PENGARUH MEDIA SOSIAL KE ATAS PRESTASI PERUSAHAAN KECIL & SEDERHANA : MALAYSIA & JEPUN

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Abstrak


Kata kunci: Pemasaran media sosial, perusahaan kecil dan sederhana, rangkaian perniagaan
THE INFLUENCE OF SOCIAL MEDIA MARKETING TOWARD SME BUSINESS PERFORMANCE: A COMPARATIVE STUDY BETWEEN JAPAN AND MALAYSIA

Abstract

Small medium enterprise nowadays has become the larger enterprise nightmare by the mushrooming of social media marketing. This tool has become the new trend for a small business which will help them to expand the business networking. When social media marketing and businesses are being combined, they will be undefeatable. However, for the Japan SMEs, there are still lacks of confidence in using social media for the business operation. This research paper analysed the overwhelming power of social media marketing for the business purpose which proven the business performance also affected. The quantitative research data was gathered in this study with the aid of a questionnaire. Twenty five questionnaires were sent to the people that working in SMEs in Japan through the email list which was given by researcher’s friend in Japan. Another twenty five respondents were gathered from Malaysia via email as well. The results of the questionnaire revealed the major potential of social media in enhancing business performance of SMEs. The author recommends that every management of SMEs reevaluate their practices in handling social media for business either in Malaysia or in Japan, and begin developing guideline for the employees in handling social media matters.

Keywords: Influence of social media, Business network, Small medium enterprise

INTRODUCTION

Social media and marketing are no longer two different entities in this era. They are no longer an anomalous terms back to the early existence of the internet. Nowadays, we live in an age of cutting-edge technology era where internet has become the order of the day. There is a lot more to social media than just communication. Facebook, or MySpace for that matter have been used as a marketing model and advertisement. Many, unintentionally said that social media is only targeted to the youth, however it is not just about targeting Generation Y on the social media platforms but also giving impacts to such bigger entity as the whole business as well. As we know social media covers a wide range of web forums including blogs, forums, discussion boards, video logs, video sharing sites, and virtual life websites. Nielsen (2009) reported two thirds of the world's internet population visits online communities and spends at least 10 minutes on them every day. In addition, the time spent on these websites has increased three times the rate of overall internet growth.
The study by Thomas (2011) identified that companies throughout the world are making increasing use of social media, especially for marketing purposes. According to Barbara (2009), Kaplan and Haenlein (2012), the key thing that small businesses need to remember when using social media to help sell is that efforts must have value. There has to be value to your content, community, and execution to get people to engage with the organization itself. Erika (2011) claims as technology adoption among small businesses increases, social media is an area that more business owners are becoming interested in. These findings however are too small and have no apparent significance. More in-depth studies are needed to match it with the previous one. From the scenario above, we can see there is a need to address many questions that may arise, such as: What can we expect from social media marketing toward future of small medium enterprise? How are the social media marketing trends we might see in small medium enterprise growth in coming years? Are the social media marketing really helps small business to grow?

BACKGROUND OF STUDY

Evidence from variety of sources that had been found by researcher makes it clear that not only small business having problem to use social media but even big company whose products are synonymous with fast food as Mc Donald do the same mistakes by picking up wrong media strategy and not knowing how to use it in a right way (Amerland, 2012). In addition, Schaefer (2011) explains in his study that the “How” of social media is all about techniques, strategies, and clever tricks to get from A to Z a bit faster than the rest. According to Springer (2011) and Biil (2010), most small businesses know it’s important to use social media, but they often make critical, costly mistakes when setting up their social media strategy. Findings from Brandweiner (2012) stated 41% of SMEs claimed they do not have the time to invest in social marketing. Knowledge also emerged as a challenge, with four out of ten of those surveyed claimed they need to know more about how to use social media marketing (Chris, 2009) and this statement also agreed by Daft and Lengel (1986). Therefore it is really important for the SMEs to understand the potential of social media marketing in business because as Ranade (2011) argues, social media in business is for key stake holders as social media can turn communication into an interactive dialogue and impact on business practices and process. It is obviously a latest trend for small business to adapt with in order to reach maximum profit.

2.1 Small Medium Enterprise

Mohd, Abdul, Mohd and Zakiah (2010: 66) report it is apparent that small and medium enterprises (SMEs) play a vital role in the economic development of a country. This mean the economic development of a country not necessary depend
on the large enterprise, but the SMEs also play big role. Athawale (2012) points out there were days when SMEs were by and large restricted to local regions for their customers and the main reason behind this was their inability to spend huge amounts on marketing and advertising – a move which could connect them to wider and more diverse client base, and across geographies. The author also adds up that this was a major point of differentiation between such small enterprises and the large companies. The meteoric rise of social media has changed this trend. It is still fresh, still hot, and still up to date, therefore small business must grab this opportunity to get involve with this area (Benson and friends, 2010).

2.1.1 An Overview of SMEs in Japan

Japan Patent Office (2009) reported SMEs number approximately 4.2 million and comprise over 99% of all corporations in Japan. Every country have different definition for SMEs, therefore researcher put it in a table to make it clearer (Table 1).

Table 1: Definition of SMEs in Japan

<table>
<thead>
<tr>
<th>Definition of “Small and Medium Enterprises”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Industry</strong></td>
</tr>
<tr>
<td>Manufacturing, mining, etc.</td>
</tr>
<tr>
<td>Wholesale Industry</td>
</tr>
<tr>
<td>Retail Industry</td>
</tr>
<tr>
<td>Service Industry</td>
</tr>
</tbody>
</table>

Source: Japan Patent Office

According to the National Federation of Small Business Association (n.d), Japanese small businesses often find themselves at a disadvantage because of their size and their weak credit position. Nakano (n.d), as the chairman of Japan Small Business Research Institute informs small and medium Enterprises (SMEs) which form majority in the Japanese enterprises have played a crucial role in the economic development of Japan. Moreover Japan has more small business owners per capita than any other big industrial economy (Dana, 1998). The source of Japan’s economic vitality lies in SMEs which are expected to play a major role in carrying out the smooth structural change of the Japanese economy and for stable economic development from here and out. She also stated in the current severe
economic climate, SMEs must demonstrate their creativity and must carry out measures to respond to structural changes aggressively.

2.1.2 An Overview of SMEs in Malaysia

Previous studies from Hasnah, Ishak, Sofri, Siti Nabiha, and Yuvaraj (5: 2012) identified Small and Medium Enterprises play a significant role in the development of the Malaysian economy. In line with the SME annual report 2010/2011, SMEs represented approximately 99.2% of the entire business formations in Malaysia in 2010 and performance of SMEs is crucial as they will transform Malaysia into a high-income and knowledge-based economy through their contribution to the national GDP (M. Krishna, Tan, Choo, Chang, Tan, and Tan, 2012). There are various definitions of SMEs that can be found in the literature but this study will use the definition proposed by SMIDEC (2012) as this is the most comprehensive. SMEs can be categorized into three categories: (i) microenterprise, (ii) small enterprises and (iii) medium enterprises. The categories are based on the number of employees and sales turnover.

Table 2: Definition of SMEs in Malaysia

<table>
<thead>
<tr>
<th>Category</th>
<th>Microenterprises</th>
<th>Small enterprises</th>
<th>Medium Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sales turnover</td>
<td>Sales turnover</td>
<td>Sales turnover</td>
</tr>
<tr>
<td></td>
<td>of less than</td>
<td>Between RM250,000</td>
<td>Between RM25 million</td>
</tr>
<tr>
<td></td>
<td>RM250,000 OR</td>
<td>and RM10 million</td>
<td>and RM25 million</td>
</tr>
<tr>
<td></td>
<td>Full-time</td>
<td>OR full-time</td>
<td>OR full-time</td>
</tr>
<tr>
<td></td>
<td>employees less</td>
<td>employees between</td>
<td>employees between</td>
</tr>
<tr>
<td></td>
<td>than 5.</td>
<td>5 to 50.</td>
<td>51 and 150.</td>
</tr>
<tr>
<td>2.</td>
<td>Sales turnover</td>
<td>Sales turnover</td>
<td>Sales turnover</td>
</tr>
<tr>
<td></td>
<td>of less than</td>
<td>Between RM200,000</td>
<td>Between RM1 million</td>
</tr>
<tr>
<td></td>
<td>RM200,000 OR</td>
<td>and RM1 million</td>
<td>and RM 5 million</td>
</tr>
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<td></td>
<td>Full-time</td>
<td>OR full-time</td>
<td>OR full-time</td>
</tr>
<tr>
<td></td>
<td>employees less</td>
<td>Employees between</td>
<td>employees between</td>
</tr>
<tr>
<td></td>
<td>than 5.</td>
<td>5 and 19.</td>
<td>20 and 50.</td>
</tr>
</tbody>
</table>

Source: SMIDEC
2.2 Social Media and Business Performance

Wasp Barcode (n.d) stated the performance of small business also needs to be evaluated. The author suggests 3 key elements to measure the performance for small business which are cash flow, web traffic and also customer satisfaction. A small business can perform much better if the owner able to take control of the cash flow because it is the lifeblood of all businesses. Cost reduction by social media marketing which nearly reached zero cost as compared to conventional customer outreach programmes and revenue generation can become part of the aspect that can be measured when the small business owner want to know whether the company is going well or not.

According to Neti (2011: 10), social media is probably the fastest and easiest means of redirecting traffic to company’s website. By simply placing their website URL in their profile, the company can have all their profile visitors check out their website and a percentage of traffic is sure to get converted in course of time and this element can become one of the benchmarking for business performance of small business. Last element for measuring business performance is the customer satisfaction. Social media makes it easy for marketers to identify various peer groups or influencers among various groups, who in turn can become brand evangelist and help in organic growth of a brand and at the same time the business marketer able to meet customer needs (Neti, 2011).

Researcher believed that any businesses especially for SMEs need to have strategy before implementing the social media marketing. Each of social media marketing tools will give impact toward business performance that is why researcher felt this project paper will give idea for the SMEs to fully utilize this latest trend of marketing not only for B2B but also B2C. As stated in Chapter 1, Japan and Malaysia are the home for SMEs and the social media penetration in these two countries shows positive trend, therefore by studying the influence of social media marketing toward SMEs performance; it can provide some feedback to the small entrepreneurs that want to reach maximum profit and could perhaps assist not only SMEs but also the larger enterprise as well in the marketing decisions.

2.3 Interrelationship between using social media for marketing purpose and business performance of small medium enterprise

Small Biz View Points (2012) points out nowadays most of the small businesses use social media for the purpose of marketing by setting up a Facebook page, create a Twitter account and show off business brand in various settings. The study also stated that by creating own blog and discussion forum, we can maintain better control of the situation. Lake (n.d) claims social media does have a role in marketing but it is different from the one that Kotler and Zaltman (1971) introduced which is also called as social marketing. That role depends on business
and how it best fits the needs of the business itself, furthermore it also depends on the entrepreneurs’ effort to put forward when it comes to social media (Schau and Gilly, 2003). Findings from Social Media Examiner (2012) determined almost all interviewees they have done agreed that Facebook can generate exposure for their business within such a short period. Half of the interviewees were able to look for new business partnership within few months using Facebook as marketing tool. Komarketing Associates (2012) has clarified that B2B outgained B2C in many categories involving social media whereby they acquired more new business partnerships (56 percent B2B, 45 percent B2C), saw improved search rankings (60 percent B2B, 50 percent B2C) and were more able to gather marketing place insights as a result of their social media efforts (69 percent B2B, 60 percent B2C). The research study also finds 87 percent of B2B brands use Facebook, 84 percent use LinkedIn, 65 percent blog and 44 percent utilize Google+ for the platform preferences.

2.4 Interrelationship between using social media for financing and business performance of small medium enterprise

In the most recent study by Javed, Muhammad, Ahmed, Rana, and Rauf (2011: 277) on the SME’s it was founded that financial flexibility was significant correlated to business success. Fatoki (2011: 198) supported the statement by Fama (1970: 412) which is financial capital of a business can be either internal or external, however the author believes vast majority of SMEs depend on the internal finance whereby its usually inadequate that is why a business also need to consider to get financial sources from external sources as well as been recommended by Donna and Marek (2010). Small Biz View Points (2012) stated there are number of sites have been launched due to the difficult economic times whereby individuals and small business owners ask others for loans with what is called peer-to-peer lending. Prosper and Lendio are two of the social media sites that helps B2B financing. Below are some of the benefits that small businesses can get when they engage with this social media site to enhance their business performance.

2.5 Interrelationship between using social media to act as industry research platform and business performance of small medium enterprise

With over 400 million active Facebook accounts used to communicate with friends or to extend the network there are many reasons for companies to use Facebook as an industry research platform either for B2B or B2C purpose. It is true that social media has been established as a valuable tool for B2C environments, but research somehow shows that companies are increasingly using social media sites to monitor their competitors and Smith (2012) indicates that she did not find Facebook or Google+ useful for monitoring competitors for B2B, even though
both sites are some of the most actively used social networks. The study by Kozinets (2002) indicates consumers are using newsgroups, chat rooms, e-mail list servers, personal World Wide Web-pages and other online formats to share ideals, and build up communities in order to exchange ideas.

2.6 Interrelationship between using social media for providing convenience and business performance of small medium enterprise

Since the number of large businesses that use social media are increasing day by day, a small business must not leave this marketing tool to get over of the competitive advantages. Customers not only use social media because they feel much more convenience, but they also using social media tools to share their experience and complain about our business. This kind of information will help the business to improve their overall performance. Based on Javed and his other friends (2011), information access is very important to initiate new enterprises and to run the existing enterprise profitably. Furthermore, information refers to the frequency of contact which an individual makes with different sources either directly or indirectly.

METHODOLOGY

The methodology that researcher used in this project paper is a quantitative study. Due to the language problems, researcher does not use qualitative data. To assess how social media blended in the business performance, the number of respondents for the study was based on the questionnaire which has been designed by author. This research utilized a quantitative study due to the language barrier with Japanese respondent. Researcher decided to select the purposive sampling whereby researcher selected the sample who researcher believed would become representative of a given population as what Singh, Fook, and Sidhu (2006: 78) have suggested and the statement also supported by Oshima, Alice, and Hogue (2006: 125). The questionnaires were distributed via email started from the fourth week of researcher’s internship period (for both Japanese and Malaysian respondents) and continuously distributed to ensure the number of respondents could be reached at the given time. The email list for the Japanese respondents was given by one of researcher’s friend that worked in Japan, while for Malaysian respondents; researcher gathered the email list from researcher’s online business suppliers. Since each list has small number of populations which are 25 persons, so researcher decided to survey entire population as Singh, Fook, and Sidhu (135: 2006) suggested.
FINDINGS & DISCUSSION

From the descriptive statistical analysis, it is believe that more than 80% of the respondents from each country met criteria whereby over two third of them are among SME workers (less than 10 staffs within a company). 72% of the Malaysian respondents are working in a company that involved in B2C, and 4% of them working with B2B companies and another 24% working in both B2B and B2C companies. While for Japanese respondents, 84% of them are from B2C companies, and another 16% working in companies that involved with B2B and B2C. Not surprisingly, more than 90% of respondents from both countries tick on Yes on the question whether the company involve in social media or not. When it is come to what social media always used, Malaysian respondents prefer Facebook page whereby more than 50% of them tick on it. Unlike the Malaysian respondents, the Japanese prefer to use Twitter as the most preferable tool. Respondents from both countries spent time more than 1 hour on social media it shows the respondents aware that social media is an effective tool, only time and efforts needed. For the second test, which is Cronbach’s Alpha; all variables show that they have high reliability because the all the alpha values exceed 0.60. However the result for second variable shows there is no significant correlation between using social media for financing with business performance of SMEs (p-value = 0.207 for Malaysian respondents, 0.199 for Japanese respondents). This is further supported by the low coefficient of correlation value, r = -0.06 for Malaysian respondents and -0.02 for Japanese respondents. All of the hypotheses that were proposed in Chapter 2:

**H1:** Using social media for marketing would improve business performance of SMEs

**H2:** Using social media for financing would improve business performance of SMEs

**H3:** Using social media to act as industry research platform would improve business performance of SMEs

**H4:** Using social media for providing convenience would improve business performance of SMEs

All of the hypotheses above are supported except for the second independent variable (use social media in financing). Using social media for financing would not improve business performance of SMEs because of the lack of awareness among Malaysian and Japanese respondents about the potential of social media for financing. From the informal conversation that researcher went through with one of the Japanese staffs, researcher determined the staffs are willing to use social media but they need a proper guideline from the organization so that they will do right things and reduce errors. While for Malaysian respondents, they said they are...
not aware that social media can become as one of the tool that can help their business financial. They only aware that social media is a crucial tool to be used in enhancing business performance, but still they do not know to what extent it can be used.

CONCLUSION

It is undeniable that this research study are productive and produce useful results for any SMEs either in Malaysia or Japan to identify the potential of social media in enhancing their business performance and may contribute to existing literature, but somehow there is a need to improve this research study in order to make it as the guideline for academic and also business practices worldwide especially for SME industry. In addition, the key contribution of this research both academically and practically is that it provides an understanding about the potential of social media and how it affect SME business performance.

Several recommendations are suggested for both of the countries since the results shown that the Malaysian SMEs and Japanese SMEs still struggling on understanding the potential of social media based on the findings and conclusions:

1. The potential of social media in handling business matter should be exposed among the staffs within a company by having a proper manual/guideline for the senior employees or for the new entrants. Not only a guidebook of handling social media, but the organization also can conduct a seminar every month for the employees in giving full understanding about this new innovative tool.

2. If a company want to have variety of social media account, they need to hire an expertise that have a passion on this kind of tools. Hiring a wrong person might give bad impression to the company and as well as the brand itself.

3. If a company/an individual want to use social media for both B2B and B2C purpose, they have to analyse first what is the most preferable tool that their customers/business prospects may use, so then only they can reach them. There is no need to own every single social media account, but the most important thing is to own a right social media account whenever they want to reach their customers/business partners.

Everyday people will be accessing social media either for their privacy matter or business matter as well. Since everyone are getting used with social media, SME should take this opportunity to pull customers’ attention either online or offline. There are two observed limitations that have been identified and need to be amend in the future such as being listed:
1. First and foremost, the obvious limitation is this study was done only focusing on survey questionnaires and the respondents were primarily taken from the e-mail list and the results is not productive enough due to the inaccuracy in selection of population. It is suggested that any similar study in the future should involve mass number of respondents.

2. The next limitation in this study is it was conducted specifically around Osaka and Klang Valley. The study findings cannot represent the whole SME community that’s why it is important to identify the right area to be sampled and get more productive results for sure.

Obviously, social media will only grow in the business world as if more people become comfortable with the idea and adapting to it. More people will start leaning towards it because they will be dropping out if they do not do so. Social media is not something that will take little effort and time, it must be modified regularly and update it with fresh and interesting content or else its followers will quickly lose interest. They can show off their personality and connect with real people who use their products. Most importantly, they can listen and react in real time that’s why it is said social media can become a tool that can bring huge profit with less cost. There is no telling what the future will hold for business, but social media will only continue to grow and give hope to SMEs in enhancing their business performance.
REFERENCES


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5. Name, title, position, address, telephone number, and details of the author shall be included after the conclusion.
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7. The author can not send papers that were written by other authors or papers that have been published by the print media, electronic media or other form of publication.
8. Attach the bibliography at the end of the paper.
9. The number of words is not exceeding 5,000 words.
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