

INTERNAL FACTORS WITHIN ENTREPRENEURS THAT INFLUENCE THE ACCEPTANCE AND USE OF SOCIAL COMMERCE AMONG SMEs IN MALAYSIA

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ABSTRACT

Current technological advances, particularly in information and communications technology (ICT) and social media have sparked a phenomenon in the business world. The existence of social commerce (s-commerce), which is a combination of e-commerce and social media, has opened up greater opportunities for SMEs in Malaysia. The use of s-commerce as a medium for marketing and buying and selling is capable of helping SMEs to increase the sales and profitability of their businesses. However, according to studies conducted by SME Corp Malaysia, the usage of e-commerce and social media is still low. Attitude and self-efficacy are variables that are often used in studies related to entrepreneurs and their intention to accept a new business innovation or technology. Therefore, this study was undertaken to identify the internal factors within entrepreneurs, namely attitude and self-efficacy, which influence the acceptance and use of s-commerce among SMEs in Malaysia.

Keywords: Social Commerce, Small and Medium Enterprises, Attitude, Self-Efficacy, ICT.

ABSTRAK

Kemajuan teknologi saat ini, terutama dalam bidang teknologi informasi dan komunikasi (ICT) dan media sosial, telah memicu suatu fenomena dalam dunia bisnis. Keberadaan social commerce (s-commerce), yang merupakan kombinasi dari e-commerce dan media sosial, telah membuka peluang yang besar bagi UKM di Malaysia. Penggunaan s-commerce sebagai media untuk pemasaran, pembelian, dan penjualan mampu membantu UKM untuk meningkatkan penjualan dan profitabilitas bisnis mereka. Namun, menurut studi yang dilakukan oleh UKM Corp Malaysia, penggunaan e-commerce dan media sosial masih rendah. Sikap dan kemampuan diri adalah variabel yang sering digunakan dalam studi yang berhubungan dengan pengusaha dan keinginan mereka untuk menerima inovasi bisnis dan teknologi baru. Oleh karena itu, penelitian ini dilakukan untuk mengidentifikasi faktor-faktor internal dalam pengusaha, yaitu sikap dan kemampuan diri, yang mempengaruhi penerimaan dan penggunaan s-commerce diantara UKM-UKM di Malaysia.

Kata kunci: Social Commerce, Perusahaan Kecil dan Menengah, Sikap, Kemampuan Diri, Teknologi Informasi dan Komunikasi.

1. Introduction

The role played by ICT cannot be denied by any business organization today because it is so critical in managing a business in this era of globalization. The role of ICT can have a significant impact on employees and even the processes involved in business organizations. The globalization era and borderless ICT affects any type of business, be it a big or small business organization, especially those involved in SMEs. According to Wen dan King (2008), ICT is an important technology that has been used by organizations, including business organizations, to shape the competition between organizations over the last decade.

2. Literature Review

2.1 Social Media

Kaplan and Haenlein (2010) defined social media as a group of Internet-based applications developed on the ideology and technology of Web 2.0 that allows the creation and exchange of ideas to take place. Social media has become a platform for people to connect and have fun by giving feedback openly and sharing unlimited information in a short space of time. It also allows people to spread information across a variety of applications such as blogs, Wikipedia or

websites (Hocevar, Flanagin & Metzger, 2014).

Social media, which initially facilitated interactions among virtual organizations, has emerged as an important element in communications, where it has opened up more opportunities for business-to-business (B2B) and business-to-customer (B2C) transactions to boost business development in particular, and the country's economy in general.

Facebook is among the popular social networking sites in Malaysia. This is because almost all users are choosing Facebook over other social networking sites. A study conducted by the Malaysian Communications and Multimedia Commission (2012) titled *Internet Users Survey, 2012* showed that 84.2% of users of social networks in Malaysia are using Facebook (refer to Table 1 below).

Table 1: Users of Social Networks in Malaysia

Social Network	%
Facebook	84.2
Twitter	14.3
Google+	2.6
LinkedIn	2.4
Other social networks	1.1
Do not access any social network	14.3

(Source: Malaysian Communications Commission, 2012)

Online social networks like Facebook facilitate cooperation,

interaction and communication between individuals. Meanwhile, from a business perspective, social networks facilitate interactions through connections and communications between customers and markets, and provide the right environment for businesses to extend their scope (Anari, Bakri & Ibrahim, 2014)

However, there are still many more SMEs that do not yet see social media as an opportunity to improve their business performance due to the constraints of their limited resources, such as equipment and capital, to start using the Internet and social media (Dahnil, Marzuki, Langgat & Fabeil, 2014)

2.2 Social Commerce

The current issues that are under discussion in relation to the commercialization of the Internet have to do with social commerce (s-commerce), which has led to an increase in the use of social networking services (SNS) on the part of consumers (Jang, Ko & Kim, 2013). S-commerce is a new trend in e-commerce which integrates social media onto the e-commerce platform (N. Hajli & Sims, 2015).

The term 's-commerce' was first introduced around the year 2005 to refer to a new method of conducting business through e-commerce (Shadkam &

O'Hara, 2013). S-commerce also refers to sales activities on social networking sites (Gatautis & Medziausiene, 2014). In the s-commerce environment, users are not only viewed as purchasers but also act as triggers for two-way communication between vendors and buyers, where it is said that the customers actively shape the buying and selling process until e-commerce without s-commerce is deemed as a conventional transaction (M. N. Hajli, 2012). This is because s-commerce has emerged as the latest innovation in e-commerce, where social networks are combined with online shopping in e-commerce to support social integration online (Shen & Eder, 2011).

The sophistication of technology has opened up opportunities for consumers to not only purchase products and services online but to also leave their comments or rate the services and the products that have been purchased (M. N. Hajli, 2014). This situation has indirectly led to vendors being more careful and cautious in conducting transactions, while maintaining the quality of their products at the same time.

Although there are businesses that are engaging in s-commerce, many business managers are still unable to formulate and develop effective strategies

to adapt their businesses to s-commerce due to a lack of understanding on the usage of s-commerce (Teh & Ahmed, 2011).

In reality, not much research has been carried out on how social media and the social media environment can be optimized for the marketing and sales of products and services (Yadav, De Valck, Hennig-Thurau, Hoffman & Spann, 2013). This is a very important issue because little is known about how ‘social commerce’ can take your business far into the forefront.

Hence, to study the influence of internal factors within the entrepreneurs themselves comprising their attitude and self-efficacy towards s-commerce, researchers have to refer to studies that point towards e-commerce and social media, where the combination of both will give rise to s-commerce.

3. Research Framework

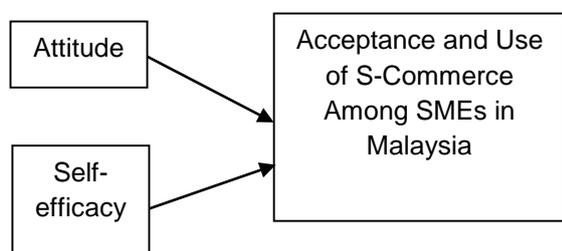


Figure 1: Research Framework

3.1 Acceptance and Use of S-Commerce

The use of s-commerce among SMEs in Malaysia is still being viewed as something new since the data obtained from the Progress Report and Prospects 2 (SME Corporation Malaysia, 2013) showed low levels of use of social media (12.1%) and e-commerce (7.1%), with s-commerce being a combination of both. This is a shame since the use of Facebook is said to have a strong positive impact on the financial and non-financial performance of SMEs, including reductions in the costs of marketing and customer services, customer relations as well as better access to information (Sulaiman, Farzana, Moghavammi, Noor Ismawati and Nor Liyana, 2015).

3.2 Attitude

Attitude is a feeling about behaviour and it is generally measured in the mind as being either good or bad (Hunsinger, 2012; Y. J. Kim, Chun & Song, 2009). The effect of attitude on the intention to behave in a certain way is widely discussed in behavioural models. Ajzen (2005) defined attitude as an individual assessment of the impact of the implementation of a conduct or behaviour that will give rise to two forms of belief,

whether favourable or unfavourable. A favourable assessment will enhance the probability of performing a behaviour while an unfavourable assessment will hinder that intention (Ram Al Jaffri, Kamil & Zainol, 2009).

Motivational factors such as consumer perceptions, attitudes and behavioural intentions are vital components to understanding the acceptance of new technologies (Rahman, Ko, Warren, & Carpenter, 2016). There have been many studies involving the relationship between attitude and behavioural intention (Kim, Sun, & Kim, 2013; Kim & Lennon, 2013 ; Huang & Liaw, 2005), most of which show attitude as having an effect on behavioural intention.

According to Huang and Liaw (2005), in general, no matter how sophisticated a technology might be, its adoption and effective implementation still depend on the user having a positive attitude. Nevertheless, a study carried out by Fulantelli and Allegra (2003) found that SME entrepreneurs have a very weak positive attitude when it comes to the adoption of ICT in their business because they still have misgivings with regard to security issues in relation to ICT.

However, in order to generate something dynamic, entrepreneurs should have a positive and innovative attitude towards economic development and business development by introducing and implementing new ideas including product innovations, process innovations, market innovations and organizational innovations, to facilitate the generation of new products to meet the current needs of customers (Xavier, Vieira & Rodrigues, 2009).

In the study by Suraworachet, Prensiri and Cooharajanone (2012) concerning purchases via Facebook, it was found that consumers would have a more positive attitude if the Facebook account of vendors showed a large following. However, Teh and Ahmed (2011) found that consumer attitude has no influence on the behavioural intention to use s-commerce.

Most studies related to attitude and s-commerce are carried out from the perspective of the user, such as observing how prior experience in using technology can influence the relationship between attitude and intention to purchase by way of s-commerce (S.B. Kim *et al.*, 2013). In addition, the experience of buying from other consumers is also being made the basis for carrying out transactions using s-

commerce (Hashim, Affendi, Yusof & Rashid, 2012). The attitude of consumers towards s-commerce is also often viewed in terms of the consumer's confidence in the vendor via the two-way interaction that takes place with the vendor (Unsal, Komaromi & Erickson, 2011).

Hence, this study will look at the influence of the attitude of SME entrepreneurs towards the acceptance and use of s-commerce from the perspective of SMEs based on the following hypothesis:

Ho1 : *The attitude of SME entrepreneurs has no significant influence on the acceptance and use of s-commerce among SMEs in Malaysia.*

3.3 Self-Efficacy

Self-efficacy is the individual's belief in his own abilities in relation to a particular matter (Bandura, 1978). The basic principles of the theory of self-efficacy are the achievement and motivation of individuals, which are determined by self-confidence, where the individuals are more inclined to involve themselves in activities where they have a high level of self-efficacy compared to other activities.

If viewed from the perspective of consumers, consumers who have a high level of self-efficacy towards social media will be more trusting of information that is shared by others (Hocevar *et al.*, 2014). This shows that self-efficacy is a strong indicator of the perception of Internet users towards the reliability of online information and how they use online information for the confirmation of credibility.

In addition, self-efficacy is also used to assess the intention of entrepreneurs to use something new in their business. In fact, Mohd, Kirana, Kamaruddin, Zainuddin and Ghazali (2014) suggested that individuals with courage (including honesty), discipline and a high level of self-efficacy have the potential to become innovative risk takers.

For most models that involve behavioural intention in relation to entrepreneurship, attitude and self-efficacy are the two main components that are frequently used because they can affect the related behavioural intention. (Fini, Grimaldi, Marzocchi & Sobrero, 2009 ; Mohd et al., 2014 ; Huang & Liaw, 2005).

Therefore, this study will look at the effects of the self-efficacy of SME entrepreneurs on the acceptance and use

of s-commerce based on the following hypothesis:

Ho2 : *The self-efficacy of SME entrepreneurs has no significant influence on the acceptance and use of s-commerce among SMEs in Malaysia.*

4. Conclusion

Attitude and self-efficacy are two elements that need to be addressed in studies involving the behaviour of SME

entrepreneurs in efforts to adopt a new technology such as s-commerce. However, in future studies, researchers can examine the willingness of SMEs to adopt s-commerce in business by looking at factors such as usefulness, usability and social influences. Besides that, the obstacles and challenges in the use of s-commerce can also be taken into account in efforts to promote the use of s-commerce among SMEs in Malaysia.

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