FACTORS IMPACTING THE SUCCESS OF MALAYSIAN INTERNET ENTREPRENEURS

Seri Anis Binti Sofian[1],
[1]Johor Strategic Human Capital Unit (Corresponding Author)
seri.anis@johor.gov.my

ABSTRACT

The purpose of this study is to identify the factors impacting the success of Internet entrepreneurs in Malaysia. Literatures pointed out the potential factors that may affect the success of Internet entrepreneurs are, Managerial factor, Market factor, Financial factor and Customer Satisfaction. Data have been collected through online survey method and also been manually distributed to fashion vendor which integrating Internet facilities in their business operations. Multiple regressions were used to analyse the data and determine the success factors of Malaysian internet entrepreneurs. The result suggests Managerial factor have significant and positive relationship in predicting the success of Malaysian e-business and Internet entrepreneur. Whereas, the other three factors; Market, Financial and Customer Satisfaction does not have a strong relationship towards the determination of success Malaysian Internet entrepreneurs. Although Marketing factor shows a significant relationship, however it is in negative direction. The results suggests there are implications theoretically where it has supported some of the earlier research and therefore some recommendations also been discussed along in this study.

Introduction

Online shopping among Malaysian has become very popular in these days. The growth of online spending by Malaysians is increasing and expected to rise in years to come. As published on The Star Online a study conducted by PayPal, RM1.8 billion was spent by Malaysian in the year 2010 and expected to rise three times by 2015 (The Star Online, 2011). It was found that Malaysians spent RM825 million on the local websites as compared to the foreign websites as only RM627 million in 2011 (The Star Online, 2011). These serve as a motivating factor of the many opportunities lies in online business for new entrepreneurs and existing business owner to venture in and become Internet entrepreneurs. In the event, government is pushing hard to transform Malaysia into a digital and knowledge economy. It comes through multibillion-dollar projects such as the Multimedia Super Corridor (MSC), Malaysian Global Innovation and Creativity Centre (MaGIC) and many others sufficient government support in terms of financial and facilities in moving towards vision 2020 to be a fully developed country. The aim is to empower Malaysians to create, innovate and grow in the digital technology area that is to venture into online business and become internet entrepreneurs (Digital Economy, 2012). Among the success story Thus, by the formation of Multimedia Super Corridor (MSC) has proven as a catalyst for technopreneurship in Malaysia to develop the Malaysian IT-related industry such as Joel Noah, who founded the Groupon Malaysia and the people behind the Upin and Ipin animation show. This success story proven that ICT is one of the areas to generate wealth and contribute to the nation economic development.

Background of Problem

Since the establishment of Internet, businesses with physical store had also ventured into the internet business just to win the market share and be more competitive. Internet era which began to establish in year 1995 has witnessed many rise and fall of many dot com businesses. Less coordination, lack of control and ambiguous business strategy found to be the factors in the e-business to be fail (Marchewka, 2013; Manecksha, F. & Sangaran, S., 2000).

The evolution of the Internet in Malaysia started in 1995 and the growing number of Internet hosts is significantly increased in 1996. Statistics show of the 30.2 million Malaysia populations; 57 percent Individuals are Internet users and 58.6 percent is accessed by households. It was also reported 15.3 percent of the Internet user activities are purchasing goods and services via the Internet (The Department of Statistics Malaysia, 2013). Thus, it is suggested that Malaysians are actively using ICT in daily routines, be at workplaces, at homes and on the tour.

The speedy development of information and communication technologies has open door for the Malaysian entrepreneurs to compete at international level, introduce new business processes at the same time creating wealth to the country. Nevertheless, exposure of the success Malaysian Internet entrepreneurs is still restricted. A hunt through Google for Malaysian Internet entrepreneurs has revealed several names such as Mark Chang (Jobstreet.com), Ganesh Kumar Bangah (MOL-global online service provider), Puan Chan Cheong (Green Packet Bhd), Richard Tan (Interbase resources Sdn Bhd), Tengku Farith Ritahudeen (SKALI) and others who generate wealth

through e-business, internet advertising, e-scripts and online professional services. These people are the pioneers in Internet business since Internet was established in Malaysia. In the middle of 2000s the rise of social webs and blogs had allow entrepreneurs to adjust up their business selling type of merchandise ranging from clothing or fashion, electronics, gadget, mobile phone accessories, food product, health food supplement and as well as services such as workshop, seminars, team building and many other services by creating their own page through social situations. The internet entrepreneur enjoys free marketing and advertising which is a cost saving via a vast network of friends or followers. Many of these entrepreneurs starting up through social nets before they venture to the physical retail store or agency utilizing the profit they received through online business.

As observed earlier, the current trending is in online spending and rapid increase of technologies suggested that internet user's buying behaviour has shifted and they prefers to buy online and make transactions. So, Malaysian entrepreneurs should focus on this area to engage vantage of the opportunity lies beyond the demand from the huge interest. The entrepreneurs shall commensurate with the government visions of 2020 to become a developed country through the knowledge based economy. For that reason, in order to assure a successful Internet business, there is a need to carry on a research on Internet entrepreneur's success factors and to understand the success factors in forming business strategy.

Statement of the Problem

Although development of internet entrepreneurs looks promising, yet there is a lack of success stories like E-Bay, Amazon, Alibaba.com and Rakuten. Although, internet entrepreneurs have flourished in Malaysia, however, it is still in its infancy as describe by Hassan & Ali (2012) as "deficiency of local giants". The shortage of successful Internet entrepreneurs such as Lelong.my, Mudah.com,
Fashion Valet.com, Lazada and etc. portrays that the success factors of becoming internet entrepreneurs among Malaysians is still equivocal.

Many studies carry out focusing on the internet business strategies than its success factors. For instant, findings revealed the primary business strategy implemented in property companies in Asia is through Internet marketing (Razali, M. N., Manaf, Z. & Mohd Yassin, A., 2010).

In earlier studies by Kargoankar & O'Leary (2006) outlined nine factors contributed to the success of e-business firms, some of which were related to strategy making, such as having a clear vision (rational), seeking advice from professionals (social), having prior experience (learning), being able to work strategically with competition and form strategic partnerships (social and proactive). The study also found there is a link between the entrepreneur's characteristics, market and financial performance that determine e-business success. In addition, these factors may be applying not only the new start up, but to the existing entrepreneur, regardless either Internet business or brick-and-mortar businesses.

Nevertheless, to date, no research undertakes to examine such factors in the context of Malaysian Internet entrepreneurship. The surveys of Internet business in Malaysia are

still raw and little we know about the entrepreneurs. Many of them who had succeeded do not surface their experience in being the pioneer of such business.

This discussion raises the questions of what are the factors impacting the success of Internet entrepreneurship in Malaysia. Are these factors considering as the business strategy, or are they similar? This project is mainly to identify the success factors of the Malaysian Internet entrepreneurship, and the relationship between the factors to the success of e-business and at the same time the becoming a success Internet entrepreneur. Not only to understand the factors had impacting Internet entrepreneur's success but also led to the theory of Internet entrepreneur's business strategy.

Research Questions

The aim of this research is to examine the factors impacting the success of Malaysian Internet entrepreneurs, and their relationship in determining the business strategy of Internet business.

RQ1: What are the factors leading to the successful Internet entrepreneurship in Malaysia?

RQ2: What is the relationship between the identified factors towards the success of Internet entrepreneur's; are the characteristics, motivation and innovativeness, culture and customer satisfaction have impacts to the firm's success?

RQ3: How strong is the relationship between the identified factors to the success of the Internet entrepreneurs and their e-business?

Research Objectives

Thus, the objectives of the study are:

a. To identify the factors impacting the success of Internet entrepreneurs in Malaysia

b. To investigate the relationship between various factors such as entrepreneur's characteristics, culture, motivation and innovativeness, financial factor, market factor, and customer satisfaction to the success of an Internet entrepreneurs

c. To develop a framework for successful Internet entrepreneurship in Malaysia

Significance of the Research

The findings will provide knowledge to the future Internet entrepreneurs' factors impacting the success of Internet business. In addition, the findings will further improve the understanding of Malaysian Internet entrepreneurs on how the e-business is carrying out. Once the success factors identified, Malaysian Internet entrepreneurs can take this as their starting point to understand the business strategy whether during start up or in bringing the e-business to the next level.

This study is significance in the development of research in Internet entrepreneurship education and strategy which is to have the positive impact towards society through social and economic betterment that leads to wealth creation.

Literature Review

The Internet era started in Malaysia in the early 1990s and JARING (Joint Advanced Integrated Networking) was the first Internet service provider introduced by Malaysian Institute of Microelectronic Systems (MIMOS) (Salman *et al.*, 2013; APNIC, 2004). Ever since the establishment of Internet, the government of Malaysia encouraged Malaysians entrepreneur to venture to digital entrepreneurship. For instance, the development of Technology Park provides engineering and IT facilities to the investors was set up and small business incubators a liaison with several Malaysian universities (Ramasamy *et al.*, 2004) . It was in the same year the first web portal *Cari Internet* was introduced and at that point of time there were only 20,000 Internet users out of 20 million population (Salman *et al.*, 2013). But today, the Internet has become a requirement, not anymore luxury things that single person to present.

A search through Google has brought to the online statistics by the Internet World Stats. It was found out that the statistics of Internet Usage in Asia 2013 (www.internetworldstats.com), the Internet users in Malaysia had increased tremendously from 3.7 million in year 2000 to 20.14 million by the end of year 2013. Aside from that, a survey in 2011 by the Malaysian Communications and Multimedia Commission (MCMC) has discovered the intensity of Internet usage among Malaysians is 60.7 percent average time surfing on the Internet between one to four hours daily. Likewise, it was found users activities mainly of Internet shopping, selling merchandise, extending services and online gaming encounters about 33.9 percent of total users (MCMC, 2011). Hence, from the trend we can conclude that the Internet has become something that one must have for ease of merchandising services and it's the biggest shopping arena that offers a wide range of products and services so does the business opportunities lies beyond.

The Internet entrepreneurs

According to Mahadi (2011), there is no specific definition of Internet entrepreneurs. Prior literatures supplement Internet entrepreneur with various terms such as *e-entreprenur, e-commerce entrepreneur, digital entrepreneu*r, *cyber entrepreneur* and *Internet-enabled entrepreneur*. Whereas, Delmastro (2001) Glavas et.al (2014) concludes Internet entrepreneur as an entrepreneur who either a founder of newly start up Internet related activities or someone operating a new firms in ICT industries (specifically manufacturing).

The Internet Business in Malaysia

As in Malaysia, being a democratic country is in favour of capitalist business. It is expected to be influence by the Internet business, a so called western oriented business. As such, Internet business may influence the traditional business in Malaysia with prospect of income by the year 2020. This would further enhance with the government efforts to increase the broadband capacity throughout the nation. Nevertheless Internet business has set about to thrive, however; it is still in its early childhood (Jamaludin et.al, 2011). Today, there are many Internet entrepreneurs selling a broad range of merchandise and services, still there is lack in success stories. Although not many success stories as compared to Japan and South Korea, however Malaysian does have its share of online companies. For instance, Blooming.com is an online business flower shop that was among the prime example of the early movers and they remain strong

until now. Ever since the Internet has become more accessible, the rise of blog shopping on various online forums has become a trending. The mushrooming growth of online store is obvious with especially the emergence of social network sites.

The Internet Business Strategy
Often researches of the Internet business strategy relates to the success and failures factors one firm is practising. There are also submissions by some researchers that claims business strategy for Internet-based businesses and conventional brick-and-mortar businesses would have no significance differences. The only difference is the integration of Internet in the business process to add value to the business operations. Porter (2001) highlighted Internet is a powerful set of tools that likely or unlikely in any industry will be the part of the strategy that offers economic benefits.

As suggested by Mahadi (2011) the success or failures of the Internet business is depending on the strategy and strategy making. Commonly firms failed resulted from inadequate strategy after start-up. Similarly, Al-fawaeer (2014) observed the success or a failure of a business in Jordanian Telecommunication companies is determined by the strategic planning within the organizational. Thus, he suggests an effective strategic e-business planning is a mixture of detail strategy making comprising the internal factor, market factors and competitive factors.

Razi, Tarn and Siddiqui (2004) on the other hand suggest failure of many dot coms businesses in the 2000s is a result of poor in strategic, operational, technical as well as the behaviour of the decision makers. Mahadi (2011) summarizing the research by Razi et. al. mentioned these failures businesses is due to inexperience in developing strategy as well as in business modelling, marketing and information technology. They are poor in business models, overspent, lacked of differentiation in strategy making and inadequate experience in planning. Whereas the successful companies were hybrid, brick-and-click type businesses with strong back-end logistical support and existing customer based. They able to pull through the break fall during the mushroom growth of e-commerce by learning the shortcomings of failed companies through business exclusivity, enhancement of Web pages and provide better customer service support and proper logistics.

This is in the same vein as Alibaba.com story as mentioned by Sau-ling, (2010) three core principle that brought Alibaba.com in becoming one of the world largest e-commerce businesses is culture, customers and innovativeness. Previously the appearance of giant retail store such as WalMart underestimate the capabilities of SMEs in various business areas, however, with Internet the SMEs can do business without boundary. Now Alibaba.com has extensive networks of SMEs users having their trade-off on Alibaba.com. This proven that powerful business strategy and strategy making will prosper the-business.

Success and Failure Factors of Internet Business
Another gap in the e-business research is in the areas of success and performance measures for Internet firm. There are various studies have been conducted to understand why there are success and failed e-businesses. Yet, until today there are no agreed indicators of success after start-up available to be use for a study on the success of Internet firms.

Literatures indicate there are variations of factors suggested by different authors. For instance, Chittithaworn *et al*. (2011) determined the success factors among the SMEs in Thailand practising Internet-based business is the characteristics of business, customer and market, resources and finance, and the external environment. Whereas,

Abdullah, Wahab & Shamsuddin (2013) mentioned a clear mission outlined by the business owner is important to direct the companies to the right path. The business owner or the entrepreneur is described as a strategic thinkers, passionate, visionary and risk takers to ensure the mission and vision significant to business productivity, performance and profit. This measurement strongly indicates the entrepreneurs drive the survival of the business venture. Therefore, the Internet entrepreneur's characters and their vision are important to the success of the e-business. Internet entrepreneur whom is high visionary, seek for professional orientation and experienced is the ultimate in prediction of the success and failures of e-business (Korgaonkar & O'Leary, 2006). There is also scholar summons the age, education, marital status and race signify important demographic factors in explaining the entrepreneurs behavioural. Fuad, N., Bohari. A.M., & Cheng, W. H. (2011) suggest average Malaysian women entrepreneurs between age thirty to thirty five years old (30-35 years) indicates a good average age for running a business. At this age, individual are more enthusiast, objective driven and work hard to sustain their business growth.

Another factor received a limelight by many authors is the customer's satisfaction. It is among the key driven towards successful of e-business as mentioned in many studies. For any industries, slight increase as little as five percent in customer retention will increase the business profit between 25 percent and 95 percent (Reichheld *et.al*, 2000). This is because satisfied customer tends to repeat their buying to the same seller and suggest good recommendation to their peers. Hence, customer's satisfaction, customer requirement and market trend is among the areas in strategy making. It remains as drivers in any business venture regardless it is a traditional or technology adoption businesses. Findings by Momtaz *et. al* (2011) show there is significant relationship between product quality, brand names, and shopping experience to the customer satisfaction. Ibrahim *et al.* (2013) seconded this notion through a finding that an effective e-business is when customer is satisfied with the business performance and tend to repeat their purchase. The researcher suggests previous purchase experience in terms of level of satisfaction and perceived risk significant to the effective online shopping among Malaysian consumers. But the challenges facing by the online seller is when they are virtually connected to the customer. They can only persuade the potential buyer through the appearance of the website, thorough information of their offerings and feedback from previous buyers.

A study by Jamaludin et al., (2011) identified that e-marketing is one of the elements that will have impact to the success of the e-business ventured. One possible advantage when integrate e-marketing is the collaborative filtering that allow recommendations by someone who expert in the area or products. The ever exist marketing principal of 4Ps (Product, Price, Place and Promotion) will still be the basis of e-business markets strategy with the addition of Internet-based strategy to characterize the e-business. In order for the manager to determine the successful of their e-business, the Internet entrepreneur must be able to identify the potential products and services offered (Jamaludin et al., 2011). It was mentioned without knowing the potential of the e-business likely it is leading to a failure.

Johnson *et al.*, 2007 suggested to maximize the financial gains in business the organization must integrate Internet in their business solutions as observed in several Europe and North America organizations. Both technological and financial pressures require quick wits and ability to whether setbacks as the firm evolve in its initial phase. Hence the successful entrepreneur will need to marshal high degrees of commitment by others (employees, suppliers, customers) to a goal which is often only loosely

defined. Inevitably such skills are rare and hence not easily replaced (Forbes, 2004). Hence the success of the founding e-business is the cost control of the firm.

In summary, the success or failures of e-business is more likely depending on various factors mainly internal and external. Korgaonkar & O'Leary (2006) highlighted four main factors that contribute to the success or failures of e-business mainly, management,market and financial. Whereas Momtaz et. al (2011) had stressed advertisements, product quality, brand names, and prior shopping experience have significant role in customer satisfaction among online shoppers in Malaysia. Fulfill the customer satisfactions by means an increase in the business profit that relates to the customer retention. Therefore, an increase profit is a sign of strong financial situation that lead to a success of e-business.

Based on this literatures, critical factors that will have impact to the success of an Internet business can be classify into four main areas, that is the managerial factor, market factor, financial factor, customer satisfaction. In addition, at the earlier part of literature review, there are studies stressed out the characteristics of the Internet entrepreneur is also contribute to the success of the e-business at the same time the Internet entrepreneur as well. Thus, further analysis of this research will be focussing on the three factors mainly, Managerial factor, Marjet factor, Financial factor as well as the demographis characters of the Internet entrepreneur. The success factors that have impact on the success of the Internet entrepreneurs summarized as below:

Hence the following hypothesis proposed to test for the relationship of the factors impacting the success of Malaysian's Internet entrepreneur.

H1:   Managerial factor will have a significant relationship and positively affects the success of e-business and Internet entrepreneur.

H2:   Market factor will have a significant relationship and positively affects the success of e-business and Internet entrepreneur.

H3:   Financial factor will have a significant relationship and positively affects the success of e-business and Internet entrepreneur.

H4:   Customer Satisfaction will have a significant relationship and positively affects the success of e-business and Internet entrepreneur.

Research Framework

Based on the above literature review as a guideline, the relationship on Managerial factor, Market factor, Financial factor and Customer Satisfaction to the success of Malaysian Internet entrepreneur is proposed. Hence, the following research framework is constructed as in Figure 2.1.

Figure 2.1 Research Framework

219
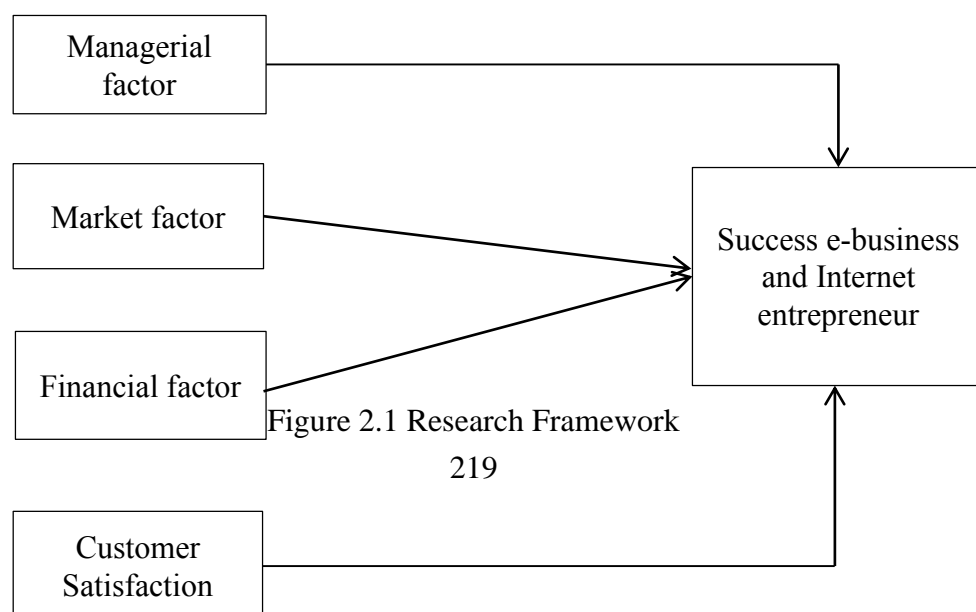
Research Methodology

This research is design with aims to identify the factors that may have impact on the success of Malaysian Internet entrepreneurs and from the findings relationship between each variable were discussed. The methodology utilizes to test the theories and determine the relationship of independent variables on the dependent variable is using quantitative method. This research adopted a questionnaire survey approach in collecting the data and the data analysis using SPSS software version 21.0.

A closed type questionnaires and a five point Likert-type scale questionnaire adapted from previous study were chosen for this research. The primary data were collected through distributions of questionnaire through online to 150 Internet entrepreneurs in Malaysia identified via website, portal, blog, and social media. There are also 50 questionnaires were distributed manually to 50 fashion vendor around the area of Johor Bahru who mainly are an Internet entrepreneurs with physical retail store. The unit analysis of this research will be individual who have voice in the firm to make decision of the ventured Ineternet entrepreneurship or the founder of the Internet business.

This survey questionnaire consists of six sections and each section measures respondent's view and perception towards each variable studied.

The data for this research were gathered through online survey method using a link at Google Docs.com. (Link: http://goo.gl/forms/YGBggNgQ8x). By distributing the survey online it allows the respondent to complete the survey at their own convenience time. This survey is a voluntary survey, thus whoever the intended Internet entrepreneurs decide to answer the survey will only have to click the link and they will be directed to the questionnaires. The sample of the questionnaires is in Appendix A.

Findings and Results

A total of 150 completed questionnaires were received and constitutes 75percent of the total response rate. From that, 66.7percent of the completed survey was received through online and 33.3percent is by manual distributions.

Table 4.1 Rate of survey respondent

Description	N	Percentage (percent)
Questionnaires distributed through online	150	75
Questionnaires distributed manual	50	25
Questionnaire received through online	100	66.7
Questionnaires received manual	50	33.3
Usable Questionnaires	150	75

The profile of the respondent assess through the demographic section in the questionnaire as in Table 4.2

Table 4.2 Demographic of the respondent

	Frequency (N=150)	Percentage
Gender		
Male	36	24
Female	114	76
Age (year)		
20-30 years	60	40
31-40 years	90	60
Educational Background		
SPM/Certificate	9	6.0
Diploma	17	11.3
Degree	95	63.3
Master	29	19.3
Ethnicity		
Malay	130	86.7
Chinese	20	13.3
Level of ICT knowledge		
Formal	35	23.3
Non-formal	115	76.7
Level of ICT competencies		
Advance level	28	18.7
Intermediate level	119	79.3
Beginner level	3	2.0
Type of Online business		
Selling food product online (including food supplement)	35	23.3
Selling services online	37	24.7
Selling fashion online	69	46.0

	Frequency (N=150)	Percentage
Selling computer applications online	3	2.0
Other	6	4
Reason for being an Internet Entrepreneur		
As additional income	52	34.7
To fulfil past time	4	2.7
As primary job	91	60.7
Other	3	2.0
Year(s) of becoming an Internet entrepreneur		
Less than 1 year	41	27.3
More than 1 year but less than 5 years	53	35.3
More than 5 years but less than 7 years	49	32.7
More than 7 years but less than 10 years	7	4.7

Findings indicate that 114 of the respondents were a female and contributing to 76 percent of the total frequency while the balance 36 of total respondents was male with 24 percent of total frequency. It was interesting to note that most of the unit analysis is above 20 years old. Theory to this is because at this age a person is found to be very energetic and more enthusiast in behaviour. Score shows 60 percent of the Internet entrepreneurs are between 31 to 40 years old constitute 90 out of total 150. There are 60 of them of age between 20 to 30 years old with 40 percent contribution. In terms of educational background the biggest percentage contribute by respondents with Degree certificate; a total of 95 out of 150 people with percentage of 63.3 percent. As depicted, the least percentage is 6 percent of the respondents with SPM certificate and followed by 11.3 percent of the Diploma holder. The balance of 29 respondents which is 19.3 percent is graduated from Master. The respondent's characteristics in terms of ethnicity were Malays (86.7 percent) and followed by Chinese with 13.3 percent. Additional characteristics that intended to know about the Internet entrepreneur characters are their level of ICT knowledge and its competencies. Referring to the above Table, there are 115 respondents; a 76.7 percent have ICT knowledge is non-formal. The non-formal means the skill they obtained through self-learning, observation from other competent users, or steered by somebody who is well-versed in ICT. Whereas, the balance 23.3 percent of the total respondents have their ICT experience from a formal channel, that is, obtained a certificate from any higher learning institutes or participation in the ICT skill workshop. On the other hand, the level of ICT competencies is measured whether at advance level, intermediate level or beginner level. Findings revealed most of the respondents having an intermediate level of ICT competencies with frequencies of 79.3 percent (N = 119) followed by the advance level of 18.7 percent (N = 28) and the least is two percent (N=3).

The research also requires the investigation on the respondent's personal characteristics as well as their business characteristics. As shown in Table 4.2, there are three characteristics of the respondent's business background were evaluated; 1) Type of Online Business 2) Reason for being an Internet entrepreneur and 3) Years of becoming an Internet entrepreneur. For the type of online business, most of the respondents are selling fashion online contributing to 46 percent as a whole (N = 69). This is in match with the data of the main respondents which is female as the primary

contributor. On top of that, 24.7 percent (N=37) having their business by providing services online. The services including selling domain, game application, e-advertising, e-education or e-workshops. Selling food online and computer applications is 23.3 percent (N=35) and 2 percent (N=6) respectively from the whole fraction. For other reason, there are 4 percent, N=6 is the one who are selling pre-used items online. As for the reason to become an Internet entrepreneur, the highest percentage is 60.7 percent (N=91) of respondents have e-business as their primary job. They generate incomes by exploiting the Internet technologies by selling merchandise or provide services. The second highest percentage is 34.7 percent (N=52) undertaking e-business as additional income followed by 2.7 percent (N=4) just to fulfil their past time. As for the others is those who are selling pre used items with intention to free up some space at home or helping friends to sell off the their unintended items comprising 2 percent, N=3 from total 150 respondents. Interestingly, majority of the respondents have been involved in the e-business between one to seven years. It take up 35 percent of the fraction and total of 53 respondents. The others are 32 percent (N=29) between five years to seven years, 27 percent (N=41) less than one year and 4.7 (N=7) percent between seven years and ten years.

Other than the above respondents profile there is also an analysis towards the respondents perception of their e-business financial performance and the definition of the successful Interent entrepreneur.

Table 4.3 Income level of the respondent

Incomer per month	Frequency	%
Below RM5000	24	16
More than RM5000 less than RM10000	22	14.67
More than RM10000 less than RM30000	26	17.33
More than RM10000 less than RM30000	17	11.33
More than RM50000 but less than RM100,000	50	33.33
More than RM100,000 but less than RM500,000	4	2.67
More than RM500,000 but less than RM1 million	6	4
More than RM1 million	1	0.67
Total	150	100

Table 4.3 shows that income between RM50,000 and RM100,000 make up the highest percentage with 33.33 percent at frequency of 50 respondents surveyed. This significant incomes meet the expectation of a success Internet business. Then follow with income level between RM1000 and RM3000, between RM5000 to RM10000 at 17.33 percent and 14.67 percent respectively. However, what caught to the attention is income of more than 1 million. Although the frequency is only one respondent apart

from the total 150 at 0.67 percent but it shows that the respondent is readily a successful Internet entrepreneur. As such, the respondent survey sheet were refered, and found out the respondent is a female entrepreneur ventured in food line as her background of business. She was among the successful Internet entrepreneur under the brand Anis Choc Moist Cake, integrating Internet technologies in her marketing strategy.

Findings also show that 68 percent of the respondents believe the definition of successful Internet entrepreneur is when their business is still online and make profits, whereas 25.33 percent define when they already achieve the e-business goal and venture to another type of business using the profit obtained from the e-business. This has justify the intended survey purpose.

The Cronbach's Alpha coefficient to assess the internal consistency and reliability of the data. The coefficient alpha for Management Factor and Market Factor were 0.82 and 0.81 respectively. Therefore, the values exceeding the acceptable value of 0.7 signify good internal consistency reliability.

For Customer Satisfaction and Success Internet Entrepreneur, the coefficient has less than 0.7 that is 0.53 and 0.63 respectively. Further examination from the *Alpha if Item Deleted* value shows the low reliability will improve by dropping the third item. Thus, by dropping the third item coefficient value is improved from 0.53 to 0.7 for Customer Satisfaction and 0.63 to 0.7 for Success Internet entrepreneur. Even though the refined measure would increase the reliability of the question, however the value is still not above the 0.7. The measures for Customer Satisfaction in the study were adopted from Mumtaz *et al.* (2011) whereas for the dependent variable were adopted from a study by Korgaonkar & O'Leary (2006). The numbers of items were lower than five questions, with Customer Satisfaction have four items and Success Internet entrepreneur is three items,   explained the difficulty to get the optimum value of Cronbach's alpha. As suggest by Tavakol & Dennick (2011) shorter questionnaire may reduce the alpha values and low score does not indicate a weak validity coefficient. Moreover, as mentioned by Santos (1999) and Sekaran (2006) the coefficient value 0.7 indicate reliability of the data and those in this range is acceptable. Therefore, due to this reason the measures were kept in this analysis.

As observed the coefficient value for Financial factor is found to be a negative value. A negative value indicates that the items are not being correctly reversed. After the item number two been reversely code, the result were remain to be negative. Since questions for Financial factor is a developing scale, therefore, it is concluded that this questions are not reliable and inconsistence. So, it is decided to drop Financial factor items from further analysis.

Table 4.4 The Crobach's Alpha coefficient result

Variable	Item	Cronbach's Alpha Coefficient
Independent variable	**Management factor**	0.82
Independent variable	**Market factor**	0.81
Independent variable	**Customer Satisfaction**	0.70
Independent variable	**Financial factor**	-0.61
Dependent variable	**Success Internet entrepreneur**	0.70

This research is to identify the significant relationship of independent variables; Managerial factor, Market factor and Customer Satisfaction towards the success Internet entrepreneurs. In this research, to test for the hypotheses the statistical tool used is standard multiple regressions.

First of all, a preliminary analysis is done to check for no violation of assumptions on multicollinearity. The purpose of checking for multicollinearity is to ensure there is relationship between independent variables, Manager factor, Market factor and Customer Satisfaction towards the dependent variable that is Success Internet entrepreneur. It is also useful to ensure no bivariate correlation in the same analysis (Pallant, 2010). The preferable value is above 0.3 but not exceeding 0.7. Another diagnose by SPSS to check for multicollinearity is 'collinearity diagnostics'. There are two values given which is Tolerance and VIF (Variance Inflation Factor). The presence of multicollinearity is when tolerance value is less than 0.1 and VIF value above 10 (Pallant, 2010). Tolerance indicates how much the variability of the specified independent is not explained by the other independent variables whereas VIF is the inverse of Tolerance value. Any point exceeding the assumptions result will have to consider removing the highly intercorrelated independent variables from the model. For this research, the correlation data representing in Table 4.5 is the Correlations and Collinearity statistics of the variables.

Table 4.5 Correlations and Collinearity statistics of the variable

	Correlations	Collinearity Statistics	
Dependent Variable: Success Internet Entrepreneur		Tolerance	VIF
Managerial factor	0.5	0.7	1.5
Market factor	0.1	0.6	1.8
Customer Satisfactions	0.1	0.7	1.3

From the above table were correlations between dependent variable Success Internet entrepreneur with the independent variable of Managerial factor, Market factor and Customer Satisfaction with r = 0.5, r = 0.1 and r = 0.1. The values are less than 0.7 shows the data is within the acceptance of multicollinearity assumption. Although the correlations value for Market factor and Customer Satisfaction are lower than 0.3 but

at least there is significant correlation between the variables that is more than 0.01. Correlations, r having value in between 0.1 to 0.29 consider to have small relationship between the variables ((Pallant, 2010). Thus, for Market factor and Customer Satisfaction does have a relationship with the dependent variable, that is Success Internet entrepreneur but in a small relationship. For correlations between each of the independent variables, the data report all the r values are more than 0.1 and less than 10 for VIF, hence all the variables did not violate the multicollinearity assumptions. Secondly, in order to check for normality, linearity, homoscedasticity, and independence of residuals by inspecting the Normal Probability (P-P) of the Regression Standardised Residual and Scatterplot. Multiple regressions is very sensitive to outliers, therefore initial data screening is very important before proceeding to regression analysis. To have no major deviations from normality, in Normal P-P Plot the data points has to lie in a reasonably straight line from bottom left to top right. Whereas in the Scatterplot, residuals is roughly distributed and most of the scores concentrated along the 0 point that is in the centre. If deviations from centre rectangle it is a violation from the normality assumptions. Normal P-P Plot for Success Internet entrepreneur is represented in the Appendix B. From the graph plot, points lie in a reasonable straight line at the beginning of the data bottom left and top right. Scatter plot for Success Internet entrepreneur is depicted in Appendix B. From the graph, it is observe the residuals is roughly distributed in rectangular manner with most of the points are concentrated in the centre along the 0 point. There are present of outliers, however it is within value 3.3 and -3.3 therefore, it is not necessary to discard the outliers from the data set. Another way to check for the outliers is using Cook' Distance given in the Residual's table as in Appendix B. According to Pallant (2010) the maximum value for Cook's Distance above 1 will have abnormality data and will need to consider removing the offend cases. However, for this study, the dependent variable maximum value is 0.5 suggesting no major problems of outliers than can affect the model.

Data Analysis of Multiple Regressions and Hypotheses Test Results

After all the assumptions and potential outliers has been checked and cleared, we then arrive to the data analysis and evaluating the proposed model. Below output were derived from SPSS software version 21.0 procedures of multiple regression analysis.

	R	R Square	Beta Coefficient	t	Sig.(p)	Part Correlation Coefficients
DV: Success Internet entrepreneur	0.49	0.24			0.000	
Managerial factor			0.57	6.56	0.000	0.474
Market factor			-0.25	-2.55	0.012	-0.184
Customer Satisfaction			0.14	1.72	0.088	0.124

From the reported table above, it shows model (includes Managerial factor, Market factor and Customer Satisfaction) explain 49 percent of the variance in the success of e-business and Internet entrepreneur through the indication of R value. Based on the data, further examination carried out to see whether the result does supporting proposed hypotheses as outlined in chapter two. Table 4.6 show the proposed hypotheses and the decision. On the other hand, the Sig. value = 0.000, p<0.05 denote that the research model has reaches its statistical significance.

Table 4.6 Proposed Hypotheses vs Decision

	Hypotheses	Decision
H1	Managerial factor will have a significant relationship and positively affects the success of e-business and Internet entrepreneur	Supported
H2	Market factor will have a significant relationship and positively affects the success of e-business and Internet entrepreneur	Not supported
H3	Financial factor will have a significant relationship and positively affects the success of e-business and Internet entrepreneur	Item removed due to not reliable for regression analysis
H4	Customer Satisfaction will have a significant relationship and positively affects the success of e-business and Internet entrepreneur	Not Supported

Overall, the Managerial factor has the largest value of Beta Coefficient of 0.57 over the success of e-business and Internet entrepreneur. This means, Managerial factor makes the strongest unique contribution in explaining the dependent variable. On the other hand, the Beta Coefficient for other independent variables that is Market factor and Customer Satisfaction have lower value that is -0.25 and 0.14 respectively denote a less unique contribution in explaining the success of e-business and Internet entrepreneur.

In Hypothesis 1, proposed a significant relationship and positive effect towards the success of e-business and Internet entrepreneur. Likely, the data analysis meets the expectation. Beta coefficient value = 0.57 indicates a significant relationship with the success of e-business and Internet entrepreneur. This statement also supported by the value of Sig. = 0.000, p<0.001 which indicates the variable is making a significant unique contribution to the prediction of the dependent variable. Therefore, the proposed significant relationship and positive affects between Managerial factor and the success of e-business and Internet entrepreneur is supported. In other words, from the analysis indicates the better Managerial characteristic the Internet entrepreneur possesses the more success one can be. In more practical interpretation of this result

is, ten percent increase in the Managerial factor is expected to increase 5.7 percent of the e-business success.

Hypothesis 2 proposed a significant relationship and positive effect of Market factor towards the success of e-business and Internet entrepreneur. As anticipated there is a significant unique relationship. By having Beta coefficient value = -0.25 and Sig. = 0.012, p<0.05, Market factor does contribute a unique significant relationship to the prediction of the success of e-business and Internet entrepreneur. However, the negative sign indicate the predictor is negatively affected to the dependent variable. Therefore, the proposed Hypothesis 2 is not supported. Market factor does have a significant relationship towards the success of e-business and Internet entrepreneur; however it is negatively affected. The result implication is that in ten percent increase of the Market factor will have a 2.5 percent drawback in the success of e-business and Internet entrepreneur which is not as per expectation.

Meanwhile, in Hypothesis 3 suggested that Financial factor will have a significant relationship and positively affects to the success of e-business and Internet entrepreneur. In this case, the independent variable is not reliable and having inconsistency of data, therefore it is not eligible to proceed for further analysis. Thus, it can be conclude that Hypothesis 3 cannot be tested using this multiple regression method.

Hypothesis 4 proposed a significant relationship and positively affect between Customer Satisfaction and the success of e-business and Internet entrepreneur. Overall, the proposed relationship is not supported through the determination of Beta coefficient value of 0.14 and Sig. value = 0.088, p>0.05. Customer Satisfaction found out to be the least significant relationship contributed to the prediction of the success of e-business and Internet entrepreneur as compared to Managerial factor and Market factor. From the analysis, it can be conclude that Customer Satisfaction is not making a significant unique contribution to the prediction of the success of e-business and Internet entrepreneur and the hypothesis does not supported. It is also can be supported by the practical implication of the Beta coefficient value, whereby in ten percent increase of Customer Satisfaction will only increase 1.7 percent success of the e-business and Internet entrepreneur.

Figure 4.1 shows the structural model of Managerial factor, Market factor, Financial factor and Customer Satisfaction towards the success of e-business and Internet entrepreneur.
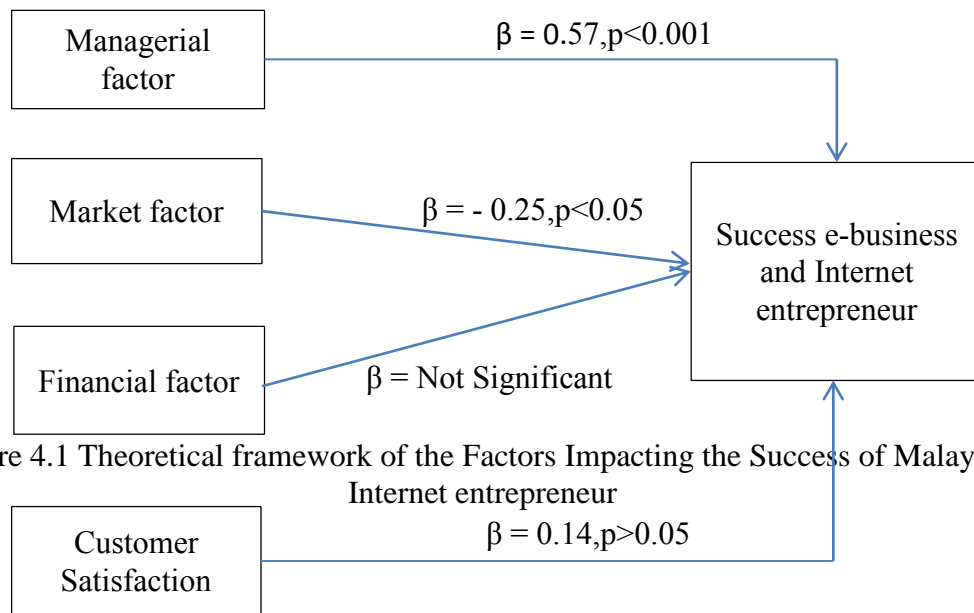
,

Figure 4.1 Theoretical framework of the Factors Impacting the Success of Malaysian Internet entrepreneur

Findings and Discussions

Research question 1 is asking the factors leading to the successful of Internet entrepreneurship in Malaysia. The answer to this question is based on the exploratory of previous study by various authors. The most significant factors that meet the background of this research is highlighted in study by Korgaonkar & O'Leary (2006) which revealed nine factors that separate the winners and losers in e-business. The nine factors were categorized into Management factors, Market factors and Financial factors. Meanwhile, combination of structured financial and business strategies under capable and competent management is the causes to the success e-business.

Research question 2 is to answer the relationship between the identified factors towards the success of Internet entrepreneur's and is there any impact to the success of the e-business and Malaysian Internet entrepreneur. Based on the result of the data analysis, Managerial factor have a positive and significant relationship and have impacts on the success of the e-business success and Malaysian Internet entrepreneur. On the other hand, the analysis for Hypothesis 2 is not supported, the Market factor relationship to the success of Malaysian e-business and the Internet entrepreneurs is in negatively affect and not as expected. In Market factor, the questions focuses on the market growth, first entrance to the market and market newness shows the desired result does not achieved and at the opposite direction from the earlier theorized. Surprisingly, in the researcher's view there is no evidence of a negative effect and scant evidence can be found in the literature's. According to Forbes (2004), the clear role of the business founder (Internet entrepreneur) in setting the elements of the intangible value of the firm is important for the firm to achieved the expectation.

For Hypothesis 3, propose a significant relationship between Financial factor and the success of Malaysian e-business and Internet entrepreneurship. Surprisingly, the result of the reliability and consistence of the variable is found to be under the eligible criteria to proceed to further statistical analysis development. The reliability coefficient value is found to be at negative value.   In Hypothesis 4, proposed were a significant and positive sign of the Customer Satisfaction on the success of Malaysian e-business and Internet entrepreneur. However, similar to the Market factor, the hypothesis does not supported as what is expected.

Research Question 3 is the identification the strongest factors that impact the success of Malaysian Internet entrepreneurs. Based on the hypothesis proposed and result of the data analysis, Managerial factor found to have the strongest impact to the success of Malaysian Internet entrepreneur. Managerial factors are assessment on the management vision, professional orientation and managerial experience. The result is consistence and parallel with Korgaonkar & O'Leary (2006), Abdullah et al. (2013) and Roodsposhti et al. (2013) findings which stated that Managerial factor have direct affect to e-business and Internet entrepreneur success. According to Korgaonkar & O'Leary (2006) the issues in the managerial factors is critical in the ultimate winners or losers of an e-business. Lack of business vision, did not react quickly and precisely in the risk factors, do not plan the business well especially during start-up, the entrepreneur egoistic character that refused to engage professionals advice and attain insufficient experience is the prediction to failure of the e-business. Based on Abdullah et al. (2013) a strategic thinker, passionate, visionary and a risk taker is the attributes of an exemplary owner-manager of the Malaysian SME's firm adopting technology in their business. While Roodposhti (2013) mentioned, management commitment and progressive managers will have impact on the success of the Internet entrepreneurship.

In addition, a true understanding and experience in the information technology would satisfy to fulfil the needs to organization or the e-business purpose.

At present, knowledge based economy is among the main stream led by the government of Malaysia in moving towards developed nation by the year 2020. Therefore, the findings of this research contribute to the theory and practice of e-business in Malaysia. Firstly, this study reveals the potential of several success factors which may have impact to the success of e-business. The findings are based on various studies by various authors mainly at international level. In context of Malaysia, none of the researches related to the Internet business and its similar terms focusing on the success factors. Almost all are mainly discussing and researching about the impact of online business from customer's standpoint or the development of the e-business.

Secondly, this research provides proof that Managerial factor does have significant and positive affect on the success of Internet entrepreneurs in Malaysia. Most of the Internet entrepreneurs reflect that managers with strategic thinking and visionary in strategy making tend to be success in their e-business venture.

Other aspects that Internet entrepreneurs can appreciate from this research is the other two factors; Market factor and Customer Satisfaction that may be have impact on the success of the Internet entrepreneur. Although the result of the statistical data does not indicate a strong relationship and as not expected, however, from the exploration in the previous studies and researchers, these two factors indicates a relationship to the e-business growth.

To date, there is no published study determining the factors impacting the success of Malaysian Internet entrepreneurs. Therefore, this study has at least established some knowledge in the area of Malaysian Internet business. Additionally, the result of this study may benefit not only the new start-up but also the existing Internet entrepreneur in Malaysia to improve their sustainability of their businesses.

Recommendations

Research into the factors impacting the success of Malaysian Internet entrepreneurs is still at the beginning, but this research leads to an exploration and justification of Malaysian Internet entrepreneur's approaches in becoming success in the Internet business. It is anticipated that more research to carry out to explore on the financial factor, market factor and customer satisfaction to further verify and modify hence added to the existing research on the potential of Malaysian Internet entrepreneur literature. Followings are suggestion for further research:

1. The outcomes of the Internet business when implement the identified factors in strategy making.

2. Test the adaptability of the framework using qualitative data such as in depth interview.

3. The implication of the success factors towards the development of business strategy of Malaysian Internet entrepreneur.

4. Other factors that may have impact on the success of Malaysian Internet entrepreneur such as marketing mix or different type of products or services determined the adaptability to the Internet business.

5. Future research also should consider investigating the Financial factor, Market factor and Customer Satisfaction using different instrument or data analysis method.

Therefore, it is hope that determination to further explore success factors of the Malaysian Internet entrepreneur will further enrich the Malaysian Internet entrepreneur body of literature.

Conclusion

In conclusion, the objectives of the research have been achieved. The first objective is to identify the factors impacting the success of Internet entrepreneurs in Malaysia. Based on the literatures, there are four factors identified that potentially has impact to the of Malaysian Internet entrepreneur consisting Managerial factor, Market factor, Financial factor and Customer Satisfactions. The second objective is to investigate what are these factors relationship to the success of the e-business and the Internet entrepreneurs. Therefore, survey carried out to gather data from the respondents and through the integration of the SPSS software the statistical data obtained. Findings show, only Managerial factor, Market factor and Customer satisfaction have the relationship to the success of Internet e-business. However, from the three factors only Managerial factor supported the hypothesis and making significant unique contribution to the determination of success Internet entrepreneur. The other two factors, Market factor and Customer Satisfaction do not signify any unique contribution to the success of Internet entrepreneur. The third objective is to develop a framework for factors impacting the success Internet entrepreneurship in Malaysia. The proposed research framework at the earlier of the research proposed as below in Figure 5.1, however since the only factor supported the hypothesis; therefore there is only a single linear relationship between Managerial factor towards the success of Internet entrepreneur in Malaysia as depicted in Figure 5.2.

Figure 5.1 Proposed Research Framework

```
┌─────────────────┐                              ┌─────────────────────┐
│   Managerial    │                              │  Success e-business │
│     factor      │ ───────────────────────────▶ │    and Internet     │
│                 │                              │    entrepreneur     │
└─────────────────┘                              └─────────────────────┘
```
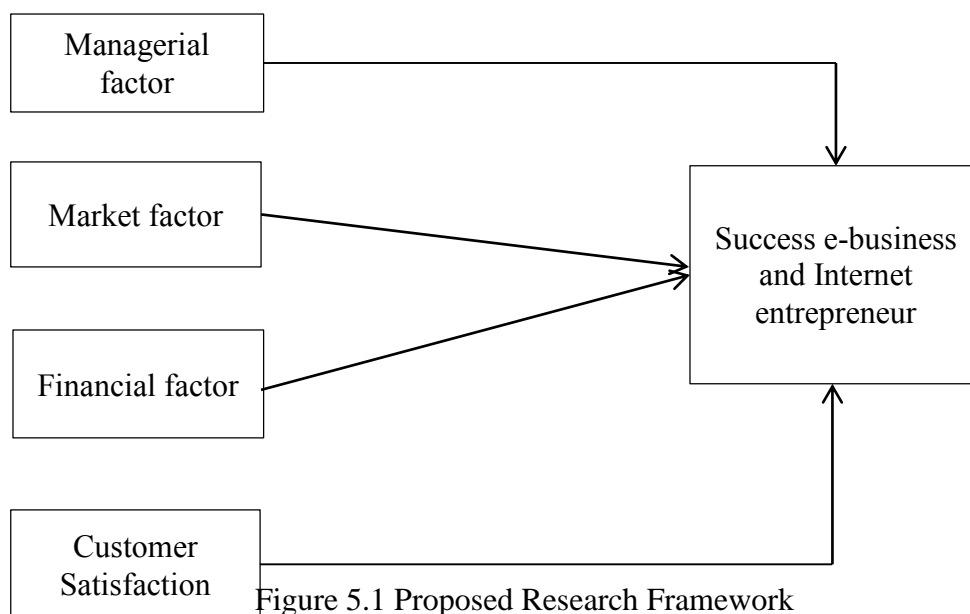
Figure 5.2 Single linear relationship of the significant factor contribute to the success of Internet entrepreneurs in Malaysia

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Survey Questionnaire

FACTORS IMPACTING THE SUCCESS OF MALAYSIAN INTERNET ENTREPRENEURS

The purpose of this questionnaire is to find the influence of the variables of business success; characteristics, management factors, market factors and financial factor towards respondents that is in this study refer to the internet entrepreneurs. All the information will be strictly confidential.

This questionnaire consists of 5 sections; Section A (Demographic background), Section B (Management factors), Section C (Market factors), Section D (Financial factor), Section E (Own Perception) and Section F(Customer SatisfactionPlease answer all questions

SECTION A: CHARACTERISTICS OF SUCCESS INTERNET ENTREPRENEUR

1. Gender	
	o Male
	o Female
2. Age	
	o Below 20 years
	o 20-30 years
	o 31-40 years
	o 41-50 years
	o Above 51 years
3. Educational Background	o SPM/Certificate
	o Diploma
	o Degree
	o Master
	o Phd/DBA
4. Ethnicity	o Malay
	o Chinese
	o India
	o Others.Pls specify:

5. Nature of your internet business	o Selling food product online (including food supplement)
	o Selling services online
	o Selling fashion online
	o Selling computer applications online
	o Selling cosmetic product online
	o Selling baby's product online
6. Primary reason(s) for being Internet entrepreneur	o As additional income
	o To fulfill past time
	o Inherited business (from family)
	o As primary job
	o Other reasons. Please notify
7. How long have you become an Internet entrepreneur?	o Less than 1 year
	o More than 1 year but less than 5 years
	o More than 5 years but less than 7 years
	o More than 7 years but less than 10 years
	o More than 10 years
8. What is your level of ICT knowledge that you have as an internet entrepreneur?	o Formal. Please state:_____ o Non-formal. Pls choose :(self – learning/observe other people/ get someone who are more experience to teach)
9. Pls state your level of ICT competencies as an Internet entrepreneur	o Advance level (expert with computer system and support system, hardware and software, website development, computer programming o Intermediate level (able to operate word processing, file navigation, internet browsing, emailing, presentation tools and upload/download files effectively o Beginner level (only know basic operations and need someone at intermediate/advance level to guide)
10. Since establishment of your Internet business	o Below RM5000 monthly

what is the highest revenue achieved?	o More than RM5000 less than RM10000 monthly o More than RM10000 less than RM30000 monthly o More than RM30000 but less than RM50000 monthly o More than RM50000 but less than RM100,000 monthly o More than RM100,000 but less than RM500,000 monthly o More than RM500,000 but less than RM1 million monthly o More than RM1 million monthly
11. How do you define yourself as a successful Internet entrepreneur?	o Achieve e-business goal and venture to another type of business using the profit you get from e-business o The business does still exist online and profitable o The business does still exist online but not profitable o The business does not exist online anymore because it is not profitable o The business revenue performance remain consistence since its start up

SECTION B: MANAGEMENT FACTORS/*FAKTOR-FAKTOR PENGURUSAN*

Please answer the questions using the scale given below. Select the rating that you perceive is most relevant with 1 (strongly disagree) until 5(strongly agree

FACTOR 1: MANAGEMENT VISION/*VISI PENGURUSAN*

12. Had a clear vision of the e-business.

Strongly Disagree				Strongly Agree
1	2	3	4	5

13. Was able to evaluate and react to risk well

Strongly Disagree				Strongly Agree
1	2	3	4	5

14. Could handle rapid growth and change of the business environment.

Strongly Disagree				Strongly Agree
1	2	3	4	5

15. Did not demonstrate adequate pre and post planning in launching the e-business.

Strongly Disagree				Strongly Agree
1	2	3	4	5

FACTOR 2: MANAGEMENT PROFESSIONAL ORIENTATION/ *KEPERLUAN PENGURUSAN PROFESIONAL*

16. Did not hesitate to use professionals such as accountants, lawyers, consultants.

Strongly Disagree				Strongly Agree
1	2	3	4	5

17. Spent a lot of time seeking advice from lawyers,bankers,consultants and friends.

Strongly Disagree				Strongly Agree
1	2	3	4	5

FACTOR 3: MANAGEMENT EXPERIENCE/ *PENGALAMAN PENGURUSAN*

18. Had more than adequate business experience.

Strongly Disagree				Strongly Agree
1	2	3	4	5

19. Had owned or operated a similar business prior to this venture.

Strongly Disagree				Strongly Agree
1	2	3	4	5

SECTION C: MARKET FACTORS/ *FAKTOR-FAKTOR PASARAN*

Please answer the questions using the scale given below. Select the rating that you perceive is most relevant.

FACTOR 1: MARKET GROWTH/ *PERTUMBUHAN PASARAN*

20. The target market enjoyed a significant growth rate

Strongly Disagree				Strongly Agree
1	2	3	4	5

21. The quality of the firm's products/services was high compared to its competitors

Strongly Disagree				Strongly Agree
1	2	3	4	5

22. There was a demonstrated high demand for the product

Strongly Disagree				Strongly Agree
1	2	3	4	5

FACTOR 2: MARKET NEWNESS/ *BARU DI DALAM PASARAN*

23. The lack of knowledge due to the newness of the firm was an important issue in the start-up phase.

Strongly Disagree				Strongly Agree
1	2	3	4	5

24. It was thought the e-business venture would create a new market.

Strongly Disagree				Strongly Agree
1	2	3	4	5

25. The firm lacked a stable distribution channel due to its newness in the market.

Strongly Disagree				Strongly Agree
1	2	3	4	5

FACTOR 3: FIRST ENTRANT/ *KEMASUKAN PERTAMA DALAM PASARAN*

26. Being the first to market with this product/service allowed outlasting the competition.

Strongly Disagree				Strongly Agree
1	2	3	4	5

27. To be the first in the market that offers internet business able to increase the market share.

Strongly Disagree				Strongly Agree
1	2	3	4	5

28. Being the first to market with this product was a definite advantage.

Strongly Disagree				Strongly Agree
1	2	3	4	5

SECTION D: FINANCIAL FAKTOR/*FAKTOR KEWANGAN*

Please choose answer to the questions as provided below/ Sila jawab soalan sebagaimana jawapan yang telah disediakan di bawah.

29. The stock market performance a factor leading to the firm's success.

Strongly Disagree				Strongly Agree
1	2	3	4	5

30. Start-up capital is important to sustain the e-business*?*

Strongly Disagree				Strongly Agree
1	2	3	4	5

31. The cost of the site operations is a factor leading to the success of the company.

Strongly Disagree				Strongly Agree
1	2	3	4	5

SECTION E: ENTREPRENEUR PERCEPTION OF E-BUSINESS SUCCESS

32. I consider myself as a successful Internet entrepreneur.

Strongly Disagree				Strongly Agree
1	2	3	4	5

33. As a successful Internet entrepreneur I have to ensure the e-business has to be financially sound?

Strongly Disagree				Strongly Agree
1	2	3	4	5

34. As a successful Internet entrepreneur, one has to be technology expert.

Strongly Disagree				Strongly Agree
1	2	3	4	5

SECTION F : CUSTOMER SATISFACTION/ *KEPUASAN PELANGGAN*

Based on your own judgement as a successful Internet entrepreneur, please rate 1 (strongly disagree) to 5 (strongly agree) the relationship of online shopping experience, brands, product quality and advertisement towards customer satisfaction.

35. Advertisements of the product online have strong relationship to the customer satisfaction when they shop online.

Strongly Disagree				Strongly Agree
1	2	3	4	5

36. Product quality has strong relationship to the customer satisfaction in shopping online.

Strongly Disagree				Strongly Agree
1	2	3	4	5

37. Brands have strong relationship to the customer satisfaction in shopping online.

Strongly Disagree				Strongly Agree
1	2	3	4	5

38. Online shopping experience determine customer satisfaction when shopping online.

Strongly Disagree				Strongly Agree
1	2	3	4	5

THANK YOU FOR YOUR TIME

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.819	.816	8

Cronbach's Alpha for Managerial Factor

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Had a clear vision of the e-business	25.49	22.077	.494	.764	.805
Was able to evaluate and react to risk well	25.66	19.004	.817	.882	.761
Could handle rapid growth and change of the business environment	25.75	20.281	.536	.605	.798
Did not hesitate to use professionals such as accountants, lawyers, consultants	26.04	19.394	.625	.649	.785
Spent a lot of time seeking advice from lawyers,bankers, consultants and friends	26.74	22.368	.349	.498	.822
Had more than adequate business experience	26.66	18.696	.664	.753	.778
Had owned or operated a similar business prior to this venture	27.21	17.914	.615	.821	.789

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Did not demonstrate adequate pre and post planning in launching the e-business	26.17	23.965	.224	.421	.832

Cronbach's Alpha for Managerial Factor if item deleted

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.807	.836	9

Cronbach's Alpha for Market factor

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The target market enjoyed a significant growth rate	30.51	25.929	.768	.788	.768
The quality of the firm's products/services was high compared to its competitors	30.71	26.515	.595	.741	.781
There was a demonstrated high demand for the product	30.59	25.264	.693	.905	.768
The lack of knowledge due to the newness of the firm was an important issue in the start-up phase	31.31	28.740	.112	.549	.845

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
It was thought the e-business venture would create a new market	30.68	25.803	.566	.833	.781
The firm lacked a stable distribution channel due to its newness in the market	32.14	31.356	-.069	.509	.859
Being the first to market with this product/service allowed outlasting the competition	31.35	22.176	.695	.964	.758
To be the first in the market that offers internet business able to increase the market share	31.17	21.540	.761	.980	.747
Being the first to market with this product was a definite advantage	30.84	23.370	.838	.860	.746

Cronbach's Alpha for Market factor if item deleted

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.694	.728	3

Cronbach's Alpha of Customer Satisfaction

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Advertisements of the product online have strong relationship to the customer satisfaction when they shop online	9.08	1.819	.497	.318	.623
Product quality has strong relationship to the customer satisfaction in shopping online	9.10	1.258	.481	.260	.712
Online shopping experience determine customer satisfaction when shopping online	8.94	1.80	0.63	0.41	0.51

Cronbach's Alpha for Customer Satisfaction if item deleted

Reliability Statistics		
Cronbach's Alpha[a]	Cronbach's Alpha Based on Standardized Items[a]	N of Items
-0.58	-0.21	3

Cronbach's Alpha for Financial factor

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The stock market performance a factor leading to the firm's success	6.63	3.509	-.415	.341	.122
Start-up capital is important to sustain the e-business	4.16	2.202	.258	.115	-1.402[a]
The cost of the site operations is a factor leading to the success of the company	5.53	1.244	-.344	.319	.324

Cronbach's Alpha for Financial factor if Item deleted

	N	Min	Max	Mean	Std. Deviation
Type of Business	150	1	7	2.39	1.15
Years of establishment	150	1	4	2.15	0.88
Level of ICT knowledge	150	1	2	1.77	0.42
Level ICT competencies	150	1	3	1.83	0.42
Revenue	150	1	8	3.59	1.72
Definition	150	1	5	1.95	0.93
Valid N (listwise)	150				

Descriptive Statistics of Success Internet entrepreneur characteristics

	N	Min	Max	Mean	Std. Deviation	Skewness		Kurtosis	
					Stat.	Stat.	Std. Error	Stat.	Std. Error

Total Managerial Factor	150	20	40	29.96	5.10	-0.59	0.2	-1.09	0.39
Total Market Factor	150	20	45	34.91	5.63	-0.29	0.2	-0.46	0.39
Total Financial Factor	150	5	11	8.16	1.71	-0.43	0.2	-1.18	0.39
Total Customer Factor	150	12	20	17.27	1.90	-1.67	0.2	2.08	0.39
Total Success IE	150	7	15	12.07	1.74	-0.80	0.2	1.59	0.39
Valid N (listwise)	150								

Descriptive Statistics for Continuous Variables

			Statistic	Std. Error
Success IE	Mean		12.07	0.14
	95percent Confidence Interval for Mean	Lower Bound	11.79	
		Upper Bound	12.35	
	5percent Trimmed Mean		12.17	
	Median		12.00	
	Variance		3.04	
	Std. Deviation		1.74	
	Minimum		7	
	Maximum		15	
	Range		8	
	Interquartile Range		2	
	Skewness		-.80	0.2
	Kurtosis		1.59	0.39

Descriptive Statistics for Dependent Variable

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Total Success Internet entrepreneur	.205	150	.000	.894	150	.000
a. Lilliefors Significance Correction						

Test of Normality for Dependent Variable

Correlations

		Total Success IE	MktGwth 1	MktGwth 2	MktGwth 3
Pearson Correlation	Total Success IE	1.000	.130	.200	.284
	MktGwth1	.130	1.000	.592	.736
	MktGwth2	.200	.592	1.000	.697
	MktGwth3	.284	.736	.697	1.000
Sig. (1-tailed)	Total Success IE	.	.056	.007	.000
	MktGwth1	.056	.	.000	.000
	MktGwth2	.007	.000	.	.000
	MktGwth3	.000	.000	.000	.
N	Total Success IE	150	150	150	150
	MktGwth1	150	150	150	150
	MktGwth2	150	150	150	150
	MktGwth3	150	150	150	150
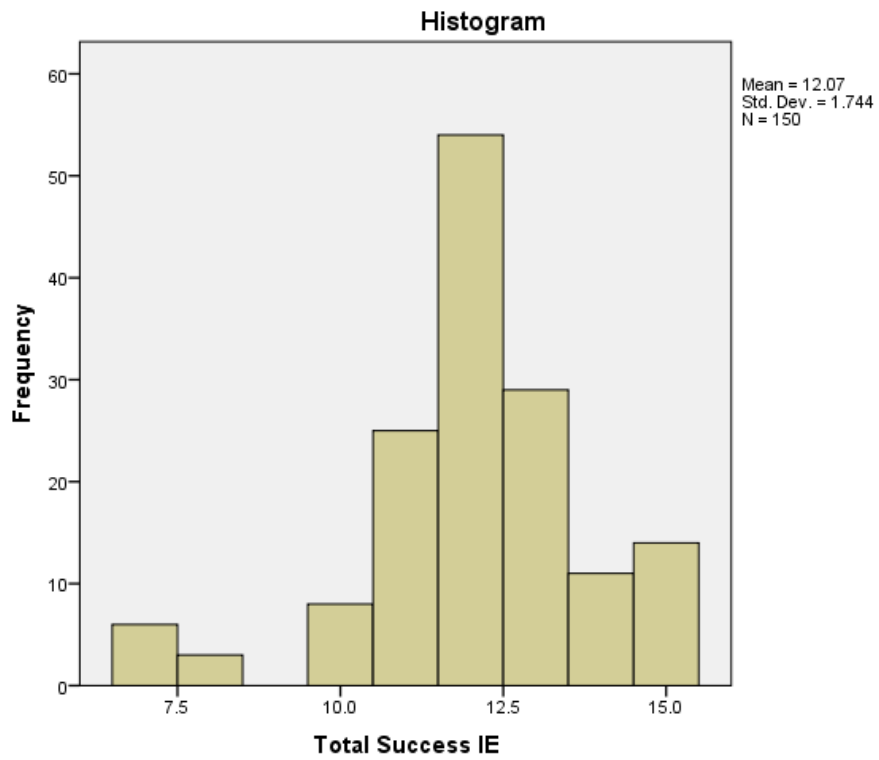
Histogram of Success Internet entrepreneur
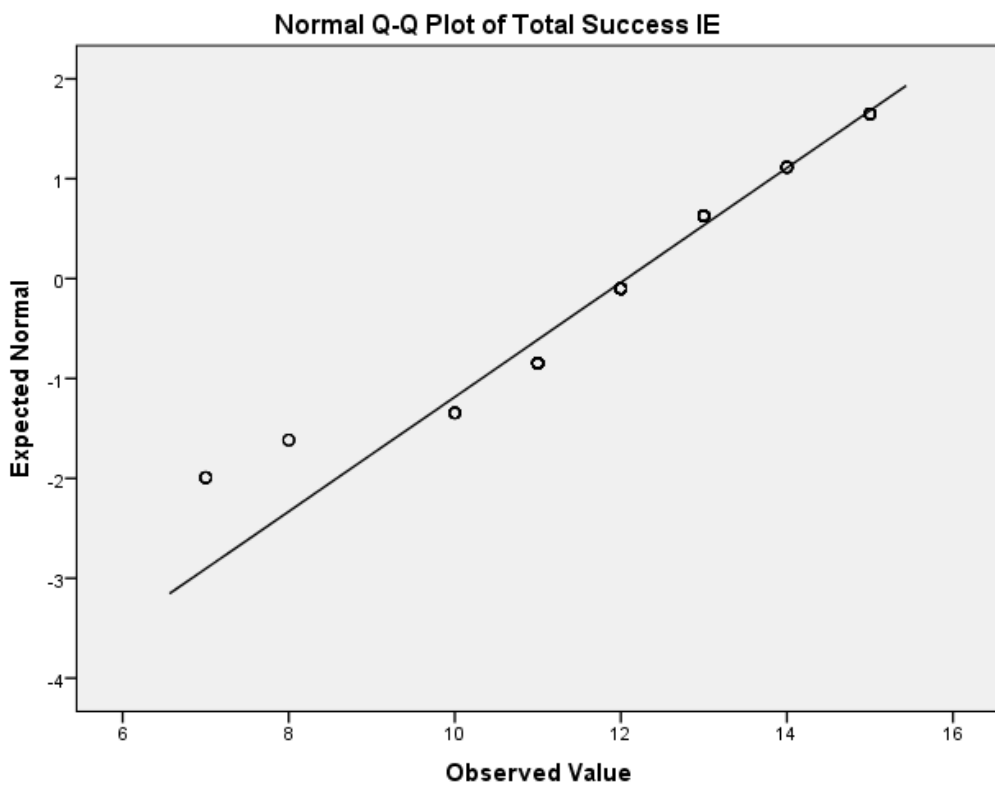
Normal Q-Q Plot for Success Internet entrepreneur

Box
Plot
for
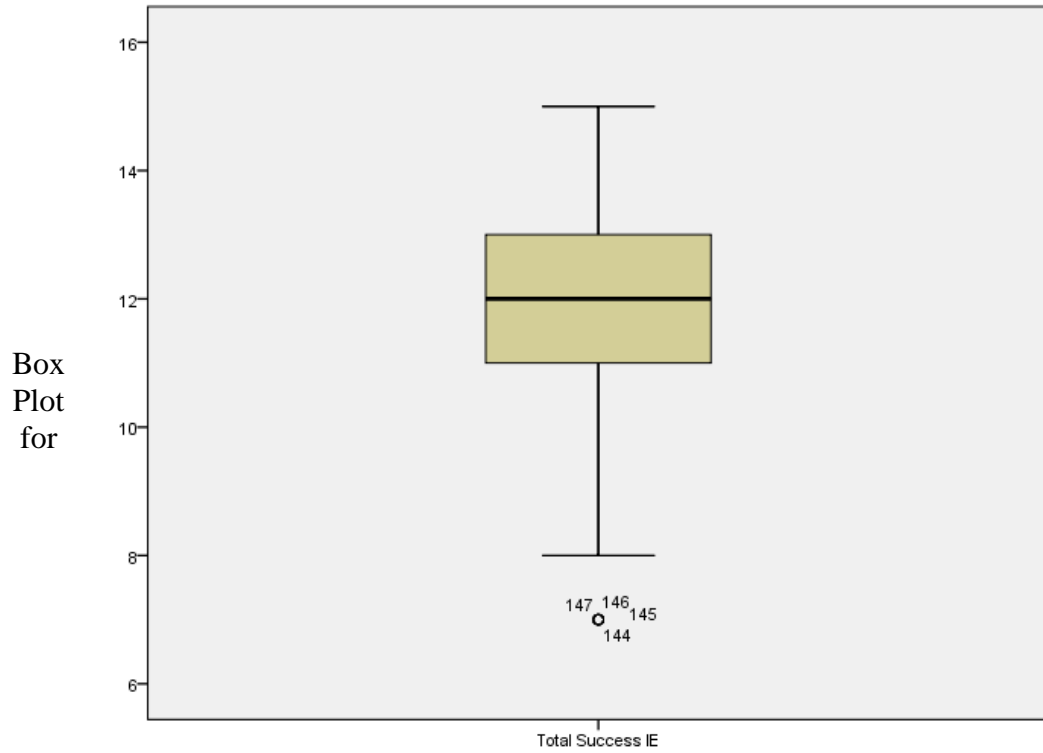
Total Success IE

Success Internet entrepreneur
Multiple Regression Data Analysis

Correlations		Total Success IE	Total Managerial Factor	Total Market Factor	Total Customer Factor
Pearson Correlation	Total Success IE	1.000	.450	.113	.060
	Total Managerial Factor	.450	1.000	.520	.043
	Total Market Factor	.113	.520	1.000	.434
	Total Customer Factor	.060	.043	.434	1.000
Sig. (1-tailed)	Total Success IE	.	.000	.085	.235
	Total Managerial Factor	.000	.	.000	.302
	Total Market Factor	.085	.000	.	.000
	Total Customer Factor	.235	.302	.000	.
N	Total Success IE	150	150	150	150
	Total Managerial Factor	150	150	150	150
	Total Market Factor	150	150	150	150

	Total Customer Factor	150	150	150	150

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.487[a]	.238	.222	1.539
a. Predictors: (Constant), Total Customer Factor, Total Managerial Factor, Total Market Factor				
b. Dependent Variable: Total Success IE				

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	107.714	3	35.905	15.167	.000[b]
	Residual	345.619	146	2.367		
	Total	453.333	149			
a. Dependent Variable: Total Success IE						
b. Predictors: (Constant), Total Customer Factor, Total Managerial Factor, Total Market Factor						

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Total Managerial Factor	Total Market Factor	Total Customer Factor
1	1	3.962	1.000	.00	.00	.00	.00
	2	.021	13.730	.04	.52	.01	.14
	3	.012	17.973	.16	.19	.75	.00

	4	.005	29.461	.80	.30	.23	.86

a. Dependent Variable: Total Success IE

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	10.26	13.40	12.07	.850	150
Std. Predicted Value	-2.121	1.570	.000	1.000	150
Standard Error of Predicted Value	.137	.447	.238	.081	150
Adjusted Predicted Value	10.22	13.42	12.06	.856	150
Residual	-3.863	3.963	.000	1.523	150
Std. Residual	-2.511	2.576	.000	.990	150
Stud. Residual	-2.550	2.616	.001	1.006	150
Deleted Residual	-3.983	4.088	.003	1.572	150
Stud. Deleted Residual	-2.599	2.670	.002	1.018	150
Mahal. Distance	.196	11.575	2.980	2.806	150
Cook's Distance	.000	.054	.008	.015	150
Centered Leverage Value	.001	.078	.020	.019	150
a. Dependent Variable: Total Success IE					

Normal P-P Plot of Regression Standardized Residual
Scatterplot
Dependent Variable: Total Success IE
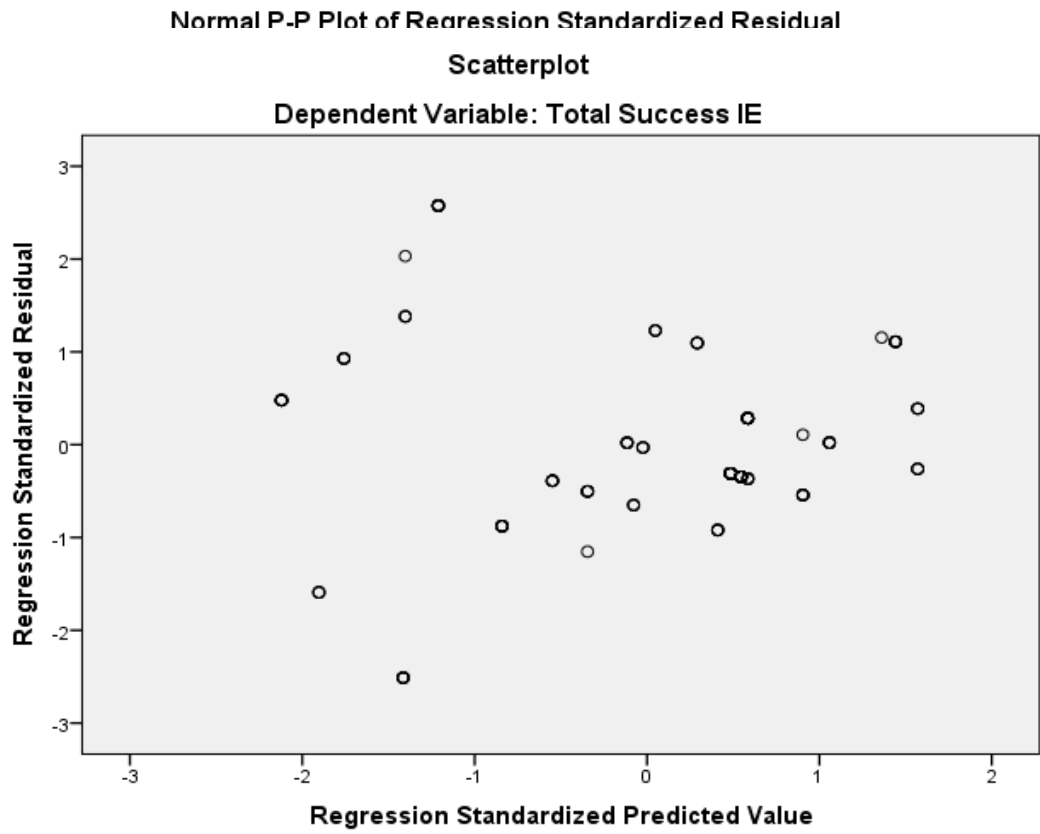
Normal Probability Plot (P-P) of Regression Standardized Residual for the success of
e-business and Internet entrepreneur
Scatterplot for the success of e-business and Internet entrepreneu