**PENGARUH MEDIA SOSIAL KE ATAS PRESTASI PERUSAHAAN KECIL & SEDERHANA : MALAYSIA & JEPUN (FONT SIZE 14)**

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**ABSTRAK**

(Abstract- text Times New Roman, size 11, *Italic.* Spacing- SINGLE). *Dengan kewujudan pemasaran media sosial yang sedang pesat pada masa kini telah memberikan impak yang positif pada perusahaan kecil dan sederhana ini. Kaedah pemasaran ini telah menjadi pilihan bagi perniagaan kecil-kecilan di mana ia dapat membantu mereka meningkatkan prestasi perniagaan dan meluaskan lagi rangkaian perniagaan mereka. Apabila pemasaran media sosial diaplikasikan oleh mana-mana perniagaan pastinya sukar untuk dijatuhkan. Namun demikian perusahaan kecil dan sederhana di Jepun mengalami kesukaran dalam kaedah pemasaran sebegini di dalam operasi perniagaan mereka. Kajian penyelidikan ini adalah bertujuan untuk menganalisis pemerkasaan kaedah media sosial bagi peningkatan prestasi perniagaan. Kajian secara kuantitatif digunakan dalam penyelidikan ini dengan bantuan soalan kaji selidik yang dibangunkan oleh penulis. Penulis mencadangkan supaya pihak pengurusan perusahaan kecil dan sederhana mengkaji semula kaedah pemasaran media sosial dengan lebih terperinci tidak kira sama ada di Malaysia atau di Jepun sekali pun dan mula menyediakan garis panduan atau manual bagi pekerja mereka dalam menggunakan kaedah pemasaran sebegini.*

**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**

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**ABSTRACT**

(Abstract- text Times New Roman, size 11, *Italic*. Spacing- SINGLE). *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*

**1. 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.

**2. 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.

**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.

* + 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 2 : Definition of SME s in Japan**

|  |  |
| --- | --- |
| Definition of “Small and Medium Enterprises” | |
| **Type of Industry** | **No. Of Employees and Scale of Capital** |
| Manufacturing, mining, etc. | Not more than 300 employees or \300 million |
| Wholesale Industry | Not more than 100 employees or \100 million |
| Retail Industry | Not more than 50 employees or \50 million |
| Service Industry | Not more than 100 employees or \50 million |

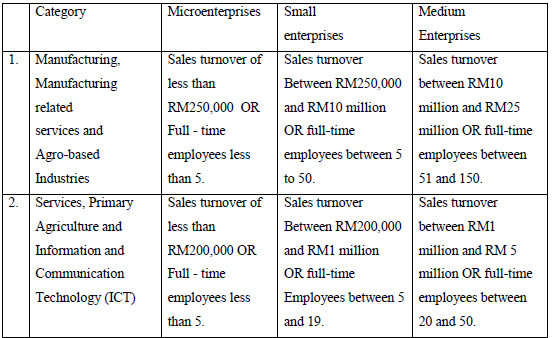
**Source: Japan Patent Office**

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).

* + 1. **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).

**Table 2: Definition of SMEs in Malaysia**



**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.

**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.

**3. 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.

**4. 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.

**5. 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.

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.

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.

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