

PERCEIVED INFLUENCE AND USAGE OF INTERNET AMONG  
MALAY SMEs IN KEDAH: AN EXPLORATORY STUDY.

A thesis submitted to the Graduate School  
in partial fulfillment of the requirements for the degree  
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by

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## **ABSTRACT**

The purpose of this research was to identify the firms which using the internet is being used in business. This study focuses only on Malay SMEs that are registered under Dewan Perniagaan Melayu Kedah. Data and information were gathered by using questionnaire as an instrument then analyzed using SPSS statistical packaged. A total of 200 Malay SMEs were taken as respondents. Out of the 200 questionnaires distributed only 106 were returned. This finding showed nearly 43% of respondents used internet in their business activities. The analysis showed these firms are early adopters and they provide information about their internet experience in term of their use, perceptions, reason for implementing and not implementing the internet in business and the problems encounter. Further analysis showed that most of the survey respondents use the internet for gathering general information and make it online. The other findings also showed the respondent's perception towards internet is largely neutral. The problems encountered by the respondents for not implementing internet include lack of staff with IT skill, too expensive, security, and lack of advice and support from local authorities and public agencies. Hopefully the findings could assist the hindering factors and the problems that arise when using internet especially among Malay SMEs.

## **ABSTRAK**

Kajian ini bertujuan untuk mengenalpasti penggunaan Internet di dalam perniagaan. Tumpuan kajian ini adalah terhadap usahawan melayu dalam Industri Kecil dan Sedaerhana (IKS) yang berdaftar di bawah Dewan Perniagaan Melayu negeri Kedah. Sejumlah 200 orang usahawan melayu telah diambil sebagai respondent kajian. Data dan maklumat telah dikumpul menggunakan kaedah soal selidik dan dianalisis secara statistik dengan menggunakan perisian SPSS. Daripada 200 set soalan yang diedarkan hanya 106 dikembalikan dan digunakan dalam kajian ini. Dapatkan kajian menunjukkan hampir 43% daripada respondent menggunakan internet dalam urusan perniagaan. Ini menunjukkan penerimaan internet di kalangan usahawan Melayu di kawasan kajian masih diperangkat awal, respondent juga memberikan maklumat tentang pandangan di dalam penggunaan internet, alasan untuk menggunakan dan tidak menggunakan internet di dalam perniagaan dan masalah yang dihadapi. Seterusnya dapatan kajian menunjukkan respondent menggunakan internet untuk mendapatkan maklumat umum dan menggunakan transaksi atas talian (online). Analisis kajian menunjukkan bahawa persepsi respondent terhadap internet adalah neutral. Masalah yang di hadapi oleh respondent termasuklah tiada pekerja yang mempunyai kemahiran dalam IT, sangat mahal, masalah keselamatan dan kurangnya nasihat dan sokongan dari pihak berkuasa tempatan dan kerajaan. Adalah diharap melalui dapatan kajian yang dijalankan dapat membantu pihak kerajaan untuk menangani faktor penghalang dan permasalahan yang timbul dalam penggunaan internet khususnya di kalangan usahawan melayu.

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## **CHAPTER ONE**

### **1.1 Introduction**

The internet provides most existing new business opportunity for decades. By using the internet 35 million or more users who can communicate through out the internet across the world. Nowadays, the used of internet for business purposed has become expand over the past year and the Malay SME in Malaysia should take this advantage to compete with other and for extend their business. The Malaysian governments are encouraging diffusion of internet among SMEs as way to improve firm competitiveness, overcome traditional barriers and improve access to new markets. Small firms who are able to do this aim to gain a competitive advantage (Avlonitis and Karayanni, 2000).

According to Ministry of Entrepreneur and Co-operative Development (2006), the globalization era rapid evolved and the entrepreneur will loss if they do not know how to access and use the technology efficiency. Malaysian entrepreneurs from small and medium sized enterprises (SMEs) have been strongly advised to embrace information and communication technology is if they wish to gain a strong foothold in the competitive global economy.

James H. Clark, co-founder and chairman of Netscape Communications, has said that

The Internet is the biggest thing that has happened in telecommunications since the telephone. It is going to become as fundamental to the operations of

The contents of  
the thesis is for  
internal user  
only

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