are still undergoing rapid development and evolution.

Moreover, online businesses face obstacles created by the constantly developing nature of technology. Hence, it is difficult to integrate the latest e-commerce software with some existing applications and databases. Apart from that, Mohtaramzadeh, Ramayah and Jun-Hwa (2018) prove that another challenge in technology and telecommunications infrastructure is the high cost of servicing and adopting the latest technologies for online business. For example, the cost to repair the website in order to maintain its safety, the cost to subscribe to software such as Adobe, and the and the cost to subscribe to a cloud database for backup purposes. Although this cost may be considered low when compared to the previous decade, it's still considered high and contributes to the financial burden of Malaysian online business owners, especially online businesses that are categorized as small and medium enterprises (SMEs).

2.4.2 Organizational Barriers

Organizational barriers are those that affect the management and performance of companies or businesses. The attitude, effort, assistance, and motivation from leadership towards the adoption of online business are major organizational barriers (Ahmad, Abu Bakar, Faziharudean & Mohamad Zaki, 2014; Lekmat, 2018; Mohtaramzadeh et al., 2018; Sila, 2019). These factors also support the organization's technical awareness and competence, including its technical skills and IT knowledge (Alyoubi, 2015; Said, 2017; Lekmat, 2018; Sila, 2019; Koe & Sakir, 2020). Unfortunately, the problem exists in countries that are developing, such as Malaysia, where a lack of technical skills and IT knowledge prevents organizations from gaining the benefits of using e-commerce technology (Sila, 2019; Koe & Sakir, 2020). However, according to Rahayu and Day (2017), the advantages of having skilled employees with IT knowledge include higher sales, an enhanced company image, and increased productivity.

Furthermore, the shortage of proficient employees poses a considerable barrier, especially for businesses heavily reliant on technology for long-term growth (Abbad et al., 2011; Bhaskar & Choudhary, 2022). Any nation that wants to operate an online business needs trained individuals who are capable of planning out all the procedures involved in it. Hence, the demand for skilled IT professionals has increased due to the introduction of innovative technology and software and the internationalization of the telecom industry. Sadly, there is often a corresponding shortage of such skilled professionals, which makes the organizational challenges that online enterprises must overcome even more difficult (Harvey & Mejias, 2002; Toh & DeNisi, 2022).

In addition, research conducted by Alyoubi (2015) and Mthembu et al. (2018) identified the lack of qualified online business personnel and a lack of essential managerial and online business skills as the most significant organizational barriers, respectively. Ahmed and Hasan (2016), and Koe and Sakir (2020) added a shortage of qualified online business employees as an extra barrier. These barriers are having an impact on an online business's ability to continue growing and performing.

2.4.3 Cybersecurity Threats

Cybersecurity enables safeguarding information on the internet from unauthorized access, theft, or manipulation. In most cases, attackers target the private information of clients, which is the most valuable asset in the field of online business. Cybersecurity threats are one of the biggest problems online businesses have had from the very beginning (Kianpour, Kowalski & Øverby, 2021).

Businesses lose billions of dollars annually due to cybercrimes due to lost sales, stolen assets, and damage to their reputation. A single click could cost a company a lot of money, but an attack that takes down a company's website will completely stop online commerce. Moreover, cybercrime not only impacts financial aspects but also brings down a company's reputation. When an online business is the victim of cybercrime, customers usually leave and visit other websites, damaging the reputation of the affected business.

If a business has visible exposure to cybercrime, customers may lose confidence in the company's capacity to handle sales transactions and protect customer information (Tinuke, 2023). Consumers may decide to do business with another company after losing trust in one that is the target of cyberattacks. This migration of customers to more secure platforms not only affect immediate revenue but also undermines the long-term performance of the business.

A study conducted by Tinuke (2023) also proves that there is a significant relationship between cybersecurity threats and business profitability, and the profitability of a company will consequently affect its business performance. Good cybersecurity measures serve to protect computer systems from a myriad of threats, including website defacement, phishing, pharming, and login attacks (Schatz, Bashroush & Wall, 2017). Hence, cyber security risks such as password attacks, phishing, pharming, and site vandalism have fostered mistrust and made it extremely difficult for Malaysian internet businesses to compete with both long-standing online and physical service providers.

2.5 Practice to achieve good business performance

The practice to achieve good business performance is always crucial or important for a business to apply in their business, especially for online business. Proper practice will provide several benefits for an online business to survive well in the intense competitive world. Scholars have identified several practices that contribute to the success of online businesses in this context below.

2.5.1 Market Oriented

A market-oriented business focuses on meeting customer needs, relies on market research, and stays aware of competitors to shape its strategies. Through the methods of gathering and analyzing market information methodically and proactively, market-oriented organizations are dedicated to comprehending both the acknowledged and hidden demands of their customers, as well as the abilities fulfill them and as an advantage to a business (Slater & Narver, 1998; Lin & Chung, 2023).

According to Julian, Mohamad, Ahmed and Sefnedi (2013), and Chikerema and Makanyeza (2021), researchers saw market orientation as a theory of business that focuses on obtaining data from customers as well as competitors and using the benefits of collaboration in order to create value for both clients and the company overall. Market orientation is the most successful and efficient culture within an organization as it forms the fundamental behavior of the business to produce superior value for consumers and consequently sustainably superior performance for the business.

Besides that, Lee, Kim, Seo and Hight (2015) point out that a market-oriented business made it easier for consumers to get high-quality goods and services, which helped businesses survive in a dynamic environment where customers' needs were always changing (Kraa, 2017). Providing superior products or services or value are critical to an online business's success, and in order to survive in an environment of fierce competition, companies must constantly innovate and enhance their online operations (Ozer, 2005; ElNaggar & ElSayed, 2023). Indeed, published reports in

Ozer's (2005) study indicate that numerous successful online businesses, including Yahoo, eBay, and Google, have maintained their success over an extended period of time, not just by providing superior products but additionally by continuously reinventing themselves.

Additionally, a multitude of studies conducted by Calantone, Schmidt and Song (1996), and Song and Parry (1997), and Bucktowar, Kocak and Padachi (2015), and ElNaggar and ElSayed (2023) have demonstrated a positive correlation between relative product superiority or superior value offer by product and the competitive advantage and success of businesses. Previous several scholars also clearly discussed the beneficial effects of market orientation on business performance (Gonzalez & Chiagouris, 2006; Jangl, 2015; Gruber-Muecke & Hofer, 2015; Abu Hassim, Nizam & Farid, 2016; Bi, Dvison & Smyrnios, 2017; Buli, 2017; Amin, 2018; Masa'deh, Al-Henzab, Tarhini & Obeidat, 2018; Bamfo & Kraa, 2019). Qureshi, Aziz and Mian (2017) also stated that a company that possesses greater marketing capabilities enjoy a competitive edge over those with fewer marketing competence.

It can be concluded that the performance of businesses with these characteristics, such as being market-based, focusing on understanding customer needs, and offering superior value to their customers, will always outperform. This attribute enables a company to react immediately to the shifting market and guarantees that consumers will always receive improved products and services.

2.5.2 Technological Capability

Since online businesses rely heavily on technology, they must possess the technical or electronic business capabilities necessary to conduct online business effectively and achieve favorable business results. Bell and Pavit explain technological capability is a set of the different active principles, knowledge, experiences, structures and institutional connections that are needed to create and manage the process of technological change (Tello-Gamarra & Fitz-Oliveira, 2023).

A company's capacity to create new products and services by integrating its strategy with creative procedures is also referred to as technological capabilities (Lestari & Ardianti, 2019). Such competencies include knowledge and skills in gaining, applying, accepting, adjusting, enhancing, and developing new technologies (Malhotra, Mathur, Diddi, & Sagar, 2021). These capabilities have allowed for the development of new goods and technologies, the improvement of production processes and quality control skills, and the forecasting of industry technical changes (DeSarbo, Anthony Di Benedetto, Song & Sinha, 2005; Poudel, K.P., Carter, R. & Lonial, S., 2019). A firm's technological change can be appreciated as a continuing process to generate and absorb technologies that allow firms to develop and deliver valuable product or services to customers and ensure effective customer relationship which positively enhance performance (Reichert & Zawislak, 2014; Salisu & Abu Bakar, 2019).

Research has shown a strong correlation between a company's technological capabilities and the performance of business. It is being proven the competitive advantages of a business were directly influenced by the technological capability of the company, which in turn influenced its performance (Tsai, 2004; Zhang, 2010; López-Cabarcos, Göttling-Oliveira-Monteiro & Vázquez-Rodríguez, 2015; Qureshi et al., 2017; Heredia, Castillo-Vergara, Geldes, Carbajal Gamarra, Flores & Heredia, 2022).

Thus, in order to increase productivity through the skillful application and adaptation of technological knowledge, the development process of a firm's technological capability has been established to be a path-dependent development process, which begins with learning by doing and continues with learning by adaptation. Therefore, it is important to show that technological capability enhances the efficiency of firms in the development of innovative ideas and knowledge, which enables them to accomplish distinctive performance in response to the evolving marketing environment (Salisu & Abu Bakar, 2019).

2.5.3 Digital Marketing Strategy

Digital marketing is the strategic use of online channels, platforms, and technology in order to advertise goods, services, or brands to specific audiences. It includes a broad range of online marketing strategies and approaches, including running advertising campaigns, sending tailored emails, and using social media to raise awareness. As stated by Park, Rishika, Janakiraman, Houston and Yoo (2018), and Ritz, Wolf and McQuitty (2019), the goal of digital marketing is to draw clients and potential clients rapidly. Digital marketing refers to the application of technology to support marketing initiatives with the goals of enhancing consumer understanding by matching demands, fostering relationships with current customers, acquiring new ones, and ultimately generating revenue (Chaffey, 2022).

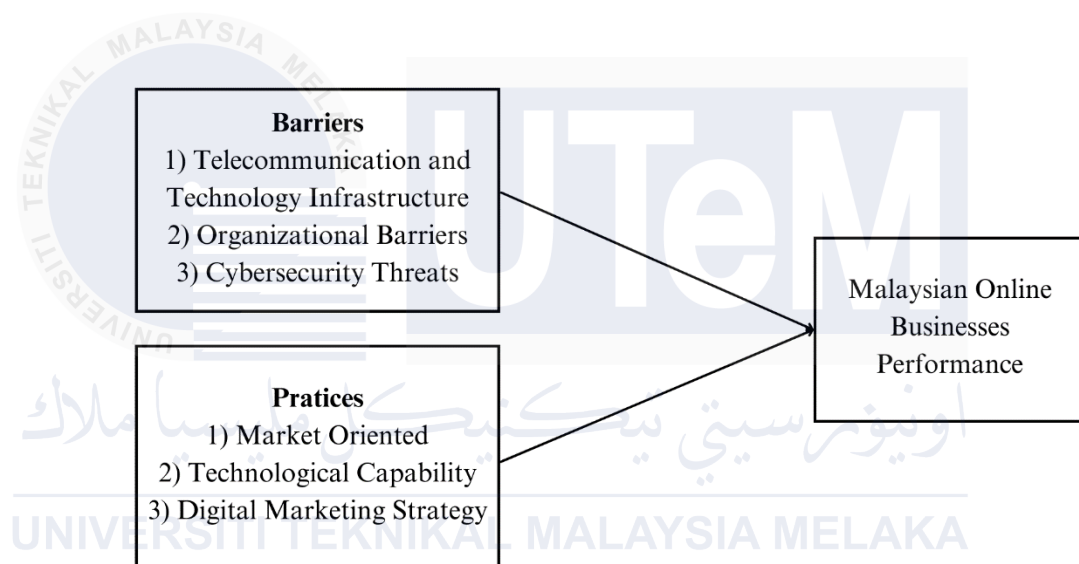
Any business that implements an effective digital marketing plan can interact with consumers in real-time via email, chatbots, and social media. Moreover, businesses can improve customer satisfaction and audience relationships by promoting meaningful interactions and promptly responding to questions or feedback from customers. According to a study by Singh, Keshari and Gautam (2023), if successful digital marketing methods are used, online business performance would probably be effective. Businesses operating online that take these strategies into account can succeed in the competitive internet market. Furthermore, the adoption of digital marketing in an online business has a positive yet insignificant effect on financial performance, which raises business performance, according to a recent study by Giantari, Yasa, Suprasto and Rahmayanti (2022).

2.6 Conceptual Framework

A conceptual framework is a theoretical construct or model that symbolizes an idea or issue that a researcher intends to study. It illustrates the cause-and-effect relationship, or the relationship between the independent and dependent variables. The independent variables in this study can be categorized into barriers and practices. The independent variables in barriers are telecommunication and technology infrastructure,

organizational barriers, and cybersecurity threats. Apart from that, the independent variables in practices are market-oriented, technological capability, and digital marketing strategy. However, there is only one dependent variable, which is the Malaysian online business performance.

Figure 1.0: The barriers and practices of Malaysian online business in achieving good business performance.



Source: Author

2.7 Conclusion

Chapter 2 provides a comprehensive examination of the barriers and practices that influencing the performance and success of Malaysian online businesses. An overview of online business is being discussed by highlighting its significance in Malaysia's economic landscape and its reliance on internet technologies for operations. Subsequently, the concept of business performance is being explained and highlights the variety of its components, which includes both financial and non-financial aspects. It can be found out that the key indicators of business performance include profitability, customer satisfaction, and innovation, are explored in detail.

Besides that, the barriers online businesses must overcome to operate profitably have been identified based on previous research in this chapter. These barriers include organizational barriers, cybersecurity threats, and technological limits. Poor telecommunications infrastructure, inadequate IT knowledge in organization, and cybersecurity vulnerabilities pose significant challenges to online businesses, which restrict their growth and competitiveness. On the other hand, the chapter explores practices that have proven to contribute to achieving good online business performance. The crucial factors driving success in the world of online business are market orientation, technological capabilities, and digital marketing strategies. Market-oriented businesses prioritize understanding customer needs and maintaining competitive advantages, while technological capabilities enable firms to streamline operations and gain a competitive edge. Digital marketing strategies leverage digital channels to enhance customer engagement and drive business returns.

Lastly, the chapter poses research questions to guide further investigation into the relationships between barriers and practices, and the performance of Malaysian online businesses. This study aims to fill existing research gaps and provide insights into optimizing business performance in the dynamic online marketplace.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

A literacy-based analysis has been performed in the previous chapter to better understand the key concepts of this study. The chosen independent and dependent variables, study framework, study assumptions, and the research gap have also been defined in the previous chapter. In this chapter, an explanation in detail on the methodology used in conducting this research will be performed in order to better understand the process of conducting this study. It will outline the research design, philosophy, research method, data collection method, time horizon and data analysis that will be utilized in this study.

3.2 Research Design

A research design is an organized structure that provides direction for the complete research procedure, including the development of goals and the summarizing of results. It includes in determining the study's design, philosophy and strategy. Next, suitable techniques and steps are chosen including sample strategies.

This study employs multiple case study. A multiple case study can be defined as an in-depth, multi-faceted analysis of several cases, undertaken to elucidate the

unique characteristics and complexities of each case within its real-world context (Yin, 2009). Multiple case studies are a type of qualitative case study design where the researcher studies several cases to understand a phenomenon (Creswell and Poth, 2017). As suggested by Eisenhardt (1989), this approach can be utilized for theory testing, theory building, or interpretive purposes. The evidence derived from multiple case study designs carries greater weight than that from single case studies due to the potential for direct replication, which strengthens the basis for robust analytical conclusions (Yin, 2009).

According to Silva (2017), research objectives were developed taking the implications of both quantitative and qualitative data into consideration due to their significant role in research methodology. In order to identify and explain the change variables that correspond to the research problems, a research design includes a collection of procedures and methods.

Research design establishes protocols that guarantee data quality and ethical behavior throughout data gathering. Philosophy, methods, and methodology are the fundamental components that impact the research design (Birks & Mills, 2011; Tie, Birks & Francis, 2019). Furthermore, by proposing a method for analyzing, gathering, and interpreting data, the research design process ensures that all the necessary data is obtained in a more organized, efficient, and effective way. The next evaluation is guided by the parameters of the design and results in assumptions and conclusions.

In the end, the design makes it easier to present results in research papers or presentations while maintaining honesty, reliability, and accuracy. The primary objectives of this methodology are to improve the reliability of results, provide direction for making decisions, efficiently solve research questions, and maintain ethical standards throughout every step of the research. The objective of this research study is to understand the barriers and practices for Malaysian online businesses to achieve good business performance. Furthermore, the research design might act as a connection between the actual study implementation and the accomplishment of the identified research objective.

3.2.1 Research Philosophy

An interpretivism research philosophy will be taken into consideration in conducting study. According to Elster (2007) and Walsham (1995), and Pervin and Mokhtar (2022), interpretivism refers to techniques that highlight the significance of people's personalities and engagement in both social and cultural life. Interpretivism places a greater value on external variables and factors that are in more detail. It highlights that humans have deeper meanings and cannot be analyzed in the same way that physical phenomena are analyzed and separates humans from physical phenomena (Elster, 2007). Therefore, social sciences research must differentiate itself from natural sciences research. Interpretivism also considers other variables such as time, cultures, and conditions that result in the formation of various social conditions.

Interpretivism is defined by its focus on achieving deep understanding instead of seeking to establish broadly applicable principles that take into consideration different variables and factors (Myers, 2008; Saunders, Lewis & Thornhill, 2012; Bhattacharjee, 2012; Pervin & Mokhtar, 2022).

Furthermore, interpretivism argues that reality is interpretive and varies by individual. Therefore, research participants are unlikely to provide broad interpretations (Scotland, 2012; Collins, 2010). In addition, the information obtained and analyzed through the interpretive model is less likely to be generalizable because most of the data are based on specific situations, opinions, and values (Saunders et al., 2012; Tenny, Brannan & Brannan, 2022). However, using the interpretivism approach for gathering and analyzing qualitative data can provide comprehensive knowledge of specific situations, such as cross-cultural studies, and reasons affecting certain improvements. Both Myers (2008) and Saunders et al. (2012) claim that the results in findings and conclusions using interpretivism might not be achieved by others. By incorporating personal contributions and taking into account various variables, the interpretivism approach would generate data with a high degree of validity (Myers, 2008; Alharahsheh & Plus, 2019).

As a result, this study employs an interpretivism philosophy because the knowledge studied can be obtained through methodical observation, interviews, and interpretation. This research also emphasizes qualitative data over quantitative data.

3.2.2 Research Approach

The selection of a research methodology depends on the degree of understanding regarding an applied theory at the beginning of the investigation. This particular research employed an inductive research methodology. This is because this method typically creates fresh ideas from data, whereas the deductive method tests hypotheses or theories against data. When using the deductive technique, the theories that are currently present must have the causal connection between variables proven. The typical research methodology involves determining a theory, formulating a hypothesis or set of assumptions, and subsequently conducting observations or measurements to validate or invalidate the theory (Bryman, 2008).

However, an inductive research approach starts by gathering and examining empirical facts related to the issue and new hypotheses are generated in regard to the findings (Eisenhardt, 1989; Saunders et al., 2012; Makri & Neely, 2021). Therefore, given the lack of an existing theory, an inductive approach is more suitable for this research. Additionally, the study will employ interviews with participants to generate fresh theories or hypotheses that can be supported by the findings.

3.3 Research Methodology

There are usually three types of research methodology or strategy that will be used in the process of data collection. The three types are quantitative method, qualitative method, and mix-method, which is the combination of quantitative and qualitative.

The focus areas of quantitative and qualitative research are significantly different from each other. Quantitative research is limited to the measurable or quantifiable data and as opposed to qualitative research which examines details that are not measurable or quantifiable (Winter, 2000; Tenny et al., 2022). Moreover, quantitative research systematically investigates social issues by employing a variety of methods and numerical or statistical data. The process includes the use of measurements, assuming that the researched event can be quantified. Its objective is to gather data through measurements and examine the data for patterns and relationships, and support the findings obtained (Watson, 2015).

For this study, qualitative research will be used. This is because qualitative research serves to gain insight into the actions of individuals, thoughts, and experiences (Tenny et al., 2022; Haradhan, 2018), which consider align with the goal of this study that want to the practice and barriers faced by Malaysian online businesses in achieving a good business performance. According to Brink (1993) and Mohajan (2018), the process of conducting qualitative research does not require numerical calculations or statistical analysis. Qualitative research collects non-numerical data, which is analyzed using techniques like topic analysis, analysis of content, or theory of grounding. This methodology uses processes such as interviews, observations, and textual analysis to examine the 'why' and 'how' behind human actions (Mohajan, 2018).

The advantages of using qualitative research are that it can be used to describe processes and behaviors of humans that is hard to quantify (Steven, 2022). Moreover, this type of research methodology also integrates open-ended questions that enable participants to offer detailed and narrative responses, which promotes the gathering of new viewpoints (Creswell, 2014; Priya, 2020). Hence, qualitative research is suitable to use in this study as this methodology is useful for investigating and understanding the contexts of society and culture and developing theories for future research.

Therefore, as this study aims to identify the effectiveness of barriers and practices for Malaysian online business to achieve a good business performance, qualitative research methodology will be using by conducting an interview. Through the use of these techniques, researcher can collect rich and detailed data that provides a deep understanding of the topic at present.

3.4 Data Collection

The focus of this study was related to Malaysian online businesses. An interview will be conducted in Malacca, Malaysia to gather the data. Moreover, the researcher is expected to gather data from more than 5 respondents. Data collection enables researchers to find the existing problem and the related answer to the problem. Primary data and secondary data are the two categories of data that will be gathered throughout this investigation.

3.4.1 Primary Data

Primary data is the data will be collected firsthand, and no one has collected before. It usually encompasses the data collected by researchers through interviews, surveys and others. The primary data will be collected in this study is by conducting interview with Malaysian online businesses owner and manager.

3.4.2 Secondary Data

Secondary data refers to information that has been collected from sources that are relevant to earlier research, such as theoretical studies that provide support for the current study. Examples of sources of information include published journals and papers, laboratory data, literature, and internet-based information. The secondary data utilized in this study consists of research articles and books, as well as journals and other online sources.

3.5 Interview

Interviews are useful methods for gathering data in qualitative research. Interviews enable participants to “share their story, pass on their knowledge and provide their own perspective on the arrangement of topics” (Hesse-Biber & Leavy, 2010; Rutledge & Hogg, 2020). One major advantage of in-person interviews is that they allow interviewers and respondents to communicate directly and personally, which lowers the non-response rate. But to conduct an effective interview, interviewers must have the necessary skills or experience to match the study (Fischer, 2005; Wilson, 2003; Rutledge & Hogg, 2020). The study was conducted using a partially structured survey that acted as the researcher's interview guide. Besides that, a few questions will be prepared in advance so that the researcher can guide the interview toward achieving the study's objectives.

3.5.1 Interview Question Design

Examples of questions that are included in the questionnaire that is made up of semi-structured questions.

Barriers

Organizational Barriers

1. Can you describe any internal or organizational challenges your online business faces that hinder achieving sustainable business growth and performance?
2. Have you encountered any management practices that negatively impact your business growth and performance? If so, please elaborate.

Telecommunication and Technology Infrastructure

1. What telecommunication challenges do you face that affect your online business performance and growth?
2. How does the quality of internet connectivity impact your business operations and overall performance?
3. Are there specific technology infrastructure issues that impede your business performance?

4. How do these infrastructure issues affect your ability to sustain and grow your business performance?

Cybersecurity Threats

1. Can you describe any cybersecurity threats your business has encountered that impacted your business performance?
2. How have these cybersecurity threats affected your business performance and growth?
3. Have cybersecurity concerns ever caused disruptions in your business operations and performance? If yes, can you provide examples?

Practices

(a) Market Oriented

1. How does your business's market orientation contribute to achieving sustainable business growth and performance?
2. Have you implemented market-oriented strategies in your business before? If yes, does it improve your business performance?
3. Can you share examples of how being market-oriented has positively impacted your business performance?
4. How do you gather and utilize customer feedback to enhance your business operations and performance? Did you feel this is effective?

(b) Digital Marketing Strategy

1. What digital marketing strategies have you found most effective for enhancing your online business performance?
2. Can you discuss how these digital marketing strategies have helped achieve sustainable business growth and performance?
3. How do you measure the success of your digital marketing efforts in terms of business performance?

(c) Technological Capability

1. What challenges have you encountered in maintaining or upgrading your technological capabilities, and how do they impact your business performance?
2. What technological tools and platforms do you think are essential for maintaining and improving your business performance?

3. Have you been experiencing the adoption of new technologies, and how it impacted on your business performance and growth? If yes, can you provide examples?

Overall Business Performance

1. How do you define and measure the performance of your online business in the context of overcoming barriers and implementing effective practices?
2. What key performance indicators (KPIs) are most important for assessing your business performance and growth?
3. Can you discuss any periods of significant growth or decline and the specific barriers or practices that contributed to these changes in performance?
4. What are your future plans for sustaining and improving business performance in light of the barriers and practices discussed?

3.6 Time Horizon

The time horizon for this study is cross-sectional and the data will be collected over a four-month period from July to November 2024. This approach will be used because of the quickly evolving online business landscape, which makes it necessary to understand the most significant issues and current, efficient practices.

In addition to that, the time limitations on conducting this study is one of the reason to choose this approach. This is to ensure the research is completed effectively. The cross-sectional approach can provide useful and relevant information in an short time even in the world of digital business that is fast-changing. Hence, the cross-sectional time horizon is not only appropriate but also practical for the purposes of this research. Future research might take a longitudinal approach to tracking changes over duration to gain a more in-depth comprehension of the ways in which practices and barriers develop over time.

3.7 Population

In this study, the population and samples are crucial since they give the data that will make up the outcome of the research. As stated by Rusli and Hasbee (2011), "all individuals who have the features that the researcher has to investigate" have been included in the population. Bryman (2012) defines population as the complete set of participants that the researcher wants to study and collect data from. Besides that, the population is not just large to represent the wholeness of the samples, but they might also spread across a wide geographical area such as across the country.

The population of this research is the Malaysian online businesses. The Malaysian e-commerce sector is projected to grow from its expected USD 10.72 billion in 2024 to USD 20.93 billion by 2029, according to a find provided by Mordor Intelligence. Moreover, the market size of Malaysia e-commerce is proven to increasing in the past ten years. This indicated that the users and sellers that participate in online business are increasing overtime. For example, there are close to 2 million of seller in Shopee Malaysia (Suhaidi, 2023) and around 155 thousand of seller in Lazada (Team, 2024).

Due to time and financial limitations in undertaking a qualitative analysis, it is difficult for each researcher to collect information from every one of the populations. To address these issues, research sampling should be used without affecting the population's overall conclusion. Apart from that, Hair, Black, Babin and Anderson (2010) argued that the goal of sampling is the establishment of representativeness or to reduce biases, thus able to make inferences from the findings based on a sample of a larger population.

3.8 Sampling Design

According to Acharya, Prakash, Saxena and Nigam (2013), and Willie (2024), any group of people selected to represent a portion of the greater population relevant to this study is called a sample. As stated by Bryman (2012) and Bhardwaj (2019),

sampling methodologies can be categorized into two categories which are sampling with probability and non-probability sampling. The probability of sampling approach requires that samples be chosen at random to accurately represent the population under investigation. Randomness is crucial where the aim of a study is to generalize and prevent biases (Creswell, 2013). However, non-probability sampling will be used in this analysis because random sampling is not suitable to use, whereas non-probability sampling does. There are numerous sampling techniques that can be used in research, although qualitative researchers typically concentrate on small amounts of data (Lyell, 1998; Acharya et al., 2013; Subedi & Tamang, 2023).

The technique employed by the researcher to obtain a sample from the population is called purposive sampling. As stated by Campbell, Greenwood, Prior, Shearer, Walker and Young (2020), The purposive sampling technique serves to identify and select examples that will optimize the utilization of the restricted research resources by selecting respondents who are most likely to provide valuable and relevant information. Therefore, this study applied the purposive sampling technique to reach the desirable outcomes of the primary data.

The selected participants are sharing specific characteristics or experiences for this study such as is an online business entrepreneur or online business manager. This method enables researchers to allocate limited resources effectively by identifying and choosing cases that align with their study objectives. The representation is important since the results or conclusions obtained from the representation will be extended to the entire group of individuals with the same characteristics. This leads to valuable information that can deepen the researcher's understanding.

The researcher started by approaching people who could be interested in participating. This was achieved by carefully choosing study participants who fulfilled the requirements for participation. The sampling size in this study would be more than 5 respondents who are Malaysian online business owners or managers and located in Selangor. Researchers choose the respondents to interview in collecting data, as it is considered sufficient. The selected respondent is categories as SME business owner, focusing on using e-commerce platforms such as Shopee, Lazada, or others social platform to conduct online business. Besides that, the respondents can be in retail

sector that engage in online business. A large sample size may raise the study's difficulty along with expenses and make it not practical. Before the interview begins, each participant will be asked to fill out a questionnaire outlining their participation in the study.

Since this study focuses on the barriers faced by and the practices of Malaysian online businesses in achieving good business performance, participants who are either Malaysian e-commerce entrepreneurs or online business managers would be a perfect group to conduct interviews.

3.9 Data Analysis

A thematic analysis technique will be used to analysis the data collected in this study. According to Clarke and Braun (2017), thematic analysis is a technique used to find, examine, and evaluate the meaning of patterns or topics in qualitative data. This approach is unique among the qualitative analysis literature because it provides a method, which is a tool or technique that is not restricted by theoretical frameworks, as opposed to another methodology, which is usually a research framework that is theoretically oriented. Moreover, this data analysis method can be applied to a wide range of theoretical structures and research models (Clarke & Braun, 2017).

A number of scholars have written manuals and instructions on how to carry out various forms of theme analysis (Boyatzis, 1998; Joffe, 2011). Since the Braun and Clarke (2006) method has become the most popular theme analysis technique in qualitative literature, the researcher will be focusing on it in this study. The six steps of the analysis process are familiarizing yourself with the data, creating initial code, identifying themes, reviewing themes, defining and labeling themes, and generating the report. Table 1 shows a brief explanation of the specific phase that Arifin and Razali (2022) identified when performing the study, using the technique defined by Braun and Clarke (2006) as a guide.

Table 1.0: Six-phase thematic analysis for qualitative data analysis

Source: Arifin and Razali (2022)

Phase	Description
Phase 1 Data familiarisation	<ul style="list-style-type: none"> Careful reading of the transcribed data by being critical and analytical of the informants' words Note-taking important details from the data
Phase 2 Generate initial codes	<ul style="list-style-type: none"> Generate relevant code(s) or phrase(s) with respect to the research question(s)
Phase 3 Search for themes	<ul style="list-style-type: none"> Group codes into themes according to their unifying features
Phase 4 Review potential themes	<ul style="list-style-type: none"> Determine whether the generated themes reflect the entirety of the data
Phase 5 Define and name the themes	<ul style="list-style-type: none"> Name each theme that reflects the research questions (Ideally, each theme should have a singular focus and reflects the essence of the related data in a single sentence)
Phase 6 Produce the report	<ul style="list-style-type: none"> Write a clear and analytical report of the findings by making arguments based on the research questions

Thematic analysis can evaluate large or small datasets. This can be seen from the case study research conducted by Cedervall and Åberg (2010) with one to two participants and to a large interview study with more than 50 participants conducted by others researcher. Almost any kind of data can be evaluated, from traditional qualitative approaches like interviews and observations to newer methods like qualitative surveys and storytelling (Braun & Clarke, 2013).

Moreover, as stated by Selvam and Collicutt (2013), and Holmqvist and Frisén (2012), thematic analysis can be utilized for both inductive and deductive analyses as well as to capture both visible and hidden meaning. However, this is not to state that all qualitative research topics and designs can be solved through theme analysis as it is not a comprehensive method. Although theme analysis is not appropriate for every qualitative research issue or design, it still has a wide range of applications due to its adaptability when compared with many other qualitative analytic methodologies.

The flexibility of this kind of thematic analysis is visible in its approach to the research topic, sample size and structure, data collection technique, and approaches to meaning development, in addition to its theoretical capabilities. Besides that, since thematic analysis aims to comprehend participants' thoughts, feelings, and behaviors, it is frequently referred to as "experiential" research. It is capable of identifying

patterns in and across data regarding the life experiences, viewpoints, behavior, and practices of participants, which is essential for this study to obtain the respondents' perspectives and experiences in relation to the research question. According to Braun and Clarke (2012), thematic analysis is a useful and effective technique to apply when trying to better understand a group of experiences, ideas, or actions within a data collection. Therefore, it is appropriate to use it in this research as its purpose is to gain insight into the points of view and experiences of entrepreneurs and managers of Malaysian online businesses.

3.10 Conclusion

Chapter 3 presents an in-depth overview of the research methodology used in this study, outlining the method that was applied to successfully achieve the research objectives. By reviewing the concepts of these methods, readers can gain a better understanding of the fundamental principles of methodology that support this research. To give a detailed process for completing this study, the essential components of the research design with a focus on clarity and transparency have been outlined by researchers. The essential components include research philosophy, approach, methodology, and data analysis.

The study adopts an interpretivism philosophy, which indicates understanding the deeper meanings of human behavior and social situations. This philosophy highlights the difference between social sciences and natural sciences, and it prioritizes qualitative data beyond quantitative data for an extensive understanding of situations. In addition, this study adopts an inductive research strategy in its research methodology. This method creates new theories from actual evidence rather than testing existing ones.

Qualitative research methodology has been used in this study, wherein interviews are utilized to explore the detailed experiences and opinions of managers and owners of online businesses in Malaysia. This methodological choice enables complete and detailed gathering of data. The data collection technique combines both

primary and secondary sources, including interviews carried out with 10 respondents to get firsthand insights from the population being studied and research on past case studies that related to the topic.

Moreover, the technique used in data analysis is thematic analysis. This is because researchers may obtain important findings to fully fulfill the research objectives by using thematic analysis and to find patterns and themes within qualitative data. Lastly, this chapter provides a comprehensive overview of the methodological framework that guides this research which focusing on scientific and ethical research techniques when investigating the barriers and practices of Malaysian online business in achieving a good business performance.



CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Introduction

This chapter used non-statistical techniques, specifically thematic analysis, to gather information and generate a conclusion. Thematic analysis is widely used for non-statistical analysis such as qualitative research in the social sciences. The findings of the multiple case studies that were obtained using semi-structured interviews are detailed in this chapter. To begin, the researcher intends to carry out semi-structured interviews with representatives from 5 of the online companies located in Selangor. As a result of time constraints, the researcher will only be able to conduct the survey with 5 respondents in total. It has been determined that the respondent is affiliated with Interviewee 1, Interviewee 2, Interviewee 3, Interviewee 4 and Interviewee 5. In Chapter 1, it was stated that the purpose of this research was to identify the major barriers and the best practice for Malaysian online businesses in achieving sustainable business growth. The case study research was conducted to accomplish these goals. As a result, the outcomes of the investigation will be presented in the form of a multiple case studies. The findings of the research were gathered, analyzed, and interpreted in this chapter and the following information is the results of the analysis.

4.2 Demographic of the Interviewees

There are 5 respondents which include both female and male. The interviewer sourced from Malaysia that doing online business in Selangor. The name and coding according to individual is listed in Table 2.0, it suggests that the code is used to represent the interviewee in the following part. The information about interviewees such as position, industry of business and business estimated yearly revenue are listed in Table 3.0.

Table 2.0: Coding according to Interviewee

Interviewee	Code
CK Chang	C1
Dennis Wee	D2
Carmen Wong Jo Yee	C3
Nicole Yong Kah Soon	N4
Liew Sharon	L5

Table 3.0: Information About Interviewee and Business Nature

Interviewee	Positions	Industry of Business	Business Estimated Revenue	No. of Case
C1	Business Owner	Apparel Retailer	RM 20 MIL	Case Study 1
D2	Business Owner	Book Retailer	RM 30K	Case Study 2
C3	Manager	Apparel Retailer	RM 100-200K	Case Study 3
N4	Business Owner	Florist Shop	RM 180K	Case Study 4
L5	Business Owner	Food Retailer	Undisclosed	Case Study 5

Interviewee 1, which is known as C1, is a business owner of an online and offline apparel retail store with an estimated yearly revenue of RM 20 million. Interviewee 2, which is also known as D2, is a business owner to a book online store that only operate online and with an estimated yearly revenue of RM 30K. Next, Interviewee 3, which is known as C3, is the manager of an online apparel retail store. The store earns an estimated yearly revenue of RM100-200K. The interviewee 4, N4 is the business owner of a florist shop that operates both online and offline. Its business yearly revenue is estimated at RM180K. Lastly, the last interviewee, which is L5, is the business owner of a small snack manufacturer and retailer that operate online. The estimated yearly revenue for her business is not disclosed as the business owner is not comforted to share out.

4.3 Multiple Case Study

Multiple case studies are a type of qualitative case study design where the researcher studies several cases to understand a phenomenon (Creswell and Poth, 2017). According to Yin (2009), the evidence derived from multiple case study designs carries greater weight than that from single case studies due to the potential for direct replication, which strengthens the basis for robust analytical conclusions.

The data in this thesis is analyzed using a multiple case study approach, where each business is treated as an individual case to identify specific organizational barriers, telecommunication and technology infrastructure (TTI) challenges, and cybersecurity (CS) issues.

4.3.1 Background of Case 1: C1 (OxWhite-Apparel Retailer)

OxWhite is a Malaysian-based apparel brand that has gained significant traction in the fashion industry due to its commitment to affordability, quality, and sustainability. Founded in 2016 by CK Chang with the vision of providing premium-

quality essentials at a fraction of traditional retail prices, OxWhite has revolutionized the way consumers approach fashion in Malaysia's competitive e-commerce landscape. It has around 20 employees in the year 2020 in its business. By leveraging a direct-to-consumer model, the brand eliminates unnecessary markups, ensuring that customers receive high-quality products at the best possible value.

The company initially made waves in the industry by introducing its signature white dress shirt, a product inspired by the need for premium office wear without the exorbitant price tag. This strategic launch was met with overwhelming consumer demand, as OxWhite successfully sold over 10,000 shirts in its first month alone. This milestone solidified the brand's presence in the market and set the stage for its expansion into various product categories, including casual wear, work-from-home essentials, and activewear.

OxWhite's business model is rooted in a pre-order system, which plays a pivotal role in maintaining cost efficiency and sustainability. By producing garments based on actual demand, the company minimizes overproduction and waste, thereby reducing its environmental footprint. This approach also allows the brand to adapt quickly to market trends, ensuring that its product offerings remain relevant to consumers' evolving needs. One of the key strengths of OxWhite lies in its customer-centric approach. The brand actively engages with its audience through social media and surveys, gathering valuable feedback to refine its offerings. This two-way communication fosters a strong sense of brand loyalty and ensures that products align with customer preferences. Additionally, OxWhite places a strong emphasis on digital marketing, utilizing platforms like Facebook and Instagram to reach its target demographic. Collaborations with key opinion leaders and influencer partnerships have further enhanced its brand visibility and credibility in the market.

Despite its success, OxWhite faces several internal challenges as it scales its operations. Efficient demand forecasting remains a critical aspect of its business model, as any discrepancies can result in either stock shortages or excess inventory. The brand must also strategically allocate resources across advertising, technology enhancements, and customer service to maintain operational efficiency while sustaining growth. Furthermore, as the company expands, maintaining personalized customer

engagement has become increasingly complex, necessitating innovative strategies to uphold its reputation for excellent service. In the realm of technology, OxWhite relies heavily on digital infrastructure to drive its e-commerce operations. Platforms like Shopify serve as the backbone of its online store, ensuring seamless transaction processing and inventory management. However, challenges such as internet connectivity disruptions, cybersecurity threats, and mobile optimization issues pose potential risks to its performance. To mitigate these risks, OxWhite continuously invests in enhancing its digital capabilities, ensuring a smooth and secure shopping experience for its customers.

Sustainability is another cornerstone of OxWhite's business strategy. The company has taken significant steps to reduce its environmental impact, such as minimizing plastic packaging and incorporating eco-friendly materials into its products. By prioritizing sustainable fashion, OxWhite appeals to the growing segment of environmentally conscious consumers who seek brands that align with their values. In near future, OxWhite aims to sustain and enhance its growth by focusing on continuous product innovation, advanced data analytics, and strategic partnerships. Strengthening its supply chain, optimizing its mobile shopping experience, and furthering its commitment to sustainability will be key areas of development. Through these initiatives, OxWhite is well-positioned to maintain its leadership in the Malaysian fashion e-commerce space while staying true to its mission of providing high-quality, affordable, and sustainable apparel.

4..3.2 Background of Case 2: D2 (Dr. Math-Book Retailer)

Dr. Math is an online retail business specializing in educational materials, primarily workbooks, and other learning resources. Founded by Dennis Wee, the company was established with the goal of providing educational books to secondary school students and educators. With a focus on academic excellence, Dr. Math aims to bridge the gap between students and the learning materials they need to succeed. The business is earning a revenue at around RM 30,000 per year.

Operating primarily as an online business, Dr. Math leverages e-commerce platforms and social media to reach its customers. The company currently operates with a small but dedicated team, including Dennis Wee, his partner, and one additional staff member. Given the limited resources and the fact that the business is run on a part-time basis, the team faces various operational challenges, particularly in IT and digital marketing. However, their passion for education and commitment to customer satisfaction drive them to continuously improve and expand their business. Dr. Math has encountered multiple hurdles, including unstable internet connectivity and cybersecurity threats. In 2022, the business faced a significant setback when its online platform was hacked, leading to a temporary shutdown. Despite this challenge, the company took swift action to reinforce its security measures and regain customer trust. Recognizing the importance of technology in business operations, Dr. Math continues to seek advancements in digital tools and cybersecurity solutions to safeguard its platform.

A key strength of Dr. Math is its market-oriented approach. The company closely monitors current trends and customer preferences to stock books that are in high demand. One notable example of this strategy in action was during the election of Anwar Ibrahim as Malaysia's Prime Minister. Anticipating a surge in public interest, Dr. Math proactively stocked books related to Anwar's life and policies, which resulted in increased sales. This ability to predict market trends and cater to consumer demand has helped Dr. Math remain competitive in the online book retailing industry.

In terms of digital marketing, Dr. Math utilizes content marketing and social media to enhance brand visibility and customer engagement. The company regularly updates its platforms with book recommendations, reviews, and promotional content to attract potential buyers. By actively engaging with its audience on platforms such as Instagram and Shopee, Dr. Math builds trust and fosters a loyal customer base. The company also tracks key performance indicators such as revenue, website traffic, and bounce rates to measure its success and refine its marketing strategies.

Despite its challenges, Dr. Math remains committed to continuous improvement and sustainable growth. By focusing on customer feedback, market trends, and innovative strategies, the company strives to enhance its offerings and

expand its reach in the competitive online book retail industry. With a clear vision and strong determination, Dr. Math aims to establish itself as a trusted and reliable source of educational materials in Malaysia and beyond.

4.3.3 Background of Case 3: C3 (Apparel Retailer)

Since the interviewee C3 is not comforted to share its business name, C3 Apparel will be used as the business name. C3 Apparel is an online clothing company that has established itself as a growing enterprise in the fashion industry. With an annual income ranging from RM 300,000 to RM 500,000, C3 Apparel operates with a small yet dedicated team of six members. The company primarily focuses on online sales and leverages digital marketing strategies to enhance its brand presence.

Like many online businesses, C3 Apparel faces several challenges, particularly in organizational structure, technological infrastructure, and cybersecurity. One of the key issues the company encounters is a lack of expertise in fashion and digital marketing. Due to its small team and limited funding, C3 Apparel struggles to invest in new projects and advanced technologies, which hampers its overall growth. Additionally, the company has encountered difficulties in managing its inventory efficiently due to outdated systems and poor internet connectivity, which has, at times, resulted in customer dissatisfaction. Another significant challenge faced by C3 Apparel is cybersecurity threats. The company has experienced hacking incidents where fraudulent emails were sent to customers, leading to financial losses and reputational risks. Despite these setbacks, C3 Apparel has taken proactive measures to address these challenges by improving its security systems and implementing automated email marketing to enhance customer engagement and security.

C3 Apparel adopts a market-oriented strategy, ensuring that its products align with current fashion trends and consumer demands. The company closely monitors customer preferences and feedback, particularly focusing on the growing demand for eco-friendly materials. By incorporating sustainable fashion into its product line and adjusting its inventory based on seasonal trends, C3 Apparel has successfully

improved its business performance and customer retention. To strengthen its digital marketing efforts, C3 Apparel utilizes various social media platforms such as Instagram, Facebook, and Xiaohongshu. By collaborating with influencers and running targeted advertisements, the company has expanded its reach and improved brand visibility. C3 Apparel also tracks marketing performance using key metrics such as website traffic, conversion rates, and customer engagement to optimize its advertising strategies.

Recognizing the importance of technology in sustaining business growth, C3 Apparel employs cloud-based inventory management systems to streamline stock tracking and prevent overselling. However, financial constraints have delayed the adoption of more advanced tools such as Customer Relationship Management (CRM) systems, which could further enhance operational efficiency. Despite these limitations, C3 Apparel continues to seek innovative ways to improve its technological capabilities. Recently, the company implemented automated email marketing to enhance customer communication and increase sales. Additionally, C3 Apparel prioritizes cost-effective marketing strategies and organic social media engagement to mitigate budget constraints.

Looking ahead, C3 Apparel aims to expand its product range, improve its website design, and attract more investors. The company is also committed to sustainable fashion innovation and intends to strengthen its digital marketing efforts to sustain long-term business success. C3 Apparel has positioned itself as a promising online clothing business despite the challenges it faces in funding, cybersecurity, and technology adoption. By leveraging market trends, optimizing digital marketing strategies, and focusing on customer satisfaction, the company has steadily grown in the competitive e-commerce space. With its commitment to sustainability and innovation, C3 Apparel is poised to achieve further success in the online fashion industry.

4.3.4 Background of Case 4: N4 (Blossom-Florist Shop)

Nicole's Flower Shop, located in Subang Jaya, has primarily shifted to an online business model since 2022, though it continues to operate a physical store. This transition was accelerated by the COVID-19 pandemic, driving a greater emphasis on digital sales and marketing. The shop specializes in fresh flowers, bouquets, and floral arrangements for various events, offering delivery services that have gained popularity among customers. The estimated annual revenue is approximately RM180,000, generated from regular sales as well as event-based orders for weddings, corporate functions, graduations, and other occasions. Online sales, significantly boosted by seasonal promotions and social media campaigns, contribute substantially to overall revenue.

However, the business faces several key challenges. Internally, a shortage of specialized digital marketing expertise within the team, combined with budget limitations, restricts the effectiveness of online advertising and investment in professional marketing services. Additionally, maintaining consistent customer engagement online remains challenging due to the highly competitive market and the constant need for fresh, relevant content. In its early stages, operational inefficiencies made inventory management difficult across both online and offline channels, but these issues have improved with the adoption of better tracking systems.

On the technological front, unreliable internet connectivity occasionally disrupts timely customer communication and social media management. Integration challenges between online and offline sales systems have also led to instances of lost or delayed orders. While the business has not encountered internal cybersecurity threats, it has been targeted by external risks such as phishing attempts and fraudulent transactions, prompting the implementation of stricter order verification processes and staff training.

Despite these obstacles, Nicole's Flower Shop has adopted several strategies to sustain and enhance its performance. A strong focus on customer service, both online and in-store, has helped build a loyal customer base. The business also embraces a market-oriented approach, continually adapting to customer preferences. This

includes offering same-day delivery, especially during peak seasons, and designing unique bouquets inspired by trends from Chinese social media platforms, supplemented by independent market research. Digital marketing efforts are centered on platforms such as Instagram, RedNote, and Facebook, leveraging engaging content, targeted advertisements, and influencer collaborations. Success is measured through key performance indicators, including social media engagement (likes, comments, shares), website traffic, conversion rates, and the return on investment (ROI) of marketing campaigns.

To support its operations, the business utilizes various technological tools, including social media platforms, WhatsApp Business for communication and order management, a POS system for in-store sales and inventory tracking, and accounting software. Recent technological enhancements, such as an AI-powered automated online booking system for event orders and the use of Canva for social media content creation, have improved efficiency and marketing effectiveness. However, cost remains a significant challenge when considering further technological upgrades.

4.3.5 Background of Case 5: L5 (MyNutri Kitchen- Food Retailer)

MyNutri Kitchen, founded and run by Liew Sharon, is a food and beverage business specializing in healthy and low-calories snacks. Their current product line is branded as "Chewy Nuts," as showcased on their Instagram profile. The company is still in its early stages and faces some internal challenges typical of small startups. With a lean team of just three members, MyNutri Kitchen prioritizes continuous learning and development, actively participating in online courses and training to upskill their employees. They emphasize knowledge sharing within the team to maximize the impact of these training opportunities. Limited financial resources also present a challenge, particularly in the areas of marketing and technological innovation. As a result, MyNutri Kitchen adopts a cost-conscious approach, focusing on leveraging free or low-cost resources, such as utilizing social media platforms for promotional activities. While the company is working to overcome these obstacles,

they remain committed to sustainable growth by focusing on team development and resourceful marketing strategies.

4.4 Generating Themes

Before generating themes, the analysis of interview transcripts started by reading carefully to understand each session before breaking it into smaller parts. According to De Vos (2010), this method helps to focus on the big picture before looking at the details.

Trends and repeated patterns were found in the data. These patterns showed the feelings and experiences that were most important or related to the respondent (Saldana J., 2021). Finding these important themes and shared ideas is one of the hardest but most important parts of the analysis because it connects everything in the study (De Vos, 2010).

During the interview sessions, common patterns can be taken into consideration into themes (Naeem & Ozuem, 2022a). It was important to balance keeping each participant's unique voice and finding shared meanings that applied to everyone (Mmutle, 2018). This approach avoids just listing individual stories and instead creates general conclusions that still respect each interviewee's experience (Mmutle, 2018).

The themes were made with care to include both individual details and overall patterns. Understanding one interviewee's experience helped to make sense of what others shared. This method connects interviewees' experiences but also looks at differences when someone's story doesn't match the theme (Mmutle, 2018).

The themes were not fixed but changed during the interview sessions. Talking about these themes, the interviewer helped guide participants toward more positive changes. Over time, the patterns showed a more positive tone as the sessions went on.

4.4.1 Coding of Themes

To organize all the patterns and themes, a structured coding process was used. The process of coding involves breaking down real data into smaller, more manageable pieces that can then be categorized and analyzed for patterns and themes (Naeem, M., Ozuem, W., Howell, K., & Ranfagni, S., 2023). This also made the analysis clearer and easier to understand.

There are three primary themes that contribute to online business in achieving good business performance and the indicator of good business performance, as outlined by the conceptual framework described in Chapter 2. The barriers faced by Malaysia online SMEs, best practice for Malaysia online SMEs and indicator of a good business performance are the relevant considerations. Along with the knowledge provided or inferred from the literature review, the researcher will have the discussion of significant data from the findings to rely on.

Interviews were conducted to collect information, and responses from the participants. This method of using thematic analysis shines when the researcher hopes to compare responses from multiple people to identify recurring ideas and topics. With this method, researchers not only can do more than just count simple words and phrases, but they can also use the coding of thematic analysis to express their ideas. The "themes" in a thematic analysis is being reviewed against the whole text to ensure they cover everything. Therefore, information relevant to each question can be clearly organized. The researcher was then able to enter the data into conceptual clusters and examine the differences, similarities, and connections between them.

Table 4 shows that the study resulted in three overarching themes and 6 sub-themes ones along with a set of codes and frequent mention codes.

Table 4: Final Thematic Table

Themes	Sub-Themes	Codes	Code Mention Frequency	Code Mention by Case				
				C1	D2	C3	N4	L5
Barriers	Organizational Barriers (OB)	• Scale Operation	2	/		/		
		• Inefficient Resource Allocation	5	/	/	/	/	/
		• Maintain Customer Engagement	2	/			/	
		• Ineffective Communication	3	/		/		/
		• Low Knowledge of Employees	5	/	/	/	/	/
		• Lack of Clear Vision, Goal, Strategy	3	/	/	/		
		• Lack of Formalized Business System	1				/	
	Telecommunication & Technology Infrastructure (TTI)	• Internet Connectivity	5	/	/	/	/	/
		• Data Security	1	/				
		• Mobile Optimization	1	/				
		• Scalability of E-Commerce Platform	1	/				
		• Inventory Management	3	/		/	/	
	Cybersecurity Barriers (CS)	• No	2	/				/
		• Hack by Scammer	3		/	/	/	

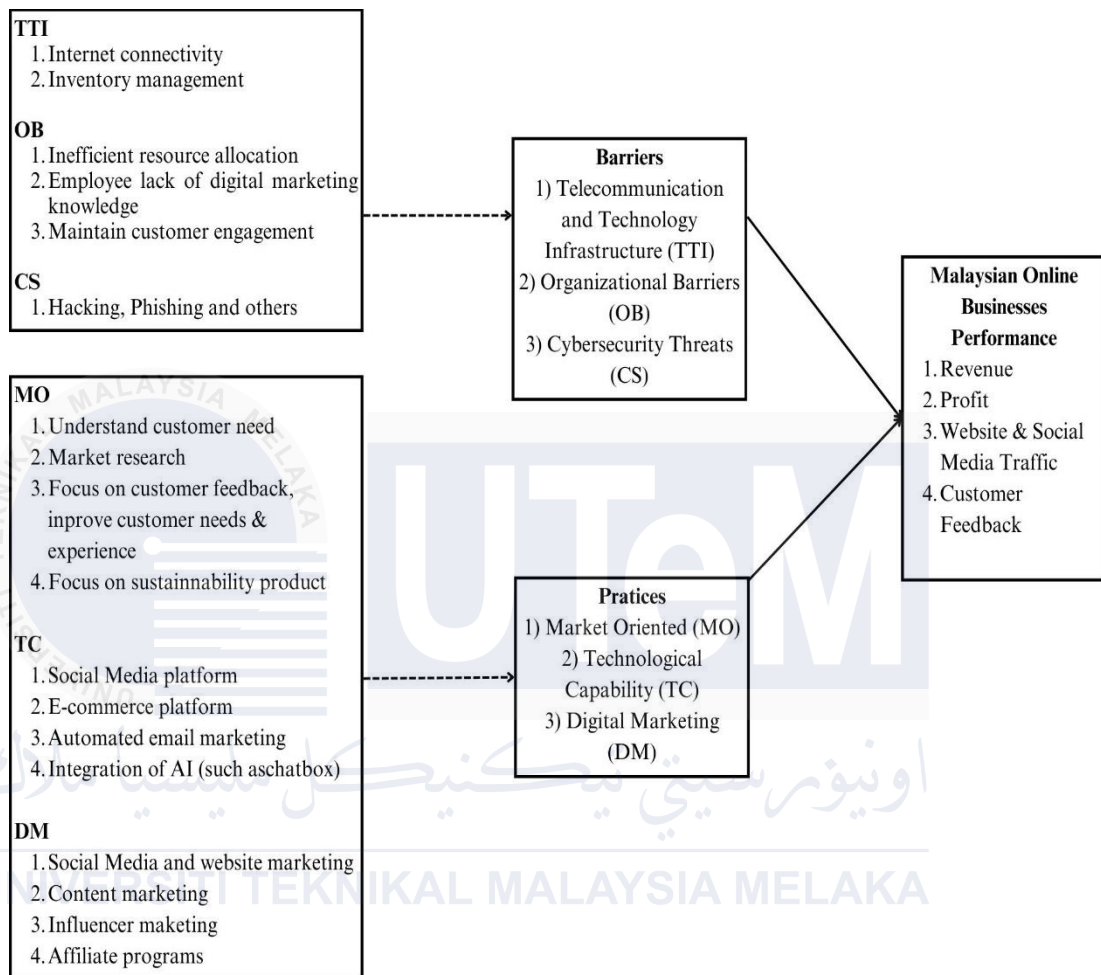
Practices	Market-Oriented Strategy (MO)	• Understand Customer Need	5	/	/	/	/	/
		• Market Research	5	/	/	/	/	/
		• Focus on Customer Feedback	5	/	/	/	/	/
		• Committed to Sustainability Product	2	/		/		
		• Improve Customer Needs and Experience	5	/	/	/	/	/
	Digital Marketing Strategy (DM)	• Social Media Marketing	5	/	/	/	/	/
		• Influencer Marketing	3	/		/	/	
		• Affiliate Program	1	/				
		• Email Campaign	2	/		/		
		• Content Marketing	5	/	/	/	/	/
		• Website	2	/		/		
	Technological Capability (TC)	• Social Media Platform	5	/	/	/	/	/
		• Telecommunication Device	1		/			
		• E-Commerce Platform	4	/	/	/		/
		• Cloud-Based Inventory Management	1			/		
		• Automated Email Marketing Tool	2	/		/		
		• Analytics & Data Management Tool	4	/		/	/	/

Business Performance		• POS System	1				/	
		• Video Editing App	1					/
		• Integration of AI	2				/	/
	Tool or Indicator to Measure Online Business Performance	• Revenue	5	/	/	/	/	/
		• Website Traffic	5	/	/	/	/	/
		• Bounce Rate	2	/	/			
		• ROI of Marketing	2		/		/	
		• Customer Retention Rate	2	/		/		
		• Customer Feedback	3	/		/		/
		• Profit	3			/	/	/
		• SEO Performance	1	/				
	Future Strategies for Sustaining and Improving Business Performance	• Focus on Innovation of Product	3	/		/		/
		• Enhance Customer Engagement	2	/			/	
		• Leverage Data Analytics	1	/				
		• Mobile Optimization	1	/				
		• Sustainability Product	2	/		/		
		• Strengthening Supply Chain Management	1	/				

	<ul style="list-style-type: none"> • Run More Ads and Campaign • Improve Customer Service • Keeping Up with Market Trend • Attract New Investor or Partner • Focus On Digital Marketing • Adapt to Market or Environment Change • Adapt New Technology 	• Run More Ads and Campaign	1		/			
		• Improve Customer Service	3		/	/	/	
		• Keeping Up with Market Trend	4	/		/	/	/
		• Attract New Investor or Partner	3	/		/		/
		• Focus On Digital Marketing	2			/	/	
		• Adapt to Market or Environment Change	1					
		• Adapt New Technology	2				/	/

Figure 2.0: Final Research Framework

Source: Author of This Study (2025)



4.5 Theme 1: Barriers

The results of the first research question are presented in this section. This question focuses on the barriers that affect the business growth or performance for Malaysia online business. As shown in figure 2.0, the three most frequently discussed critical barriers of Malaysia online business are the organizational barriers, telecommunication & technology infrastructure and the cybersecurity barriers.

4.5.1 Organizational Barriers (OB)

Participants discussed the OG barriers that affect the business performance of Malaysian online business are scale operation, inefficient resource allocation, maintain customer engagement, ineffective communication, low knowledge of employees, lack of formalized business system, and lack of clear vision, goal, strategy.

From the data gather in the interviews with Malaysian online business owners reveal two key challenges that hinder their business performance are inefficient resource allocation and low employee knowledge, especially in digital marketing and technology. These challenges are closely linked and are primarily caused by limited budgets and the scale of their operations.

Inefficient resource allocation is largely driven by financial issues, as businesses need to be selective about how they spend their limited funds. For example, some interviewees mentioned difficulties in balancing their spending on advertising, technology upgrades, and customer service, especially during high-traffic campaigns. This issue is particularly challenging for smaller businesses such as W2, C3, N4 and L5, as they lack the financial power to invest in new technology or professional services to help develop their operations. Although larger businesses like C1 have slightly more resources to adopt new technologies or trends, they still face challenges in effectively managing these resources.

Low employee knowledge is another significant challenge, especially in areas like digital marketing and IT skills. Several interviewees highlighted that their teams often lack the expertise needed to improve their online presence or implement advanced marketing strategies. While some, like L5, have taken steps to address this by learning through online courses, such efforts may not be sufficient to overcome more complex challenges. Additionally, C1 pointed out that resistance to change among employees and management slows the adoption of new technologies or trends and causes lack of knowledge in these technologies among their employees, which can negatively impact the business. For smaller businesses, this issue is further enlarged by their limited team size. This is because their employees must handle multiple roles and hence leave little time for them to develop skills.

Overall, these challenges are interconnected. Limited budgets not only affect resource allocation but also restrict the ability to hire skilled workers or provide proper training, creating a cycle that limits business growth. Employee lack of knowledge further worsens the situation, slowing down progress and making it harder to adopt new practices. For smaller businesses, these issues are more significant due to their size and limited capacity, while larger ones face added challenges, such as managing change and integrating advanced technologies into their operations.

Interviewee 1 (C1) stated:

“Another significant challenge has been *resource allocation*. With a limited budget, we have to be strategic about how we distribute our resources, especially across key areas like advertising, technology upgrades, and customer service. For instance, during high-traffic campaigns, we need to ensure that our stock levels are adequate while keeping marketing costs in check. This balanced act can strain our resources, as all areas are essential for maintaining customer satisfaction and efficient operations.”

“Resistance to change is another challenge. In a fast-evolving industry like ours, adapting to new trends and technologies is essential. If employees or management resist change and lack of training or development, it can slow innovation and delay necessary improvements. For example, not adapting quickly to emerging trends could lead to missed opportunities and potentially result in stagnation.”

Interviewee 2 (D2) stated:

“We don’t really have big internal issues since it’s just me, my partner, and one other person running the business. But we do have a few challenges. We’re *lacking in IT and marketing skills*, which makes it tough to get everything running smoothly online and to attract more customers. Plus, with such a small team, the workload can get pretty overwhelming, especially since this is just a part-time job for us. So, to balance all the tasks with *limited resources* can make it difficult for us to *grow our business*.”

Interviewee 3 (C3) stated:

“Yes, we have encountered some internal challenges. The biggest problem is our *lack of knowledge* in fashion, and also a shortage of skilled employees in digital marketing. Our team is small, so it’s hard to handle everything, and our funding is also limited.

This makes it difficult to invest in new projects. For example, *limited funding* makes it challenging for us to invest in new technology or marketing projects, which slows down our company's growth."

"The fashion industry is very broad, so we *lack time and resources* to come up with *new ideas to grow our business*."

Interviewee 4 (N4) stated:

"Definitely! One of the biggest challenges has been *the lack of specialized digital marketing skills* among me and my teams. I know how to run a business, but when it comes to creating engaging content or running ads, I had to learn and keep improving. And, being a small business, *budget constraints* also limit how much we could invest in professional services or technology such as appointing a marketing agency to help us in boosting our business performance and awareness. That's something we've been working on improving."

Interviewee 5 (L5):

"Yes, we do face some internal organizational challenges. Firstly, our team consists of only three people with *limited skills and experience*, requiring constant learning and improvement. To address this, we regularly participate in online courses and training, sharing our learnings with each other. For example, we recently took an online course on Instagram marketing and gained many practical skills. Secondly, due to *limited funds*, our investment in marketing and technological innovation is cautious, and we aim for cost-effective solutions, such as leveraging free resources on social media for promotion."

4.5.2 Telecommunication and Technology Infrastructure (TTI)

The interviews with Malaysian online business owners show that TTI challenges, particularly internet connectivity, play a significant role in hindering business performance. Other challenges include data security, mobile optimization, e-commerce platforms, and inventory management. However, internet connectivity

stands out as the most pressing concern for all the interviewees, given its direct impact on day-to-day operations.

Internet connectivity is crucial for online businesses, as it affects nearly every aspect of their operations from website performance and inventory updates to customer service and marketing efforts. Interviewees consistently mention how poor, or unstable internet connections disrupt their business daily workflow. For instance, C1 and C3 pointed out that slow or unstable internet leads to website downtime, delayed inventory updates, and slower communication with customers, all of which result in customer dissatisfaction and lost sales. Similarly, D2 stressed that reliable internet is essential not just for running their business but also for staying informed about industry trends, which helps them meet customer demands effectively.

The impact of poor connectivity becomes even more serious during high-traffic periods or promotional campaigns. L5 shared an example where their website slowed down significantly during a promotion and leading to frustrated customers and missed sales opportunities. They addressed this problem by upgrading their servers and switching to a more reliable internet service provider, which highlights the importance of investing in infrastructure to handle high demands and ensure smooth operations.

This analysis found out that stable and reliable internet connectivity is not just a convenience but a necessity for Malaysian online business. This is because businesses may risk operational disruptions, poor customer experiences, and missed growth opportunities if without good internet connection. While some online businesses, like L5, have taken proactive steps to address these challenges, others still face ongoing issues. This highlights the need for more widespread support and investment in telecommunication and technology infrastructure as it is important for online business to remain competitive and scale effectively in an increasingly digital marketplace.

Interviewee 1 (C1) stated:

“One significant challenge is internet connectivity. Reliable connectivity is essential for us, as disruptions can directly affect website performance and, in turn, customer

experience. Slow or unstable connections can lead to downtime or delays, both of which can result in lost sales and impact our operational efficiency.”

Interviewee 2 (D2) stated:

“Yes, it's important to our business because our business primarily operates online, so having stable internet connectivity and a strong technology infrastructure is vital. If we can't resolve customer issues promptly, it can lead to a loss of sales, as modern buyers often prioritize customer service when deciding where to shop. Additionally, we rely on the internet to stay up to date on trending books, which help us attract more new customers and fulfill their wants.”

Interviewee 3 (C3) stated:

“Yes, early on, we had terrible internet connectivity issues, which made it difficult to manage online orders efficiently and communicate with customers in a timely manner. Slow upload and download speeds also affected our ability to maintain the website.”

“Yes, the quality of the internet connection is crucial to our business. If the connection is too slow, it affects the user experience and delays inventory updates, which leads to customer dissatisfaction. We've realized that with better network service, we can maintain customer satisfaction and ensure smooth business operations.”

Interviewee 4 (N4) stated:

“Some days, we face slow internet connections, which make responding to customer messages or updating social media a bit problematic. That's especially frustrating during busy periods when we need to be quick with order confirmations or promotions. We've also had issues with the integration of our online and offline systems, like sometimes orders get lost or delayed because we don't have the most seamless system in place yet.”

Interviewee 5 (L5) stated:

“Yes, network instability has been a recurring problem, especially during peak hours. This is affecting our customer shopping experiences and order processing speeds. I remember a promotional campaign where the website slowed down so much that we lost customers. To fix this, we upgraded our servers and changed our internet service

provider. So, the new service we use now is quite good, that won't give us problems in terms of internet connectivity even with high traffic, as you know most of our devices will be connected to the server."

4.5.3 Cybersecurity (CS)

Interviewer and Interviewees have discussed the CS barriers that affect the business performance of Malaysian online business. The barriers that have been mentioned mostly by the interviewees, which are D2, C3 and N4, is they have been experiencing this barrier, that is being hack by scammer or deal with this kind of barriers.

The interviews with Malaysian online business owners show that cybersecurity is one of the challenges affecting their business performance. The most frequently mentioned issues are hacking, phishing attempts, and fraudulent transactions, as experienced by D2, C3, and N4. These incidents highlight the defenselessness of small online businesses to cyber threats and the disruptions they can cause.

Hacking incidents have directly impacted on customer trust and business operations. For example, D2 shared a case where their business page was hacked in 2022. The hacker tried to scam customers into paying additional delivery fees. Although only a few customers fell victim to the scam, D2 had to shut down their online business temporarily to address the issue and implement stronger security measures. This highlights the immediate impact of cyberattacks on both customer relationships and business continuity.

Similarly, email scams and phishing attempts have been significant issues. C3 mentioned hackers accessing their system and sending fraudulent promotional emails to customers. This led to false orders and customer dissatisfaction, further damaging their reputation and trust. These incidents highlight the importance of securing customer communication channels and preventing unauthorized access.

Besides that, N4 also shares on how they are dealing with phishing attempts and fraudulent transactions, such as fake corporate inquiries aimed at stealing sensitive information and purchases made with stolen credit cards. While these incidents did not result in significant financial losses, they still caused operational disruptions and require time to investigate and reverse payments. Although N4 did not experience direct cybersecurity threats to their internal system, the external risks still posed challenges to their business.

These examples demonstrate the growing cybersecurity risks faced by Malaysian online business. Small businesses often lack robust security infrastructure, making them more easily affected by hacking and phishing. The resulting operational disruptions, loss of customer trust, and reputational damage underscore the need for business to prioritize cybersecurity measures.

In conclusion, cybersecurity barriers such as hacking and phishing can impact on the performance and credibility of online business. These businesses must invest in stronger security protocols, employee training, and preventive measures to reduce the probability of future incidents to occur. By doing so, online business can deal better against cyber threats and maintain the trust of their customers.

Interviewee 2 (D2) stated:

“Unfortunately, yes. Our business page was hacked in the year 2022, and the hacker attempted to scam our buyers by asking them to transfer money for delivery fees. Fortunately, we had already communicated with most of our customers about the fees, so only 2 or 3 buyers fell for the scam. Thankfully, none of our customers' personal details were leaked. However, we had to temporarily shut down our online business for a few days to address the issue and reinforce our security measures.”

Interviewee 3 (C3) stated:

“Yes, we’ve had issues. For example, hackers sent emails to our customers claiming we had free or heavily discounted promotions, which led many customers to place orders. Later, they didn’t receive the products, and that’s when we discovered the problem. The link was sent by hackers who had gained access to our system.”

Interviewee 4 (N4) stated:

“Erm... Yes, we've dealt with a few phishing attempts and fraudulent transactions before. For example, we've had fake inquiries from people pretending to be corporate clients, trying to scam us into giving out sensitive information. There have also been a couple of times when customers used stolen credit cards to make purchases. While we didn't suffer major losses, these incidents did cause some disruption, as we had to investigate and reverse payments, which slowed down our operations temporarily. But for our own internal system, there are no any cybersecurity threats.”

4.6 Theme 2: Practices

The results of the first research question are presented in this section. This question focuses on the barriers that affect the business growth or performance for Malaysia online business. As shown in Figure 2.0, the three most frequently discussed critical barriers of Malaysia online business are the organizational barriers, telecommunication & technology infrastructure and the cybersecurity barriers.

4.6.1 Market Oriented Strategy (MO)

Participants discussed the MO practices that can improve the business performance of Malaysian online business are understand customer need, market research, focus on customer feedback, and improve customer needs and experience. The practice that has been mentioned most by all of the interviewees are to understand customer need, market research, focus on customer feedback and improve customer needs and experience. These strategies help businesses stay competitive and keep up with changes in the market.

A common point mentioned is the importance of understanding customer needs and preferences. For example, Interviewee C1 used a pre-order system to reduce costs and check customer demand. This helped them match their products with what

customers wanted, such as switching to work-from-home essentials during the pandemic, which built strong customer loyalty. Similarly, Interviewee L5 created healthy snacks like dried fruits after realizing there was demand for low-calorie options, which brought in new customers and encouraged repeat purchases.

Besides that, focusing on customer feedback and improving their experiences were also highlighted as important tools. Many interviewees said they used surveys, social media, and customer feedback to improve their products and services. For instance, Interviewee N4 noticed that customers wanted same-day delivery and eco-friendly packaging. By offering these, they earned customer trust and loyalty. Interviewee D2 focused on offering rare books and magazines to meet customer demand, which helped keep their customers returning.

Conducting market research and adapting quickly to trends is an important strategy. For example, Interviewee N4 used ideas from Chinese social media platforms to create new and trendy bouquet designs. This allowed them to keep their products fresh and appealing to customers.

Hence, it can be seen that Malaysian online business use market-oriented strategies to improve their businesses and keep customers satisfied. By understanding customer needs, doing research, listening to feedback, and improving customer needs and experience, they can stay competitive and adjust to changes in the market. These practices help them build strong customer relationships and grow their businesses.

Interviewee 1 (C1) stated:

“our business is indeed a market-oriented brand, and our strategy has evolved around *understanding and addressing customer needs*. From the beginning, we saw a need for affordable, high-quality white dress shirts and tailored our offerings around that. Our pre-order model not only helps minimize inventory costs but also allows us to gauge customer interest before full-scale production. Initially, customers were a bit skeptical about this model, but through effective online marketing and transparent communication, we successfully sold over 10,000 shirts in our first month.”

“We also actively engage in *market research* by soliciting *customer feedback* through surveys and social media. This feedback allows us to adapt our products and services to better *meet consumer expectations*. For example, based on changing preferences during the pandemic, we expanded our product line to include work-from-home essentials and active wear, ensuring that our offerings remained relevant.”

“Once we gather feedback, we use it to inform product development and improve customer experience. For example, if customers indicate an interest in specific product styles, we prioritize these in our next collections. Feedback also helps us refine our marketing strategies. Understanding customer demographics and preferences enables us to create targeted campaigns that resonate with our audience. This approach has proven effective, as seen in our high levels of customer loyalty and repeat purchases.”

Interviewee 2 (D2) stated:

“Our market orientation strategy is around *figuring out what our customers like* and *staying up to date* with the latest trends. We do this by regularly observing public interests and researching weekly. Additionally, we strive to help our customers find books and magazines that are hard to get elsewhere. This approach not only helps us offer the latest and most sought-after items but also encourages customers to come back to our store, leading to more consistent business performance and customer loyalty.”

“We *gather customer feedback* and analyze their needs to figure out what the market wants, and then we try to offer those products. This approach works pretty well, but since we’re in the book business, it might not be as powerful as it would be in other industries with more varied needs. Still, focusing on what our book buyers are interested in helps us offer what they’re looking for and keeps them coming back.”

Interviewee 3 (C3) stated:

“In our business, we closely monitor *customer preferences and feedback*, and adjust our market strategies accordingly. This helps our products align with the latest fashion trends, especially when *responding quickly to customer demands* for eco-friendly materials, which has improved our business performance.”

“Yes, we are gradually transitioning towards eco-friendly materials.” C3 is doing this because after conducting market research and find out that many customers are looking for eco-friendly materials.

“Yes, we use social media and surveys after purchase to *gather customer feedback*. This helps us adjust our product design and customer service. This approach has been effective, and after making some recommended changes, we’ve seen a significant increase in repeat customers.”

Interviewee 4 (N4) stated:

“We've always believed in putting our customers first. We pay close attention to what they want and adjust our offerings accordingly. For example, many of our customers were asking for same-day delivery, especially around Valentine's Day. So, we teamed up with local delivery services to make that happen. Another thing we noticed is that people are increasingly celebrating graduations or any others occasion with ‘special’ bouquets when doing market research. And to find more ideas to make to make ‘special’ bouquets, we have been inspired by those ideas in the popular China social media platforms to create unique and trendy designs for these occasions. This is also because most of our customers like to get ideas from those China social media. But however, we will also be focusing on getting ideas from others sources and constantly doing market research to identify the trend on the market. By listening to our customers and adapting to their needs, we've been able to keep them happy and coming back for more, which has led to increased sales.”

“By focusing on customer feedback and adapting quickly, we’ve built a strong, loyal customer base. For instance, when customers asked for eco-friendly packaging, we introduced biodegradable wrapping and sustainable flower sourcing. It’s small steps like these that show we’re listening to their concerns, and it’s paid off in terms of customer trust and repeat business. It’s helped us maintain steady growth, even during slower seasons.”

Interviewee 5 (L5) stated:

“Market-oriented strategies helped us understand customer needs and preferences. For example, we found that healthy and low-calorie snacks were popular, leading us to

launch more such products, like additive-free dried fruits. These new offers attracted new customers and boosted repeat purchases. Additionally, we used customer surveys and social media interactions to gather feedback and continuously optimize our product line. For instance, based on feedback, we adjusted flavors and introduced a spicy and sweet nut snack, which received widespread acclaim.”

4.6.2 Digital Marketing Strategy (DM)

Participants discussed the DM practice that are used to improve the business performance of Malaysian online business are Social Media Marketing, Influencer Marketing, Affiliate Program, Email Campaign, Content Marketing and Website. The DM strategy that has been applied to most all of the interviewees are social media marketing and content marketing.

The interviews highlight that social media marketing and content marketing are the most used digital marketing strategies among Malaysian online business. These tools are effective in building brand awareness, engaging with customers, and driving sales based on the experience of the interviewees.

Social media marketing is widely adopted by all participants. Platforms like Instagram, Facebook, Xiao Hong Shu, and WhatsApp are frequently used to promote products and connect with customers. For example, Interviewee C1 used social media advertising to sell 2,500 shirts in just three hours during a launch. Similarly, Interviewee N4 uses Instagram and Xiao Hong Shu to showcase floral designs and run ads that attract new customers, especially for special occasions like weddings.

Xiaohongshu or can be known as REDnote in following is a unique Chinese social media platform that launched in 2013, it evolved from a product review sharing site to a comprehensive lifestyle platform integrating social networking, e-commerce, and content creation. Unlike western social media platforms such as Facebook or Instagram where product discussion is often secondary, REDnote prioritizes product reviews and user-generated content, fostering trust through Key Opinion Consumers

(KOCs). Its seamless e-commerce integration allows in-app purchases, streamlining the customer journey. With a focus on visual content and a target demographic of young, affluent women, REDnote's strengths lie in its high user engagement, targeted reach, and perceived authenticity. This combination makes REDnote a powerful marketing tool for brands targeting their potential market more precisely.

Content marketing is another popular strategy. This includes creating engaging posts, videos, or blogs to connect with customers and establish trust. For instance, Interviewee D2 posts book reviews and recommendations to build credibility, while Interviewee L5 creates video tutorials on healthy eating to attract health-conscious customers. These approaches not only boost engagement but also encourage repeat purchases.

The consistent use of social media marketing and content marketing has proven to be highly beneficial for Malaysian online business. These strategies, combined with email campaigns and influencer collaborations, can help businesses effectively reach customers, build trust, and improve overall performance in the digital market.

Interviewee 1 (C1) stated:

“Social media advertising, particularly on Facebook and Instagram, has been instrumental for us. We target young, tech-savvy professionals, and these platforms allow us to reach them effectively. For example, during our launch, we sold 2,500 shirts in just three hours through social media promotions, which shows the impact of this strategy.”

“We also use influencer marketing and affiliate programs to expand our reach. By collaborating with trusted influencers, we’re able to connect with new audiences authentically. Additionally, our pre-order model has reduced inventory risks and allowed us to optimize resources.”

“Finally, email marketing with Klaviyo has been effective in driving repeat purchases and keeping customers informed about new offerings.”

Interviewee 2 (D2) stated:

“*Content marketing and social-media marketing.* We use content marketing by regularly updating our recommended books and posting reviews to build trust with our buyers. On the social media side, we keep our customers informed about new book arrivals, share promotional posts, and run advertising campaigns to boost visibility and engagement. This approach helps us stay connected with our audience and keeps them interested in what we offer.”

Interviewee 3 (C3) stated:

“The most effective strategy for us is using *social media platforms* like Instagram, Facebook, and Xiao Hong Shu. This helps us increase brand awareness. We also *collaborate with influencers* and run paid ads to promote our products and reach more people.”

“After our website was hacked, we decided to implement automated *email marketing* to improve communication and offer personalized discounts based on shopping habits, helping us retain customers and boost sales. This also reduces the risk of hacking and enables quicker communication with customers.”

Interviewee 4 (N4) stated:

“Social media has always the best choice for us, especially Instagram, Whatsapp and Xiao Hong Shu. We will keep posting the appealing pictures of our flowers, final design of our flower bouquet and creating engaging content and this really helped us in creating brand awareness and gaining new customers. We also run targeted ads on these platforms, especially on Instagram, which bring in new customers. Other than that, we also do collaborate with influencers to showcase our floral arrangements have worked well too, especially for special occasions like weddings, or corporate events. These social media strategies have been a big part of our growth.”

Interviewee 5 (L5) stated:

“Yes, we also will also use WhatsApp for business purposes and website to showcase our product. So, the digital marketing we use and consider effective is social media marketing (especially Instagram and Xiao Hong Shu ads) and content marketing (like blog posts and video) have been the most effective... While content marketing-built

brand trust by offering valuable information, boosting loyalty. For example, we created a series of healthy eating video tutorials on Instagram, attracting health-conscious customers who purchased our products and shared them with others.

4.6.3 Technological Capability (TC)

Participants also share the TC that can help in the business performance of Malaysian online business are social media platform, telecommunication device, e-commerce platform, cloud-based inventory management, automated email marketing tool, analytics & data management tool, POS system, video editing app, and integration of AI. The practice that has been mentioned by all of the interviewees is the ability to have an own online store or account on social media platform.

The analysis of technological capability among Malaysian online business highlights that the most used tools are social media platforms and e-commerce platforms. These tools are critical as they form the foundation for managing online presence, marketing efforts, and sales processes effectively.

Social media platforms, such as Instagram, Facebook, and REDnote, are used by all the interviewees to connect with customers and promote their products. These platforms help businesses showcase their offerings, build brand awareness, and engage directly with their audience. For example, Interviewee N4 uses Instagram and REDnote for marketing and customer communication, while Interviewee L5 relies on social media ads to attract new customers.

E-commerce platforms are also the second most widely used or considered as a strong technological capability for an online business. These platforms provide tools for managing inventory, processing payments, and handling customer orders efficiently. Interviewee C1 uses Shopify to streamline operations and reduce risks, while Interviewee L5 highlights Shopee's role in simplifying inventory and order management.

These two tools, social media and e-commerce platforms are the most important because they enable SMEs to maintain a strong online presence and run their businesses smoothly. Social media helps reach and engage customers, while e-commerce platforms ensure efficient backend operations. Together, they provide the essential support needed for Malaysian online SMEs to sustain in the digital marketplace.

Interviewee 1 (C1) stated:

“Shopify is our primary e-commerce platform, providing essential features for managing inventory, processing payments, and tracking customer relationships. For customer engagement, we use Wati on WhatsApp, which helps us provide personalized support. Klaviyo is central to our email marketing, allowing us to run automated campaigns that enhance customer engagement.”

Interviewee 2 (D2) stated:

“For maintaining our business operations, essential platforms include Instagram and Shopee, among others. These tools and platforms help us manage our online presence, engage with customers, and handle sales effectively.”

Interviewee 3 (C3) stated:

“Some key tools we use include e-commerce platforms to run our website, social media management tools for marketing, and cloud-based inventory management systems to track stock levels.”

Interviewee 4 (N4) stated:

“We use a variety of tools to keep things running smoothly. Social media platforms like Instagram, Xiao Hong Shu, and Facebook is essential for marketing. WhatsApp Business is a tool for us to manage orders, communicate with customers and respond to customer inquiries.”

Interviewee 5 (L5) stated:

“It’s critical. Tools like e-commerce platform (Shopee), social media platform, Data analytics tools (Google Analytics), and Video editing tools (Capcut) make everything run smoothly. These tools help us manage operation efficiently and improve customer

experience... Using these tools, we run our online business more efficiently, enhancing customer satisfaction.”

4.7 Theme 3: Business Performance

This section will show the tool or indicator that use by Malaysian online business in measuring the online business performance. Besides that, the future strategies or plans of those respondents for sustaining and improving business performance will also being presented in this section.

4.7.1 Tools and Indicator Used to Measure Online Business Performance

In the fast-paced world of online business, tracking performance is essential for growth and sustainability. The most mentioned tools and indicators used by Malaysian online business to measure business performance are revenue and website or social media traffic. These tools provide direct and measurable insights into a company’s financial health, customer engagement, and the effectiveness of marketing efforts.

Revenue is the most fundamental tool used to measure business performance. All participants emphasized its importance as a key indicator of a company’s profitability. Interviewee N4 highlighted that revenue is critical in determining whether the business is facing any growth issues. A sustained drop in revenue for several months can signal problems that need immediate attention, such as poor sales strategies or increased competition. Interviewee L5 also mentioned that revenue and profit margins are regularly reviewed to assess the financial health of the business. For example, by optimizing supply chain management, they were able to increase profit margins, demonstrating how revenue can help identify areas for cost savings and operational improvements.

The reason revenue is such an important tool is because it directly reflects the financial success of a business. It is a clear indicator of whether the company's strategies such as marketing campaigns, product offerings, and customer engagement are working. By monitoring revenue, businesses can quickly determine if their efforts are paying off or if adjustments are needed. It also provides a measure of growth and profitability, making it an essential metric for decision-making and long-term strategy planning.

Website and social media traffic are the next most commonly used tools mentioned by the participants. These metrics provide valuable insights into customer behavior, the effectiveness of digital marketing strategies, and overall brand visibility. Interviewee C1 uses Google Analytics to track website traffic sources, allowing them to understand which marketing channels are most effective in driving visitors and sales. This tool helps businesses identify whether their efforts in SEO, paid advertising, or social media are successful, allowing them to reallocate resources to the most productive channels. Similarly, Interviewee D2 monitors page views and bounce rates to evaluate which products attract customers and which ones cause them to leave the site without making a purchase. This allows businesses to optimize their website's content and design for better user experience and higher conversion rates.

Social media traffic is also crucial for understanding customer engagement. Interviewees C1, N4, and L5 all use social media engagement metrics such as likes, shares, and comments to measure brand awareness and customer interest. High levels of engagement often correlate with increased visibility and trust, which can lead to higher conversion rates and customer loyalty. For example, Interviewee N4 mentioned that social media platforms like Instagram and REDnote have been key in building brand awareness, especially when combined with influencer marketing and Key Opinion Customer (KOC) marketing. This approach has helped them reach new targets and strengthen their relationship with existing customers.

The importance of website and social media traffic lies in their ability to provide real-time insights into how customers interact with a business online. By tracking these metrics, companies can evaluate the effectiveness of their marketing campaigns and identify areas for improvement. Additionally, they can make data-

driven decisions to enhance the user experience, increase customer retention, and drive sales. As the majority of businesses now operate online, understanding website and social media traffic is essential for staying competitive in the digital marketplace.

In short, revenue and website or social media traffic are the most commonly used and most effective tools for measuring the performance of Malaysian online SMEs. These tools provide valuable insights into both the financial health and customer engagement of a business. By tracking revenue, companies can measure their profitability and identify areas for growth, while monitoring website and social media traffic helps them understand the effectiveness of their marketing efforts and customer behavior. Together, these tools offer a comprehensive picture of business performance and are indispensable for making informed decisions and driving success in the competitive online marketplace.

Interviewee 1 (C1) stated:

“We track several sales metrics, like total revenue, average order value, and customer acquisition costs.”

“Well, there are a few key metrics and tools I rely on to assess our business performance. First off, we use *website analytics*—Google Analytics, specifically. It gives us a clear picture of how things are going. For example, we can track traffic sources to see where our visitors are coming from, whether it’s from organic search, social media, or direct traffic. That helps us figure out which marketing channels are really working for us.”

“Definitely. We track social media engagement things like likes, shares, comments, and follower growth. The higher the engagement, the better. It usually means more brand awareness, and in turn, it can lead to more traffic to the website and ultimately more sales.”

Interviewee 2 (D2) stated:

“To find out how well my business is doing, I look at revenue, the number of visitors, page views, and bounce rates. This analysis helps me see which products are drawing customers in and identify reasons why they might be leaving the page.”

Interviewee 3 (C3) stated:

“We evaluate our business performance by looking at sales growth, website traffic, customer retention, and feedback. We also track inventory turnover to see which products sell fast and which don’t. Sales data and profitability are the most important KPIs for us.”

Interviewee 4 (N4) stated:

“We track on a few important KPIs such as sales volume, customer engagement on social media, and the rate at which customers are returning for repeat orders.... The revenue and profit are also one of the important indicators for us to know if our business is growing or not growing. Because the revenue and profit can show that our business is facing any problem.”

Interviewee 5 (L5) stated:

“We mainly evaluate performance using metrics like revenue, website traffic such as order volume, customer satisfaction from their feedback, customer retention rate, and profit margin. These KPIs provide a comprehensive understanding of business health and trends.... We also regularly review profit margins to ensure profitability...”

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4.7.2 Future Strategies for Sustaining and Improving Business Performance

Participants discussed the future strategies for sustaining and improving business performance. These strategies include focusing on innovation, enhance customer engagement, leverage data analytics, mobile optimization, sustainability product, strengthening supply chain management, running more ads and campaign, improve customer service, keeping up with market trend, attract new investor or partner, adapt to change, focus on digital marketing, adapt to market or environment change, and adaption of new technology. The plan focuses on keeping up with trend is the highest-mention code that frequent mention by C1, C3, N4 and L5.

Interviewee C1 expressed the need to stay ahead of the curve by constantly innovating and updating product offerings based on customer feedback and market

trends. This opinion was repeated by Interviewee C3, who also underscored the importance of following market trends to improve customer service and build customer loyalty. Similarly, Interviewee N4 highlighted the importance of conducting regular market research not only to understand customer needs but also to stay updated with the dynamics of the supply chain and consumer preferences.

Keeping up market trends allows businesses to adapt quickly to consumer demand and technological advancements, which are crucial in today's competitive landscape. Businesses that fail to monitor trends risk falling behind, losing market share, and missing opportunities for growth. Regularly updating product lines, services, and marketing strategies ensures that businesses remain relevant and can capitalize on emerging opportunities.

Interviewee L5 expanded on this strategy by mentioning the importance of market research and adopting new technologies to stay competitive. This proactive approach includes optimizing internal processes for better efficiency and understanding the dynamics of the competitive landscape. L5's example of investing in the healthy food market, based on insights from market research, shows how staying aware of trends can lead to the development of successful new products that meet consumer demand.

Hence, keeping up with market trends is a key strategy for sustaining and improving business performance. By focusing on this strategy, businesses can ensure they remain flexible, competitive, and responsive to the needs of their customers. Additionally, market research, product innovation, and adopting new technologies are all essential components of staying ahead of the competition. Through this approach, businesses can not only survive but thrive in a rapidly evolving market.

Interviewee 1 (C1) stated:

“We need to stay ahead of the curve by constantly innovating and keeping up with market trend. This means regularly updating and expanding our product range based on customer feedback and market trends.”

Interviewee 3 (C3) stated:

“We also follow market trends closely and continuously improve customer service to build loyalty.”

Interviewee 4 (N4) stated:

“Of course, constantly update our product with market trend and always conduct market research from consumer as well as our supplier is one of the plan for us in order to have a deeper understanding on the market. These are keys to keeping our business growing.”

Interviewee 5 (L5) stated:

“We address challenges through regular market research to understand customer needs and competitor dynamics, optimizing internal processes to improve efficiency, strengthening team training, and adopting new technologies to stay competitive. For example, market research revealed significant potential in the healthy food market, so we invested more in developing such products, launching successful new offerings.”

4.8 Summary

Chapter 4 examines the experiences of Malaysian that running online businesses in Selangor, focusing on their challenges, strategies, and performance measurement methods. Drawing from interviews with five business owners and managers, this chapter captures both the hurdles and innovative approaches shaping their growth.

For online businesses, managing limited resources is a constant challenge. Small teams often handle multiple roles, leaving little room for skill development in critical areas like digital marketing. Budget constraints exacerbate these struggles, making it difficult to invest in technology or professional services. Resistance to change within organizations further slows the adoption of new tools and methods. External issues like unstable internet connectivity and cybersecurity threats add to the difficulties. Poor connectivity disrupts operations such as inventory updates and

customer service, especially during peak periods. Meanwhile, cyberattacks like hacking and phishing damage customer trust and disrupt business activities. Some businesses shared stories of scams and fraud that forced them to temporarily affect operations, highlighting the vulnerabilities of smaller enterprises.

Despite these obstacles, these online businesses demonstrate remarkable adaptability through customer-focused strategies. Many rely on constant feedback to align their offerings with customer needs, introducing innovations like eco-friendly packaging and same-day delivery. Digital marketing plays a key role in their success, with platforms like Instagram and Facebook enabling businesses to engage audiences, promote products, and build brand loyalty. Content marketing, including tutorials and reviews, further strengthens customer relationships. Technology is an essential part of their operations. E-commerce platforms, social media tools, and data analytics enable these businesses to manage inventory, monitor performance, and make informed decisions. By leveraging these tools, online businesses can optimize their workflows and enhance customer experience.

Performance measurement centers on revenue and online traffic. Revenue provides a clear picture of financial health, while traffic metrics offer insights into customer engagement and the effectiveness of marketing strategies. These indicators help businesses identify areas for improvement and refine their approaches. Looking to the future, online business can be focused on innovation and staying ahead of market trends. Regular market research, product development, and technological adoption are key to their growth strategies. Businesses aim to enhance customer engagement, streamline processes, and adapt to changing consumer preferences.

In conclusion, this chapter provides a comprehensive analysis of the challenges, practices, and performance indicators of Malaysian business in the online business sector. While organizational, technological, and cybersecurity barriers present significant obstacles, market-oriented strategies, digital marketing, and technological tools offer effective solutions. By measuring performance through revenue and traffic metrics and embracing innovative strategies, these businesses are well-positioned to achieve sustainable growth and thrive in a competitive digital landscape.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter concludes the research by summarizing the main findings and discussing how they relate to the objectives of the study. The research aimed to explore the barriers and best practices for Malaysian online businesses in achieving sustainable growth. It identified key challenges faced by these businesses and examined effective strategies to overcome those challenges. The study highlighted three major barriers which are organizational issues, telecommunication and technology infrastructure problems, and cybersecurity threats. At the same time, it found that adopting practices such as market-oriented strategies, digital marketing approaches, and using the latest technologies can help businesses address these barriers and improve their performance.

This chapter also includes recommendations for online businesses, and future researchers. The recommendations focus on how to address the barriers identified in the study and enhance the practices that contribute to sustainable business growth. Lastly, suggestions for future research are provided, particularly regarding the inclusion of more diverse respondents and the use of different research methods.

5.2 Research Discussion

The results of the findings of current researcher with previous researchers will be compared and discussed in this section based on the research objectives. Two objectives have been established to have a better understanding of the major barriers and best practices for Malaysian online businesses in achieving sustainable business growth. Besides that, the new findings of the current researcher on the business performance indicator will also be compared with previous researchers. The next sub-section expands on the discussion.

5.2.1 Objective 1: To identify the major barriers for Malaysian online businesses in achieving sustainable business growth.

Based on the literature review, the barriers faced by Malaysian online businesses can be categorized into three main groups: organizational barriers (OB), telecommunication and technology infrastructure barriers (TTI), and cybersecurity threats (CS). Each category contains specific sub-factors that contribute to the challenges encountered by online businesses in Malaysia.

For organizational barriers, past researchers have identified a lack of skilled or professional employees, especially those with IT knowledge and technical skills, as a significant challenge for businesses heavily reliant on technology for long-term growth (Harvey & Mejias, 2002; Abbad et al., 2011; Bhaskar & Choudhary, 2022; Toh & DeNisi, 2022). Furthermore, the attitude, effort, assistance, and motivation from leadership towards adopting online business practices have been cited as critical barriers (Ahmad et al., 2014; Lekmat, 2018; Mohtaramzadeh et al., 2018; Sila, 2019). However, the new findings from this study reveal that the most important organizational barriers are inefficient resource allocation and employees' lack of knowledge in digital marketing and industry-specific or market-related knowledge. These findings suggest that resource distribution and skill-building remain critical challenges for Malaysian online businesses.

In terms of telecommunication and technology infrastructure barriers, previous studies by Mohtaramzadeh, Ramayah, and Jun-Hwa (2018) highlighted the high costs of servicing and adopting the latest technologies as major obstacles for online businesses. Additionally, researchers such as Alyoubi (2015), Ahmed & Hasan (2016), and UNCTAD (2019) emphasized unreliable and poor internet connections and high internet access fees as significant barriers, particularly in developing nations. The current study supports these findings, demonstrating that inadequate internet connectivity is a persistent barrier for Malaysian online businesses. Many parts of Malaysia still suffer from insufficient bandwidth, which negatively affects daily operations and communication with stakeholders. The dependency of online businesses on stable and reliable internet underscores the importance of addressing this issue.

Next, regarding cybersecurity threats, Kianpour, Kowalski, and Øverby (2021) identified these as one of the earliest and most persistent challenges faced by online businesses. Cybersecurity measures are essential to safeguard information from unauthorized access, theft, or manipulation. Attackers often target clients' private information, which is a valuable asset in the online business environment. This study aligns with previous research, showing that half of the respondents reported experiencing cybersecurity risks, such as phishing, which significantly impacted their businesses.

The findings of this study are supported by the proposed research framework, which aimed to identify the major barriers preventing Malaysian online businesses from achieving sustainable growth. The results reveal that the most critical organizational barriers are inefficient resource allocation and employees' lack of knowledge in digital marketing and market-related areas. Internet connectivity remains the most pressing TTI barrier, while cybersecurity threats continue to be a persistent and significant challenge. Notably, the TTI and CS barriers can severely impact an online business if left unaddressed, emphasizing the need for effective strategies to mitigate these issues.

5.2.2 Objective 2: To identify the best practice for Malaysian online businesses in achieving sustainable business growth.

Based on the literature review, the best practices for achieving sustainable growth in Malaysian online businesses can be divided into three main areas which are market-oriented strategies, digital marketing strategies, and technological capability. These practices help businesses improve their performance and growth. This research confirms some practices mentioned in previous studies and also introduces new practices that reflect the changing needs of online businesses in Malaysia.

For market-oriented strategies, past studies by Chikerema and Makanyeza (2021), and Julian et al. (2013) have shown that understanding customer needs, collecting feedback, and doing market research are important for business success. These strategies are known to increase customer satisfaction and loyalty. This research supports these findings, as respondents often mentioned the importance of understanding what customers want and using their feedback to improve products and services. These practices help businesses stay connected with their customers and meet their needs effectively.

However, this research also found a new practice under market-oriented strategies which focus on sustainability. Respondents talked about offering eco-friendly products and using sustainable practices to attract customers who care about the environment. This idea was not discussed in the previous studies reviewed, but it is becoming more important as customer preferences change. This new finding shows that businesses are starting to focus on sustainability to stand out in the market.

In terms of digital marketing strategies, past research by Chaffey (2022) and Ritz et al. (2019) highlighted social media marketing, content marketing, and email campaigns as effective ways to connect with customers and increase sales. This research confirms these findings, as respondents mentioned using platforms like Instagram, Facebook and REDnote to promote their businesses and build relationships with customers. These strategies help businesses gain more attention and improve their online presence.

This research also found some new digital marketing practices, such as using influencer marketing and affiliate programs. Respondents shared how working with influencers and using affiliate systems helped them reach more customers and increase sales. Influencer marketing was mentioned as a way to build trust with customers by having products promoted by people they follow and admire. These strategies show how businesses are using creative methods to compete in the digital market. Besides that, this research has also found that most of the respondents mentioned using a social media apps that is famous in China called REDnote to do marketing instead of using Tik Tok, especially for the Chinese community.

For technological capability, previous studies have pointed out the importance of using tools like cloud-based inventory systems, analytics platforms, and e-commerce platforms to improve business operations (Tello-Gamarra & Fitz-Oliveira, 2023; Salisu & Abu Bakar, 2019). This research agrees with these findings, as respondents said these tools helped them manage their businesses better and make decisions based on data. In addition to these known practices, this research also found that some businesses are starting to use AI tools and video editing applications. Respondents shared that AI tools helped them work more efficiently, and video editing apps allowed them to create attractive content for social media. These practices were not discussed in previous studies and show that businesses are exploring new technologies to improve their marketing and operations.

The findings of this research show that many practices, like understanding customer needs and using social media marketing, are consistent with past studies. However, there are also new practices, such as focusing on sustainability, using influencer marketing and affiliate programs, and adopting AI tools and video editing apps. These new practices highlight how Malaysian online businesses are adapting to changes and finding innovative ways to grow.

5.2.3 New Findings on Business Performance Indicator

Measuring business performance is essential for online businesses to monitor their progress, identify areas for improvement, and make informed decisions. Based on the findings of this research, several tools and indicators are commonly used to evaluate the performance of Malaysian online businesses. These findings align with existing literature while also introducing new insights and practices that reflect the evolving needs of businesses in the digital landscape.

One of the most widely used tools is website analytics platforms such as Google Analytics. The previous researchers have highlighted the importance of these platforms for tracking key metrics like website traffic, user behavior, and conversion rates (Chaffey, 2022; Ritz et al., 2019). Similarly, respondents in this research emphasized the value of these tools in understanding customer engagement and optimizing website performance. Metrics like page views, bounce rates, and session durations help businesses evaluate how users interact with their websites and identify opportunities to improve the user experience.

Moreover, another critical area of performance measurement is financial performance metrics. Chapter 2 highlighted indicators such as revenue growth, profit margins, and sales conversion rates as essential for assessing financial health. This research confirms these findings, with respondents using these metrics to evaluate the success of marketing campaigns and overall business profitability. However, this study also introduced a new perspective by highlighting how businesses track customer acquisition costs alongside these metrics to assess the cost-effectiveness of specific campaigns, a practice less emphasized in the reviewed literature.

Besides that, the importance of social media analytics tools was also mentioned in both past literature and this research. According to the respondents, tools like Meta Business Suite and Hootsuite were commonly used to track metrics such as likes, shares, comments, and follower growth. While the literature emphasized these basic engagement metrics, this research uncovered a new dimension in which businesses are increasingly analyzing customer comments and reviews on social media to monitor customer sentiment and brand reputation. This practice allows businesses to respond

quickly to feedback and maintain a positive image, adding depth to the role of social media analytics in performance measurement.

Additionally, customer feedback systems play a key role in assessing customer satisfaction and loyalty. This research has discussed the importance of tools like online surveys for collecting customer feedback during interviews and Net Promoter Score (NPS), a metric used to measure customer loyalty and satisfaction with a company, product, or service. Respondents in this study confirmed the use of such tools but also pointed out a growing reliance on automated feedback collection systems that are integrated into e-commerce platforms. These systems streamline the feedback process, making it easier for businesses to gather and analyze data on customer experiences.

One of the unique findings of this research was the increasing use and awareness of e-commerce platform analytics provided by platforms like Shopee and Lazada. While some of the previous researchers acknowledged the role of e-commerce platforms in providing basic analytics, this research showed that businesses are now using these tools to track order fulfillment rates, average order values, and customer acquisition costs. These analytics help businesses manage performance across multiple platforms and make more strategic decisions.

This research validates many of the tools and indicators discussed in Chapter 2, including website analytics, financial metrics, social media analytics, and customer feedback systems. At the same time, it introduces new insights, such as the importance of doing customer sentiment analysis. Customer sentiment analysis is the process of using technology tools and techniques to examine and understand the emotional or attitude expressed in customer feedback that may come from various sources such as product reviews, social media comments, surveys, customer service interactions, and more. The goal is to identify whether customers feel positively, negatively, or neutrally about a product, service, or brand. These findings reflect the evolving business performance indicator of Malaysian online businesses and offer valuable guidance for improving performance measurement strategies in the digital economy.

5.3 Recommendations for Future Research

The findings of this study highlight several areas where future research can further expand and deepen the understanding of the barriers and practices of Malaysian online businesses in achieving sustainable growth. Although data collection for this research faced certain limitations, the insights gathered provide a valuable foundation for future studies to build upon.

First, future researchers might consider expanding the scope of their data collection by increasing the diversity of respondents. In this research, all respondents were from the Chinese community, which may have influenced the findings due to cultural and community-specific factors. Future studies should aim to include respondents from other major communities in Malaysia, such as Malay and Indian business owners, to capture a broader and more representative range of perspectives. This would allow researchers to identify potential differences in barriers and practices across different cultural contexts. For example, cultural values, communication styles, or differing levels of access to resources may lead to variations in how businesses approach challenges and adopt strategies for growth. By including diverse communities, future research can provide more inclusive and comprehensive insights into the factors affecting online business success in Malaysia.

Second, while this research relied primarily on qualitative methods for data collection, future studies may benefit from a mixed-methods approach. Combining qualitative interviews with quantitative surveys could provide a more comprehensive understanding of the critical barriers and practices in online businesses. For instance, quantitative methods can offer statistical insights into the prevalence of certain barriers, while qualitative methods can explore the underlying causes and implications. Future researchers may also consider extending the study period to gather more detailed and diverse perspectives.

Additionally, future research could focus on exploring specific aspects of barriers and practices that were briefly touched upon in this study. For example, deeper investigation into the impact of employee resistance to technological changes, the integration of sustainability-focused practices in online businesses could yield

valuable insights. Researchers may also consider analyzing these barriers and practices across different regions or industries to identify unique challenges and strategies.

Finally, future studies could examine how emerging technologies like artificial intelligence, blockchain, and advanced analytics are reshaping the performance and practices of online businesses in Malaysia. These technologies were identified as promising tools by respondents in this research, and further investigation could uncover their potential to drive sustainable growth. Moreover, exploring the role of external support, such as government initiatives or industry partnerships, could provide a broader perspective on how online businesses can overcome barriers and leverage best practices.

In conclusion, while this study provides meaningful insights, it also opens the door for further exploration of critical factors affecting online business growth in Malaysia. By addressing the areas highlighted above, future research can contribute to a deeper understanding of this dynamic and evolving field, ultimately helping online businesses achieve greater success.

5.4 Conclusion

This research explored the major barriers, best practices, and tools or indicators that impact the sustainable growth of Malaysian online businesses. The study identified three significant barriers which are organizational issues, telecommunication and technology infrastructure challenges, and cybersecurity threats. Organizational barriers, such as inefficient resource allocation and employees' lack of knowledge in digital marketing, were highlighted as critical challenges. Additionally, resistance to adopting new technologies emerged as a new finding in this area. Telecommunication and technology barriers, such as poor internet connectivity and limited bandwidth during peak business periods, remain pressing issues for businesses, emphasizing the need for scalable solutions. Cybersecurity threats, including phishing and hacking, continue to undermine business operations and customer trust, with this study uniquely revealing the emotional toll these threats take on business owners.

The research also investigated best practices that help businesses overcome these barriers and achieve sustainable growth. Common strategies such as market research, social media marketing, and using advanced technologies were confirmed. However, the study introduced new practices, including sustainability-focused strategies, influencer marketing, and the adoption of tools like AI and video editing applications, which reflect the evolving needs of online businesses. These innovative approaches showcase how businesses are adapting to changes in customer behavior and technological advancements.

Furthermore, the research explored tools and indicators used to measure business performance. Established tools such as website analytics, social media platforms, and customer feedback systems were validated, while the study uncovered the growing reliance on e-commerce platform analytics and the challenges smaller businesses face in adopting advanced performance measurement tools. These findings provide a more nuanced understanding of how businesses evaluate their progress and refine their strategies.

In conclusion, this study contributes meaningful insights into the challenges and strategies that influence the success of online businesses in Malaysia. By addressing barriers and implementing effective practices, businesses can enhance their sustainability and competitiveness. Future research should consider expanding the scope of respondents to include diverse communities and industries while integrating mixed method approaches to gain a broader and more comprehensive understanding of the topic. This study serves as a foundation for future work in the field and offers practical guidance for business owners, policymakers, and researchers aiming to support the growth of online businesses in Malaysia.

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APPENDICES

Section A: Interview Questionnaire

**ALL INFORMATION WILL BE TREATED IN THE STRICTEST
CONFIDENCE**

Only the researcher involved in the project will have access to the information in this survey. All information will be stored in compliance with University of Technical Malaysia Malacca guidelines. Confidentiality of information provided is subject to legal restrictions. The researchers in this project comprise Liew Jia Li (012-2986830). For online versions of questions, can be reached at: <https://forms.gle/dPaoDbLthQ8ZKiu96>

PART A: Basic Personal Information

Participant Name: _____

Company / Business Name: _____

Industry of business: _____

Estimate yearly revenue: _____

PART B: Barriers

The barriers that will be focusing are *Organizational barriers, Telecommunication and Technology Infrastructure, and Cybersecurity Threats*.

B1) Organizational Barriers

3. Did your online business face any internal organizational challenges (such as lack of skills, financial crisis, limited innovation, etc.) that hinder in achieving sustainable business growth and performance? If so, can you please explain.
4. Have you encountered any management or organizational practices that negatively or positively impact your business growth and performance? If so, please elaborate.

B2) Telecommunication and Technology Infrastructure

5. What telecommunication challenges do you face before that affect your online business performance and growth?
6. How does the quality of internet connectivity impact your business operations and overall performance, and do you think it is important?
7. Are there any specific technology infrastructure issues that affect your business performance? If so, how do these infrastructure issues affect your ability to sustain and grow your business performance?

B3) Cybersecurity Threats

4. Can you describe any cybersecurity threats (such as phishing, scamming, credit card fraud, etc.) your business has encountered that impacted your business performance?
5. Have cybersecurity concerns ever caused disruptions in your business operations and performance? If yes, can you provide examples?

PART C: Practices

The practices will be focusing are *Market Oriented Strategy, Digital Marketing Strategies and Technological Capability*.

C1) Market Oriented

5. Have you implemented market-oriented strategies in your business before? If yes, does it improve your business performance?
6. How does your business's market orientation contribute to achieving sustainable business growth and performance? Can you share some examples if possible.
7. How do you gather and utilize customer feedback to enhance your business operations and performance? Did you feel this is effective?

C2) Digital Marketing Strategy

4. What digital marketing strategies have you found most effective for enhancing your online business performance?
5. Can you discuss how these digital marketing strategies have helped achieve sustainable business growth and performance?
6. How do you measure the success of your digital marketing efforts in terms of business performance?

C3) Technological Capability

4. What technological tools and platforms do you think are essential and being used for maintaining and improving your business performance?
5. What challenges have you encountered in maintaining or upgrading your technological capabilities, and how do they impact your business performance?
6. Have you experienced the adoption of new technologies, and how it impacted on your business performance and growth? If yes, can you provide examples?

PART D: Overall Business Performance

5. How do you find out if your online business is performing well or not performing well? What key performance indicators (KPIs) are most important for assessing your business performance and growth?
6. What do you do to overcome challenges your business faces and what are the best practices to use?
7. How do you plan to keep your business successful and make it even better, considering the challenges and strategies we've talked about?

PART E: OTHERS

1. Is there anything we haven't covered, or anything else you'd like to say? If no, you may leave it blank.

- END OF QUESTION. THANK YOU –

Section B: Transcript of Interview

i) Transcript with Interviewee C1.

In this exclusive interview, we are joined by Mr. CK Chang, the CEO of OxWhite, a Malaysian-based apparel brand known for its dedication to affordability, quality, and sustainable practices. Mr. Chang discusses the challenges OxWhite faces in scaling its operations, the strategies it uses to stay competitive, and the initiatives it employs to foster sustainable growth in Malaysia's dynamic e-commerce landscape.

Interviewer: Mr. Chang, to start, could you share some of the internal organizational challenges OxWhite has faced that might hinder achieving sustainable growth?

C1: Absolutely. Like many businesses in growth mode, OxWhite has encountered several internal challenges as we scale. For one, scaling our operations has proven to be a major undertaking. As we expanded our product line and customer base, managing this growth has required precise forecasting and production planning. Since we use a pre-order model to minimize inventory costs, any error in demand forecasting can create delays in fulfilling orders or result in excess stock, which could negatively impact our brand reputation and customer satisfaction.

Another significant challenge has been resource allocation. With a limited budget, we have to be strategic about how we distribute our resources, especially across key areas like advertising, technology upgrades, and customer service. For instance, during high-traffic campaigns, we need to ensure that our stock levels are adequate while keeping marketing costs in check. This balanced act can strain our resources, as all areas are essential for maintaining customer satisfaction and efficient operations.

Additionally, maintaining high levels of customer engagement becomes increasingly complex as we grow. Initially, our brand thrived on direct social media interactions, where we could engage personally with each customer. However, as our customer base has expanded, it has become more challenging to maintain this level of personalized communication. In the competitive fashion industry, maintaining strong customer relationships is crucial, so we're constantly adapting our engagement strategies to retain loyalty.

Interviewer: Have you encountered any specific management or organizational practices that negatively impact OxWhite's business growth and performance?

C1: Yes, several areas within our organizational practices need refinement. First, ineffective communication within the organization can be a barrier to success. Poor communication can lead to misunderstandings, misaligned goals, and lost opportunities. For example, if our marketing, product development, and customer service teams aren't effectively communicating, it can create inconsistent messaging, missed collaboration opportunities, and slower response times to customer inquiries or market changes.

Resistance to change is another challenge. In a fast-evolving industry like ours, adapting to new trends and technologies is essential. If employees or management resist change and lack of training or development, it can slow innovation and delay necessary improvements. For example, not adapting quickly to emerging trends could lead to missed opportunities and potentially result in stagnation.

Without a well-defined vision and strategy, it's easy for teams to lose direction, leading to fragmented efforts and wasted resources. For instance, if we lack clear objectives for a marketing campaign, we might struggle to achieve desired outcomes or effectively measure success.

Finally, we have to be cautious about over-focusing on short-term gains. While immediate sales are important, prioritizing them over building long-term customer relationships can lead to high churn rates and a reduced customer lifetime value. This is especially true in the fashion industry, where repeat customers are key to sustained growth. It's essential that we balance our efforts to achieve immediate sales with investments in brand loyalty and customer retention.

Interviewer: With telecommunication and technology infrastructure being so vital to e-commerce, what are the main challenges you face in this area?

C1: Telecommunication and technology infrastructure are indeed crucial for an online business like OxWhite. One significant challenge is internet connectivity. Reliable connectivity is essential for us, as disruptions can directly affect website performance

and, in turn, customer experience. Slow or unstable connections can lead to downtime or delays, both of which can result in lost sales and impact our operational efficiency.

Another area we monitor closely is data security. As an online retailer, protecting customer data is paramount. Telecommunications-related issues, such as insecure data transmission, can expose us to cybersecurity risks, such as data breaches or cyberattacks. If customers feel their information is at risk, it can damage their trust in our brand.

We also experience challenges with mobile optimization. With the majority of consumers now shopping via mobile devices, ensuring that our website performs well on mobile is essential. Any connectivity issues or slow mobile load times can create a poor user experience, which often leads to lost sales. Additionally, customer service limitations linked to telecommunications tools are significant. Many of our interactions occur via live chat and social media, so if there are issues in these channels, it can lead to slower responses and decreased customer satisfaction.

Interviewer: How does internet quality directly impact OxWhite's operations and growth, particularly during peak times?

C1: Quality internet connectivity is absolutely vital to our operations, especially during peak sales events. During high-traffic periods, any slowdown or connection disruption can result in significant loss of sales and tarnish our brand's image. We've taken measures to strengthen our connectivity, as a stable internet connection ensures smooth transaction processing, quicker order fulfillment, and seamless customer experience.

Interviewer: Are there specific technology infrastructure challenges affecting your ability to sustain and grow the business?

C1: Yes, the scalability of our e-commerce platform is a key consideration. We use Shopify, which has been robust for us so far, but during major promotional events when traffic spikes, the platform must handle increased order volumes without any slowdowns or crashes. If our infrastructure can't handle high traffic, it could lead to lost sales opportunities and impact our brand's reputation.

Inventory management is another area where technology plays a critical role. Since we use a pre-order model, effective demand forecasting is essential. Any missteps in this area could lead to stockouts or excess inventory, both of which affect customer satisfaction and operational efficiency. So far, our platform has been able to handle this, but as we grow, continuous monitoring and optimization are necessary.

Interviewer: Can you describe any cybersecurity threats your business has encountered that impacted your business performance?

C1: No, we are not facing these threats.

Interviewer: OxWhite has a reputation for being market oriented. Could you share some strategies you've implemented that have contributed to performance improvement?

C1: OxWhite is indeed a market-oriented brand, and our strategy has evolved around understanding and addressing customer needs. From the beginning, we saw a need for affordable, high-quality white dress shirts and tailored our offerings around that. Our pre-order model not only helps minimize inventory costs but also allows us to gauge customer interest before full-scale production. Initially, customers were a bit skeptical about this model, but through effective online marketing and transparent communication, we successfully sold over 10,000 shirts in our first month.

We also actively engage in market research by soliciting customer feedback through surveys and social media. This feedback allows us to adapt our products and services to better meet consumer expectations. For example, based on changing preferences during the pandemic, we expanded our product line to include work-from-home essentials and active wear, ensuring that our offerings remained relevant.

Our target marketing on platforms like Facebook has been instrumental. By using key opinion leaders and tailoring our messaging to resonate with a diverse audience, we effectively communicate our value proposition and build brand awareness. We're also committed to sustainability, reducing plastic packaging and incorporating eco-friendly materials, which resonates with the growing demand for sustainable fashion practices.

Interviewer: How does this focus on market orientation contribute to sustainable business growth?

C1: Our market orientation is central to OxWhite's sustainable growth. We focus on being customer-centric, which fosters loyalty and repeat business. Our pre-order model aligns production with actual customer demand, reducing waste and inventory costs. The use of social media and real-time feedback allows us to continually improve our offerings. By adapting to market shifts, such as adding casual wear during the pandemic, we ensure that we stay relevant to our customers. These strategies not only help in building a strong brand but also support sustainable growth in a highly competitive industry.

Interviewer: What methods do you use to gather and leverage customer feedback?

C1: Customer feedback is a cornerstone of our business. We use a few different methods to collect it. First, we conduct surveys and send feedback requests to understand our customers' opinions on products and services. We also engage directly on social media, responding to customer comments and encouraging interaction. Our pre-order model itself acts as a feedback mechanism, as it allows us to assess customer interest before we begin production.

Once we gather feedback, we use it to inform product development and improve customer experience. For example, if customers indicate an interest in specific product styles, we prioritize these in our next collections. Feedback also helps us refine our marketing strategies. Understanding customer demographics and preferences enables us to create targeted campaigns that resonate with our audience. This approach has proven effective, as seen in our high levels of customer loyalty and repeat purchases.

Interviewer: What digital marketing strategies have been most effective for OxWhite?

C1: Social media advertising, particularly on Facebook and Instagram, has been instrumental for us. We target young, tech-savvy professionals, and these platforms allow us to reach them effectively. For example, during our launch, we sold 2,500 shirts in just three hours through social media promotions, which shows the impact of this strategy.

We also use influencer marketing and affiliate programs to expand our reach. By collaborating with trusted influencers, we're able to connect with new audiences authentically. Additionally, our pre-order model has reduced inventory risks and

allowed us to optimize resources. Finally, email marketing with Klaviyo has been effective in driving repeat purchases and keeping customers informed about new offerings.

Interviewer: How do these digital marketing strategies support sustainable growth?

C1: Our pre-order model minimizes waste by aligning production with actual demand. Social media marketing and partnerships build community and strengthen customer loyalty, which is crucial for long-term growth. Our email campaigns encourage repeat purchases, which directly support sustainable revenue growth. These strategies collectively help us maintain high customer retention while growing the brand sustainably.

Interviewer: Next, what technological tools do you consider essential for maintaining and improving business performance?

C1: Shopify is our primary e-commerce platform, providing essential features for managing inventory, processing payments, and tracking customer relationships. For customer engagement, we use Wati on WhatsApp, which helps us provide personalized support. Klaviyo is central to our email marketing, allowing us to run automated campaigns that enhance customer engagement. Finally, Google Analytics helps us monitor website traffic and user behavior, informing data-driven decisions for both product offerings and marketing strategies.

Interviewer: Now we are moving to the last part which is about overall business performance. So, as the CEO of the company, how do you determine if your online business is performing well or if there are areas that need improvement?

C1: Well, there are a few key metrics and tools I rely on to assess our business performance. First off, we use website analytics—Google Analytics, specifically. It gives us a clear picture of how things are going. For example, we can track traffic sources to see where our visitors are coming from, whether it's from organic search, social media, or direct traffic. That helps us figure out which marketing channels are really working for us.

Interviewer: Interesting. So, what other insights do Google Analytics provide?

C1: It also gives us valuable information about user behavior. Things like how long people are staying on the site, how many pages they visit, and the bounce rate. If we notice a high bounce rate, it's a sign that something's off, like our visitors aren't finding what they expected. This could mean we need to rethink our content or make design improvements. It's all about keeping the users engaged.

Interviewer: That makes sense. And how about when it comes to conversions?

C1: Conversion rates are huge for us. We track how many visitors actually take the actions we want them to—whether that's making a purchase, signing up for our newsletter, or any other goal we have. If the conversion rate is low, it might mean our sales funnels or marketing strategies need a bit of fine tuning.

Interviewer: That's definitely important. Are there any other areas you look into?

C1: Yes, SEO performance is another big one. We keep an eye on tools like Google Search Console to track how well our site is ranking in search results. We analyze search traffic—which keywords are bringing visitors to our site, and how well our content is performing. Also, if there are any indexing issues, we need to fix them right away to make sure our site is visible in search results.

Interviewer: Sounds like SEO is crucial. Do you get any insights from your customers?

C1: Absolutely. Customer feedback is one of the most important sources of information for us. We collect feedback through surveys, reviews, and social media interactions. It helps us understand how our customers feel about our products and services. Positive feedback and high levels of engagement are usually great signs that we're on the right track.

Besides that, we will also focus on customer retention rate. This KPI measures the percentage of customers who return to make additional purchases. A high retention rate can indicate strong customer loyalty and satisfaction, which are crucial for sustainable growth. Our company tracks retention through repeat purchase metrics and customer feedback.

Interviewer: That's valuable information. How do you track your actual sales performance?

C1: We track several sales metrics, like total revenue, average order value, and customer acquisition costs. These metrics give us a good idea of how well the business is doing overall. By regularly reviewing them, we can spot trends, adjust our strategies, and make informed decisions moving forward.

Interviewer: How about social media? Does that play a role in your business performance?

C1: Definitely. We track social media engagement things like likes, shares, comments, and follower growth. The higher the engagement, the better. It usually means more brand awareness, and in turn, it can lead to more traffic to the website and ultimately more sales.

Interviewer: That's interesting! So, do you perform any checks on your website itself.

C1: Yes, we conduct regular website audits. This helps us identify any technical issues, like slow loading speeds, mobile responsiveness problems, or security concerns. A smooth, fast, and secure website is crucial for delivering a positive user experience and keeping performance up to standard.

Interviewer: That's a thorough approach. Thanks for sharing these insights into how you monitor and manage your online business performance. Looking ahead, what strategies will you focus on to overcome challenges and sustain growth?

Interviewer: What are your plans for sustaining and improving business performance in light of the barriers and practices discussed?

C1: To sustain and improve business performance while addressing the challenges we've talked about, Oxwhite can adopt several forward-thinking strategies. Here's how we can leverage our strengths and tackle obstacles:

- **Continuous Innovation in Product Offering**

We need to stay ahead of the curve by constantly innovating and keeping up with market trends. This means regularly updating and expanding our product range based on customer feedback and market trends. Our pre-order model is a great tool because it allows us to test new products without a big financial risk. This way, we only produce

what has proven demand, which helps us stay competitive and responsive to changing consumer preferences.

- **Enhanced Customer Engagement**

Building strong relationships with our customers is crucial for long-term success. We can take this further by enhancing engagement with personalized marketing strategies. Using tools like Klaviyo for targeted email campaigns, we can segment our audience based on their behavior and preferences. This lets us deliver tailored content that speaks to them directly, which builds loyalty and encourages repeat purchases.

- **Leveraging Data Analytics**

Investing in data analytics tools is key for understanding customer behavior and market trends. By analyzing data from our website, social media, and sales performance, we can make smarter, data-driven decisions. Ongoing testing and adapting of our marketing strategies based on this data will help us optimize campaigns and boost conversion rates.

- **Strengthening Supply Chain Management**

One area we need to improve is our supply chain management. We should invest in better systems to track inventory levels in real time and forecast demand more accurately. With the right products available at the right time, we can improve customer satisfaction and minimize missed sales opportunities.

- **Mobile Optimization**

With more people shopping on mobile devices, optimizing our site for mobile is a must. A seamless, easy-to-navigate shopping experience, fast loading times, and responsive design will make sure our customers enjoy their shopping experience, which can help increase conversions.

- **Sustainable Practices**

As consumers become more aware of sustainability, it's important for us to invest in eco-friendly practices, like using sustainable materials and reducing packaging waste.

Sharing these efforts through our marketing channels can help attract eco-conscious customers and set us apart from the competition.

• Collaborations and Partnerships

Finally, strategic collaborations with other brands or influencers can help us expand our reach and visibility. These partnerships offer access to new audiences and resources, allowing us to grow our market presence and benefit from the expertise of others.

Interviewer: It sounds like you have a comprehensive plan in place. Thanks for sharing your thoughts, C1!

C1: You're welcome! It's all about adapting and staying ahead in a fast-changing market. We're excited about the future.

Interviewer: Thank you, Mr. Chang, for sharing such valuable insights. We look forward to seeing how OxWhite continues to lead in sustainable growth and customer-driven innovation.

C1: Thank you for the opportunity. It was a pleasure to share OxWhite's journey and vision for the future.

ii) Transcript with Interviewee D2.

Interviewer: Thank you, Dennis, for taking the time to participate in this interview. Let's start with some basic information. Could you please tell me your name, the name of your business, and what industry you're in?

D2: My name is Dennis Wee, and I run a business called Dr. Math. We specialize in the retailing of books. Our business mainly serves educational needs, focusing on textbooks, workbooks, and learning materials. We estimate our yearly revenue to be around RM30K.

Interviewer: Great! Thanks for sharing that. Now, I'd like to ask you about some of the challenges that online businesses like yours might face. First, did your business experience any internal organizational challenges that hindered your growth? For example, challenges like a lack of skills, financial issues, or limited innovation?

D2: We don't really have big internal issues since it's just me, my partner, and one other person running the business. But we do have a few challenges. We're lacking in IT and marketing skills, which makes it tough to get everything running smoothly online and to attract more customers. Plus, with such a small team, the workload can get pretty overwhelming, especially since this is just a part-time job for us. So, to balance all the tasks with limited resources can make it difficult for us to grow our business.

Interviewer: I can imagine that must be tough. Would you say any management practices have had an impact on your growth?

D2: The one thing that really impacts our business growth is the lack of focus and unclear goals. Without a clear direction, it's tough to set the right strategies to boost the business. We need to figure out what we want to achieve and how to get there to make our efforts more effective.

Interviewer: Let's talk about your online operations. Have you experienced any challenges with telecommunications or technology infrastructure?

D2: Yes, definitely. The challenge we face is poor internet connection in certain areas and will disrupt us when reply to our customer or take longer time to respond to them.

Interviewer: So how does the quality of internet connectivity impact your business operations and overall performance, and do you think it is important?

D2: Yes, it's important to our business because our business primarily operates online, so having stable internet connectivity and a strong technology infrastructure is vital. If we can't resolve customer issues promptly, it can lead to a loss of sales, as modern buyers often prioritize customer service when deciding where to shop. Additionally, we rely on the internet to stay up to date on trending books, which helps us attract more new customers and fulfill their wants.

Interviewer: How about cybersecurity? Have you faced any threats in that area?

D2: Unfortunately, yes. Our business page was hacked in the year 2022, and the hacker attempted to scam our buyers by asking them to transfer money for delivery fees. Fortunately, we had already communicated with most of our customers about the fees, so only 2 or 3 buyers fell for the scam. Thankfully, none of our customers' personal details were leaked. However, we had to temporarily shut down our online business for a few days to address the issue and reinforce our security measures.

Interviewer: That must have been stressful. However, now we are going to talk about the practices that you have applied in your business. May I know whether you have used market-oriented strategies to improve your performance?

D2: Absolutely, these strategies can make a big difference when used effectively. For example, when Anwar Ibrahim was elected as the new Prime Minister, we saw a rise in demand for books about him, as the public wanted to learn more about his background and policies. Thankfully, we had stocked up on related books before the election. This foresight allowed us to meet the increased demand and take advantage of the trend, ultimately boosting our sales and ensuring we had the products customers were looking for.

Interviewer: Well then may I know how does being market-oriented contributes to sustainable business growth? Can you share some examples if possible.

D2: Our market orientation strategy is around figuring out what our customers like and staying up to date with the latest trends. We do this by regularly observing public interests and researching weekly. Additionally, we strive to help our customers find books and magazines that are hard to get elsewhere. This approach not only helps us offer the latest and most sought-after items but also encourages customers to come back to our store, leading to more consistent business performance and customer loyalty.

Interviewer: So, will you gather and utilize customer feedback to enhance your business operations and performance? Did you feel this is effective?

D2: We gather customer feedback and analyze their needs to figure out what the market wants, and then we try to offer those products. This approach works pretty well, but

since we're in the book business, it might not be as powerful as it would be in other industries with more varied needs. Still, focusing on what our book buyers are interested in helps us offer what they're looking for and keeps them coming back.

Interviewer: Moving on to digital marketing strategies. What digital marketing strategies have worked best for your business?

D2: Content marketing and social-media marketing. We use content marketing by regularly updating our recommended books and posting reviews to build trust with our buyers. On the social media side, we keep our customers informed about new book arrivals, share promotional posts, and run advertising campaigns to boost visibility and engagement. This approach helps us stay connected with our audience and keeps them interested in what we offer.

Interviewer: How have these strategies contributed to your growth and performance?

D2: These strategies really helping our business by building trust with our customers, engaging with them more effectively, and attracting new buyers. By regularly updating content and staying active on social media, we're able to reach a larger audience and create more visibility for our business. This exposure helps drive sales and grow our customer base.

Interviewer: Okay, so may I know how do you measure the success of your digital marketing efforts?

D2: I measure ROI and track various website metrics, like the number of visitors and page views, to check how well my business is performing. By analyzing these numbers, I can see if our marketing efforts are paying off and if we're hitting our targets. If the results are strong, it indicates that our strategies are effective. If not, it signals that we might need to adjust our approach to improve performance.

Interviewer: Next, talking about technological capability, what technological tools and platforms do you use to maintain and improve business performance?

D2: We rely on desktop computers, laptops, and smartphones for our tech needs, along with antivirus software to keep everything secure. For maintaining our business operations, essential platforms include Instagram and Shopee, among others. These

tools and platforms help us manage our online presence, engage with customers, and handle sales effectively.

Interviewer: Have you faced challenges in maintaining or upgrading your technological capabilities? If so, how have they impacted your business?

D2: The challenges we face include unstable internet connectivity and the cost of upgrading tools, like buying new phones. Fortunately, these issues don't have a major impact on our overall business performance.

Interviewer: That sounds frustrating. Now, have you adopted any new technologies recently? If so, how have these impacted your business performance and growth?

D2: Not recently, no.

Interviewer: Finally, how do you assess whether your business is performing well or not? What key performance indicators do you use?

D2: To find out how well my business is doing, I look at revenue, the number of visitors, page views, and bounce rates. This analysis helps me see which products are drawing customers in and identify reasons why they might be leaving the page.

Interviewer: And what steps do you take to overcome challenges mention and ensure continued success?

D2: To tackle these challenges, I'll set up the right strategies, like keeping a close eye on KPIs and consistently running advertising or promotional campaigns to attract customers and increase sales. Also, providing excellent customer service is crucial for maintaining loyal customers and boosting the success of our trades.

Interviewer: Is there anything we haven't covered or anything else you'd like to add?

D2: No, that's all. Thank you for having me.

Interviewer: Thank you so much for sharing your insights today. It sounds like you have a solid strategy for growing and sustaining your business. I really appreciate your time!

D2: Thank you for having me!

iii) Transcript With Interviewee C3.

Interviewer: Thank you, C3, for accepting my interview request for my business project. First, please tell me about your business.

C3: Can we speak in Chinese?

Interviewer: Would you prefer to be interviewed in Chinese?

C3: Yes.

Interviewer: First, thank you for taking the time to participate in this interview for my paper. From what I know, you run a clothing business, focusing mainly on online sales, right? Can you tell me approximately what your annual income is, and share the company size of your business?

C3: My annual income is around three hundred thousand to five hundred thousand and I have team that consists of around 6.

Interviewer: So, is this your expected annual income?

C3: Yes.

Interviewer: Thank you. So, your company mainly focuses on online business, right?

C3: Yes, we focus on online sales.

Interviewer: This paper is about identifying challenges and issues in online businesses. Based on my research, I've identified three main barriers that online businesses face. You understand what I mean, right? The first barrier is organizational barriers. I'd like to know more about your business in terms of any organizational challenges you face. Does your company experience any internal organizational challenges?

C3: Yes, we have encountered some internal challenges. The biggest problem is our lack of knowledge in fashion, and also a shortage of skilled employees in digital marketing. Our team is small, so it's hard to handle everything, and our funding is also

limited. This makes it difficult to invest in new projects. For example, limited funding makes it challenging for us to invest in new technology or marketing projects, which slow down our company's growth.

Interviewer: So, what you're saying is that the main problem you face is the lack of funds, which limits your development, right?

C3: Yes. Additionally, our employees have limited knowledge in fashion and working with technology.

Interviewer: Do you think these organizational barriers have a positive or negative impact on your company?

C3: It's negative. Because we need to stay updated on the fashion market, trends, and changes, it's hard to focus on our market. The fashion industry is very broad, so we lack time and resources to come up with new ideas to grow our business.

Interviewer: I see, thank you. The second barrier I identified is related to telecommunication and technology infrastructure. Has your company faced any telecommunication issues?

C3: Yes, early on, we had terrible internet connectivity issues, which made it difficult to manage online orders efficiently and communicate with customers in a timely manner. Slow upload and download speeds also affected our ability to maintain the website.

Interviewer: So, this issue affects communication with your customers, right? And your inventory doesn't match the online stock levels in real time, correct? So, you also believe that internet connection issues impact your operations and performance, right?

C3: Yes, the quality of the internet connection is crucial to our business. If the connection is too slow, it affects the user experience and delays inventory updates, which leads to customer dissatisfaction. We've realized that with better network service, we can maintain customer satisfaction and ensure smooth business operations.

Interviewer: How do you maintain customer satisfaction? Can you give me an example, such as using WhatsApp to communicate with customers in a timely manner?

C3: Yes, in customer service, for example, when our inventory box runs low and the internet is slow, it becomes difficult to update our online stock, which causes customers to place orders for out-of-stock items, reducing their satisfaction.

Interviewer: I understand. Besides that, have you encountered other technology infrastructure issues, such as problems with your tech equipment?

Interviewee 2: Like I mentioned, the inventory management system has caused issues with overselling or delays in order processing. If not addressed in time, these problems affect customer satisfaction and slow down our business growth. It causes many problems in various aspects.

Interviewer: Thank you. The last barrier I want to discuss is cyber security. Many online businesses face this issue. Has your company experienced cyber security problems?

C3: Yes, we've had issues. For example, hackers sent emails to our customers claiming we had free or heavily discounted promotions, which led many customers to place orders. Later, they didn't receive the products, and that's when we discovered the problem. The link was sent by hackers who had gained access to our system.

Interviewer: So, it was a scam where customers paid you but didn't receive their items. Overall, the cyber security problem you faced was a hack into your website, where the hackers sent out fraudulent links to your customers. Was the loss significant for your company?

C3: Yes, the loss was significant because we had to compensate the customers.

Interviewer: Did this impact customer retention?

C3: Not much, because our company takes responsibility and we try to resolve the issue for the affected customers.

Interviewer: Thank you. Were there any other losses you faced that we haven't discussed?

C3: No, there were no other significant losses.

Interviewer: Now, let's move to the next topic—what practices online businesses can adopt to improve and sustain long-term development. I've identified three key practices based on my research. The first is market orientation, meaning your company focuses on meeting market demand. Does your company follow this approach?

C3: In our business, we closely monitor customer preferences and feedback, and adjust our market strategies accordingly. This helps our products align with the latest fashion trends, especially when responding quickly to customer demands for eco-friendly materials, which has improved our business performance.

Interviewer: So, your main strategy is to meet customer needs, right? You do a lot of research to see what the market needs and adjust your products to meet those demands. For example, you mentioned that many customers are looking for eco-friendly materials, so your company is shifting in this direction?

C3: Yes, we are gradually transitioning towards eco-friendly materials.

Interviewer: I see. Can you tell me how this market-oriented strategy helps your company maintain long-term development?

C3: By using eco-friendly materials, we increase customer appeal and attract new customers. Additionally, during specific holidays like the New Year, we've added traditional clothing to meet customer demand and boost sales.

Interviewer: So, this market-oriented strategy helps maintain long-term growth for your company. Now, aside from this, do you focus on gathering and analyzing customer feedback to improve your company's operations or development?

C3: Yes, we use social media and surveys after purchase to gather customer feedback. This helps us adjust our product design and customer service. This approach has been effective, and after making some recommended changes, we've seen a significant increase in repeat customers.

Interviewer: It sounds effective. How do you collect customer feedback? Do you contact them after they purchase, or do you offer things like discount coupons in exchange for feedback?

C3: We don't do much of that.

Interviewer: I see. Moving on to the second practice—Digital Marketing Strategy. Many online businesses use digital marketing strategies to improve their development. What digital marketing strategies has your company used, and which do you think is the most effective?

C3: The most effective strategy for us is using social media platforms like Instagram, Facebook, and Xiaohongshu. This helps us increase brand awareness. We also collaborate with influencers and run paid ads to promote our products and reach more people.

Interviewer: So, these are the platforms your company focuses on. Since TikTok is also very popular, has your company started using TikTok or similar platforms?

C3: We don't use TikTok much because our target market is mainly Chinese-speaking, and TikTok's audience is largely Malay.

Interviewer: So, you focus on Facebook, Instagram, and Xiaohongshu. Do you also have your own website?

C3: Yes, you can visit our website.

Interviewer: Can you explain how this digital marketing strategy helps your company achieve long-term business growth?

C3: We run targeted ads based on specific customer preferences and needs, which helps increase our sales significantly.

Interviewer: I see. So, for example, you target men with ads for men's clothing. Thank you. How do you measure the success of your digital marketing efforts?

C3: We track website traffic, conversion rates, and customer engagement, such as likes, shares, and comments on our Instagram posts. We also monitor the return on investment (ROI) for ads.

Interviewer: So, you focus on these aspects: ad ROI and customer engagement with your posts. Why is that? Is it because they directly show how your strategy impacts your company's performance?

C3: Yes.

Interviewer: Thank you. The third practice is technological capability. What technological tools or platforms do your company consider essential, and how do they help maintain and improve your business performance? Have these tools created any challenges for you?

C3: Some key tools we use include e-commerce platforms to run our website, social media management tools for marketing, and cloud-based inventory management systems to track stock levels. The biggest challenge is the cost of upgrading or implementing new technologies, like a more advanced customer relationship management (CRM) system. These upgrades are necessary for growth, but sometimes they're delayed due to budget constraints, which can slow down operations.

Interviewer: I see your company focuses a lot on inventory management. Why is inventory management so important for you?

C3: It's because our biggest problem in the past was related to inventory, so we focus more on solving this issue now.

Interviewer: Are your clothes manufactured in-house, or do you outsource production?

C3: We outsource production, and since the quantities are not large, inventory management is crucial.

Interviewer: So, your focus is on managing inventory to prevent stock shortages. Are you always looking for new technologies to improve this?

C3: Recently, we've adopted automated email marketing as a tool to improve communication with customers. We send regular discount codes to keep them engaged and increase sales.

Interviewer: This technology has been around for a while. Why did your company only decide to implement it now?

C3: After our website was hacked, we decided to implement automated email marketing to improve communication and offer personalized discounts based on shopping habits, helping us retain customers and boost sales. This also reduces the risk of hacking and enables quicker communication with customers.

Interviewer: Do you think this has helped your company?

C3: Yes, it's been quite helpful.

Interviewer: Finally, how do you define your company's overall performance? How do you measure whether your online business is performing well?

C3: We evaluate our business performance by looking at sales growth, website traffic, customer retention, and feedback. We also track inventory turnover to see which products sell fast and which don't. Sales data and profitability are the most important KPIs for us.

Interviewer: So, you usually define your company's growth based on these factors. What about the costs? Are you focused on keeping your costs reasonable?

C3: Yes, we keep our costs at a reasonable level.

Interviewer: Does this mean you don't make frequent changes to your costs?

C3: Correct.

Interviewer: How do you approach challenges when they arise? Do you have any specific methods we haven't discussed yet?

C3: To overcome challenges, we focus on being flexible. For example, when we face funding limitations, we focus on cost-effective marketing strategies like organic social media engagement. We also follow market trends closely and continuously improve customer service to build loyalty.

Interviewer: Thank you. Lastly, do you have any plans to take your company to the next level?

C3: Our plan is to expand our product range, improve our website design, enhance customer experience, attract more investors, and focus on digital marketing to sustain

business success. We also plan to meet the growing demand for sustainable fashion through innovation.

Interviewer: Thank you. Before we end, is there anything we haven't covered, or anything you would like to add?

C3: I think we've covered everything.

Interviewer: Thank you for your time in completing this interview.

iv) Transcript with Interviewee D4

Interviewer: Hi Nicole, thanks so much for joining me today. As you know, I will have an interview regarding the barriers that your online business faces and discuss what practices that you have implemented to sustain your business performance. So, let's start by introducing yourself. Can you tell me a little bit about your business and the story behind it?

N4: Of course! I run a flower shop that operates both online and offline. Our business is specialize in selling fresh flowers, bouquets, and event floral arrangements. We offer delivery services as well, which has become quite popular. Our shop is based in Subang Jaya, but we are now more focusing on our online business starting from year 2022 after the covid-19.

Interviewer: I see, so your business is now focusing on online business instead of offline business in your physical shop. So, may I know how to say you are focusing on online business, in which way you promote your business?

N4: Yes, we are now focusing more on our online business. We promote heavily through social media such as Instagram, Xiaohongshu, Facebook, and WhatsApp, which helps us connect with a broader audience. It's been a great way to expand our business and not just relying on physical shop.

Interviewer: It sounds like you have a good mix of online and offline presence. How about the financial side? What would you say your annual revenue is?

N4: Our estimated yearly revenue is around RM180,000. A lot of that comes from both regular sales and special events like weddings, corporate functions, graduation and more. Online orders have been a big contributor, especially with seasonal promotions and social media campaigns.

Interviewer: Thanks Nicole. Now, let's talk about some of the barriers you've faced. Have there been any internal organizational challenges, like lack of skills or financial constraints, that have made it difficult to grow your business?

N4: Definitely! One of the biggest challenges has been the lack of specialized digital marketing skills among me and my teams. I know how to run a business, but when it comes to creating engaging content or running ads, I had to learn and keep improving. And, being a small business, budget constraints also limit how much we could invest in professional services or technology such as appointing a marketing agency to help us in boosting our business performance and awareness. That's something we've been working on improving.

Interviewer: Seems like these internal barriers such as lack of resources and lack of knowledge in digital marketing are the most affecting your business performance. So, may I know if there are any other barriers that related to customers are affecting your business such as the engagement with your client?

N4: Yes, absolutely this is also one of the barriers we will face. While we've built a loyal customer base, in order to keep that engagement high and especially online, it requires constant effort. With so many competitors and new content being shared daily, it is quite hard for us to stay relevant. So, we try to keep things fresh by posting new content such as the product that we have made or design regularly, running promotions, and interacting with our customers, but sometimes it feels like we're always playing catch-up. Staying engaged with customers and keeping them interested in our products is also one of the challenges we're actively working on.

Interviewer: That's understandable. Have any management or organizational practices helped or hurt your business growth?

N4: On the positive side, we've always prioritized customer service. Whether online or in-store, we make it a point to be responsive and personalize the shopping

experience, which has built a loyal customer base. On the negative side, though, the lack of formalized business systems in the early days did cause some inefficiencies. For example, managing both in-store and online orders used to be a bit chaotic in terms of the inventory level, and we weren't always on top of inventory. But we've been improving that by using better tracking systems. And luckily flowers is our main raw material, so we still can create personalized bouquets to our client if one of the flowers is out of stock.

Interviewer: It sounds like you've learned a lot through those experiences. Speaking of technology, what kind of challenges have you faced with telecommunication or tech infrastructure that have affected your online business?

N4: Telecommunication has definitely been a challenge. Some days, we face slow internet connections, which make responding to customer messages or updating social media a bit problematic. That's especially frustrating during busy periods when we need to be quick with order confirmations or promotions. We've also had issues with the integration of our online and offline systems, like sometimes orders get lost or delayed because we don't have the most seamless system in place yet.

Interviewer: That must be frustrating. Do you think the quality of internet connectivity impacts your business operations, especially since you're relying on online sales and communication?

N4: Yes! A fast and reliable internet connection is crucial for us. We rely on social media to engage with customers and process orders, and a slow connection can really slow us down. It's important for maintaining smooth communication, especially with time-sensitive orders. If there are delays or technical issues, it can affect customer satisfaction and ultimately affect our sales.

Interviewer: Alright so basically these are the telecommunication barriers that you are facing. May I ask if your business also faces some other tech infrastructure issues such as protecting data of client, making the presence of your business social media or e-commerce platform better?

N4: We are currently not facing these issues for now as we have a good and secure place to keep the information of our client, and we will not collect unnecessary data

from our client. For example, we will only collect their phone number and name for us to conduct future marketing.

Interviewer: And how about cybersecurity? Have you faced any threats like phishing or fraud that have impacted on your business?

N4: Ermm.... yes, we've dealt with a few phishing attempts and fraudulent transactions before. For example, we've had fake inquiries from people pretending to be corporate clients, trying to scam us into giving out sensitive information. There have also been a couple of times when customers used stolen credit cards to make purchases. While we didn't suffer major losses, these incidents did cause some disruption, as we had to investigate and reverse payments, which slowed down our operations temporarily. But for our own internal system, there are no any cybersecurity threats.

Interviewer: That sounds stressful. How do you manage those cybersecurity risks to protect your business?

N4: We've implemented more stringent checks when processing orders, especially with new customers. We're careful about verifying payments, and we've become more diligent about not clicking on suspicious links or emails. We've also started educating our staff about common cybersecurity threats, which have been helpful in reducing risks. It's an ongoing effort to stay vigilant.

Interviewer: Thanks Nicole, now we are moving on to your strategies, have you implemented any market-oriented strategies in your business? Do you think they've helped improve your performance?

N4: We've always believed in putting our customers first. We pay close attention to what they want and adjust our offerings accordingly. For example, many of our customers were asking for same-day delivery, especially around Valentine's Day. So, we teamed up with local delivery services to make that happen. Another thing we noticed is that people are increasingly celebrating graduations or any others occasion with 'special' bouquets when doing market research. And to find more ideas to make to make 'special' bouquets, we have been inspired by those ideas in the popular China social media platforms to create unique and trendy designs for these occasions. This is

also because most of our customers like to get ideas from those China social media. But however, we will also be focusing on getting ideas from others sources and constantly doing market research to identify the trend on the market. By listening to our customers and adapting to their needs, we've been able to keep them happy and coming back for more, which has led to increased sales.

Interviewer: That's a great example of adapting to market needs. How does your business's market orientation contribute to your long-term growth?

N4: By focusing on customer feedback and adapting quickly, we've built a strong loyal customer base. For instance, when customers asked for eco-friendly packaging, we introduced biodegradable wrapping and sustainable flower sourcing. It's small steps like these that show we're listening to their concerns, and it's paid off in terms of customer trust and repeat business. It's helped us maintain steady growth, even during slower seasons.

Interviewer: You mentioned using social media as a big part of your strategy. What digital marketing efforts have you found most effective in driving online sales?

N4: Social media has always the best choice for us, especially Instagram, Whatsapp and Xiaohongshu. We will keep posting the appealing pictures of our flowers, final design of our flower bouquet and creating engaging content and this really helped us in creating brand awareness and gaining new customers. We also run targeted ads on these platforms, especially on Instagram, which bring in new customers. Other than that, we also do collaborate with influencers to showcase our floral arrangements have worked well too, especially for special occasions like weddings, or corporate events. These social media strategies have been a big part of our growth.

Interviewer: It sounds like you're leveraging social media well. How do you measure the success of your digital marketing efforts?

N4: We usually will measure success by looking at key and engagement metrics such as likes, comments, and shares on social media, as well as website traffic and conversion rates and ROI of marketing. We also track how many customers are returning after seeing our posts or ads. If we run a promotion, we compare product sales figures before and after to see if it made an impact. These KPIs help us understand

what's working and where we need to adjust. For example, we will always run small advertising one or two months before Valentine's Day to introduce our new design of bouquets, so from the customer engagement data, we able to know the way we market our product is works or not. If the results are not acceptable and the ROI of marketing or advertising is too low, we will figure out another way to improve it and maybe change our advertising method.

Interviewer: That's a great way to stay on top of things. Now, on the tech side, may I know what tools or platforms are essential for your business?

N4: We use a variety of tools to keep things running smoothly. Social media platforms like Instagram, Xiaohongshu, and Facebook is essential for marketing. WhatsApp Business is a tool for us to manage orders, communicate with customers and respond to customer inquiries. In the store, we rely on our POS system for sales and inventory management. We also use accounting software to track finances and make sure everything is in order. But I'd say we still have room to improve, especially by integrating our online store and tracking customer data more efficiently.

Interviewer: That's a good mix of tools. Have you faced any challenges when it comes to upgrading or maintaining your technology?

N4: One of the biggest challenges is the cost of upgrading our systems. For instance, implementing a more integrated inventory management system or upgrading the website can be expensive. As a small business, we can't always justify the cost of new technology right away. But we're slowly investing in upgrades, especially as we grow and need more streamlined processes. The challenge is balancing the need for better technology with the available budget.

Interviewer: It's great that you're focused on gradual improvements. Have you adopted any new technologies recently that have had a positive impact?

N4: Yes! We recently introduced an AI automated online booking system for event orders, which has made a huge difference. It's so much easier for customers to place large orders for weddings or corporate events directly through our website. It saves us a lot of time and helps us manage those orders more efficiently. We've also started

using Canva for creating social media posts, which has improved the quality of our content and made our marketing more effective.

Interviewer: Finally, how do you determine if your business is performing well? What key performance indicators do you focus on?

N4: We track on a few important KPIs such as sales volume, customer engagement on social media, and the rate at which customers are returning for repeat orders. We also keep an eye on how quickly we're fulfilling orders, as timely delivery is crucial. If any of these metrics are falling behind, we know we need to adjust our approach. It's about being proactive and making changes when necessary. The revenue and profit are also one of the important indicators for us to know if our business is growing or not growing. Because the revenue and profit can show that our business is facing any problem. For example, if our business has been decreasing revenue for more than 3 months, this means that our business is not performing well and we will figure out what the external or internal problem is and try to solve it.

Interviewer: That makes sense. How do you overcome challenges in your business, and what best practices have you found to be the most effective?

N4: We always stay flexible and willing to learn. When we face a challenge, like inventory management or customer service, we will make sure to research solutions or reach out to others for advice. Best practices include staying on top of customer feedback, being responsive on social media, and continually refining our digital marketing. The key is to always be adaptable and open to improving.

Interviewer: It sounds like you've learned a lot along the way. Looking ahead, how do you plan to keep your business successful and continue to grow?

N4: We'll keep investing in technology and improving our customer experience. We plan to focus more on digital marketing, especially around content creation and ads. This can make sure the engagement with our customers can be increase. We also want to introduce more sustainable practices and new services like subscription flower deliveries. Staying innovative and focused on customer satisfaction such as providing a better and responsive customer service. Of course, constantly updating our product with market trend and always conduct market research from consumer as well as our

supplier is one of the plan for us in order to have a deeper understanding on the market. These are keys to keeping our business growing.

Interviewer: Is there anything else you'd like to share or any advice you'd give to others starting a similar business?

N4: I'd say the key is to really listen to your customers. Every time we've made adjustments based on their feedback, it's paid off. Also, don't be afraid to experiment. You might not get everything perfect from the start, but as long as you keep learning and improving, you're on the right path.

Interviewer: Great advice, Nicole. Thank you so much for sharing your experiences with us today. I wish you continued success with your flower shop!

N4: Thank you! It was a pleasure.

v) Transcript with Interviewee L5

Interviewer: Thank you so much for joining me today! Before we dive into the details, could you start by introducing yourself and telling me a bit about your business?

L5: Of course! My name is Liew Sharon, and I run a business called MyNutri Kitchen. We're in the food and beverage industry, focusing on healthy snacks and products. As you can see from our Instagram, the brand of my product is Chewy Nuts.

Interviewer: That sounds interesting! Can I ask, do you have an estimate of your yearly revenue?

L5: Actually, I am not able to share it.

Interviewer: Got it. Thanks for sharing that! Let's dive right into it. Are there any internal organizational challenges your business has faced that have made sustainable growth difficult?

L5: Yes, we do face some internal organizational challenges. Firstly, our team consists of only three people with limited skills and experience, requiring constant learning and improvement. To address this, we regularly participate in online courses and training, sharing our learnings with each other. For example, we recently took an online course on Instagram marketing and gained many practical skills. Secondly, due to limited funds, our investment in marketing and technological innovation is cautious, and we aim for cost-effective solutions, such as leveraging free resources on social media for promotion.

Interviewer: That's resourceful! Have there been any management practices that have impacted your performance, either positively or negatively?

L5: Definitely. Early on, we struggled with communication issues because we didn't have clear role assignments. Tasks were sometimes duplicated or, worse, overlooked entirely, which hurt our efficiency. But we've come a long way since then. We implemented a detailed roles and responsibilities chart and started having weekly team meetings every Friday to review progress and plan for the week ahead. It's really helped streamline things. We also use Trello now to track our projects, which keep us at the top of deadlines.

Interviewer: Moving to technical challenges, have telecommunications issues ever impacted your business?

L5: Yes, network instability has been a recurring problem, especially during peak hours. This is affecting our customer shopping experiences and order processing speeds. I remember a promotional campaign where the website slowed down so much that we lost customers. To fix this, we upgraded our servers and changed our internet service provider. So, the new service we use now is quite good, that won't give us problems in terms of internet connectivity even with high traffic, as you know most of our devices will be connected to the server.

Interviewer: How important is internet connectivity to your operations?

L5: It's essential. A stable connection ensures our customers can browse and shop without interruptions. We've invested in high-speed broadband to avoid delays. Plus, we've installed network monitoring tools to identify and address issues in real-time.

Interviewer: Have there been any other infrastructure issues that affected your business?

L5: Yes, we've dealt with server failures and slow website loading speeds, which impacted customer retention. For example, one time our server crashed during peak hours, and our online store was down for the period. It was a big hit on our orders. After that, we upgraded our servers. Now, we don't worry as much about these issues.

Interviewer: Cybersecurity is a growing concern. Have you encountered any cybersecurity threats?

L5: No.

Interviewer: Have these cybersecurity issues ever disrupted your operations?

L5: No.

Interviewer: Let's talk about strategy. Have you implemented any market-oriented approaches?

L5: Yes, we have. We implemented market-oriented strategies, particularly by targeting specific audiences with Instagram and Xiaohongshu (RedNote) ads. This increased our customer base and conversion rates. By precisely targeting customers, we better met their needs, enhancing satisfaction and loyalty. For instance, we promoted a new low-calorie nut snack through Instagram ads, and it became a bestseller within weeks.

Interviewer: So, may I know How has your business's market orientation contributed to sustainable growth and performance? Can you share examples?

L5: Market-oriented strategies helped us understand customer needs and preferences. For example, we found that healthy and low-calorie snacks were popular, leading us to launch more such products, like additive-free dried fruits. These new offers attracted new customers and boosted repeat purchases. Additionally, we used customer surveys and social media interactions to gather feedback and continuously optimize our

product line. For instance, based on feedback, we adjusted flavors and introduced a spicy and sweet nut snack, which received widespread acclaim.

Interviewer: How do you collect and act on customer feedback?

L5: We gather feedback through social media, surveys, and even our customer support hotline. Based on feedback, we continuously optimize products and services. For instance, customers pointed out that our serving size per pack is too little, so we introduce a bigger package of nuts for customer who want to have a bigger serving size, which they really appreciated. We've also adjusted product flavors based on feedback, boosting satisfaction and loyalty. This approach has been effective, improving satisfaction and loyalty.

Interviewer: Alright, next is that I have noticed that you are using Instagram and RedNote as the platform to run your business, may I know which digital marketing strategies have been most effective for your business?

L5: Yes, we also will also use WhatsApp for business purposes and website to showcase our product. So, the digital marketing we use and consider effective is social media marketing (especially Instagram and RedNote ads) and content marketing (like blog posts and video) have been the most effective. These strategies increased brand awareness and customer engagement. Social media ads enabled precise customer targeting, improving click-through and conversion rates. While content marketing-built brand trust by offering valuable information, boosting loyalty. For example, we created a series of healthy eating video tutorials on Instagram, attracting health-conscious customers who purchased our products and shared them with others.

Interviewer: May I know how these digital marketing strategies have helped achieve sustainable growth and performance?

L5: Social media marketing allowed precise customer targeting, enhancing brand visibility. For instance, promoting low-calorie snacks on Instagram made our product become a bestseller in weeks. Content marketing provided valuable advice which establishes a professional image and attracts health-focused customers. These strategies improved short-term sales and build a strong foundation for long-term brand

building. For example, posts sharing about low-calorie or healthy snacks ideas not only gained public attention but also increased our customer loyalty and repeat purchases.

Interviewer: How do you measure the success of these strategies?

L5: We use metrics like website traffic, click-through rates, conversion rates, customer acquisition costs, and lifetime value to measure marketing success. These metrics help optimize strategies and improve ROI. For example, using Google Analytics, we track traffic and user behavior, analyzing which ads and content attract customers. CRM systems record purchase behavior, evaluating campaign ROI to ensure cost-effectiveness. For instance, RedNote ads showed higher conversion rates, so we increased investment in that platform, achieving notable results.

Interviewer: Thanks for sharing this strategy. Now let's move on to the technological capabilities of your business, what role does technology play in your business?

L5: It's critical. Tools like e-commerce platform (Shopee), social media platform, Data analytics tools (Google Analytics), and Video editing tools (Capcut) make everything run smoothly. These tools help us manage operations efficiently and improve customer experience. For example, Shopee allows easy inventory and order management, Google Analytics provides detailed user behavior data, and Capcut helps us quickly create high-quality video content. Using these tools, we run our online business more efficiently, enhancing customer satisfaction.

Interviewer: Have you faced challenges in upgrading your technology?

L5: Yes, budget constraints and a lack of expertise were big hurdles. But we've try to attended workshops to improve our team's skills.

Interviewer: Have you adopted any new technologies recently?

L5: Yes, we recently adopted an AI chatbot for handling customer inquiries. This improved service quality while reducing the workload of the customer support team, allowing them to focus on more complex issues. For example, our chatbot answers common questions like order status and return policies, significantly boosting customer satisfaction. We also implemented automated marketing tools for more

precise customer segmentation and personalized recommendations, improving conversion rates. For instance, using these tools, we pushed personalized offers based on purchase history and browsing behavior, increasing repeat purchases and satisfaction.

Interviewer: How do you measure overall performance and plan for growth?

L5: We mainly evaluate performance using metrics like revenue, website traffic such as order volume, customer satisfaction from their feedback, customer retention rate, and profit margin. These KPIs provide a comprehensive understanding of business health and trends. For example, we track monthly order volume and satisfaction scores. If both rise steadily, it indicates good performance. We also regularly review profit margins to ensure profitability. For instance, by optimizing supply chain management, we reduced procurement costs and increased profit margins.

Interviewer: Now except for the practices we discuss above, may I know do you have any others strategy to overcome business challenges, and what are your best practices? Or those practices we discussed are always applied by you.

L5: We address challenges through regular market research to understand customer needs and competitor dynamics, optimizing internal processes to improve efficiency, strengthening team training, and adopting new technologies to stay competitive. For example, market research revealed significant potential in the healthy food market, so we invested more in developing such products, launching successful new offerings. We also optimized internal processes, reducing unnecessary expenses and increasing efficiency. For instance, introducing automated inventory management minimized errors and improved accuracy.

Interviewer: Considering the challenges and strategies discussed, how do you plan to maintain success and further improve?

L5: We plan to optimize marketing strategies, create more high-quality content, and explore offline marketing to expand our customer base. For example, we aim to launch interactive campaigns on social media, such as healthy eating challenges, to attract young customers. We also plan to collaborate with local gyms and health clubs for offline promotions to boost brand visibility. Additionally, we will invest more in

technological innovation to enhance product and service quality, ensuring customer satisfaction and sustainable growth.

Interviewer: Lastly, is there anything else we haven't covered or anything else you'd like to share?

L5: Thank you for the survey. I hope my responses are helpful for your research. If you have further questions or need additional information, feel free to contact me.

Interviewer: Thank you for your precious time and willingness to share your business challenges as well as practices with us, Sharon.

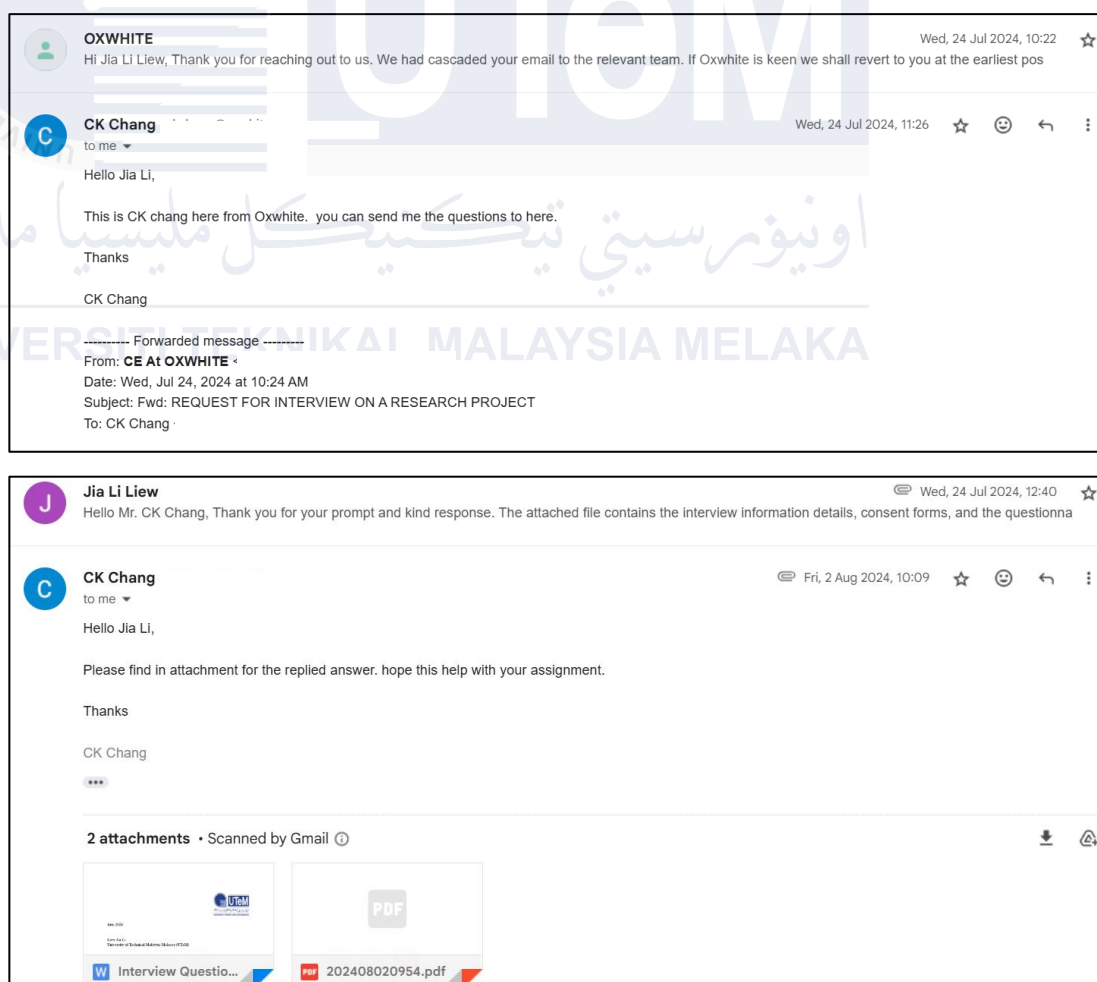


Section C: Interview Invitation to Interviewee

a) Interviewee C1



Picture 1: Interview Invitation to Interviewee C1



Picture 2: Respond from Interviewee C1

b) Interviewee D2

PART A: PERSONAL INFORMATION	
Participant Name	
2 responses	
Chong Yan Ru	
Dennis Wee	
Who has responded?	
Email	

Picture 3: Respond from Interviewee D2 in Google Questionnaire.

c) Interviewee C3

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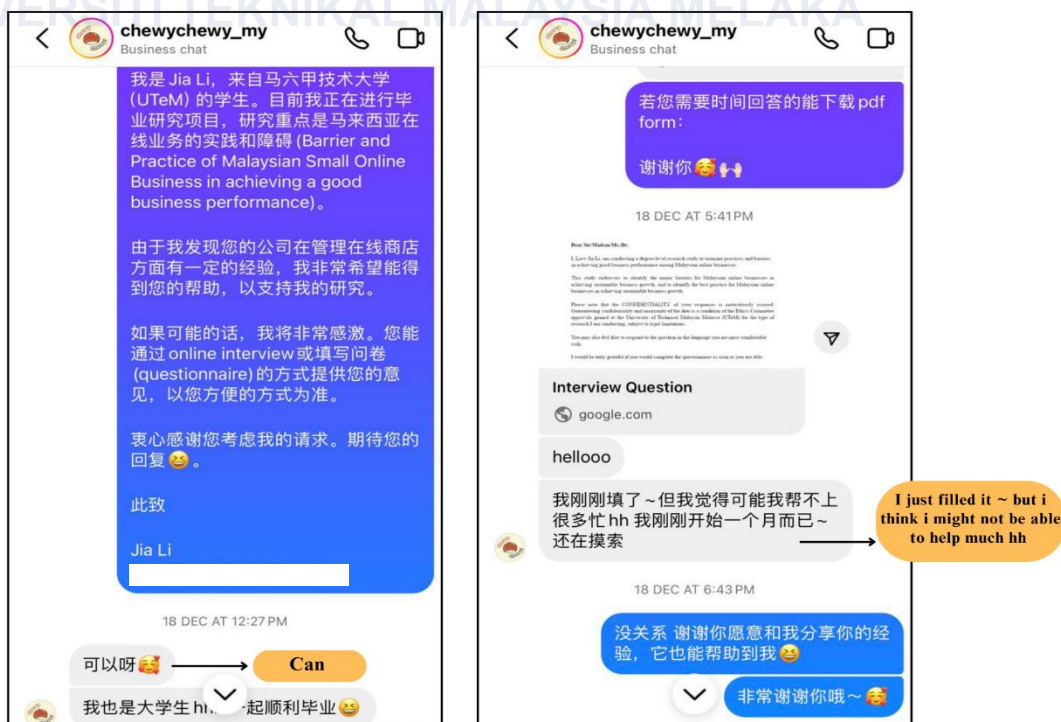
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d) Interviewee N4



Picture 4: The respond of Interviewee N4 to accept the invitation.

e) Interviewee L5



Picture 5: The respond of Interviewee L5 to accept the invitation.

Section D: Gantt Chart

Gantt Chart of Final Year Project (FYP/PSM) 1

WEEK /ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
FYP Talk									M							
Look for FYP topic									I							
Meet with supervisor									D							
Topic Discussion									-							
Title Confirmation									S							
RO & RQ Construction									E							
Submission of Chapter 1									M							
Submission of Chapter 2																
Submission of Chapter 3									B							
First draft of FYP 1									R							
Submission of FYP 1									E							
Presentation FYP 1									A							
Revised of FYP 1									K							

Gantt Chart of Final Year Project (FYP/PSM) 2

WEEK /ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Prepare Questionnaire									M							
Improve Questionnaire									I							
Finding Interviewee									D							
Data Analysis									-							
Report Writing for Chapter 4									S							
Submission of Chapter 4									E							
Report Writing for Chapter 5									M							
Submission of Chapter 5									B							
First draft of FYP 2									R							
Submission of FYP 2									E							
Presentation FYP 2									A							
Revised of FYP 2									K							