

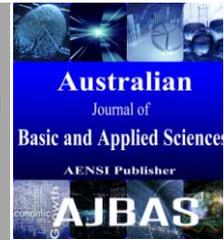


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The Impact of Small and Medium E-Business Entrepreneurships on the Malaysian Economy

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ABSTRACT

Background: The e-business technology which forms innovative ways of handling daily traditional business activities in today's modern business. The acceptance of e-business has been expressed in many parts of the worlds, and the number of e-business SMEs entrepreneurs now exceeds 50 percent. **Objective:** The objective of this study was to increase the current understanding and awareness of the factors that influence adoption of e-business. More specifically; the acceptance of e-businesses with specific reference to the experiences that SME e-business entrepreneurs apply directly; giving greater comprehension on the variables that affect the adoption of e-business, which is needed in order to better comprehend and facilitate e-business adoption. **Results:** The results indicated basics, entrepreneurial profile, strategies, benefits, barriers and future direction were significant in enhancing understanding and demonstrate the usefulness regards motivating SME entrepreneurs to adopt e-business by the perspective group of SME entrepreneurs. **Conclusion:** Details of the results, implication of the findings and conclusion are included. Further studies, beyond the supplementary research, went further afield than Malaysia to gather more information and make comparisons in discriminating behaviour and distinctiveness in the adoption of e-business

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INTRODUCTION

E-business has its own history and gives great impact in the business world. The existence of great technology inventions by human beings, results in drastic changes in our lives. Human beings need technology to complete the requirements of our daily routine. Business began using websites for marketing shortly after graphical-based web design became available in the early 1990s (Ma 2013). E-business, which includes the buying and selling of goods and services, serving customers and collaborating business partners, conducting transactions with an organization on the net, is getting more popular and expanding drastically (Xu *et al.* 2007). GOOGLE Malaysia is on track to rope in some 50,000 local small and medium enterprises (SMEs) to start their business online, after having signed 15,000 SMEs to go online under its Get Malaysian Business Online (GMBO) program (David 2012). The internet exposes your small business to a worldwide audience, allowing you to collect prospective leads, tap new markets, find cheaper vendors and gather new ideas about your industry. By shipping your products or delivering services remotely, you can service new customers from around the world. Partnering with a complementary business exposes you to a new customer base and allows you to share marketing and promotional expenses (Mike 2013). E-business in Malaysia is still green when compared to other countries such as the United States, United Kingdom, Canada and other developed countries. There is a lack of research, especially in published reports or journals, about e-business development in Malaysia. The obstacles facing entrepreneurs, such as problem in locating desired information, the rising costs of utilizing the internet, security problems, rapid changes and technology advances, and long waiting times to access the internet (Mohamed and Syarisa 2002).

Literature review:

Don and Lorraine (2007) stated the key ICT adoption attributes and explains how these influence ICT adoption and development of e-business among the typical SMEs in South Africa. They found that the intention to adopt the use of ICT as being a dependent variable and the study comprised of six independent variables:

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government; environmental attributes; owner (managerial) attributes; organizational attributes; adoption attributes and social networks. This study analyzed qualitative research: interviews, observation and document analyses. The results showed that the internet; websites; fixed-line and mobile phone networks as the most common technologies adopted by SMEs to support their e-business operations. Therefore, the importance of ICT is helping e-business to go further and deliver information about products and services in shorter time periods, at the same time expanding networking among customers and suppliers either locally or internationally.

Chris *et al.* (2007) assessed the benefits, obstructions and key acute issues in adopting business to consumer (B2C) e-business formulation in Australia's companies. This study identified, the dependent variable as business to consumer (B2C) e-business, and the three independent variables are benefits expected and benefits derived from e-business adoption; major impediments to successful e-business adoption, and the major critical success factors in e-business adoption. This study used investigation methods that selected six online companies and two bricks and clicks companies. The results showed that most of the companies obtained benefits that increased the performance of the companies and improved relationships with customers. However, the organizations also faced barriers through their e-business, which required high investment, technical skills and understanding of the solutions suitability, worth and relevance to their core business activities. Other organizations successfully exercised the B2C concept that improved better decision making, strong relationships with customers and measured the performance of business activities. Therefore, the B2C concept is a high demanding solution and an ideal choice for online retailers because of the high range of benefits and customers' salvation.

Ali *et al.* (2008) conducted a study that measured the perception of business barriers facing small and medium enterprise in Malaysia and further explored the implications to identify the SMEs business challenges. They found that intentions to use SMEs business barrier factors as being a dependent variable and the study consisted of five factors' keys analysis of perceptions; perception of government policies; perception of human capital; perception of availability of infrastructure; perception of business competition; and perception of financial issues. This study analyzed by the qualitative analysis method. The results showed that the perception of government policies and perception of availability of infrastructure are the SMEs major business barriers. Thus, the study provided some empirical research knowledge for identification of business barriers facing small and medium enterprises in Malaysia.

Ali *et al.* (2011) identified the experienced and expected benefits and barriers to the application of e-business technologies with the different views from groups of SME suppliers in Melbourne, Australia. Based on this study, the dependent variable is, adoption of e-business technology by SME suppliers, while four independent variables are; participants profile; characteristics of participating business; the expected and experienced benefits and barriers of e-business technologies adoption by the participating suppliers; and expected and experienced benefits and barriers to e-business adoption by SME suppliers. This study used an online survey approach to respondents. The findings showed increase consciousness about e-business technology applications among SME suppliers and high expectations from investment decisions in e-business technology. Thus, with a high participation of SME suppliers in e-business technology helped better understand how to differentiate e-business and to appreciate the value of e-business.

Paul and Pascale (2011) stated that determination factors that influence application of e-business technology by SMEs in the United Kingdom. From this study, the dependent variable was defined as e-business technology by SMEs, while the independent variables indicate four keys as stage of e-business; recent trends in the adoption of e-business technologies; organizational factors affecting adoption by SMEs; and industry level and macro-level factors affecting e-business adoption and exploitation. The method used in this study was the qualitative approach based on a case study. The findings showed that the implications for the external network technology investments and returns that accrue to the early and late recipients, give rise to a number of problems with the e-business concept; defining the organizational characteristics and technologies and elaborate internal and external factors influencing e-business adoption. Therefore, the implications of e-business technology within organization's highlighted the importance of e-business application, the advantages of technology adoption and explored the development or future direction in this area.

According to Suan and Wahidah (2011), with new technology most of the small and medium enterprises (SMEs) concentrated on the e-business concept as a business strategy tool in order to enhance potential business and to benefit information access. They found the implication of adopting e-business technology by SMEs as a dependent variable, while three independent variables are background of problems, perceived need for e-business and implication of adopting e-business technology among SMEs. This study analyzed the qualitative research: interviews, observation and document analysis. The result showed adoption of e-business technology is not easy, but fraught with unexpected resistance, and it requires structured planning and effective strategies in the business. Therefore, before implementing e-business, the importance of e-business technology must be identified, and a defined future plan to face e-business obstacles, including what actions are required to overcome existing problems.

Based on the findings of Chutamas *et al.* (2011) it was concluded that an understanding of the factors affecting business success for small and medium enterprises (SMEs) was important; specifically on how to

reduce the risk of failure and transaction cost, increase chance of success and improving access to business ideas, knowledge and capital. They found that SME business success is a dependent variable, while eight factors are the independent variables: SME characteristics, management and know-how, product and services, customer and market, the way of doing business and cooperation, resources and finance, strategy, and external environment. As a result, these factors help SME's characteristics to improve their strategic position, focus on the core business, reduce transaction costs, improve the relationship with suppliers and customers are updated positively with the technology changes that affect SME's business success. Therefore the study provided some empirical research knowledge for factors affecting the business success of small and medium enterprises.

Alejandro *et al.* (2012) assessed the impact of financial decisions, followed by strategy on Celaya's small business competitiveness. This study showed financial decision and strategy are dependent variables while the independent variables are; the relationship of financial decision and business competitiveness. This study analyzed the businesses' testimonies. The results showed that most micro and small enterprises make funding decisions in line with intensive strategy; also that market longevity is low and the level of sales is regular, implying that Mexican companies lack competitiveness. Therefore, before setting up business, it is a requirement to provide solid financial support and have a strong strategy to enhance the growth of small businesses.

Ambrose and Catherine (2013) studied the establishing effect of social media on the entrepreneurs' growth of SMEs in Nairobi, Kenya. They found the intention to use social media as being the dependent variable. From their study they found four independent variables; market access, customer relationship management, innovativeness, and pricing of products by SMEs. This study analyzed by the descriptive research design. The results showed that the impact of social media offered greater market accessibility and customer relationship management gave greater impact on the growth of SMEs. However the pricing of products and innovativeness aspects offered by social media have had very little impact on growth in SMEs. Therefore, social media tools provide opportunities for the growth of SMEs in terms of competitive advantage and building strong relationships with customers and suppliers.

MATERIALS AND METHODS

A schematic model of the conceptual model helps to visualize relationships among the variables involved in this study are demographics, e-business basics, entrepreneurial profile, e-business strategies, e-business benefits, e-business barriers and e-business future direction. In this model, a clear understanding of the important relationships that were theorized to exist among the variables is shown (Uma and Roger, 2009)

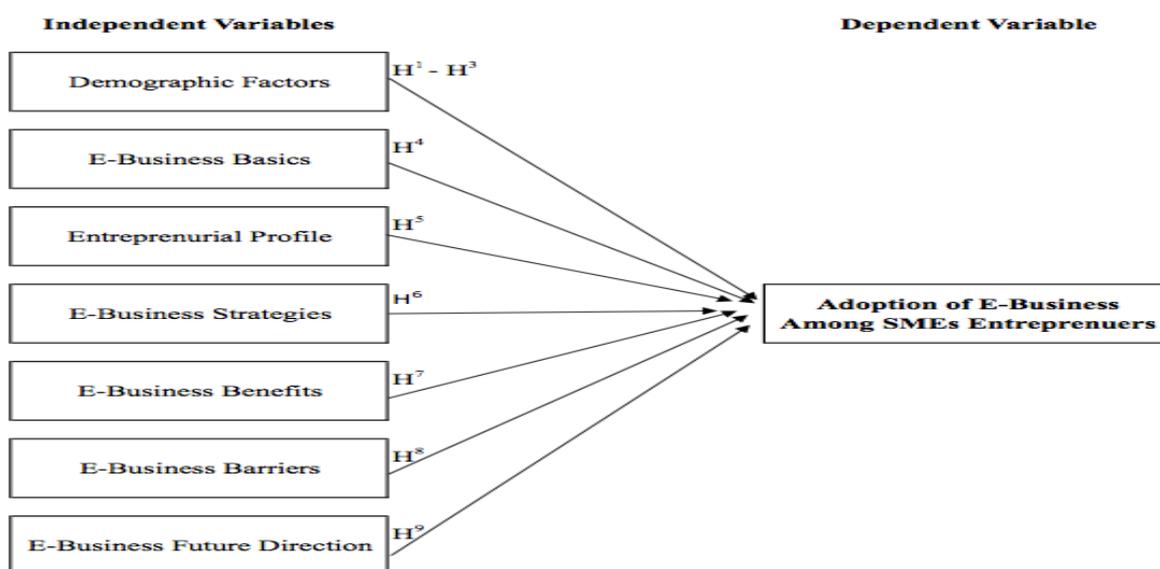


Fig. 1: The Conceptual Framework of Adoption of E-Business among Malaysian SMEs Entrepreneurs.

In this study, nine hypotheses are developed. Firstly, the hypotheses are formulated to test whether there are significance relationships between demographic analysis and the adoption of the e-business concept and the determinants identified in this study which are; age group, gender and education level. Next the seven hypotheses are formulated to test whether there are significant relationships between SME entrepreneurs adopting the e-business concept and the seven determinants identified in this study, which are; demographic

factors, e-business basics, entrepreneurial profile, strategies, benefits, barriers and future direction. The hypotheses used in the demographics analysis is as follows:

H1⁰: There is no association between age groups and adoption of e-business

H1¹: There is a positive relationship between age groups and adoption of e-business

H2⁰: There is no association between gender and adoption of e-business

H2¹: There is a positive relationship between gender and adoption of e-business

H3⁰: There is no significant relationship between education levels and adoption of e-business

H3¹: There is a significant relationship between education levels and adoption of e-business

Prior to engaging in e-business an SME entrepreneur must have and comprehend a few basic concepts about e-business. E-business is the participation in business activities on the internet, not only focusing on selling and buying, but also creating a two-way relationship between customers and the business partners (Norman, 2011). By applying these principles into the e-business context we hypothesises:

H4⁰: There is no significant relationship between e-business basics and the adoption of e-business

H4¹: There is a significant relationship between e-business basics and the adoption of e-business

The economist Joseph Schumpeter said that entrepreneurs are more than just business creators; they are change agents in society. The process of creative destruction that entrepreneurs create new ideas and new businesses that make existing ones obsolete is a sign of a vibrant economy. They found that the entrepreneurial profile had a significant impact on the growth of the SME e-business (Norman, 2011). On this basis, it was expected that the entrepreneurial profile (EP) affects the adoption of e-business.

H5⁰: There is no significant relationship between entrepreneurial profile and the adoption of e-business

H5¹: There is a significant relationship between entrepreneurial profile and the adoption of e-business

To be successful in business, entrepreneurs should have made a strategic plan on how to market products and services. Christopher and Jochen (2011) indicated that to contribute to increased revenue and profitability growth, the marketing mix model and Porters' five competitive forces model to develop and implement strategy should be used, especially for an internet business, and thus achieving a competitive advantage. Hence it was posited:

H6⁰: There is no significant relationship between e-business strategies and adoption of e-business

H6¹: There is a significant relationship between e-business strategies and adoption of e-business

According to an NUA Internet survey, the Internet links more than 1 billion people worldwide, making e-business a more significant factor in the global economy. E-business refers to the exercise of selling and buying products and services through a website or social media provider rather than through a traditional store. E-business provides benefits to business partners, customers and even retailers. These benefits come from information efficiency and market penetration, made available in the form of market exposure and cost reduction. Thereby it was proposed that:

H7⁰: There is no significant relationship between e-business benefits and adoption of e-business

H7¹: There is a significant relationship between e-business benefits and adoption of e-business

With the advances in technology, SMEs have been given capabilities to grow and expand business activities into local and international markets. Given the barriers to the increased use of information technology and adopting e-business; in developing countries the efficient use of local and global market information is also a challenge for SMEs. Hence it was posited:

H8⁰: There is no significant relationship between e-business barriers and adoption of e-business

H8¹: There is a significant relationship between e-business barriers and adoption of e-business

E-business has revolutionized transaction processes and created additional avenues. It has also created platforms for new social networking, knowledge acquisition and infrastructure; E-business has changed life and business. The next-generation technologies and future e-business are focused on customers' experience, with business excellence to drive the technology growth and penetration of e-business worldwide. The hypotheses used in the e-business future direction are as follows:

H9⁰: There is no significant relationship between e-business future direction and adoption of e-business

H9¹: There is a significant relationship between e-business future direction and adoption of e-business

The data had been collected from the country of Malaysia; a total of 200 questionnaire forms were distributed to respondents; the target location of respondents was within the Klang Valley. It was decided to choose simple random sampling for this study;. The reasons for using simple random sampling are its cost effectiveness and time saving attributes. This sampling design is best when high generalization of findings to the whole population is the main objective of the study. In this study, questionnaire is most useful for data collection, especially when large numbers of people are to be reached in different geographical regions. There are several data collection methods used in this research, including; personal or face-face interviews, personally administered questionnaires, mail questionnaires and observational studies.

RESULTS AND DISCUSSIONS

The sample descriptive statistics of the respondents responding to the questionnaire had a frequency mode between 20 and 35 years of age representing 75% of total respondents. The female candidates were represented more than male respondents, being 75 % of the total respondents showed more than half, 55.5% of the respondents achieved degree certification in their level of education. Table 1 Subsequent summaries describe these statistics in detail in conjunction with charts to illustrate the variation in variables more clearly.

Table 1: Descriptive Statistics.

Variables	Mean	Standard Deviation	Maximum	Minimum
E-Business Basics	4.286	0.571	5.000	3.000
Entrepreneurial Profile	4.309	0.407	5.000	3.000
E-Business Strategies	4.160	0.304	4.889	2.889
E-Business Benefits	4.273	0.423	5.000	1.111
E-Business Barriers	3.686	0.612	4.889	1.222
E-Business Future Direction	4.330	0.407	5.000	1.889

Table 2: Correlation Matrix.

Variable	Adoption of E-Business	E-Business Basics (EB)	Entrepreneurial Profile (EP)	E-Business Strategies (ES)	E-Business Benefits (EBF)	E-Business Barriers (EBR)	E-Business Future Direction (EFD)
Adoption of E-Business	1.000	0.494	0.416	0.494	0.480	0.601	0.601

Table 2 provides the r-value of correlation between adoption of e-business and e-business basics, entrepreneurial profile, e-business strategies, e-business benefits, e-business barriers, and e-business future direction, this shows the strength of relationship is a moderate consideration.

Table 3: Multiple Linear Regressions.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.293 ^a	.086	.058	.361	1.663

a. Predictors: (Constant), EFD, EB, EP, ES, EBF, EBR

b. Dependent Variable: Adoption of E-Business

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.370	6	.395	3.027	.008 ^a
	Residual	25.185	193	.130		
	Total	27.555	199			

a. Predictors: (Constant), EFD, EB, EP, ES, EBF, EBR

b. Dependent Variable: Adoption of E-Business

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics		
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	2.465	.411		5.997	.000	1.654	3.276						
	EB	.093	.054	.143	1.734	.084	-.013	.199	.004	.124	.119	.698	1.432	
	EP	-.114	.072	-.125	-1.593	.113	-.255	.027	-.179	-.114	-.110	.773	1.293	
	ES	-.093	.109	-.076	-.856	.393	-.308	.122	-.136	-.061	-.059	.597	1.676	
	EBF	-.181	.077	-.206	-2.351	.020	-.334	-.029	-.228	-.167	-.162	.615	1.625	
	EBR	.050	.054	.082	.937	.350	-.055	.156	-.051	.067	.064	.611	1.637	
	EFD	-.053	.092	-.058	-.572	.568	-.235	.130	-.174	-.041	-.039	.464	2.155	

a. Dependent Variable: Adoption of E-Business

The R-Square value is 0.086, which means 8.6% of the variation in adoption of e-business can be explained by EB, EP, ES, EBF, EBR and EFD. The Adjusted R-Square is 5.8%. The Durban-Watson statistic is 1.663, almost 2. The p-value from ANOVA table is more than 0.05, which means that at least one of the four variables: EB, EP, ES, EBF, EBR and EFD can be used to model adoption of e-business.

The Equation: $AEB = 2.465 + 0.093 (EB) - 0.114 (EP) - 0.093 (ES) - 0.181 (EBF) + 0.05 (EBR) - 0.053 (EFD)$

Thus, for every unit increase in EB, AEB will go up by 0.093 units, provided the EP, ES, EBF, EBR and EFD remains unchanged. Similarly, for every unit increase in EB will be go up by 0.093 units, followed by EP (0.114), ES (0.093), EBF (0.181) and EFD (0.053) units will be reduce and EBR will be go up by 0.05 units. Based on the standardized Beta coefficients, the effect of EBR (0.082) is almost 2 times of EB (0.143). The p-value for EB (0.084), EP (0.113), ES (0.393), EBR (0.35) and EFD (0.568), are more than 0.05.

Thus, EB, EP, ES, EBR and EFD are not significant predictor. The p-value for EBF is less than 0.02 (< 0.05). Hence, EBF is a significant predictor. The 95% confidence interval (CI) for EB is (-0.013, 0.199), EP (-0.255, 0.027), ES (-0.308, 0.122), EBR (-0.055, 0.156) and EFD (-0.235, 0.13), where the value of 0 falls within the interval, again indicating those are not significant predictor. Where else, the 95% CI for EBF (-0.334, -0.029), where the value of 0 does not fall within interval, again indicating EBF is a significant predictor.

Table 4: KMO and Bartlett's Test.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.682
Bartlett's Test of Sphericity	Approx. Chi-Square	319.878
	df	15
	Sig.	.000

Table 5: Factor Analysis.

Variables	Factors					
	E-Business Basics	Entrepreneurial Profile	E-Business Strategies	E-Business Benefits	E-Business Barriers	E-Business Future Directions
Business activities using Internet and web technologies	0.612					
Faster growing business	0.627					
More competitive worldwide	0.493					
Easier to communicate and interact with each others	0.760					
The use of internet technology to improve productivity or profitability of business	0.762					
Higher degree of commitment		-0.681				
Confidence in ability to succeed		0.750				
Discipline		0.590				
Desire for immediate feedback		0.685				
Value of achievement over money		0.681				
Online marketing such as advertising, special offer and discount			0.511			
Social media such as Facebook, Twitter, Instagram and Linked			0.793			
Cost leadership strategy			0.558			
Provide after sales services			-0.834			
Click-and-Click business strategy			0.540			
Email marketing - online newsletters			0.635			
Publicity - interviews, stories and media time			0.655			
Product innovation and development			0.741			
Provide 24 hours customer service			-0.531			
Selling goods and services on the Internet				0.645		
Lower business costs				0.787		
Increase sales and market share				0.361		
Create relationship with customers and supplier to national and international markets				0.502		
Marketing and advertising on the Internet				0.603		
Better customer services and convenience				0.834		
Reach new market and clear vision of market need				0.452		
Increase customer base and loyalty				0.688		
No geographic limitation				0.582		
Lack of Internet technologies usage					0.499	
Lack of customer's trust and interaction					0.881	
Limited business sectors					0.681	
High cost of website and Internet connectivity					0.772	
Lack of security and web privacy					0.785	
Limited government support					0.827	
Limited capital investment					0.564	
Difficult customer relations					0.812	
Lack of legal systems and advanced rules					0.453	
Entrepreneurship training and workshops						0.431
Expand market penetration into local and international						0.615
Organize more bazaar, car booth, conference and exhibitions						0.783
Business with emerging market of China, India, Indonesia and etc						0.468
Offer financial solution such as loan, repayment guarantee and etc						0.520
Provide online payment in more easily, safer, and strong security						0.753
Introduce entrepreneurship education and program in the school and university						0.749
Propose legal obligation to protect private customers' information, plagiarism and copyright infringement of business						0.609
More research and analysis of the participation of of SME in E-Business						0.622

A confirmatory factor analysis was conducted on the items comprising E-Business Basics (EB), E-Business Profile (EP), E-Business Strategies (ES), E-Business Benefits (EBF), E-Business Barriers (EBR) and E-Business Future Direction (EFD). The factor analysis was conducted using principal axis factoring. Table 4 indicated the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy showed a practical level of common variance. The value of KMO was 0.682. Hereby, in this case a KMO value between 0.6 and 0.7 is considered acceptable. Therefore, all the variables were chosen.

This factor analysis shown in table 5 was then used to analyze the adoption of e-business among SME Malaysian entrepreneurs. This analysis will give a better view of the use of e-business with the data provided.

Conclusion:

The predominant purpose of this study was to appraise the level of understanding about the adoption of e-business among entrepreneurs in Malaysia. The implication of theoretical and framework attempted to inquire into the SME entrepreneurs comprehension about e-business and to examine the characteristics of SME entrepreneurs such as; age group, gender and education levels. The first stage, the analysis of e-business adoption, proved that this has been recognized based on the authentic references.

The model was tested with a sample of 200 SME entrepreneurs in Malaysia. A schematic model of the conceptual model helps to visualize the relationships with the six independent variables referred to E-Business Basics (EB), E-Business Profile (EP), E-Business Strategies (ES), E-Business Benefits (EBF), E-Business Barriers (EBR) and E-Business Future Direction (EFD). The principal aim of this study is to investigate the impact of small and medium enterprise e-business entrepreneurship on the Malaysian economy. A total of 200 questionnaire forms were distributed to SMEs entrepreneurs in Malaysia, where the target location was within the Klang Valley. In order to collect data in a better way, the questionnaire was sent out by mail, respondents were interviewed and a group of people identified at the specific location. All the data was processed by using SPSS and E-View. Moreover, it was an aim to improve the level of decision making from the data by acquired knowledge and making it comprehensible.

The internet technology has a powerful influence and connected with respondents. The sophistication of new technology assisted SME entrepreneurs to market products and services more widely and faster. The introduction of social media was a powerful marketing approach to the delivery of information about products and services to end customers. E-business' involvement was growing in popularity among SME entrepreneurs. However, they also faced challenges such as a lack of customer trust and satisfaction with internet technology usage. SME businesses also produce more economical and technically important innovations than larger companies. The finding of this study has implications for the adoption of the e-business concept, identifying the strategies to engage greater involvement in the e-business field among SME entrepreneurs. The main concerns are how to develop the belief of usefulness, ease of use and trustworthiness of systems. The organization of computer training courses to increase the computer literacy of the SME entrepreneurs is one solution.

As with any conceptual model, this model also has its limitations. Accordingly these findings reported here may be limited by the sample size and the width of observation about the adoption of e-business. Malaysian e-business is in the early stages of growth and is under more research investigation and development. Thus, the relationships found in this study show that most entrepreneurs are using the internet in a business activity application to market their products and services in the local and international marketplace. There is some limitation, and inherent assumption that SME entrepreneur's participants have less experience with expertise. It may take some time to carefully collect data that avoids biased data.

Secondly, this study has set up a conceptual framework that included all factors considered to drive SME entrepreneurs to adopt e-business. Although this study is based on the framework of a combination of results from many different studies on the subject of e-business, there could always be factors that influenced the SME entrepreneurs' intention to operate an e-business that have not been included in the literature to date, or that was addressed in other literature studies. However, this study is confident that it has given an overview of the most relevant factors in this context.

An investigation of adoption of e-business was relatively new to information system researchers. The discussed findings and their implications were obtained from one single study that examined a particular technology and targeted the specific of SME entrepreneurs in Malaysia. Thus, this study needs to exercise caution as to the generalization of the findings and discussion to other technologies or groups. With these limitations, we believe our findings are valuable to both theory and practice. The research highlights adoption of e-business among SME entrepreneurs in Malaysia, but not specifically as addressed in the existing e-business literature. These findings increase consciousness about SME e-business regarding the key issues that impact the economy of e-business.

These limitations pave the way to future studies. Furthermore, another interesting avenue for further research could be a detailed study on e-business in Malaysia. Studies should also measure adoption of e-business with possible factors derived from different sources of literature. In addition to replicating these findings across different e-business factors, future research might also address the marketing strategy.

Promotional and communication tools, for instance are likely to be important in terms of understanding the relationship between customers and e-business. E-business can represent both challenges and opportunities for SME entrepreneurs. SME entrepreneurs must understand that e-business will be the most competitive marketplace. Future research can also examine the characteristics of e-business that influence the adoption of e-business.

Further research should aim to examine the factors, the nature of experience with customers that cause customers to change their attitudes towards a preferred mode of e-business. Clearly, changing attitude towards internet technology; experience of price or changes to systems queuing and how multi-functionality relates to error, breakdown and potential for security problems which are both fraud and safety related. Future studies could examine the different internet technology implementations in relation to the adoption of e-business in different cultures, with regards to customer perceptions, attitudes, acceptance and satisfaction.

Further study of e-business in different areas of the country and worldwide probably need to be undertaken; since the results reported here may be limited in terms of generalization and situation. The fact that the study was carried out in Malaysia might have had an effect on the results. Future studies should increase the sample size and conduct qualitative case studies, to improve the generalization of the research findings. For the long term, additional research is required, to advance discovery, in countries other than Malaysia, to ascertain and to differentiate the behaviour and distinctiveness of the adoption of e-business.

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