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**BUSINESS SUCCESS FACTORS FOR  
MICROENTERPRISES ENGAGING IN SOCIAL  
COMMERCE IN MALAYSIA**



**MASTER OF SCIENCE (ACCOUNTING)**

**UNIVERSITI UTARA MALAYSIA**

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SOCIAL COMMERCE IN MALAYSIA**

**By**



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**in Fulfillment of the Requirement for the Degree of Master of Science (Accounting)**



**Kolej Perniagaan**  
(College of Business)  
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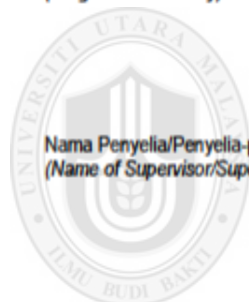
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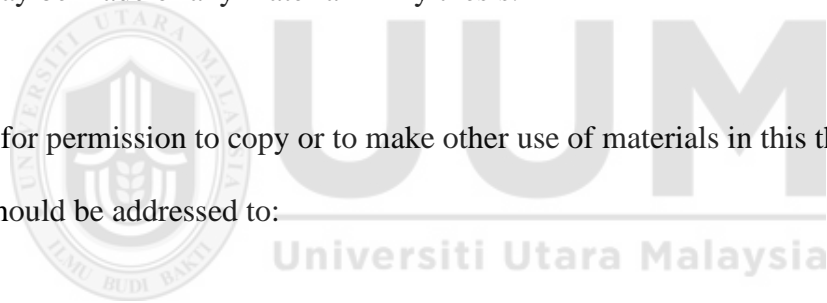
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## ABSTRACT

In Malaysia, online business has become integral in daily business operations. Social commerce is an emerging trend in the online business. Social commerce employs social media as a means of communication in facilitating the sale and purchase of goods and services. Entrepreneurs saw the potential of social media to increase sales, leading to an interest in social commerce. In addition, the rapid development of social media has also led to changes in the way entrepreneurs handle their daily operations. In promoting the growth of social commerce, government provided entrepreneurship programs for entrepreneurs, such as financial aid, advisory services, and training. Yet, business failure rate, particularly among microentrepreneurs, kept increasing. This suggested a lack of business elements that should have been prioritised by online businesses. Therefore, this study aimed to investigate the success factors of microenterprises that engaged in social commerce. A qualitative method was employed to ensure that robust data was collected and the research objectives were met. Purposive sampling was adopted in collecting the data. The analysis utilized thematic analysis to obtain insights into microenterprises and social commerce. The findings of this study demonstrated the success factors of microenterprises that were engaged in social commerce as part of their business expansion. The success factors framework was made up of seven important pillars: funding, financial management, marketing, management skills, technology, supplier management and government support. All these factors contributed to the microenterprises' growth and sustainability. These factors were crucial to the success of microenterprises. They would have to be further examined and managed to ensure the microenterprises' growth and long-term success. Microenterprises needed to prioritize each of these success factors and develop strategies to address them, especially in confronting and to flourish in Malaysia's highly competitive social commerce industry.

**Keywords:** social commerce, microenterprises, success factors

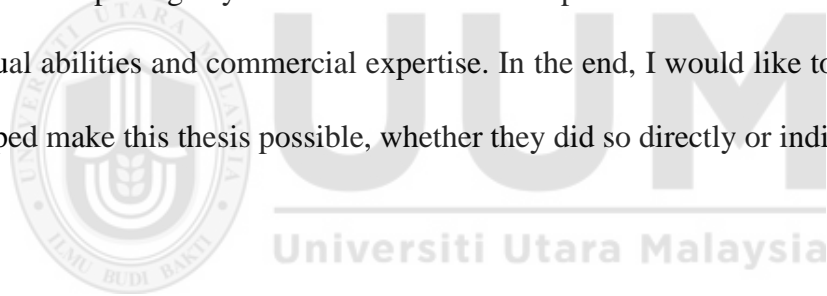
## ABSTRAK

Di Malaysia, perniagaan dalam talian telah menjadi penting dalam operasi perniagaan harian. Perdagangan sosial ialah trend baru yang muncul dalam perniagaan dalam talian. Perdagangan sosial menggunakan media sosial sebagai alat komunikasi dalam memudahkan penjualan dan pembelian barangan dan perkhidmatan. Usahawan melihat potensi dalam media sosial untuk meningkatkan jualan, membawa kepada minat dalam perdagangan sosial. Di samping itu, perkembangan pesat media sosial juga membawa kepada perubahan dalam cara usahawan mengendalikan operasi harian mereka. Dalam menggalakkan pertumbuhan perdagangan sosial, kerajaan menyediakan program keusahawanan untuk usahawan, seperti bantuan kewangan, khidmat nasihat dan latihan. Namun, kadar kegagalan perniagaan khususnya dalam kalangan usahawan mikro terus meningkat. Ini menunjukkan kekurangan elemen perniagaan yang sepatutnya diutamakan oleh perniagaan dalam talian. Oleh itu, kajian ini bertujuan untuk menyiasat faktor kejayaan perusahaan mikro yang terlibat dalam perdagangan sosial. Kaedah kualitatif telah digunakan dalam memastikan data yang kukuh dikumpulkan dan objektif kajian tercapai. Persampelan “*purposive*” digunakan dalam mengumpul data. Analisis menggunakan analisis tematik bagi mendapatkan pandangan tentang perusahaan mikro dan perdagangan sosial. Dapatan kajian ini menunjukkan bahawa faktor kejayaan perusahaan mikro yang terlibat dalam perdagangan sosial sebagai sebahagian pengembangan perniagaan mereka. Rangka kerja faktor kejayaan terdiri daripada tujuh tonggak penting: pembiayaan, pengurusan kewangan, pemasaran, kemahiran pengurusan, teknologi, pengurusan pembekal dan sokongan kerajaan. Kesemua faktor ini menyumbang kepada pertumbuhan dan kemampuan perusahaan mikro. Faktor-faktor ini adalah penting kepada kejayaan perusahaan mikro. Mereka perlu diperiksa dan diuruskan dengan lebih lanjut dalam memastikan pertumbuhan perusahaan mikro dan kejayaan jangka panjang. Perusahaan mikro perlu mengutamakan setiap faktor kejayaan ini dan membangunkan strategi untuk menanganinya terutamanya dalam menghadapi dan berkembang di industri perdagangan sosial di Malaysia yang berdaya saing tinggi.

**Kata kunci:** perdagangan sosial, perusahaan mikro, faktor kejayaan

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## LIST OF ABBREVIATIONS

SME	Small and Medium-Sized Enterprise
MCO	Movement Control Order
CSF	Critical Success Factor
MARA	Majlis Amanah Rakyat
AIM	Amanah Ikhtiar Malaysia
MDEC	Malaysia Digital Economy Corporation



# CHAPTER 1

## INTRODUCTION

### 1.1 Background of the Study

Nowadays, the competition in the online marketplace is shifting. Barnes et al. (2020) reported that 500 companies, such as LinkedIn, Facebook, YouTube, and Instagram, showed a high percentage of social media usage. Most businesses have made use of these platforms as effective marketing tools. This showed that entrepreneurs at the time took advantage of social media functionalities for managing their business activities, such as marketing (Misirlis & Vlachopoulou, 2018). Word Stream reported that there were 50 million Facebook business pages, with 2 million of them using it for advertising in the past (Lister, 2018). Many well-known social media sites exhibited similar patterns in the past. For instance, Instagram had half of its users following Instagram business pages (Pickard-Whitehead, 2018).

Online business has a new trend known as social commerce (Mileva, 2020). Social commerce uses social media as a communication medium to facilitate the sale and purchase of products and services online (Yacob et al., 2021). Businesses showed a growing interest in social commerce as they believed that their social media activities could boost sales (Geyser, 2022). The rapid development of social media contributed to shifts in how sellers conducted their everyday operations, which was in line with the growth of social media in Malaysia. According to a survey by the Malaysia Communications and Multimedia Commission (MCMC) in 2018, there were 28.7 million internet users in Malaysia, and

Statista (2020) reported that approximately 80% of the Malaysian population were active internet users. Therefore, Malaysia had become one of the countries with the highest Internet penetration rates, a fast-growing economy, and an advanced infrastructure for digital technology (Murugiah, 2020). Social commerce had become one of the popular trends in digitization technology and had become popular among microenterprises in Malaysia. This was because customers preferred to buy online via social media platforms such as Facebook, Instagram, and others (BoxMe, 2021).

Simultaneously, the coronavirus (COVID-19) pandemic, which began in 2020 and has continued to grow rapidly since then, altered the everyday lives of millions of people worldwide, altering not only their way of life but also their purchasing habits (OECD, 2020). The government also imposed Movement Control Orders (MCOs) to prevent pandemics and encourage online purchases. This encouraged sellers to experiment with digital technologies, extending their reach from physical stores to online stores. While digital technology offered sophisticated experiences and advantages for both consumers and sellers in online transactions, microenterprises faced certain challenges (OECD, 2020). Previous research identified the obstacles that microenterprises faced, including a lack of capital, low-skill human resources, a lack of training, limited access to financing, a low level of productivity, a lack of product development skills, a lack of marketing skills, limited access to loans, and limited access to markets, technology, and trust (Zainol et al., 2017; OECD, 2020; Siti-Nabiha et al., 2021).

According to the U.S. Bureau of Labor Statistics (2021), 20% of small businesses failed in their first year, 30% in their second year, and 40% in their third year. Also, the spread of the coronavirus and the movement restriction orders made it hard for small businesses to stay in business (NST Business, 2021; Schaefer, 2020). As a result, businesses had to adapt to problems and utilize digital technology, which helped sustain the business. Besides, the government played a significant role in the growth of microenterprises by providing them with training and support. Hence, the government implemented incentives and training to foster the growth of microenterprises (Prashant & Li, 2020). The government wanted to expand online business operations alongside brick-and-mortar businesses and encourage individuals to become online entrepreneurs. They recognized that this sector played a critical role in the country's economic growth (Zainol et al., 2017). Numerous organizations established initiatives to assist entrepreneurs, namely the Malaysia Digital Economy Corporation (MDEC), SME Corporation Malaysia (SME Corp. Malaysia), Majlis Amanah Rakyat (MARA), Tekun, and Amanah Ikhtiar Malaysia (AIM). For example, the Malaysian Digital Economy Corporation (MDEC) educated and promoted local businesses to digitize and become part of the e-commerce ecosystem, which focused on live sales, logistics, and payments.

SME Corporation Malaysia reported in 2019 that 164 small and medium-sized enterprises (SMEs) development projects totaling RM13.7 billion had been funded. Among the efforts were access to finance, human capital development, market access, innovation, and technology adoption, as well as infrastructure. These efforts were vital for the SME's long-term growth, and the government expected these programs to help 555,408 people. Various

training programs and financial support were available to assist businesses in entering the digital world. However, the Malaysian economy's small and medium businesses (SMEs) sector lost RM40.7 billion in 2020 due to the government's nationwide lockdown to cope with the COVID-19 situation (Yusof, 2021). Al Mamun and Ekpe (2016) also stated that enterprise development training programs enhanced entrepreneurs' ability to recognize and invest in entrepreneurial opportunities. Furthermore, in terms of previous research, much of the research on social commerce placed a greater emphasis on customer perceptions than on seller challenges. They focused more on consumer perceptions and behaviors in social commerce (Lu et al., 2016; Hajli et al., 2017; Han et al., 2018; Cheng et al., 2019; Al-Adwan & Kokash, 2019; Bugshan & Attar, 2020), and social commerce constructs such as ratings, reviews, referrals, community forums, and recommendations (Ahmad & Laroche, 2017; Han & Trimi, 2017; Lin et al., 2017; Kim & Kim, 2018; Sheikh et al., 2019; Hussain et al., 2021). Although there was extensive literature on social commerce, research on success factors for microenterprises engaging in social commerce was still limited.

In addition, social commerce was crucial for Malaysian microenterprises. Social commerce allowed microenterprises to improve brand recognition, expand their customer reach, and engage with existing customers (Kumar & Reinartz, 2018; Li et al., 2020; Garg et al., 2020; Yuan et al., 2020). Several studies had been conducted on the development (Zainol et al., 2017), training (Indarti, 2020), financial assistance (Eprianti & N, 2021), and growth (Hieu et al., 2021) of microenterprises. This indicated that academics were increasingly interested in microenterprises and that they required assistance from both the government and the private sector to grow and contribute to job creation and revenue generation. Most studies

focused more on the perspective of survival, social media use, and e-commerce's impact on microenterprises than the success factors of microenterprises (Prijadi et al., 2020; Carvalho & Mamede, 2018; Abed, 2020). Therefore, this research aimed to examine the success factors for microenterprises engaging in social commerce.

## **1.2 Problem Statement**

Microenterprises, which were also classified as SMEs, were critical to the development of the Malaysian economy (Musa & Chinniah, 2016). They assisted the government in ensuring the country's economic viability. However, the government's MCO resulted in the closure of numerous non-essential shops, and microenterprises had to rely on social commerce as an alternative to remain in business. The MCO also had a detrimental effect on SMEs, with 34% of SMEs in Malaysia seeing a drop in sales of more than 20% during the COVID-19 pandemic (Vaghefi & Jo-ye, 2021). Many remained vulnerable and lacked the financial savings necessary to survive without government assistance. However, sales on the e-commerce platform grew substantially. According to Isa et al. (2020), the MCO period brought about a shift in consumer behavior regarding online shopping, resulting in a rise in the percentage of sales. During the MCO period, the sales of many online retailers, such as Happy Fresh and Lazada, increased by 10–15% compared to their normal daily business (Harian Metro, 2020). Failure to participate in these digital business opportunities would have had a negative impact on the sustainability of microenterprises. Therefore, this study investigated the factors that contributed to the success of microenterprises engaging in social commerce.

In addition, 40% of SMEs suggested that direct government aid and incentives were required for them to embrace the new normal (after the COVID-19 pandemic) (Ernst & Young Global Limited, 2020). Thus, it was necessary to comprehend the difficulties confronting microenterprises engaging in social commerce in supporting and developing microenterprises. According to Zainol et al. (2017), government support was vital for the development of microenterprises, but their study only focused on government support and ignored other success factors because they were beyond the scope of their study. Chen et al. (2021) also mentioned that governments assisted in driving small service firms' digitalization through digital platforms, payment, training, and collaborative ecosystems. However, the study made no attempt to provide specifics about success factors and how they helped microenterprises, especially those engaging in social commerce. Government support is one of the most recognized success factors for businesses (Boakye et al., 2018; Nyoni & Bonga, 2018; Gupta & Mirchandani, 2018; Phonthanakitithaworn et al., 2019; Al-Tit et al., 2019). Based on this discussion, it appeared that earlier research had placed less emphasis on success factors for microenterprises involved in social commerce. Therefore, this study sought to close that gap by considering success factors for microenterprises engaging in social commerce.

Despite the importance of microenterprises in Malaysia (Musa & Chinniah, 2016), little research has been conducted on the success factors for microenterprises engaging in social commerce. Social commerce refers to the purchasing and selling of products and services using social media platforms (Yacob et al., 2021). This kind of e-commerce enhanced the online purchasing experience with social media elements such as user-generated content,

user reviews, and suggestions (Alt & Reinhold, 2020). Social commerce enabled businesses to access and interact with their target audience using social media platforms, therefore fostering confidence and easing transactions (Cheng et al., 2019). Examples of social commerce included shoppable Instagram posts, Facebook Marketplace, and the new shopping function on TikTok. Social commerce utilized the power of social media to provide customers with a smooth and engaging buying experience. As a result, microenterprises increasingly used social commerce to reach customers, promote their goods and services, and develop their operations (Jalaludin et al., 2022).

Microenterprises used social commerce for a variety of reasons, including cost-effectiveness, ease, and access to a broad audience (Cheng et al., 2019; Bugshan & Attar, 2020). It was shown that social commerce received attention from both entrepreneurs and researchers in recent years (Esmaili et al., 2020). However, a literature review conducted for this study revealed that studies on the success factors for microenterprises engaging in social commerce were still inadequate. Although many studies were conducted on social commerce for topics related to adoption and consumer behavior (Esmaili et al., 2020; Wang & Xie, 2020), there was a lack of research on the success factors for microenterprises engaging in social commerce. Attar et al. (2020) investigated social commerce's trust and surface credibility and demonstrated that trust was a critical aspect of how people did business in social commerce. However, this study made no mention of the success factors for microenterprises involved in social commerce, which is important for business development. Similarly, Mohd Thas Thaker et al. (2020), Siti-Nabiha et al. (2021), and Qalati et al. (2021) explained social media and emphasized how social media had grown

in popularity as a tool for doing online business. However, they did not focus on success factors for microenterprises engaging in social commerce. This demonstrated the need to conduct research on success factors for microenterprises engaging in social commerce.

Based on research conducted by Nyoni and Bonga (2018), the performance of SMEs was determined by 14 elements of critical success factors (CSFs), including technology, marketing, business planning, management skills, the quality of a product or service, social networks, government support, the availability of competent employees, financial support, the owner's gender, age, level of education, work experience, and access to capital. However, while microenterprises share some similarities with larger businesses, the current CSFs may not necessarily apply to them. Microenterprises, which are defined as having less than five employees (SME Corp. Malaysia, 2021) and limited capital (Bhattacharya & Londhe, 2014), face unique challenges that larger organizations do not encounter. Additionally, Nyoni and Bonga's (2018) study on SMEs in Zimbabwe did not specifically focus on microenterprises engaging in social commerce. Therefore, this study aims to identify the success factors that are relevant to microenterprises engaging in social commerce in Malaysia.

Despite the importance of these success factors for businesses (Okoli et al., 2020), there has been a lack of research on microenterprises involved in social commerce in Malaysia. For example, Phonthanakitithaworn et al. (2019) conducted research on the most important success factors for online entrepreneurs in Bangkok. Based on their findings, 13 factors related to entrepreneurial traits were considered important success factors. The factors

included achievement orientation, ease of use, government support, networking, risk-taking, reliability, after-sale services, brand awareness, logistics and transportation, product quality, product price, social media advertising, and staff and employees. However, the study by Phonthanakitithaworn et al. did not mention microenterprises engaging in social commerce. There was a serious problem with the lack of research on success determinants for microenterprises engaging in social commerce in Malaysia. To promote the growth and development of microenterprises in this industry, it was crucial to comprehend the success factors for microenterprises in this field. This research aimed to understand the difficulties that microenterprises in the area of social commerce confront in Malaysia, such as limited resources and finance, among others.

Furthermore, much of the research on success factors has focused on the quantitative method. This can be observed in the extensive literature on success factors produced by academics (Rafiki & Nasution, 2019; Al-Tit et al., 2019; Phonthanakitithaworn et al., 2019; Alfoqahaa, 2018; Gupta & Mirchandani, 2018; Nyoni & Bonga, 2018; Boakye et al., 2018). This indicates that quantitative approaches are preferred by scholars interested in studying success factors for organizations. However, qualitative approaches offer a better understanding of complex phenomena, such as the opinions and experiences of business participants (Creswell & Poth, 2018). This makes qualitative approaches more effective in investigating the experiences of microenterprises and other small firms and gaining an understanding of the obstacles and opportunities they encounter on their path to success. Thus, this study aimed to fill the gap by using qualitative methods to investigate the success factors for microenterprises involved in social commerce.

In conclusion, microenterprises needed success factors since they influenced the development and viability of a business (Indeed Editorial Team, 2021). The success of a microenterprise was essential for both the entrepreneur and the community, since it provided employment, money, and economic progress (Gartenstein, 2019). Effective marketing (Rafiki & Nasution, 2019), efficient management (Lampadarios et al., 2017), solid financial management (Mabhungu & Van Der Poll, 2017), access to capital (Boakye et al., 2018), and other factors helped a microenterprise expand, stay competitive, and overcome market obstacles. By recognizing and concentrating on these success factors, microentrepreneurs could boost the possibility of their business reaching its full potential and achieving success. Thus, this study attempted to close the gap by examining the success factors for microenterprises engaging in social commerce.

### **1.3 Research Questions**

Based on the problem statements, this study proposes these research questions. Below are the research questions:

1. What is the current situation of microenterprises engaging in social commerce in Malaysia?
2. What are the success factors for microenterprises engaging in social commerce?
3. What is the framework of success factors for microenterprises involved in social commerce in Malaysia?

#### **1.4 Research Objectives**

This study aims to focus microenterprises engaging in social commerce and help them grow their business to the next level. The research objectives are as follows in order to fulfil the purpose of this study:

1. To investigate the current situation of microenterprises engaging in social commerce in Malaysia.
2. To identify the success factors for microenterprises engaging in social commerce.
3. To propose a success factors framework for microenterprises engaging in social commerce in Malaysia.

#### **1.5 Scope of the Study**

To begin with, this study concentrated on microenterprises that were engaging in social commerce in Peninsular Malaysia. Microenterprises employed fewer than five people or generated less than RM300,000 in annual revenue (SME Corp. Malaysia, 2021). Microenterprises engaging in social commerce were chosen for this study in order to accommodate the context of this research. A qualitative approach was used in this study, and interviews were conducted with microenterprises in various locations across Peninsular Malaysia. The business owners, entrepreneurs, managers, or other senior management of microenterprises and government organizations were involved in this study. Interviewees were believed to be well-versed and experienced in business, particularly microenterprises involving social commerce. This study investigated the success factors for microenterprises engaging in social commerce for the creation and sustainability of microenterprises.

## **1.6 Significance of The Study**

Microenterprises engaging in social commerce were considered vital for sustainable economic development (Muske & Woods, 2004). This was because microenterprises affected various stakeholders in the economy by contributing to the employment and growth of Malaysia's economy. Hence, microenterprises' survival was essential for the economic development of the country, and by providing a robust analysis from this study, improving the survival of microenterprises and avoid the relatively high business failure rates among them. Due to such, the government infused millions of ringgits to support the development of SMEs (SME Corporation Malaysia, 2019) through government-related agencies such as SME Corporation Malaysia, Tekun Nasional, MDEC, Majlis Amanah Rakyat (MARA), and Amanah Ikhtiar Malaysia (AIM). By acknowledging the contribution of SMEs to the national economy and the government's seriousness in supporting this agenda, this study attempted to help the Malaysian government and the efforts of other agencies aid microenterprises in achieving the objectives related to economic development. It was anticipated that the outcomes of this study could be used as guidelines for establishing a successful microenterprise engaging in social commerce in Malaysia.

This study is based on the resource-based view theory (RBV) to explain the success factors for microenterprises. The RBV theory describes firm competitiveness and long-term performance (Barney, 1991; Wernerfelt, 1984). Since it employed a company's internal resources and competencies to develop accounting information and financial reporting, this

theory was considered appropriate to be applied in accounting and business perspective (Sunder, 2016). Resource-based research revealed a company's value proposition and cash flow potential. The theory identified a company's strengths and weaknesses, particularly for microenterprises, and improved their performance and finances (Martín-Hidalgo & Pérez-Luño, 2021). Additionally, the RBV helped academics understand how a microenterprise's internal resources and competencies affected its competitiveness and long-term performance. From the justification of RBV in the context of this study, this study highlighted the success factors for improving microenterprises based on RBV, thereby leading to wealth creation and improving the sustainability of microenterprises that were involved in social commerce.

### **1.7 Definition of Key Terms**

This section wants to explain the key terms used in this study. Its aim is to make this study easier for the reader to understand. Therefore, this study provides the definitions of key terms used in the following.

#### **1.7.1 Business**

A business (also known as a company, commerce, or firm) is an authorized and acknowledged supplier of products or services to consumers. (MyGovernment, 2021).

#### **1.7.2 Microenterprise**

A microenterprise is a business with fewer than five employees or annual sales of less than RM300,000 (SME Corp. Malaysia, 2021).

### **1.7.3 Social Media**

Social media is a term for user-generated content (text, video, images, and audio) that is shared through Internet-based technology and is mostly used for social interactions, debates, and online collaboration (Turban et al., 2017).

### **1.7.4 E-commerce**

Electronic commerce (e-commerce) is the process of purchasing, selling, transporting, or trading content, products, or services through the Internet or other networks (Turban et al., 2017).

### **1.7.5 Social Commerce**

Social commerce uses social media as a communication medium to facilitate the sale and purchase of products and services online (Yacob et al., 2021).

### **1.7.6 Government assistance**

Government assistance is any action taken by the government with the intent of providing an economic benefit to an organization or group of entities that fulfills specific requirements (International Financial Reporting Standards, 2021).

### **1.7.7 Government Agencies**

A government agency is a permanent or semi-permanent organization that is responsible for supervising and administering specific functions. Legislation or executive action can establish agencies (Pickard, 2019).

### **1.7.8 Success Factors (SFs)**

Success factors (SFs) are an important process that companies go through to achieve their goals and objectives and put their strategies into action (Baltzan, 2019).

### **1.7.9 Training**

Training is the act of teaching a person a skill to improve their ability, capability, performance, or production (Market Business News, 2019).

## **1.8 Organization of the Study**

This study comprised five chapters, each explaining the details of the research. The first chapter was about the introduction of online business. The problem of online microentrepreneurs was described in this section, along with the research questions and objectives. Next, chapter two was about the literature review of previous findings. The chapter gave a brief definition of the related terms for this research and studied social commerce and previous scholars' research on microenterprises engaging in social commerce. It also highlighted the relevant gap between the previous studies. Moreover, chapter three was about the research methodology, explaining the type and design of the study and describing the data used for the study. This chapter also described in-depth the

execution of the study and discussed the appropriate method of data analysis. In addition, chapter four discussed data interpretation and discovery. This chapter presented the findings of the study and explained the results of the analysis of the interviews. This section also showed the output from the analysis of the data. Finally, chapter five summarized the study by discussing the findings and conclusions. It also discussed policy recommendations, limitations of the research, and suggestions.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Chapter two addressed the study of literature on microenterprises engaging in social commerce and related significant historical findings. This was because the study aimed to learn about the success factors for microenterprises engaging in social commerce. Therefore, it was necessary to look at past studies on microenterprises engaging in social commerce.

#### **2.2 E-Commerce**

Electronic commerce (E-commerce) is a general term that refers to any business activity that occurs over an electronic network (Turban et al., 2017). It was a business model that was based on the use of the Internet and other networks for transactional purposes. Although the term was frequently used to refer to the online sale of physical objects, e-commerce encompassed the acquisition and sale of goods, services, and information as well (Turban et al., 2018). The adoption of the e-commerce platform has made a substantial contribution to the growth of online businesses. The online business sector has flourished with the advancement of the internet and social technology. Historically, websites included only static and one-way material. However, everyone could contribute to the creation of Internet content nowadays.

Currently, businesses use social technology to connect and establish connections with their customers. They advertised and provided a positive consumer experience using internet technology. Businesses solicit feedback from customers to help them improve their operations. As a result, the growing usage of social media platforms was critical for e-commerce. The evolution of Internet technology and the proliferation of social networking sites transformed e-commerce into social commerce, transforming it from a product-oriented environment to one that was social and customer-centric (Turban et al., 2018). As a result, it assisted businesses in expanding their reach and engaging clients, hence increasing revenue.

### **2.3 Social Commerce**

Social commerce was one of the internet technologies that helped companies achieve their goals (Jalaludin et al., 2022). In emerging markets, social commerce had the potential to improve microenterprises' operations. There was a need to study this phenomenon to increase the competitiveness of microenterprises. Therefore, before delving into the specifics of social commerce, the following section explains it in further detail.

#### **2.3.1 Social Commerce Definition and Evolution**

The growth of the World Wide Web has been essential to the development of social commerce. There had been no clear social commerce concept because scholars described social commerce based on different contexts. According to Wang and Zhang (2012), Yahoo introduced the term “social commerce” in 2005. Chen and Shen (2015) said that social commerce was the integration of e-commerce and social media. This claim was

supported by previous literature (Xiang et al., 2016; Baethge et al., 2016; Lu et al., 2016; Busalim & Hussin, 2016). Electronic commerce focuses on providing efficiencies in purchase to maximize the acquisition and processing of information (Baethge et al., 2016). Social media increased shopping experiences through user-generated content (Baethge et al., 2016). Social commerce offered merchants the opportunity to leverage the capabilities of social media to enhance their campaigns and achieve their objectives (Huang & Yu, 2016). Sellers could use links between social network users to promote and spread word-of-mouth about goods, services, and brands (Huang & Yu, 2016). This created a new network for online businesses and built trust. Lu et al. (2016) emphasized that social media significantly contributed to increasing trust in online transactions.

The definition of social commerce varied according to the nature of the research. However, most academics had agreed that social commerce comprised two fundamental elements, namely social media and e-commerce (Lam et al., 2019; Al-Adwan & Kokash, 2019; Hossain & Kim, 2020; Esmaili et al., 2020; Wang & Xie, 2020; Bugshan & Attar, 2020; Yacob et al., 2021). The advancement of social media had encouraged relationships between businesses and consumers (Ahmad & Laroche, 2017). Social media has been important in building relationships and sharing information among buyers and sellers (Han & Trimi, 2017; Lin et al., 2017; Cheng et al., 2019).

Today's social networks are about more than simply interacting with one another because they affect purchase intentions (Esmaili et al., 2020; Wang & Xie, 2020). Social media sites were able to create word-of-mouth marketing between people (Kim & Kim, 2018).

This demonstrated a recent development in social commerce. The interactions between members and user-generated content made social commerce different from traditional e-commerce (Cheng et al., 2019; Bugshan & Attar, 2020; Yacob et al., 2021). It also included online groups that facilitated social interactions to strengthen relationships among members. The concept of social commerce evolved and improved as technology progressed. However, for the purposes of this study, the researchers defined social commerce as the use of social media as a channel of communication to assist in the online sale and purchase of products and services (Yacob et al., 2021; Hassan & Shahzad, 2022). The business transaction occurred on social commerce platforms. There were several platforms for social commerce, and different platforms had different target users. The following section will provide information about the social commerce platform.

### **2.3.2 Social Commerce Platforms**

Social media technologies enhance business productivity by strengthening customer relationship management through social media platforms. Each social media platform involved a unique path to allow the sharing of information between the buyer and seller. The world of social media has become a necessary platform for the business community, whether on WhatsApp, TikTok, YouTube, Instagram, Facebook, Twitter, LinkedIn, or other social media networking sites. Social media had become a medium for generating and gathering content, connecting with consumers, increasing brand awareness (Kumar & Reinartz, 2018; Li et al., 2020), word-of-mouth marketing, and introducing products (Garg et al., 2020). Hence, social media platforms provided support for business operations.

Social media provides entrepreneurs with many chances to communicate with consumers, raise brand recognition, and encourage people to see their items. But social media also varied in terms of its function. People used Facebook to connect with their personal networks, such as friends and family (Forsey, 2021). Facebook allows users to post images, videos, and basic life updates. On the other hand, people used Twitter to discuss current events, disseminate real-time information, and exchange opinions (Forsey, 2021). Instagram was a platform that emphasized picture sharing (Haenlein et al., 2020). Users could post images to their profiles, and other users could like, comment on, or share the image with others. In contrast to Instagram, TikTok focused on short videos rather than photographs. It had a lot of short videos that users had made and uploaded. These videos included jokes, pranks, dances, and other fun things (Haenlein et al., 2020). Entrepreneurs were required to comprehend the various segments of the market and deliver unique offerings to each niche. Each social media site has its own culture, language, and style, which should be represented in the content. Social media platforms have the ability to improve a business's overall sales performance. According to Cheing et al. (2019), businesses chose Facebook to advertise their business since it boosted marketing exposure and customer communication. Using Facebook, especially Facebook Messenger, had sped up communication by a lot, since people could get answers to their questions right away. Therefore, business owners needed to decide which platform would allow them to effectively communicate with their intended demographic as well as which distribution method would provide the best results in this regard.

## 2.4 Social Commerce Research Trends

The rapid growth of social commerce has been attributed to the advancement of technology and the Internet. Nowadays, various academic disciplines are taking an interest in social commerce, and numerous studies have been conducted to understand its current status. According to Esmaeili and Hashemi G. (2019), social commerce research primarily focuses on consumer behavior, social commerce website design, and social commerce utilization. Busalim and Hussin (2016) analyzed 110 publications on social commerce published between 2010 and 2015 and discovered that studies on social commerce cover a range of topics, such as consumer behavior, website design, adoption strategies, social process network analysis, business models, and firm performance. Nevertheless, most of these studies concentrate on user behavior (Esmaeili & Hashemi G., 2019; Wang & Xie, 2020; Busalim & Hussin, 2016) and website design (Esmaeili & Hashemi G., 2019), with little attention paid to other areas.

There were also research articles that focused on customers in social commerce. Attar et al. (2020) examined how trust and credibility affected customer satisfaction and buying intent. Hussain et al. (2021) and Sheikh et al. (2019) investigated how features of social commerce platforms, such as user engagement and ratings and reviews, affected consumers' intentions to buy. This showed that social commerce was a viable research field. However, there were not enough studies that provided a detailed consideration of microenterprises engaging in social commerce. Some of the social commerce research also focused on trust, adoption, social networking sites, and social commerce functionality (Sheikh et al., 2019; Al-Adwan & Kokash, 2019; Hossain & Kim, 2020). Additionally, Yacob et al. (2021) investigated the impact of social commerce on the performance of

micro, small, and medium enterprises in Jambi Province. However, the study did not emphasize the success factors that contributed to the sustainability of microenterprises, as they were outside the scope of their study. Therefore, it was essential to examine the success factors that contributed to the survival of microenterprises using social commerce. The success factors of microenterprises involved in social commerce have not been well studied. As a result, the purpose of this research was to attempt to address this issue.

## **2.5 Microenterprises and Social Commerce**

The concept of SMEs was divided into three categories. Micro, small, and medium-sized businesses made up the SMEs category. The definition of a microenterprise was that the business had to have less than five full-time employees or yearly revenues of less than RM300,000. Only one of these two requirements had to be met for a business to be considered in the category of microenterprises (SME Corporation Malaysia, 2021). Those businesses were often run by a single person or family members and could be found in a broad variety of sectors, including agriculture, retail, and service provision, among others (Munoz et al., 2015). Microenterprises were a significant source of income and employment for low-income people and communities in developing nations, and they could aid in reducing poverty and fostering economic expansion (Lateh et al., 2017). However, microenterprises often encountered obstacles, such as restricted access to funding, inadequate infrastructure, and inadequate business training, all of which made it difficult for these businesses to expand and prosper (Pedraza, 2021). As a result, a better understanding of the success factors for microenterprises that involved social commerce played an important role in the survival of microenterprises.

The first few years of a microenterprise's existence are often marked by a wide variety of difficult obstacles to overcome. A majority of microenterprises failed before they even began operations (Prijadi et al., 2020). With a dismal survival rate, it was easy to see why many feared the first few years of business ownership. However, many typical business difficulties and obstacles could be resolved. One of the issues was that microenterprises did not embrace e-commerce (Carvalho & Mamede, 2018). It was critical for businesses to establish their Internet and e-commerce exposure. However, the usage of the Internet by small and medium enterprises was still quite limited. Microenterprises that used mobile phones had more advantages and financial success (Islam et al., 2018). Mobile phones let business owners talk to customers quickly and easily, which made it easier for them to get to know their customers better. Abed (2020) also mentioned that small and medium-sized enterprises had to recognize that social commerce was advantageous for business, as it expedited the completion of tasks, boosted productivity, and increased the likelihood of growing sales. Social commerce was crucial for fostering the development of a business. Entrepreneurs should support social commerce platforms as their primary strategy and leverage social commerce to strengthen their competitive advantage. Also, entrepreneurs needed to keep up with the latest changes to the Internet and business practices related to them.

The advent of the phenomenon of social commerce in Malaysia created an opportunity for Malaysians to participate in online business. Every business, without a doubt, has its advantages and disadvantages. Social commerce significantly assisted microenterprises in

simply accessing the market and reaching out to consumers. This was because they communicated through social media, blog postings, company surveys, and reviews by influencers. Additionally, social commerce was a great tool for businesses to increase their marketing efforts due to its low cost. There were a few studies about microenterprises. Zainol et al. (2017) examined microenterprises in Malaysia, concentrating on informal women microentrepreneurs' involvement in development projects and their effect on entrepreneurial practices. Factors such as competency, training, supportive communities, competitive values, and economic insecurity influenced people to venture into business. However, it made no attempt to pay adequate attention to the success factors of microenterprises engaging in social commerce, as it was beyond their scope of study. Most entrepreneurs should have considered social commerce to be the business model of the future (Hashim et al., 2016). According to Lee and Wong (2016), online shopping has substantially risen in the current business world. Every entrepreneur should have used social commerce since it not only enabled them to market their goods and services to others but also assisted them in making key and crucial business choices.

Even though microenterprises were significant for the development of local economies (Pedraza, 2021), little study has been conducted on the factors that contributed to the success of microenterprises engaging in social commerce. The majority of research had focused on consumer behaviors, social commerce website design, and social commerce adoption (Hussain et al., 2021; Siti-Nabiha et al., 2021; Attar et al., 2020; Sheikh et al., 2019; Esmaeili & Hashemi G., 2019). Only a few studies on microenterprises had been undertaken, but not in the context of success factors for microenterprises engaging in social

commerce (Hassan & Shahzad, 2022). Therefore, this study aimed to examine the success factors for microenterprises involved in social commerce.

Social commerce was important for microenterprises in Malaysia (Hassan & Shahzad, 2022). However, there was little research about microenterprises involved in social commerce. For example, Attar et al. (2020) studied trust and surface credibility in social commerce, but the paper did not provide information on social commerce or microenterprises. Similarly, Mohd Thas Thaker et al. (2020), Siti-Nabiha et al. (2021), Qalati et al. (2021), and Isa et al. (2021) explained social media but not the success factors for microenterprises that were involved in social commerce. Based on the above explanation, it was indicated that social commerce in other ways could assist microenterprises to operate and remain in the industry. Therefore, research needed to be carried out to identify the factors that led to the success of microenterprises that were involved in social commerce.

## **2.6 Success Factors in Online Business**

The success factors (SFs) were essential for a business to fulfill its goals and objectives as well as execute its strategy. According to Baltzan (2019), success factors were a crucial process that firms took in order to accomplish their goals and objectives as well as execute their strategies. In other words, SFs helped business owners come up with plans that would help the business succeed.

Colla and Lapoule (2012) emphasized five CSFs for e-commerce firms: first, marketing and strategy by attempting to use the brand's advantages to facilitate online purchase; second, relationship marketing by emphasizing the quality of customer relationship management; third, purchasing by establishing an integrated distribution hub capable of supplying a diverse range tailored to the specific demands of customers; fourth, e-marketing by helping customers simplify the purchasing process; and fifth, logistics strategy and services with the ability to run stand-alone with a high level of efficiency and effectiveness by limiting out-of-stocks and waiting times. According to Sehora et al. (2008), whose research examined 1,794 successful e-commerce businesses, key elements that contributed to the success of e-commerce merchants included founder characteristics, aspects related to e-services, and support from the government. Tsironis et al. (2017) studied the success factors associated with e-business in Greece and identified the following five critical success factors: information technology, human resources, customer orientation, partner orientation, and performance measurement and improvement.

Nyoni and Bonga (2018) used critical success factors to explore SMEs in Zimbabwe. They proposed a 3E model to improve the success of SMEs in Zimbabwe. The model involved enterprise factors (technology, marketing, business planning, management skills, and product or service quality), environmental factors (social networks, government support, the availability of competent employees, and financial support), and entrepreneurial factors (owner's gender, age, level of education, work experience, and access to capital). Their model aimed to guide entrepreneurs toward improving the competitiveness of SMEs. Baidoun et al. (2018) investigated the factors influencing the success or failure of small

businesses in the West Bank of Palestine. According to their findings, the most important things for a small business's survival and success were having enough money, keeping good records with financial controls, making plans, and getting help from a professional management team. Adeola et al. (2021) and Gyimah et al. (2019) proved that having enough money, keeping good records, and having financial controls in place, as well as getting advice from an expert, could help a small business succeed. In a similar vein, Seman et al. (2019) discovered that microenterprises were better able to evaluate and monitor their business operations and make better judgments when they had accurate knowledge of their financial performance. According to the study, the majority of microenterprises completed the accounting cycle by keeping track of daily business transactions and completing financial statements at the end of each month. This aided entrepreneurs in making prudent judgments and boosted their company's success. Financial assistance was also crucial for fostering the development of a business during the early phases of its development (Prijadi et al., 2020).

Phonthanukitithaworn et al. (2019) conducted research on the elements that contributed to the success of online entrepreneurs in Thailand. According to the study's results, there were thirteen key success factors for running an online business: achievement orientation, ease of use, government support, networking, taking risks, reliability, after-sale services, brand awareness, logistics and transportation, product quality, product price, social media advertising, and staff and employees. Numerous authors have conducted research on critical success factors. Table 2.1 summarizes the critical success factors research that has been reviewed.

Table 2.1

*Success Factors for Business*

References	Success Factors	
(Sebora et al., 2008)	Founder Factors <ul style="list-style-type: none"> <li>• Risk-Taking Propensity</li> <li>• E-Service Factors</li> <li>• Achievement</li> <li>• Locus of Control</li> <li>• E- Networking</li> </ul> External Factor <ul style="list-style-type: none"> <li>• Governmental Support</li> </ul>	E-Service Factors <ul style="list-style-type: none"> <li>• Reliability</li> <li>• Responsiveness</li> <li>• Ease of Use</li> <li>• Self-Service</li> </ul>
	<ul style="list-style-type: none"> <li>• Strategy and marketing</li> <li>• Relationship marketing</li> <li>• Purchasing</li> <li>• E-marketing</li> <li>• Logistics strategy and services</li> </ul>	
(Trang, 2016)	Demographic characteristics <ul style="list-style-type: none"> <li>• Age</li> <li>• Education</li> <li>• Experience</li> </ul> Knowledge of business and management <ul style="list-style-type: none"> <li>• General knowledge of business</li> <li>• Knowledge of Management</li> <li>• Additional Knowledge</li> </ul> Management skills <ul style="list-style-type: none"> <li>• Planning</li> <li>• Organizing</li> <li>• Leadership and encouragement</li> <li>• Controlling</li> <li>• Time management</li> </ul>	Personal characteristics <ul style="list-style-type: none"> <li>• Flexibility</li> <li>• Innovative Thinking and Creativity</li> <li>• Confidence</li> <li>• Adventurous spirit and determination</li> <li>• Patience</li> <li>• Capacity of generality</li> <li>• Punctilious Spirit</li> </ul>
	Hard and Soft assets <ul style="list-style-type: none"> <li>• Information technology resources</li> <li>• Human resources</li> </ul> Value creation	
(Tsironis et al., 2017)		

- Performance measurement and improvement

(Choshin & Ghaffari, 2017)	<p>Customer satisfaction</p> <ul style="list-style-type: none"> <li>• Security of personal information</li> <li>• Customer trust</li> <li>• Ease of access to information</li> <li>• Removing time and location limitations</li> </ul> <p>Costs</p> <ul style="list-style-type: none"> <li>• Cost to access to internet</li> <li>• Technological costs</li> <li>• Support costs</li> <li>• Inside and outside organization costs</li> </ul>	<p>Infrastructures</p> <ul style="list-style-type: none"> <li>• Organizational infrastructures</li> <li>• Technological infrastructures</li> <li>• Internet speed</li> <li>• Network traffic</li> </ul> <p>Awareness and knowledge</p> <ul style="list-style-type: none"> <li>• Customers' awareness</li> <li>• Employees' skill</li> <li>• Manager knowledge</li> </ul>
(Mohamad Radzi et al., 2017)	<ul style="list-style-type: none"> <li>• Entrepreneurial competency</li> <li>• Marketing capability</li> <li>• Financial resources</li> <li>• Technology usage</li> <li>• Knowledge sharing</li> </ul>	
(Varela et al., 2017)	<ul style="list-style-type: none"> <li>• Social Networks</li> <li>• Web-marketing</li> <li>• Design Usability</li> <li>• Marketing</li> <li>• Brand</li> <li>• Market</li> </ul>	<ul style="list-style-type: none"> <li>• Communication Support</li> <li>• Credibility</li> <li>• Quality Data Processing</li> <li>• Security</li> <li>• Website</li> <li>• Convert Consumer</li> </ul>
(Mabhungu & Van Der Poll, 2017)	<ul style="list-style-type: none"> <li>• Commitment of the Owner/Manager</li> <li>• Employee Commitment</li> <li>• Business Planning</li> <li>• Management of Information</li> <li>• Management of Revenue</li> <li>• Management of Costs</li> <li>• Innovation</li> <li>• Management of Customers</li> </ul>	<ul style="list-style-type: none"> <li>• Management of Suppliers</li> <li>• Management of Competitors</li> <li>• The Enterprise's Pool of Resources</li> <li>• Conformance to Regulations</li> <li>• Management of Sources of Finance</li> <li>• Level of profit</li> </ul>

	<p>Entrepreneurial factors</p> <ul style="list-style-type: none"> <li>• Age</li> <li>• Gender</li> <li>• Education</li> <li>• Entrepreneurial orientation</li> <li>• Personality</li> <li>• Prior work experience and management skills</li> </ul> <p>Enterprise Factors</p> <ul style="list-style-type: none"> <li>• Age and size of company</li> <li>• Business networks</li> <li>• Customer relations</li> <li>• Management</li> <li>• Financial resources</li> <li>• Human capital,</li> <li>• Internationalization</li> <li>• Market and product development</li> <li>• Marketing</li> <li>• Strategic planning</li> </ul>	<p>Business Environment</p> <ul style="list-style-type: none"> <li>• Political</li> <li>• Economic</li> <li>• Socio-cultural,</li> <li>• Technological</li> <li>• Legal and regulatory</li> <li>• Ecological and environmental</li> </ul>
(Lampadarios et al., 2017)		
	<p>Demographic characteristics</p> <ul style="list-style-type: none"> <li>• Age</li> <li>• Education</li> <li>• Experience</li> </ul> <p>Environmental variables</p> <ul style="list-style-type: none"> <li>• Market availability</li> <li>• Govt. institutional support</li> <li>• Access to capital</li> <li>• Access to market information</li> <li>• Access to improved production technology</li> </ul>	
(Boakye et al., 2018)		
	<ul style="list-style-type: none"> <li>• Facilities and location</li> <li>• Incubator governance (management)</li> <li>• Shared services (Financial support and advice and personalized services)</li> <li>• Networking</li> <li>• Selection process of tenant firms</li> </ul>	
(Franco et al., 2018)		
	<p>Enterprise factors</p> <ul style="list-style-type: none"> <li>• Technology</li> <li>• Marketing</li> <li>• Business planning</li> </ul>	<p>Entrepreneurial factors</p> <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> <li>• Level of education</li> </ul>
(Nyoni & Bonga, 2018)		

	<ul style="list-style-type: none"> <li>• Management skills</li> <li>• Product or service quality</li> </ul>	<ul style="list-style-type: none"> <li>• Work experience</li> <li>• Access to capital</li> </ul>
	<p>Environmental factors</p> <ul style="list-style-type: none"> <li>• Social networks</li> <li>• Government support</li> <li>• Competent employees</li> <li>• Financial support</li> </ul>	
(Gupta & Mirchandani, 2018)	<p>Personal factors</p> <ul style="list-style-type: none"> <li>• Abilities and skills</li> <li>• Work experience</li> <li>• Highest qualification</li> <li>• Formal training</li> <li>• Social and cultural freedom</li> <li>• Family support</li> </ul> <p>Environmental factors</p> <ul style="list-style-type: none"> <li>• Access to market</li> <li>• Start-up capital</li> <li>• Bank loan</li> </ul>	<p>Government support</p> <ul style="list-style-type: none"> <li>• Access to govt authorities</li> <li>• Support from NGOs</li> <li>• No bureaucratic hurdles</li> </ul>
(Alfoqahaa, 2018)	<ul style="list-style-type: none"> <li>• Brand reputation,</li> <li>• Excellence of customer service</li> <li>• Reliable delivery</li> <li>• Product innovation</li> </ul>	
(Phonthanukitithaworn et al., 2019)	<ul style="list-style-type: none"> <li>• Achievement orientation</li> <li>• Ease of use</li> <li>• Government support</li> <li>• Networking</li> <li>• Taking risks</li> <li>• Reliability</li> <li>• After-sale services</li> </ul>	<ul style="list-style-type: none"> <li>• Brand awareness</li> <li>• Logistics and transportation</li> <li>• Product quality</li> <li>• Product price</li> <li>• Social media advertising</li> <li>• Staff and employees.</li> </ul>
(Al-Tit et al., 2019)	<p>Individual factors</p> <ul style="list-style-type: none"> <li>• Age</li> <li>• Education level</li> <li>• Business skills and experience</li> <li>• Use of professional advisors</li> <li>• Personal financial needs</li> </ul> <p>Business characteristics</p> <ul style="list-style-type: none"> <li>• Business size</li> </ul>	<p>Business support</p> <ul style="list-style-type: none"> <li>• Financial support</li> <li>• Government support</li> <li>• Family and friends' support</li> </ul> <p>Capital availability</p> <ul style="list-style-type: none"> <li>• Financial capital</li> <li>• Human capital</li> <li>• Social capital</li> </ul> <p>Business environment</p>

	<ul style="list-style-type: none"> <li>• Business networks</li> <li>• Innovation</li> <li>• Ability to compete</li> </ul>	<ul style="list-style-type: none"> <li>• Economic factors</li> <li>• Technological factors</li> <li>• Legal factors</li> <li>• Socio-cultural factors</li> <li>• Ecological factors</li> </ul>
	<p>Management factors</p> <ul style="list-style-type: none"> <li>• Management commitment and support</li> <li>• Organizational infrastructure</li> <li>• Human resource management practices</li> <li>• Organizational culture</li> <li>• Work environment</li> <li>• Internal communication</li> <li>• Corporate social responsibility</li> <li>• Information technology</li> </ul>	
	<p>Trait-related factor</p> <ul style="list-style-type: none"> <li>• Managing risk</li> <li>• Commitment</li> <li>• Optimism</li> <li>• Decision making</li> <li>• Achieving oriented</li> <li>• Tenacity</li> <li>• Advancement drive</li> </ul>	<p>Social psychological-related factor</p> <ul style="list-style-type: none"> <li>• Understanding competition/ market</li> <li>• Understanding rules and regulations</li> <li>• Partners and supportive business</li> <li>• Government networking</li> <li>• Strategic location</li> <li>• Family business background</li> </ul>
(Rafiki & Nasution, 2019)	<p>Behavioral-related factor</p> <ul style="list-style-type: none"> <li>• Financial management and resources</li> <li>• Leadership and management skills</li> <li>• Networking</li> <li>• Effective marketing</li> <li>• Technological resources</li> <li>• Human resources talents</li> </ul>	

## 2.7 Social Commerce Theoretical Lens

Qualitative research employs a theoretical lens or perspective to provide a comprehensive framework for the research (Creswell & Creswell, 2018). This lens shaped the questions

asked, guided data gathering and analysis, and inspired action or change. Theoretical lenses guided researchers in choosing issues and people to examine.

### **2.7.1 Critical Success Factors in The Click and Drive Model**

Businesses had relied on critical-to-success factors (CSFs) to define the parts that had to function optimally for their businesses to succeed. CSFs were relevant to many types of businesses and could be used for strategic planning, system or progress monitoring, or the management of projects, processes, positions, or even individual interests (Howell, 2010). A significant benefit of CSFs was that they could assist businesses in optimizing their performance (Howell, 2010). The CSFs were well-suited for assessing social commerce studies since the CSFs model had been employed in e-commerce research (Colla & Lapoule, 2012). The attributes of social commerce were identical to those of e-commerce since social commerce was a subset of e-commerce. Colla and Lapoule (2012) had developed an extensive set of critical success factors for e-commerce called “The Click and Drive Model”. According to them, there were five main components of critical success factors: strategy and marketing; relationship marketing; purchasing; e-marketing; and logistics strategy and services (refer Figure 2.1).

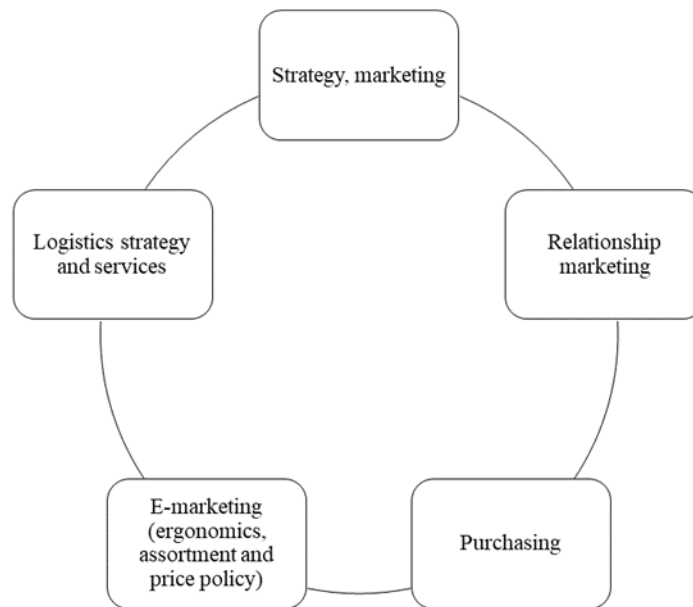


Figure 2.1

*Critical Success Factors in The Click and Drive Model*

Source: Colla and Lapoule (2012)

The first component was marketing and strategy. They attempted to leverage the brand's benefits to facilitate online purchases. Consistent brand use throughout all marketing efforts and online sales enabled businesses to distinguish themselves from rivals in the marketplace. This was important when a business wanted to get into a new market because it showed that the business was trustworthy and gave it the ability to compete.

The second component was relationship marketing. Colla and Lapoule (2012) emphasized the quality of customer relationship management. Historically, customers have been important to a business's ultimate growth plan. Additionally, it included marketing and

distribution, product development, resource allocation, and firm profitability (Peppers & Rogers, 2017). As a result, businesses had to have a thorough understanding of customer relationship management and the business's strategic technique for acquiring consumers who would likely support the brand and create a connection. Relationship marketing helped to develop strategic plans and solutions that maximized the lifetime value of each customer for the business (Buttle & Maklan, 2019).

The third component was purchasing. Businesses had to fulfill storage requirements by establishing an integrated distribution hub capable of supplying a diverse range tailored to the specific demands of customers. The storage capacity of designated warehouses and the availability of ready-to-ship commodities helped make sensible purchases easier. Thus, purchasing was vital because business operations had to guarantee the availability of the demanded products or services. Businesses could also change their offers for products and services on their websites to create a purchasing basket that was on average twice as valuable as one from a physical store.

The fourth component was e-marketing. To help customers simplify the purchasing process, sellers should have made the process simple and easy. For instance, a functioning website with an efficient navigation system that delivered instant information about products or services, as well as discounts, recommendations, and a list of preferred purchases.

The fifth component was logistics strategy and services. It combined the ability to use a solo drive-in and connect with a high level of efficiency and made sure that stock was always available and wait times were short. This model verified the success criteria found in the previous literature. Also, it elaborated on the critical success factors of the grocery “click and drive” model as well as the nature of the core competencies that were required to achieve a competitive advantage.

### **2.7.2 E-Business Critical Success Factors Model**

Tsironis et al. (2017) described the importance of critical success factors in e-business. There were three major components: hard and soft assets; operations and functions; and value generation (refer Figure 2.2). The three key components contained five critical factors that contributed to a business's success: information technology, human resources, customer orientation, partner orientation, and performance measurement and improvement. These factors showed the critical nature of this model for optimizing business operations.

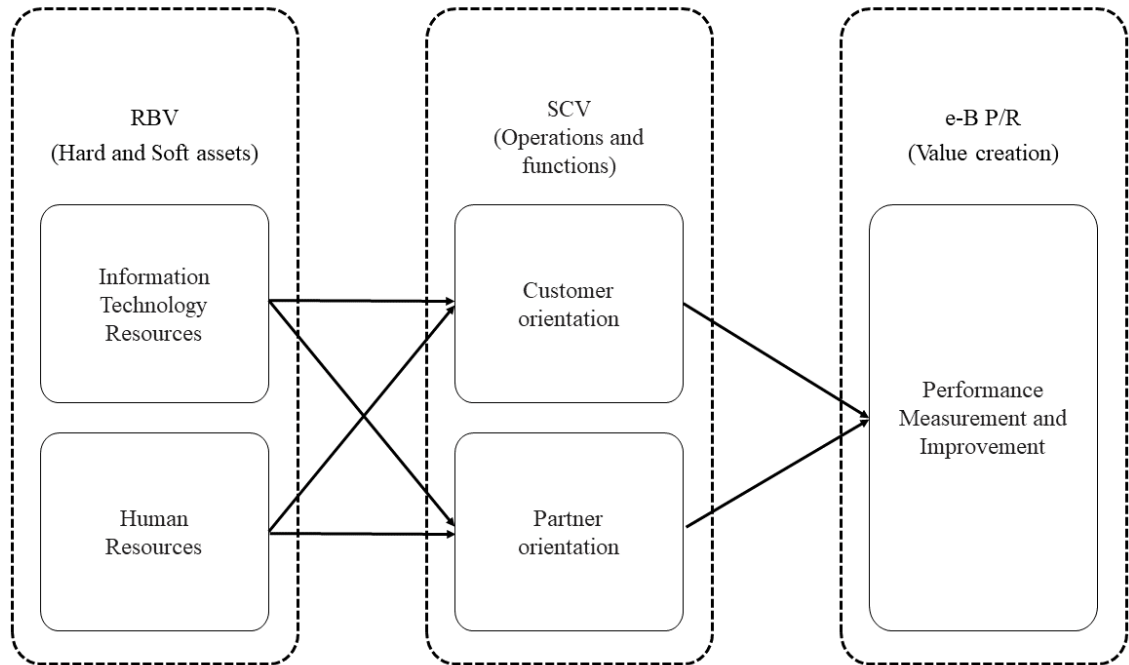


Figure 2.2  
*E-Business Critical Success Factors Model*

Source: Tsironis et al. (2017)

The first factor was information technology resources. Technological advances were helping the growth of social media by enabling users to produce and distribute content over networks (Alt & Reinhold, 2020). Besides social media, mobile devices allowed users to communicate, build, and share user-generated content with each other (Alt & Reinhold, 2020). This gave the impression that there were no restrictions on the dissemination of information sources among the parties concerned. Customers could access the information as well as create and share content about the products and services of other businesses (Cheng et al., 2019). Hence, businesses had to incorporate and employ social technology to meet their needs. It showed that social media was an important way to get feedback from

customers and interact with them. This made it easier to handle potential relationships with customers, improved customer relationship management skills, and made a business more efficient (Chuang, 2020).

The second factor highlighted the importance of human resources, which encompasses all appropriate measures to boost the efficiency and productivity of employees. They got along well with others and were aware of what motivated others to achieve well. Nonetheless, when a firm expanded, managers often realized that they lacked the time required to manage day-to-day staff expansion and recruitment, and the focus on workers typically faded. This was a costly miscalculation that could have had a detrimental effect on employee satisfaction, workplace structure, and long-term success. Human resources relieved the executive team of training, development, compliance, and staff productivity responsibilities, allowing them to improve business operational efficiency.

The third factor was customer orientation. It was the way a business identified and met the needs of its consumers for its goods or services. Customer service entailed developing connections with consumers and assisting them when they encountered problems with the products or services. Numerous follow-up actions were necessary to support consumers and ensure that they were completely satisfied with the delivery and service processes. Additionally, technological advancements transformed the user experience associated with dealing with and connecting with businesses. Customer relationship management had an impact on the user experience and was critical to the overall success of the business. Businesses had to prioritize customer service if they wanted to maintain their current market share and attract new consumers.

The fourth factor was partner orientation. This component highlighted the importance of selecting the right partners and collaborating well in business. By failing to choose the appropriate partner, it was possible to diminish the efficiency of business operations, which would have had a detrimental effect on customer service.

The fifth factor was performance measurement and improvement. Aspects of performance measurement and improvement included analyzing performance throughout the organization, fostering innovation and development, and producing value for the firm. This component sought to provide business operations such as administrative processes, best practices administration, and financial information via the Internet, all of which contributed to the overall success of e-businesses. This model contributed to a more thorough understanding of the critical success factors of online businesses. It aided entrepreneurs in their management and enhanced their businesses' competitiveness.

### **2.7.3 Critical Success Factors: 3E Model**

Nyoni and Bonga (2018) developed a 3E model to illustrate the success of SMEs. It incorporated three types of CSF: enterprise factors, entrepreneurial factors, and environmental factors (see Figure 2.3). This 3E model was intended to enhance the performance of SMEs.

Category	Critical Success Factors
Enterprise Factors	<ul style="list-style-type: none"> <li>➤ Technology</li> <li>➤ Marketing</li> <li>➤ Business planning</li> <li>➤ Management Skills</li> <li>➤ Quality of product or service</li> </ul>
Environmental Factors	<ul style="list-style-type: none"> <li>➤ Social networks</li> <li>➤ Government support</li> <li>➤ Availability of skilled employees</li> <li>➤ Financial support</li> </ul>
Entrepreneurial Factors	<ul style="list-style-type: none"> <li>➤ Gender</li> <li>➤ Age of owner</li> <li>➤ Education level</li> <li>➤ Work experience</li> <li>➤ Availability of capital</li> </ul>

Figure 2.3

*The 3E Model for SMEs' critical success factors*

Source: Nyoni and Bonga (2018)

The enterprise factors involved five elements that helped SMEs succeed, namely technology, marketing, business planning, management skills, and product or service quality. According to John (2020), technology is critical in assisting small firms in meeting current and emerging difficulties. Despite significant technical developments, small firms were still handicapped by a lack of technology implementation. These small firms would have struggled to compete or develop without this technology. This was because technology was an integral aspect of every business's daily operation. Besides, the researcher also discussed marketing. They argued that weak market access and bad marketing tactics were perennial issues for SMEs. To compete in a competitive world, SMEs had to use current marketing strategies. In this situation, social media marketing as a marketing strategy had the potential to reach a large customer base in the market.

In today's environment, whoever wants to launch a company needs to make a thorough business plan first. According to researchers, business planning is another important element of success for SMEs. Entrepreneurs had to create a business plan to obtain funding for their efforts. It also helped entrepreneurs determine whether their company concept was feasible. Besides, managerial skills were critical to the success of any business. Studies showed that good management was one of the most important things for SMEs to do well. Entrepreneurs had to learn management skills in order to successfully run their businesses. Next, quality was essential for the success of SMEs. According to researchers, quality is one of the most important aspects of success for any business. This was because customers were clearly looking for high-quality products at affordable prices. So, the quality of a product or service was a necessary and important part of an SME's success.

Social networks, government support, the availability of competent employees, and financial support were among the environmental factors that helped SMEs succeed. New business owners could get support and guidance from their peers via social networks. According to the findings of researchers, networking enabled business owners to get access to a wider variety of resources, including business ideas, business expertise, and finance. These social networks also helped business owners find the tools they needed to start and grow their companies. Next, government aid was essential to the growth and development of small and medium-sized enterprises. Based on the study, the government knew how important SMEs were and had started to pay more attention to their development for the benefit of the national economy. Small and medium-sized businesses needed help from the

government, especially with financing and building up their human capital. Besides, the availability of competent labor was crucial to the success of small and medium-sized enterprises. According to studies, most small businesses recruit people from inside their family or social circle, even if they lack the necessary expertise for the position. The next element was financial assistance. Studies showed that access to capital was a key factor in the ability of small and medium-sized businesses (SMEs) to grow and expand.

In addition, entrepreneurial factors have a significant impact on an entrepreneur's success. It included the owner's gender, age, level of education, work experience, and access to capital. Some said that males had much greater entrepreneurial aspirations than women and were more willing to take risks, while others had discovered that female company owners were more likely to succeed than their male business partners. However, Shava and Rungani (2016) concluded that gender had little impact on the performance of SMEs. Furthermore, the age of the firm's owner was a crucial success factor. This was because people who had worked for a long time had gained both financial and social knowledge. Bau et al. (2017) stated that age may have both beneficial and negative influences on an entrepreneur's endeavors. Younger business owners were more likely to take risks and grow their businesses, while older business owners were less likely to try new things. Moreover, researchers also believed that education had a positive impact on the performance of a firm. According to Peter and Muniyithya (2015), entrepreneurial education influences business performance. This was because education was one of the most important personal resources for entrepreneurs because it gave them business skills that helped them grow and sustain.

Furthermore, working experience could aid entrepreneurs in running their businesses properly. Some people also started a business with no experience, but those who had work experience had a better chance of being successful. This was because previous research had shown that work experience aided the success of SMEs (Gupta & Barua, 2018). Finally, the accessibility of financial resources provided opportunities for entrepreneurs to run their businesses. Most new entrepreneurs finance their businesses from their own personal resources or assets rather than seeking outside funding. This was the most common method of obtaining financial resources (Mazzarol & Reboud, 2020; Abbasi et al., 2018).

#### **2.7.4 Resource-Based View (RBV) Theory**

Resource-based theory was an important way to look at how a company acted and how well it did as a whole (Peteraf & Barney, 2003). Barney (1991) believed that a firm's resources could generate a sustainable competitive advantage. The company's resources and management effectiveness provided it with a long-term competitive advantage over its competitors. Resources were any tangible or intangible assets associated with the company (Barney et al., 2001). For example, a company's resources included its brand name, the knowledge and skills of its employees, its money, its technology, its talent, and its management skills, among other things (Barney et al., 2001; Wernerfelt, 1984).

The resource-based view (RBV) theory was considered the most suitable method for describing the growth of microenterprises. Barney et al. (2001) said that a firm's resource-

based view could be a good way to understand business planning and evaluate all of an organization's basic needs to reach its goals and objectives. In managing microenterprises, resources and management have always been difficult. Therefore, RBV theory entailed effective resource and firm management that could assist microenterprises in becoming sustainable and competitive in the market. According to the theory, businesses could increase their competitiveness and performance by implementing strategies that maximized the use of their internal resources and capabilities (Barney, 1991; Wernerfelt, 1984). So, the theory stated that a business's resources were a key factor in having a competitive advantage that lasted (Barney, 1991). In addition, resource-based view theory gave resource-level and enterprise-level explanations for differences in enterprises' sustainable performance (Peteraf & Barney, 2003). Consequently, resource-based view theory focused on the enterprise's resource control and management skills, which impacted the enterprise's continued performance. RBV theory was critical for understanding the success factors of microenterprises.

In addition, the research aimed to identify success factors for microenterprises. A study of the literature revealed that resources, managerial skills, and other RBV-related characteristics were crucial in determining a business's success factors (Barney et al., 2001; Wernerfelt, 1984). According to the theory, the internal qualities of a business were the most important factor to consider while looking for ways to boost a company's success (Barney, 2001). The RBV theory had particular significance in terms of small businesses, as it asserted that the firm's resources determined its long-term survival (Mohamad Radzi et al., 2017). Resources could be either tangible or intangible. Tangible assets included

money, people, and technology. Intangible assets include knowledge, skills, and abilities. Usually, businesses try to get and keep control of resources that could give them an advantage over their rivals. Businesses with better resources and skills had a better chance of getting and keeping a competitive advantage. Therefore, the framework for this research was meant to show how the resource-based view theory applied to the success factors of microenterprises engaging in social commerce.

## **2.8 Selected Success Factors Relevant to This Study**

Based on the success factors and theoretical model mentioned above, this study listed all possible success factors that applied to microenterprises engaging in social commerce.

### **2.8.1 Funding**

According to Nyoni and Bonga (2018), access to finance was one of the factors comprising the success factors. In their research on financial aid, Abbasi et al. (2018) discovered that the most prevalent sources of capital for entrepreneurs were personal money and loans from family and friends. Mazzarol and Reboud (2020) also asserted that self-financing and borrowing from family and friends were the most common methods for young enterprises to get capital. Entrepreneurs chose to start up a business with their own cash rather than seeking outside financing (Zacharakis et al., 2020). This was consistent with the findings of Waleczek et al. (2018), who concluded that bootstrapping was a strategic option for new enterprises. According to Angeles et al. (2019), businesses chose to utilize internal capital to avoid the consequences of having a mindset of survival as opposed to progress due to the debt burden. On the other hand, according to Fadil and St-Pierre (2021), self-financing

could hinder development since it was contingent on the business's capacity to generate sufficient resources to satisfy its demands. In the long term, this approach would impede the growth of their firm. So, when there was more demand for their goods, entrepreneurs needed outside funding to grow their businesses. Even though funding was a success factor (Angerer et al., 2017; Sanchez Badini et al., 2018; Gupta & Mirchandani, 2018; Adeola et al., 2021), researchers studying the success of microenterprises in social commerce had not investigated it. Therefore, it was important to find out if this factor was helpful for microenterprises that were involved in social commerce.

### **2.8.2 Financial Management**

Mabhungu and Van Der Poll (2017) said that the way a business handled its money was important to its success. They stated that the management of expenditures, revenues, and sources of financing was crucial to the success and survival of a business. In other words, financial management is essential to the success of a business. However, the ability of a business owner to use good financial management depends on how well he or she knows how to operate a business. Najera Ruiz and Collazzo (2021) reported that a business owner's ability to run a business affected how accounting systems were used. This research showed that entrepreneurs knew how important it was to manage money well, but it depended on their financial understanding. Ye and Kulathunga (2019) stated that financial literacy improved the long-term viability of small and medium-sized businesses by improving financial management skills and reducing financial mistakes. Kautsar and Asandimitra (2019) also agreed that financial education, financial literacy, and financial attitude would impact business success. Entrepreneurs with enough financial

understanding exhibited improved behaviors, such as prudently managing their funds and making solid financial judgments. Therefore, if business owners wanted to compete and succeed in this difficult and unpredictable environment, they had to be able to handle their finances. Undoubtedly, financial management is associated with success factors for businesses (Mabhungu & Van Der Poll, 2017; Kautsar & Asandimitra, 2019; Adeola et al., 2021). In light of this, the purpose of this research was to determine whether or not this aspect was beneficial for microenterprises engaging in social commerce.

### **2.8.3 Management skills**

According to Nyoni and Bonga (2018), managerial abilities are one of the success factors in businesses. An entrepreneur with strong management skills could increase a business's productivity and efficiency by using the business's own resources and knowledge (Saqib et al., 2018). Wernerfelt's (1984) resource-based view (RBV) theory, which examined the exploitation of an organization's internal resources and capabilities, such as the entrepreneur's knowledge and experience, strengthened this idea. The RBV theory fosters the formation of competitive advantages and the improvement of organizational performance by examining a company's resources (Wernerfelt, 1984; Barney, 1991; Tsironis et al., 2017). So, each business had its own set of unique resources, whose use was contingent on the entrepreneurial abilities of its executives. Entrepreneurs who possessed effective management abilities enabled organizations to maximize their investments by maximizing the use of their resources for business growth (Putra et al., 2021). Asikhia and Naidoo (2020) indicated that management skills were related to a business's success, and other research had also shown this component to be relevant to business success (see

Lampadarios et al., 2017; Nyoni & Bonga, 2018; Forth & Bryson, 2019; Ahmad & Ahmad, 2021). Therefore, this research used management skills as one of the success factors for the examined microenterprises engaging in social commerce.

#### **2.8.4 Technology**

Technological advances enabled the growth of social media by enabling users to produce and distribute content over networks (Alt & Reinhold, 2020). Besides social media, mobile devices allowed users to communicate, build, and share user-generated content with each other (Alt & Reinhold, 2020). This gave the impression that there were no restrictions on the dissemination of information sources among the parties concerned. Customers could access the information as well as create and share content about the products and services of other businesses (Cheng et al., 2019). Hence, businesses had to incorporate and employ social technology to meet their needs. It showed that social media was an important medium for gathering input from consumers and fostering interactions with them, which led to improved handling of potential relationships with customers and improved business efficiency (Chuang, 2020). Consequently, the increasing popularity of social media platforms was crucial for e-commerce. The advancement of Internet technology and the growth of social networking sites turned e-commerce into social commerce, shifting it from a product-oriented to a social and customer-centric environment (Turban et al., 2018). Several studies have shown that technological advancements have an impact on a business's overall performance (Tsironis et al., 2017; Lampadarios et al., 2017; Mohamad Radzi et al., 2017; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019; Al-Tit et al., 2019).

Hence, this study employed technology as one of the success variables for the microenterprises engaging in social commerce.

### **2.8.5 Marketing**

According to Nyoni and Bonga (2018), marketing is also an essential factor in business success. To thrive in a competitive environment, businesses had to employ modern marketing techniques. In this regard, social media has become a platform for modern marketing for generating and collecting content, engaging consumers, increasing brand recognition, word-of-mouth marketing, and promoting products (Kumar & Reinartz, 2018; Li et al., 2020; Garg et al., 2020). Colla and Lapoule (2012) also supported the idea that marketing was critical to the success of businesses. For instance, entrepreneurs could utilize branding to encourage online transactions, as the consistent use of a brand in all online marketing and sales operations helped firms differentiate themselves from competitors in the market (Kumar & Reinartz, 2018). Customer relationship management (CRM) was also emphasized by Colla and Lapoule (2012). Entrepreneurs needed to be knowledgeable about CRM to assist customers, support their brand, and build relationships with them. Several studies have shown that marketing could enhance the overall success of a firm (Mohamad Radzi et al., 2017; Lampadarijos et al., 2017; Varela et al., 2017; Alfoqahaa, 2018; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019; Phonthanukitithaworn et al., 2019). Therefore, this study employed marketing as one of the success factors for microenterprises engaging in social commerce.

### **2.8.6 Government support**

Phonthanukitithaworn et al. (2019) stated that government assistance was essential for online businesses to grow and succeed. The degree of preparation of firms to compete and overcome market challenges was one of the difficulties that hindered their growth and development (Hossain et al., 2022). This was due to inconsistencies and gaps in business understanding, as well as a lack of industry experience, all of which contributed to these problems. Therefore, government assistance, such as training programs and grants, helped businesses enhance their management skills and expertise. According to Boakye et al. (2018), supporting environmental elements (particularly government assistance) contributed to the success of businesses. Access to finance and market knowledge were two examples of elements that had a substantial impact on business success (Franco et al., 2018). Therefore, government policies helped businesses succeed. Besides, many studies emphasized that assistance provided by government agencies was vital for business development (Zainol et al., 2017; Boakye et al., 2018; Nyoni & Bonga, 2018; Gupta & Mirchandani, 2018; Al-Tit et al., 2019; Phonthanukitithaworn et al., 2019; Chen et al., 2021). Hence, this research examined government support as one of the success factors for microenterprises engaging in social commerce.

### **2.9 Proposed Theoretical Framework**

The resource-based view (RBV) emphasizes the importance of organizational resources in determining performance. Each of the aspects shown in Figure 2.4 is a resource that aids in the success of a business. Based on previous discussion in Section 2.8 about selected success factors relevant to this study, Figure 2.4 yields the overall research framework. It

is guided by RBV theory and three models, which are: critical success factors in the Click and Drive model; e-business critical success factor model; and critical success factors in the 3E Model. The proposed model incorporated elements from previous success factors specifically for microenterprises engaging in social commerce. This study aims to investigate if this model can be applied in the Malaysian scenario based on qualitative analysis from participants. It is important to remember that the final findings on success factors may be different from the proposed framework. This is because the final result will be based on data analysis from interviews with microenterprises that do social commerce.

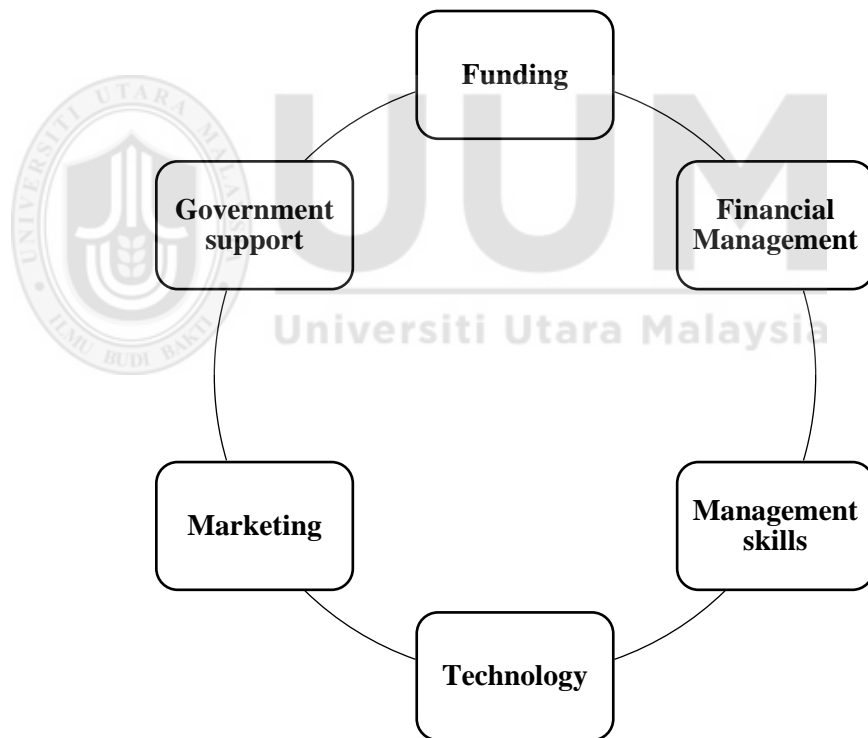


Figure 2.4

*Microenterprise Success Factors (MSFs) Model*

Source: Developed by researcher for this study

## **2.10 Summary of Literature Review**

Chapter two explained the concept and empirical evidence of the study. Additionally, this chapter elaborated on the success factors of microenterprises and the resource-based view theory that were associated with the study. It was then necessary to explain the method of analysis in the next chapter.



## **CHAPTER 3**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the process used to achieve the purpose of this study, including the sources and classification of the data. The chapter also describes the methods used for data collection, analysis, and interpretation in line with the research objectives. The process of data collection and analysis was carefully planned to ensure that the research objectives were achieved, and the findings were accurate and reliable. The chapter also provides an overview of the techniques used to analyze the data, such as thematic analysis. Overall, this chapter provides a comprehensive account of the research process and methodology, which is essential for understanding the research findings and conclusions.

#### **3.2 Research Design**

Research design refers to the type of research conducted within the framework of any research methodology, which provides a clear path for the procedures involved in the research study (Creswell & Creswell, 2018). For this study, the chosen mode of analysis was determined by the research objectives. The study employed a qualitative and thematic analysis approach with the aim of obtaining rich and detailed information from microenterprises engaging in social commerce in Peninsular Malaysia. The research design and methodology were carefully selected to ensure that the research objectives were addressed effectively and that the study's findings were reliable and valid. The use of a

qualitative approach provided a deeper understanding of the experiences and perceptions of microenterprise owners, while the thematic analysis approach facilitated the identification and interpretation of key themes and patterns in the data. Hence, the research design was a critical aspect of the study, providing a foundation for its procedures and outcomes.

**The rationale for Qualitative Method:** Qualitative research was interpreted in nature because scholars needed to comprehend the subjectivity and significance of the phenomenon being investigated (Saunders et al., 2016). Therefore, this methodology was appropriate for this study. This research attempted to explain the importance of the study subjects, incidents, circumstances, perceptions, and behaviors of those engaged in the phenomenon relevant to this study (Maxwell, 2013). In addition, the study wanted to grasp the thoughts and viewpoints of the informants. This was because the experiences and concepts that came from this would reflect the significance offered to actual events by people who experienced them. It was not the bias of the researcher. Moreover, the qualitative approach was suitable since this analysis aimed to build a detailed understanding of research problems. This included analysis, from multiple viewpoints, of the causes involved in the phenomenon, which, in general, explained the broader picture that arose. This broader vision was not inherently a model, but it represented everyday life and the way things happened in the real world (Creswell & Creswell, 2018). The built-in visual model would explain the phenomena and draw on that holistic perspective.

Furthermore, the research process designed for this study is shown in Figure 3.1. The process started with the formulation of research questions and objectives. This study gathered the resources needed for a literature review to gain a better understanding of microenterprises engaging in social commerce. It was based on secondary references such as journal articles, conference reports, theses, the Internet, and books for research questions. These resources were used to recognize and address research issues involving microenterprises engaging in social commerce. The methodological steps then described the procedures for this research. This research applied to participants who had one or more similar characteristics involving social commerce.



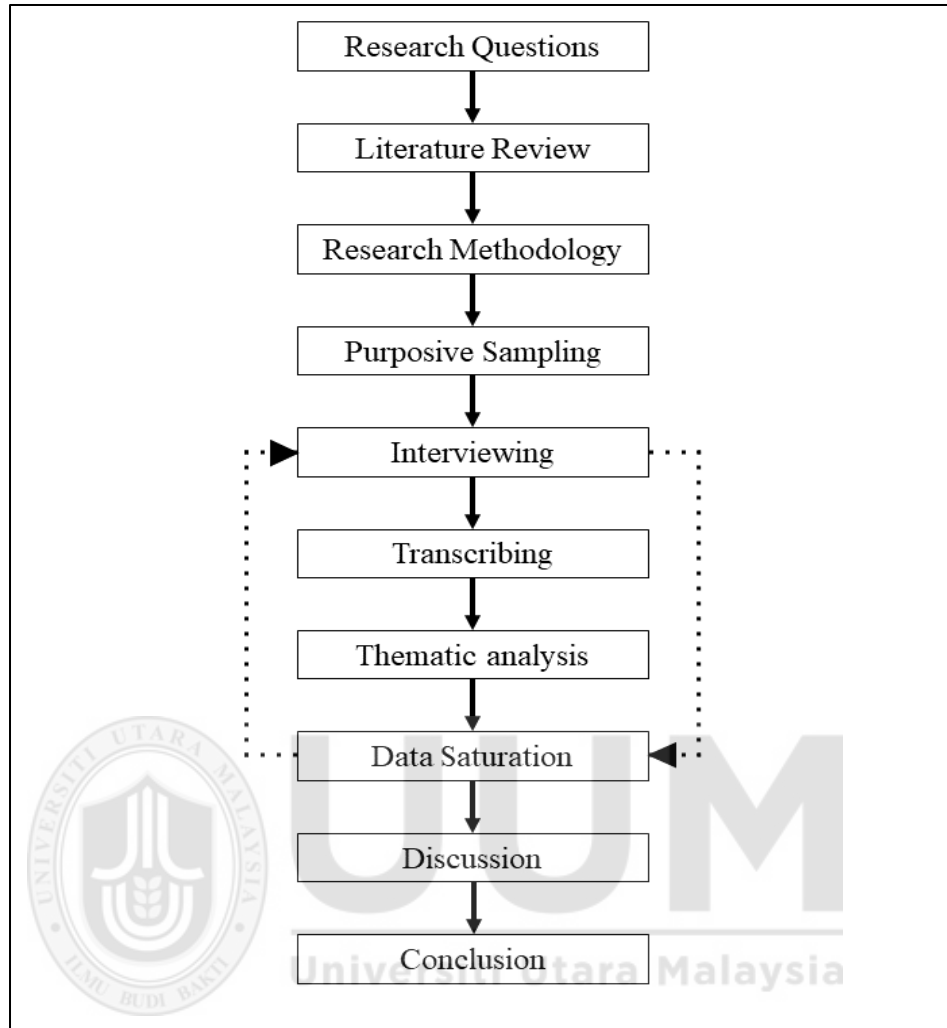


Figure 3.1

*Research Design*

Based on Figure 3.1, this study employed a qualitative method with purposive sampling. It involved interviews with microenterprises and related agencies in Peninsular Malaysia. The purpose of this approach was to understand the business operations of microenterprises through social commerce in Malaysia. A literature review and interviews were conducted to identify the success factors and assistance required for microenterprises that joined the social commerce market. The aim was to gain better insight into the success factors for

microenterprises engaging in social commerce. This study also used thematic analysis for accurate analysis. To obtain trustworthy data, one of the most critical phases of this study was ensuring data saturation. Additionally, any newly discovered components of the study were addressed.

### **3.3 Data Collection, Recording, and Analysis**

The population of this research were microenterprises in Malaysia, representing a variety of sectors such as services, manufacturing, construction, agriculture, retail, and others. The data collection methods included recruitment and the collection of information through semi-structured interviews. The interviews were documented by taking written notes, audiotapes, or video recordings. In the event of recording equipment malfunctions, note-taking was used. The audio and video recordings were transcribed into text. The process of formulating the definition and explanation of trends and concepts from a participant's viewpoint was initiated, striving to grasp and clarify the information. Data sorting, analysis, and coding were done by category, and a list of key concepts that emerged was recorded. The participant interviews were transcribed, and the transcripts were periodically reviewed.

#### **3.3.1 Instrumentation**

The researcher acted as the primary instrument for conducting semi-structured interviews with participants. According to Creswell and Poth (2018), when qualitative researchers act as the primary tool, they gather data directly by analyzing papers, monitoring behaviors, and conducting interviews. This study considered the potential ethical implications of the research. Obtaining permission from those being interviewed was not the only ethical consideration. This study anticipated and resolved any ethical issues that may have arisen

throughout the research process. A method for conducting interviews was devised to ensure high-quality data. The protocols for interviewing and ethical concerns are discussed in the next section of this report. The methodology was designed to ensure both the process of gathering rich and thick data from the participants and an in-depth understanding of microenterprises engaging in social commerce.

### 3.3.2 Judgmental Sampling Strategy

The sampling strategy employed in this research aimed to gather detailed and comprehensive information from the participants. The study utilized microenterprises to represent individuals who have experienced the phenomenon being studied. The sampling method used was judgmental sampling, which involved selecting participants and sites for the sample based on their understanding of the research problems and key phenomena in the study (Creswell & Poth, 2018). To identify microenterprises, the study adopted the definition provided by SME Corporation Malaysia (2021), which categorizes SMEs into three categories: micro, small, and medium-sized enterprises. Table 3.1 provides more information about the size of a company's operations and sales turnover.

Table 3.1  
*Small and Medium Enterprises Category*

Category	Criteria	Manufacturing	Services and Other Sectors
Micro	Annual sales	less than RM300,000	
	Employment	less than 5	
Small	Annual sales	RM300,000 to less than RM15 million	RM300,000 to less than RM3 million
	Employment	5 to less than 75	5 to less than 30
Medium	Annual sales	RM15 million to less than RM50 million	RM3 million to less than RM20 million

Source: SME Corporation Malaysia (2021)

In this study, the requirement for microenterprises was that they had less than five full-time workers or yearly revenues of less than RM300,000 (SME Corp. Malaysia, 2021). Participants were selected for their expertise and experience with microenterprises engaging in social commerce (Please refer Table 3.2). According to Lekovic and Maric (2015), profitability is crucial to the success of any firm. Additionally, Mazzarol and Reboud (2020) argued that a company's success depended on its ability to turn a profit. Therefore, participants were chosen because they had at least a year of experience running microenterprises that generated revenue through social commerce. Table 3.2 provides an overview of the conducted interviews and profiles of the interviewees who were microenterprises that were involved in social commerce.

Table 3.2  
*Interviewees*

No	Code	Platforms	Business/Agency	Detail of Participants
1	R01	Facebook	Dim Sum (Food)	Business owner, Stokist, and Dropship
2	R02	Facebook, WhatsApp	Cosmetic Products	Business owner and Dropshipping Supplier
3	R03	Facebook, Instagram, TikTok	Cosmetic Products and Tote Bag	Agent and Dropship
4	R04	Facebook, Instagram	Fried Onions	Business owner and Wholesalers.
5	R05	Facebook, Instagram, WhatsApp	Cosmetic Products	Business owner
6	R06	Facebook	Cosmetic Products	Agent and Dropship

7	R07	Facebook, Instagram, WhatsApp	Assorted Bouquets	Business owner
8	G01	NA	Government Agency	Officers who specialize in business training
9	G02	NA	Government Agency	Officers who specialize in business training

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**The rationale for sample size and data saturation:** Smith et al. (2009) suggested that there is no right answer when it comes to determining the sample size for qualitative research and that it depends on the nature of the study. Based on this, three to six participants were considered a fair sample size for the study. Morse (2000) added that the number of participants needed to attain data saturation depends on various criteria, such as the quality of the information, the breadth of the research, and the nature of the subject. Hence, six to ten participants were deemed appropriate for the study. Similarly, Dukes (1984) recommended three to ten participants for qualitative study samples. These researchers agreed that a small sample size was adequate to capture enough data for qualitative research. Fusch and Ness (2015) pointed out that data saturation was achieved by collecting rich and thick data. Once the data saturation threshold was reached, no new information was gained despite the collection of additional samples.

Guest et al. (2006) confirmed that the quantity of interviews should provide sufficient data in the absence of new data, themes, or codes. The researcher analyzed the data for this study and found that no new themes appeared between the sixth and seventh participants, indicating that data saturation had been reached. Therefore, a sample size of seven entrepreneurs and two government agencies was chosen for this study. As most

government agencies have overlapping responsibilities (see Appendix 3-1), only two participants were selected to represent them. Additional data from these government agencies supports the research's discussions. This study employed interviews and thematic analysis to generate and analyze the data.

### **3.3.3 Interview**

An interview was a simple form of investigation (Seidman, 2006). The purpose of a qualitative research interview was to consider participants' perspectives on their ecosystem (Patton, 2015). In qualitative research, interviewer inquiries were motivated by the desire to gain a thorough understanding of the research problem. Therefore, the interviewer most likely wanted to know about the insights, circumstances, and activities of the participants related to this study. It only required participants to discuss their internal conditions if it was useful for the intent of the analysis (Patton, 2015). Besides, interviews provided insights into the context of human behavior, and it aimed to figure out how important this kind of behavior was for this study.

Individual interviews were conducted either face-to-face or via video conferencing, depending on the choice and comfort of the participants. Due to the coronavirus (COVID-19) disease, video conference interviews were conducted. Each interview usually lasted between 30 and 90 minutes.

In this research, semi-structured interviews were used to gather rich and thick information from the participants. The study used a method called a "semi-structured interview" to find

out information about a set of questions that had been set up but were still open (Given, 2008). The researcher had greater discretion over the subject of the interview, and there was no predetermined answer to each question. Therefore, the interview protocol established acted as a reference. The interviewer could follow the interview protocol or switch back and forth from a list of topics depending on the participant's response. In any case, the subject of the interview guide focused on research objectives and microenterprises. In addition to asking questions relevant to the concepts being studied, semi-structured interviews often used probes to acquire further information. Interview methods were planned to ensure that all interviews ran smoothly.

The interview procedures were adapted from Creswell and Creswell (2018). There were six procedures in the interview for this study. The first step was to ask for relevant information about the interview. This study documented the basic details of the procedure as well as the interviewer's information. For instance, information about the people interviewed, the type of business experience, and social media.

The second step was the introduction. The interviewer introduced himself and explained the purpose of this research and the overall structure of the interview. The objectives of the study were written in advance to avoid unnecessary errors and were read by the interviewer. Permission to record information from the participants being interviewed was very important because this study wanted to record the session for analysis.

The third step was the opening question. The first important step in an interview was to make the participant feel comfortable. The research began with an icebreaker question, where the interviewer asked the participants to talk about themselves in a way that did not isolate them. The interviewer could ask about business in general, their role, or how they spent the day. Initially, the researcher had no personal questions. For instance, "What was your company's profit or income?" This was because people wanted to talk about themselves and help achieve researchers' goals by providing the necessary data.

The fourth step was content questions. The questions were asked to obtain data from the participants. This study asked for information related to social commerce and microenterprise operations that were relevant to the research questions. The interview used open-ended questions to obtain richer responses and data. Please refer to Table 3.3 for the interview questions. These questions were to be asked but were not limited, as they depended on the response of the participants.

Table 3.3  
*Interview Protocol*

Research Questions	Interview Question
1. What is the current situation of microenterprises engaging in social commerce in Malaysia?	1. Can you describe your experience with microenterprises and how you use social commerce, and how important it is to your business?
2. What are the success factors for microenterprises engaging in social commerce?	2. How do you use social media platforms to market your goods or services?
3. What is the framework of success factors for microenterprises	3. What obstacles have you encountered and how have you overcome them while engaging in social commerce?

involved in social commerce in Malaysia?

4. Can you explain a successful social commerce strategy you've undertaken as well as the factors you believe led to its success?
  5. How do you adapt to shifting market trends in online purchases, and what methods do you employ to keep updated of the most current developments?
  6. Based on your personal experiences and results, what recommendations would you provide to other microenterprises interested in social commerce?
  7. What kind of incentives or assistance do you receive or apply for your business?
- 

The fifth step was to use the probes. Interviewers used the probing interview methodology to speak with both individuals and groups to elicit more details from the participants (Given, 2008). The structure of the inquiry involved probes. As a result, researchers could gain more knowledge and clarity in their thoughts. The probes might have prolonged the length of the interview to obtain more detail. Often, participants felt uncomfortable with questions and had nothing to say about social commerce and microenterprises. Probes aided this study in solving this dilemma. Below were sample probe questions.

- Tell me more about problems that you think is troublesome?
- Describe the kind of activities you are doing in business.
- I can understand social commerce from what I have heard you say. Have I heard correctly about that?
- I need more insight into the issues that you mentioned before.
- What do you mean by saying market challenges?

- Please give me an explanation of what you said, so that I can understand better.

The last step was to close the instructions. It was necessary to thank the participants for their time and involvement. The interviewer informed the interviewee of the confidentiality of the interview. This study would have requested additional information from participants if necessary. If the interviewee had asked for the results, this study would have provided an abstract for the final report. All the procedures were implemented in this study to ensure that the interview ran smoothly. After the interview process was complete, the researcher started to transcribe video and audio from the interviews.

#### **3.3.4 Transcribing**

A transcript is a form of text derived from transcribing audio or video recordings (Given, 2008; Lapadat & Lindsay, 1999). Literal transcription was a method by which a recorded voice or video was translated into the written word (Given, 2008; Poland, 1995). This study generated quality transcripts by investigating the accents and cultures of expression that caused the errors. In addition, this study used a quality microphone to reduce noise and listened to audio or video several times to reduce misunderstandings about the meaning that participants wanted to convey. The researcher checked the transcript to ensure its quality. After transcribing the file, the process of analyzing the data with thematic analysis began.

### 3.3.5 Thematic Analysis

Thematic analysis was a technique for capturing themes through qualitative data (Braun et al., 2018; Braun & Clarke, 2006). Thematic analysis shared much of the content analysis concepts and techniques, and the terms "code" and "theme" were used interchangeably. However, the thematic approach paid more attention to the qualitative dimensions of the subject being analyzed. This method analyzed and built organized transcript codes and themes. Thematic analysis was an effective process for this study as it made it easier to interpret the evidence from interviews with the participants. The thematic research made it possible to draw up straightforward and structured final reports on correlations in a wide variety of problems. The method also provided direct responses to which subjects might be useful in answering research questions. This research focused on a six-phase thematic analysis method (Braun et al., 2018; Nowell et al., 2017; Braun & Clarke, 2006).

The first phase of thematic analysis was familiarization. The researcher needed to get to know the data. It was important to get acquainted with the data to know the depth and breadth of its content. The procedure was generally achieved by re-reading the text and actively reading the transcript. The goal was to find the significance and pattern associated with the data. As suggested by Braun and Clarke (2006), it is better to read the whole collection of data at least once before starting coding. It could give an idea and allow the detection of patterns that may form as the text is read. In the study, it began with recording information or labeling concepts for coding, which would be used in the next phase. Once it had reached this level, a more systematic coding process was conducted. The coding process was continuous throughout this study (Braun & Clarke, 2006).

The coding step was the second phase. During the coding phase, the data was reviewed and analyzed to identify key concepts and patterns. The researcher used a structured approach to examine each piece of data thoroughly and objectively. The goal was to identify important information that could be used to guide the development of themes related to social commerce. The coding process involved categorizing the data in a useful way to aid in the interpretation of relevant facts. This phase was continuous, and the researcher constantly reviewed and revised the codes as new insights emerged. The codes were then organized into potential themes for further analysis in the next phase.

The third stage was the development of themes. This analysis began when all the data was encoded and organized. It focused on examining the themes, and it required compiling various codes into possible themes. Essentially, this study continued to examine the code and how various codes could be merged to form a comprehensive theme. The visualization process involved using mind maps, tables, or writing code on paper to help align all of the code into a theme. Then, this study started to reflect on the connection between the code, the themes, and the sub-themes. So, the main theme was derived from the initial code and other relevant codes. Unrelated coded data was removed.

The fourth phase was reviewing and refining themes. At the end of the third phase, this study had obtained a set of potential themes and sub-themes, along with all the coded data related to them. The study then began to realize the significance of individual themes and examine a group of potential themes to perfect them. This was because some potential themes were not actual themes, and others may have had the same meaning. Therefore,

some elements of a theme needed to be separated into different themes or deleted. The aim was to establish a cohesive sequence for the themes. The study decided whether the themes were suitable for the research when they showed a consistent pattern. If not, it was then important to rearrange the themes, establish new themes, or delete them from the analysis.

In the fifth phase, the study defined the themes. At this stage, the researcher had a good understanding of the various themes, their purposes, and the stories they explained. The refinement of themes for data analysis involved determining the significance of each theme. Therefore, a review of each theme was conducted, and the stories behind each theme were recognized. It was critical to ensure that the themes were related to social commerce and that the research questions were thoroughly addressed. The method also aimed to ensure that there was no overlap between themes.

The sixth phase involved reporting. This step began when the study had a carefully compiled set of themes. The task of writing the thematic analysis was to convince the reader of the analysis's usefulness and relevance (Braun & Clarke, 2006). For this study, it was also crucial to provide a simple, concise, and engaging description of the themes. Thus, the study included enough information to demonstrate that there were themes, and it had followed all the steps properly to ensure quality research.

### **3.4 Research Quality**

The quality study provided value-added information for building essential knowledge (Creswell & Poth, 2018). It was the most reliable way for readers to grasp the complexity

of different problems. Therefore, it was vital to ensure the quality and precision of the research. The following topics needed to be explained to show that this study was reliable and valid.

### **3.4.1 Reliability and Validity**

Reliability and validity were two of the most significant subjects of the qualitative approach. Reliability meant replication and coherence (Saunders et al., 2016). If the researcher could imitate the previous research design and draw the same conclusions, the study was considered reliable. Validity referred to the suitability of the procedures used, the consistency of the analysis of the results, and the generalization of the results (Saunders et al., 2016). However, Corbin and Strauss (2015) contended that the terms "reliability" and "validity" could not be consistent with qualitative research and the ambiguity of the social symptoms they sought to learn about. They proposed that a new approach to reliability and validity would ensure rigor in qualitative research.

Any qualitative analysis required rigor, making it valuable, eccentric, and useful research (Morse et al., 2002). Therefore, a lot of consideration was given to the rigor of this studied method. Glaser and Strauss (2015) chose the word "credibility" over the words "reliability and validity" for qualitative analysis. The term "credibility" meant that the results were trustworthy because they represented the interactions of witnesses, researchers, and readers' phenomenological experiences (Glaser & Strauss, 2015). Lincoln and Guba (1985) pointed out that trustworthiness could be used to evaluate the rigor and credibility of qualitative research. Strategies to ensure trustworthiness had to be built throughout the

qualitative research process. Lincoln & Guba (1985) proposed four criteria to produce a quality qualitative study.

Credibility was the first criterion. It referred to the accuracy and truthfulness of the information in the analysis. It was improved by establishing rapport with the participants. This was done by continuing attempts to learn and understand more about social commerce and microenterprises. The study spent a lot of time learning about social commerce before beginning data collection. The purpose was to become acquainted with social commerce and the people involved. It wanted to identify elements of social commerce that were relevant to the research questions and focus on them in detail. Next, the triangulation method was used to reduce the possibility of inconsistencies in the outcome of the study. Triangulation was also a technique used to enhance credibility in the results and interpretation of studies (Creswell & Creswell, 2018; Yvonna S. & Guba, 1985). In this study, triangulation included observation, interviews, and interview transcripts. The study took note of the activities related to social commerce and microenterprises. It also watched how business was done on social networking sites and kept track of and compared how information from the analysis was interpreted.

The second criterion was dependability. This involved ensuring the accuracy of the findings over time. To achieve this, the study tested the accuracy of the transcripts made from audio or video recordings. Two qualitative researchers were asked to analyze some transcribed material to examine the differences in the identified themes. All new data described by the peers was embraced and considered, and it was compared to the study's

thematic interpretation of the transcribed data. The goal was for all observers to come to the same conclusions about the theme and context of the content that was transcribed.

The third criterion was transferability. In qualitative research, transferability refers to how well the findings of a study could have been applied in different settings or with different groups of people outside of the original study setting (Noble & Smith, 2015). For qualitative research, formal quantitative understandings of generalizability did not work or apply (Tracy, 2010). This was because statistical generalizations needed samples that were representative and chosen at random from data that was not tied to a particular situation or context (Tracy, 2010). On the other hand, qualitative research involved in-depth inquiries that provided information that was usually related to history and culture, making it difficult to generalize information to predict how things would be done in the future (Tracy, 2010). However, transferability was improved by utilizing a purposive sampling technique and offering rich descriptions and robust data with a wide variety of accessible information through detailed participant descriptions (Cypress, 2017).

As a result, this study used a purposive sampling technique by selecting participants who fit the context of this research. According to Creswell and Poth (2018), a thick description meant that the researcher gave a clear explanation of the case or when reporting the theme of the study. Therefore, this study promoted transferability by ensuring that the data obtained was targeted and representative of the context of the study. This study's participants were also confirmed to have been among individuals who were actually involved in microenterprises related to social commerce, which offered a detailed and

reliable insight into the concept and population of the study. Following that, the assessment sampling method was used, with participants representing and comprehending the studied problem. This step was necessary to ensure proper data was acquired. According to Morse et al. (2002), evidence of saturation could confirm and ensure the quality of the research. Besides, the researcher even immersed himself in the phenomenon to understand it comprehensively and deeply. The processing, description, and review of all data related to the report had been done meticulously. So, this study could investigate more about the true significance of the results. In the analysis, this study categorized and arranged the information in such a way as to make sense of it. Then, it highlighted the themes and explanations of the researched questions and provided a final report that was valid and reliable.

The fourth criterion was confirmability. Confirmability helped to ensure that the facts and analysis of the research were not a product of the researcher's imagination but were based on the conclusions of the analysis. It involved the analysis of data provided by the participants as well as the absence of bias from both parties. This study improved confirmability through a reflective journal, an audit trail, and by comparing findings with those of existing studies. Audit trails included the mechanism by which information was processed, evaluated, and interpreted. This included electronically captured content such as videotapes, voiced files, and researched notes. This study recorded and stored all the information related to it. Also, it took account of the prejudices and biases that may have adversely influenced the research. However, this study was mindful that no complete reduction was feasible. It was important to keep a reflective journal to resolve biases.

### **3.4.2 Bias**

There were two types of bias in this research, namely the bias of the interviewer and the bias of the person being interviewed. Interviewer bias was any aspect that caused bias in the researcher's response documentation (Saunders et al., 2016). The remarks, voices, or non-verbal actions of the interviewer could have influenced biases. Hence, this study was neutral and did not force its views on the interviewees. Additionally, it tried to reduce bias by building trust with the participants being interviewed and getting to know them.

The second bias was the bias of the interviewee. This included any element that could have led to providing incorrect details (Saunders et al., 2016). For example, conducting an interview in a public place could have caused participants to give falsely positive answers as they might have been afraid of being overheard and not protecting their confidentiality. To minimize bias, this study found suitable locations and times for interviews. The interviewer kept the anonymity of the data to allow the interviewees to uncover and explore more about the phenomenon. This study often used probe questions to extract more information from them. Next, the ethics of this research will be discussed.

### **3.4.3 Ethics**

Research needs to focus on ethics to build credibility for the report (Creswell & Creswell, 2018). This study considered what ethical problems might arise during the research and prepared a plan to solve them. Problems could have occurred in several phases of the research process (Cresswell & Poth, 2018). Therefore, it was important to be more

responsive to the needs of the participants being studied, as well as the locations, stakeholders, and publishers. There were four stages in the research that required attention to ethics.

The first stage was the beginning of the research. In this stage, this study explained to the participants the purpose of the research. For instance, the researcher explained the general purpose of this research to the participants. The interviewer informed the participants that their participation was voluntary. The interviewer also respected the interviewee's religion and culture.

The second step was data collection. It was necessary to provide an effective environment for learning and reduce distractions to gather quality information. This study built trust with the participants to acquire quality information. Next, the data was stored on a secure hard disk to prevent the leakage of confidential details. This study explained to the participants the purpose and application of the data for this study.

The third stage was the analysis of the information. This study's data analysis did not expose participants' identities and protected the privacy of the participants. The name of the participant was given along with the name of the code.

The fourth stage was the data reporting. In this stage, this study presented information accurately and avoided falsification of facts, interviews, and findings. It ensured privacy and confidentiality and did not reveal details that could endanger the participants.

Furthermore, the necessary citations were recorded in this report to prevent any plagiarism or fraud.

### **3.5 Summary of Methodology**

The methodology employed in this study ensured that accurate data was obtained and that the research objectives were met. This study used a purposive sampling strategy to obtain saturated data. For the analysis, thematic analysis was used to gain insight into social commerce and microenterprises. Furthermore, this study explained the reliability and validity of the research to ensure its credibility.



## **CHAPTER 4**

### **ANALYSIS AND FINDINGS**

#### **4.1 Introduction**

This chapter summarized the results and interpretations of the primary analyses undertaken for this research. The results of the analyses were organized as follows: current business practices, success factors, and a proposed framework.

#### **4.2 The Current Situation of Microenterprises Engaging in Social Commerce Businesses in Malaysia**

This chapter consisted of data acquired from interviews with participants involved in this study. The section began with a discussion about the current microenterprise environment. This was followed by a discussion on the operation of microenterprises. The discussion included topics such as funding, financial management, business operation expenditures, and marketing. The interviews provided valuable insights into the challenges faced by microenterprises and the strategies they used to overcome them.

##### **4.2.1 Funding**

Studies on entrepreneurs, microenterprises, and small and medium enterprises have shown that personal funds and informal loans from friends and family were often the most common ways for entrepreneurs and small businesses to raise capital (Mazzarol & Reboud, 2020; Abbasi et al., 2018). This result was in line with Prijadi et al.'s (2020) claim that

entrepreneurs started their businesses with their own money or money they borrowed from family or friends. This was evidenced by the statements below:

“After that, I bought a freezer with a capital of RM800 [...] At that time, there was a mortgage on jewelry. When doing business, don't borrow money.”

(Respondent 1 – R1)

The above statement (R1) showed that entrepreneurs had sold or pawned their valuables in return for start-up capital to get funds for their businesses. This demonstrated that entrepreneurs began their businesses by bootstrapping. Bootstrapping meant beginning a business with their own funds without seeking outside investment (Zacharakis et al., 2020). To avoid making loans, entrepreneurs looked for alternative ways to obtain the cash resources they needed to run their businesses. This was supported by R2's statement that it would do everything possible to avoid incurring debt while the business was operating.

“I'm a human being who doesn't like to be in debt [...] I'm starting my first business [...] I'm pawning wedding gold chains and jewelry.”

(Respondent 2 – R2)

R1 and R2's statements contributed to the fact that entrepreneurs, particularly start-up businesses, tried to avoid making loans. They most likely sought to avoid accruing debt


commitments. However, this kind of mindset impeded their company's growth to some extent. This was consistent with the findings of Angeles et al. (2019), which found that entrepreneurs preferred to employ internal capital to avoid the repercussions of having a mentality of survival rather than development because of the loan load.

“Why not make a loan, for me, I don't have a commitment there.”

(Respondent 1 – R1)

“Besides, we don't have a loan commitment, what is it?”

(Respondent 2 – R2)



According to the above statement, entrepreneurs avoided making loans since they preferred to start businesses with their own money. On the other hand, as the demand for their products or services grew, entrepreneurs typically sought funding from other sources to expand their firms and purchase new facilities or equipment. This was done when the business owner had evidence that their business could be viable and had potential. Thus, the following statements demonstrated this:

“After that, I did go for big. Before that, there was a high demand [...] our plan was to make dimsum cheese. [...] In 40000, it's time to discuss with this partner how we want to get capital. After that, we went to see ABC. He gave the 70/30 option. 70 grants and 30 loans. We contribute 30%. There is

also a grant for equipment. We are now in the process because we are preparing a business plan to propose to ABC. Entering this phase, I am convinced that I want to ask the government. The previous ones are my own. I didn't think to take a loan, so ABC's help.”

(Respondent 1 – R1)

“I started making fried onions at home. It was just normal, until people asked. There was a demand. When there was a demand, I went to register with all the agencies. Then I started making workshops. I just thought about doing a workshop on what all that is. I just asked for a grant, and after 15 days, I got everything: an onion peeling machine, an onion smoking machine, etc.”

(Respondent 4 – R4)

Dropshipping businesses did not require finances because they did not need to keep and maintain inventory. Instead, they merely advertised their products on behalf of the manufacturer or company. The dropshipping business model did not require merchants to use their own funds. This was shown by the following participants (R2 and R3) who worked in the dropship business:

“[...] Dropship does not need to hold stock.”

(Respondent 2 – R2)

“[...] I'm a dropship, I'm not taking out any capital [...].”

(Respondent 3 – R3)

This indicated that dropshipping entrepreneurs just needed to promote the product, and when a consumer purchased it from them, they instructed the supplier to ship the product straight to the customer. This was congruent with what Sodero et al. (2021) found, which was that dropshipping let retailers meet customer demand without keeping items in stock, since suppliers shipped straight to customers. So, under the drop-shipping arrangement, entrepreneurs did not own or maintain inventory, nor were they required to ship the goods directly to the customer; the supplier did all of that, and they just accepted the order.

In summary, entrepreneurs who wanted to launch their own businesses needed capital. They sought internal and external funds in order to attain the desired objectives. New businesses often need a substantial amount of capital to launch. Although some entrepreneurs utilized their own funds to launch their businesses, it was challenging for them to build their firms in this manner. Therefore, entrepreneurs got money from outside sources. Entrepreneurs, for instance, borrowed money from family and friends, sought bank loans, and applied for government subsidies. Therefore, when a business had sufficient funds, it could take advantage of any opportunity that arose, such as investing in new goods and services that would aid in its expansion.

#### 4.2.2 Financial Management

Finances collected for the purpose of business had to be utilized with caution. Entrepreneurs with financial discipline ensured that the business's funds were used as effectively as possible. They did not spend business funds on anything other than business activities. This finding was consistent with what Mabhungu and Van Der Poll (2017) asserted, namely that a business had to make efficient use of its funds to be successful. This was confirmed by the participant's comment below:

“I manage this money well. One cent, I will not take business money.”

(Respondent 2 – R2)

Furthermore, the preceding statements indicated that founders self-financed and saved money by working from home, using existing equipment, and not paying themselves, their families, or co-founders a salary. This demonstrated that entrepreneurs tried to minimize the expenditure of capital by utilizing their existing facilities and assets for the sake of business continuity.

“Because we have 4 big freezers. During my business, he transferred 3 large freezers. So, there are two in Perlis. Two more in Alor Setar. It's close to home. I don't use the store. Don't take the risk of renting a shop. We hit our sales first. [...] When I want to put two freezers in the house, I [...]”

(Respondent 1 – R1)

“It's just that, for this I don't take a salary, I told my husband there is no salary for ABC. For a year.”

(Respondent 2 – R2)

“I started making at home, I made fried onions at home [...].”

(Respondent 4 – R4)

Entrepreneurs kept meticulous records of all business activities in order to assess not just the financial condition of their businesses but also the reasons behind that condition. Entrepreneurs (R1 and R6) reported creating their own business accounts with accounting software or, at the very least, a functional appendix.

“For the accounting part, I will do it. I created the account, close all accounts. I close my account every month.”

(Respondent 1 – R1)

“From the system, the system shows how many sales we have [...].”

(Respondent 6 – R6)

Most business owners used manual accounting procedures, although they were rapidly adopting computerized accounting systems. According to Najera Ruiz and Collazzo (2021), a business owner's business abilities influenced the use of accounting systems. However, business owners who did not have the skills to prepare their own business

accounts but understood the importance of good financial management for their company would hire an accountant. They hired an accounting firm to handle and manage their business's financial and tax statements.

“Just for the account, I hired an outside accountant.”

(Respondent 2 -R2)

According to the findings of that study, entrepreneurs understood the importance of financial management. However, it relied on the entrepreneur's financial skills and knowledge. Financial literacy, according to Ye and Kulathunga (2019), increased the long-term profitability of small and medium-sized enterprises by improving financial management skills and reducing financial mistakes. Therefore, if entrepreneurs wanted to compete successfully in that dynamic business environment, they had to understand how to handle their money.

#### **4.2.3 Business Operational Expenditure**

Entrepreneurs were aware of the costs of doing business and the expenses that came with it. These small business owners frequently involved family members in their operations. Most entrepreneurs did not take a wage for their job and often expected family members to assist their businesses, particularly at the start of a business operation. Among the main reasons were a lack of funds to recruit staff and to decrease labor costs. There were also entrepreneurs who did not receive a salary as employees of the company for a certain time.

“It's just that, for this I don't take a salary, I told my husband there is no salary for ABC. For a year.”

(Respondent 2 – R2)

According to the findings, however, few participants were aware of the significance of business expenditures. Labor and materials were two examples of direct costs that arose during the manufacturing process. They determined the pay rates for each position, even those for their own families. The profit margin was used to figure out how much a business owner made. There were also business owners that had stockists, agents, and dropshippers, yet the founders themselves continued to do sales. They considered elements like sales commissions to be wages to the business owner.

“I used to do that work with my partner and husband from 9am to 3am for repackaging. Indeed, we people do it ourselves because we want to cut costs [...] But at the time, even if there are no employees, we allocate. For example, if I must repack a hundred packs, one pack will cost 20 cents. There will be wages.”

(Respondent 1 – R1)

“There is a salary. So that means if every day money comes in and out, I will separate it. I will separate for profit, my capital [...] is only 20%. 20% of the profit is for salary.”

(Respondent 2 – R2)

Business owners and employees were frequently held accountable for expenses because it was very likely that they all used resources like the internet, vehicles, and packaging while working and promoting the product. However, there were expenses incurred throughout the entire business premises.

[...] Each of these partnerships will have work. For example, if you send it to an agent, there will be mileage, 1km, how many cents. Can claim from the company.”

(Respondent 1 – R1)

“I have a plan is, we will send our team every month to go to seminar classes, fully sponsored by HQ.”

(Respondent 2 – R2)

Microenterprises were very susceptible to failure because their owners paid insufficient attention to the calculation of operational expenses and the manufacturing of goods. As a result, profit margins might suffer. According to Mabhungu and Van Der Poll (2017), efficient cost control led to successful business operations. For instance, businesses had to record the costs utilized to manufacture products or provide services in order to regulate costs and avoid wasteful business expenditures. Choshin and Ghaffari (2017) confirmed that cost management impacted the performance of a business. Businesses could face financial challenges if their margins were insufficient. Therefore, estimating the cost of

manufacturing a product or service, as well as acquiring, maintaining, and retaining customers, was critical. This evaluation showed how to figure the gross profit margin and where the new business would break even.

#### **4.2.4 Marketing**

Large corporations had their own professional marketing network, including media campaigns and a structured sales staff. However, microenterprises had to depend solely on their own efforts and resources, making them casual and adaptable. Effective marketing could help microenterprises grow and thrive. Businesses engage in a wide range of marketing activities such as product, price, promotion, and location. This combination of product, promotion, pricing, and location was known as the "marketing mix" (Mazzarol & Reboud, 2020).

The selection of products depended on market demand. The product was chosen by the seller due to its high demand. It was important to explain in detail what made the product or service special and what it could do for the customer.

“[...] I made it according to the customer's request. If we want to sell, we cannot decide without considering at the customer's demand. Need to know what kind of market. I go for the mix pack.”

(Respondent 1 – R1)

“[...] I started making at home, I made fried onions at home, there was a demand, when there was a demand, I went to register with all the agencies, then, I started making setup workshops.”

(Respondent 4 – R4)

“In fact, if you can get it at hotels, or office buildings. That really works, because if there is a meeting for something, people want at least one arrangement (bouquets).”

(Respondent 7 – R7)

Pricing was one of the most fundamental decisions that business owners had to undertake. It had an impact on all elements of the business as well as the customers. This conclusion was consistent with Phonthanukitithaworn et al.'s (2019) argument that pricing was a crucial component of a business's marketing plan that could determine or derail its success. Sellers needed to understand price sensitivity because it was one of the most critical variables in a business's pricing decisions. Today, customers had easy access to information and were well-versed in their current purchases. Therefore, it could be said that customers were price-sensitive since they sought the best return on their investments of money and time. However, in general, the costs of producing, distributing, and selling a product or service played a role in pricing a product. This included determining the price based on the cost of raw materials and production.

“Retail price. But prices are different for agents. The agent will sell for RM39. The price of RM49 is a trick. Another thing I think for the long term, I’m afraid the raw materials (prices) will go up, so we can't go up in price. Let's say we want to sell it for RM45 since we have the print ready. That's my marketing.”

(Respondent 2 – R2)

“Hah. In a moment, onions went up in price by RM38, last week by RM21. I just bought it yesterday, for RM38. But it used to go up to RM45, RM47. I have to produce; I don't want to stop production.”

(Respondent 4 – R4)

Even if the method used to determine a product's price was the same for dropshippers and traditional business owners, dropshippers had a different profit margin. This was because the dropshipper's or agent's profit was based on the product markup, which varied depending on the level of the dropship industry. According to Sodero et al. (2021), the ability of retailers to squeeze margins out of suppliers gave them more freedom to raise margins and, eventually, profits. The organization's structure determined the profit share rate. The stockist, the agent, and the dropshippers were the three tiers of the dropshipping operation. Profit allocation was influenced by product and quantity. The stockist was required to buy in bulk, whereas the agent was required to buy in a specific quantity. Both parties split the earnings based on the number of units sold. They benefited from each product sold as dropshippers.

“Individuals who take 200 packs and above, are only eligible to become stockists. Individuals who take a little, become agents under the stockist.”

(Respondent 1 – R1)

“Okay guys we have a new product but this one, the capital for the agent is RM100 only, 20 units. One hundred, which means his capital is RM5. All very happy. Dropship is very happy. You can upgrade to be an agent with this.”

(Respondent 2 – R2)

Furthermore, the founders offered appropriate pricing to their dropshippers. It may have helped the younger generation generate an income. Therefore, the founder set a high commission to entice people to join the business. It also helped housewives generate an income. As a result, the majority of the individuals that joined this business model were housewives who wanted to help their families improve their living conditions.

“... I want to help this agent; I feel sorry for the agent. If we gives a high price; their profit is not much. Profit as much as RM1, RM2 only. The intention in my heart is to give the agent 1 pack (product) for RM5. That's when thinking is not for self-interest. So can help. At that time, we were housewives, we knew how hard it was, other people also wanted to do business.”

(Respondent 1 – R1)

“[...] look at IG (Instagram), people are asking for dropship. After that, I joined as a dropship bag. I can get profit a bag for RM5 [...].”

(Respondent 3 – R3)

In addition, sellers had to choose the best location for customers to examine and evaluate their products. Hence, the goods had to be placed in a visible location for purchasers to view. The objective of business administration was always to place their products in front of the most likely buyers. This could include placing products in stores, on social media, on the radio, and on the internet. Advertising, public relations, and promotional strategies were all used to show customers why they needed and should pay for something. With the rapid evolution of digital technology, the terms’ “location” and “promotion” were frequently used interchangeably. This was because most people could obtain information more easily online than offline. According to Phonthanakitithaworn et al. (2019), social media marketing was the quickest, cheapest, and most effective kind of advertising. Product placement was usually done on social networking platforms or e-commerce websites. Merchants also used advertising aids focused on specific customers.

“People don’t believe me; I do business online. Because even online I can do sales. But in fact, at that time online business was booming. Usually people will know through FB (Facebook) only. People will know from FB...”

(Respondent 1 – R1)

“Because our Facebook is like our shop.”

(Respondent 2 – R2)

“[...] okay we WhatsApp him, the broadcast [...].”

(Respondent 6 – R6)

“[...] We use ads more for branding awareness. He came out as a popup (on Facebook). It doesn't even sell. Then the best thing about the ads is the setting, if someone engages on the page (FB). Next, he reads any blog, meaning near the Facebook timeline, he opens the ABC (Facebook Page) and he can see the ads.”

(Respondent 5 – R5)

Marketing was a set of activities that aimed to influence customer responses (Thabit & Raewf, 2018). Sellers offered goods or services in response to what their customers desired. Therefore, sellers had to grasp the marketing mix and tailor their marketing response to products, pricing, locations, and promotions. Every business had to devise a marketing strategy that maximized customer satisfaction while attaining its business goals. Consequently, this mix was essential for attracting and maintaining target customers.

As a conclusion, the findings of this section were based on interviews with microenterprises that participated in social commerce. Often, microenterprises faced formidable obstacles in the areas of funding, financial management, business operating expenses, and marketing. Due to their small size and lack of collateral, microenterprises frequently struggled to attract loan providers and investors. Hence, they usually used personal money or borrowed from family or friends to start businesses. This made it difficult for them to invest in equipment, inventory, or other assets that would have helped in the development of their business. In addition, microenterprises lacked the financial management skills and resources necessary to effectively manage revenue, expenses, and cash flow, resulting in challenges while operating their business. Costs for business operations, such as rent, utilities, and payroll, also put a burden on microenterprises, particularly those that were just getting started. Some of the entrepreneurs did not take salaries for certain periods to stabilize their business finances. Finally, marketing was challenging for microenterprises that lacked the financial resources to hire specialized staff or outsource marketing operations, making it difficult to reach potential customers and build a good brand name. Despite these hurdles, microenterprises could be successful through the creation of a good business plan, the building of a network of partners and coaches, and the use of innovative approaches to manage funding, financial management, business operating expenses, and marketing.

#### **4.3 The Success Factors for Microenterprises Engaging in Social Commerce**

Every business, no matter how effectively it was run, had to deal with a range of issues. This was because unforeseen obstacles might arise, some of which were totally beyond the

business's control. For instance, an economic slowdown or a trader's injury might have caused a significant decline in business income. Additionally, due to the COVID-19 epidemic, which caused shops to be closed and quarantined, many brick-and-mortar businesses were forced to switch to online sales, which hurt their income. Microenterprises encountered many challenges as they operated their businesses. Therefore, microenterprises needed to make sure that each of the success factors listed below helped entrepreneurs compete and grow in the market.

#### **4.3.1 Financial Management**

One of the most essential components of accounting in a firm or business is keeping accurate records of financial transactions. Adeola et al. (2021) also stated that strong record-keeping and financial management skills helped businesses succeed. Nonetheless, there were some entrepreneurs who disregarded this factor, which resulted in financial-related issues for the business. Consequently, it left businesses without enough money to buy raw materials or restock their products. If a business owner did not have enough cash, they could not pay their bills or make investments to grow their business.

“I feel, when I want to order goods, he is busy with no goods. After that, I said you all have a problem. If I want to order 300 packs, he sends 200 packs. [...] If you look back, it looks like he has a capital problem.”

(Respondent 1 – R1)

The above statement implied that some entrepreneurs had a shortage of capital. This

indicated that there was no systematic element to financial record-keeping, which could have helped avoid problems in buying and selling transactions within the business.

Entrepreneurs also blended their personal and business finances. Combining or blending business and personal funds was a risky activity or practice that made managing cash flow more complex and could lead to capital flow concerns for business operations. Entrepreneurs who solely utilized personal accounts as business accounts were unable to effectively track all cash inputs and outflows related to their businesses. In addition, it was difficult for them to verify business-related deductions or transactions. Therefore, they might have used business funds for personal purposes. The problems below were examples of what could happen when entrepreneurs were not good at managing their money, especially when it came to mixing business and personal funds.

“And in financial terms [...]. He is, when he gets sales, he does not separate capital and profit. Finished, he spent the money. So, when he wants to renew, he has no capital to buy the product [...].”

(Respondent 1 – R1)

"[...] We rob our own business money [...] if we don't have enough money, we take capital money [...].”

(Respondent 6 – R6)

Accounting and budgeting are two key components of financial management in a business.

Thus, any inefficiencies or oversights in these areas could have had a major influence on the financial success of the business. Entrepreneurs were not required to engage a professional accountant, but they should have taken classes or lessons or used accounting software to learn how to keep track of or manage their finances.

“I’m a regular record. Still in the book. (Participants record business transactions in books.)”

(Respondent 4 – R4)

“Yes, manual. (Participants record business transactions in books.)”

(Respondent 5 – R5)

“Because there is an account, there is a special bank account. So, it looks like, I don’t have a note but look closely at the bank statement. (Participants do not record business transactions but use business accounts as a guide to keep track of business transactions.)”

(Respondent 7 – R7)

Still pertaining to financial management, many businesses have fallen into the trap of overspending on advertising without fully comprehending its impact. It caused targeted advertisements to go unnoticed by consumers and was frequently a waste of money and resources. Similarly, outsourcing everything to a marketing agency may not have been appropriate in some business settings due to the high marketing charges and the inability

to guarantee the intended outcomes. Instead, business owners should have educated themselves on advertising so that they could make better-educated decisions with fewer advertising costs. Consequently, firms had more capital to invest in other critical components.

"They (Founder) do nothing [...] want to say you make an FB ad does not exist. I want you to say that there is no newspaper, no radio. You created a billboard. That's your marketing. That's the dumbest marketing. I guess. Billboard is not good marketing for the first year. People who have a new business for 3 years dare to make billboards. But you make a billboard first. And the thing is, marketing doesn't even move. Billboards do not move [...]. It's good that you do marketing in newspapers, on radio, or in ads. [...]. Make a billboard 5. 5 billboards he puts up. A billboard cost 24-35 thousand. Look at the location, the most stupid is the billboard with his face on it."

(Respondent 2 – R2)

Moreover, business owners were often associated with unnecessary expenditures. This was particularly prevalent among businesses that were in the boom phase and wanted to seem more successful than they really were. This may have led to excessive spending by business owners. For instance, they purchased fancy vehicles, cell phones, jewelry, and extended their office space.

"Instead of driving MYVI (car model) for 5 months, the time of high

demand for products, he (founder) bought Vellfire. Okay, we're thinking of branding. Branding is important. Okay he bought a Vellfire... after buying a Vellfire, he bought a GTR, he bought that, bought this. After that, we as titan (stockist) said eh, there is no marketing.”

(Respondent 2 – R2)

It could be concluded from the preceding discussions that many unanticipated challenges existed for business owners, particularly in terms of finances. Inadequate financial flow or erroneous monthly reporting, for example, could stifle small business growth. Businesses had to keep accurate records and understand the steps and controls required to remedy the situation to avoid financial calamity. Therefore, it was critical for organizations to ensure that their financial management was always structured and updated in order for them to remain competitive in the industry.

#### **4.3.2 Management Skills**

The activities of a microenterprise differ from those of a large corporation in that the latter has a more methodical management structure. The majority of these microenterprises, however, were self-managed by their owners. As a business grew, the owner's functions got more challenging, and leadership became more essential. The ability of owners to mold their staff into a team capable of running the system efficiently and effectively was one of the most critical components of a microenterprise's long-term success. Furthermore, Lampadarijos et al. (2017) demonstrated the importance of managerial talent in business operations. The necessity of efficient management for the success of any form of business

organization is well acknowledged in business literature (Al-Tit et al., 2019; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019). Therefore, entrepreneurs' ability to properly manage their businesses was a crucial aspect in deciding the outcome of their business. If business owners could not put together effective teams and manage business operations, it would be difficult for their businesses to grow and survive. The next excerpt shows how important it was for microenterprises to have business management skills in order to stay in business.

“[...] Last year I got an offer from this agent, he wanted to sell his business [...] So at that time he offered, he couldn't run (the business). When looking back, apparently, he has a capital problem. But the real most important is in terms of management. He can't run his business.”

(Respondent 1 – R1)

Most business owners were constantly active in their day-to-day tasks. This was due to the fact that business owners were responsible for the continuation of their business-related operations. However, as a business grew, its owners had to form teams and learn to delegate tasks. Problems developed when company leaders lacked confidence in their staff and were unwilling to accept their viewpoints. Thus, if the business owners did not know all of the business-related solutions, their staff may have felt unappreciated. Consequently, it would have made it harder for businesses to come up with new ideas and change with the times.

“I think, all founders when the leader speaks, the leader shares his opinion.

He (founder) thinks we (stockist) don't know anything. He doesn't take our opinion. Don't take it from a positive angle. Most of my founders work together in all sorts of ways. He will hate us; feel we have no knowledge. Even though we are talking for the good of the product.”

(Respondent 2 – R2)

Furthermore, the lack of human capital increased the risks associated with microenterprise business operations. The majority of microentrepreneurs had less experience running a business. This was due to a lack of adequate training to cultivate their human capital. They lacked managerial, marketing, financial, and information technology abilities since they had not received adequate business management-related training. Businesses with high skills in human capital, according to Lampadarios et al. (2017), were more effective, efficient, and successful. If business owners did not have the right skills and training, they might run into problems.

“Entering the 3rd year is okay, [...] while doing business, I struggle because I don't have a background (business knowledge) [...]”

(Respondent 2 – R2)

To recapitulate, in order for microenterprises to have been sustainable in the highly competitive environment of the past, entrepreneurs or owners had to commit both financially and in terms of time. This was done to ensure that human capital, which was a key business asset, could run business operations well enough to keep the company or

business competitive and important in its field. Business owners had to invest sufficient time and resources to develop a productive team. So, business owners had to be committed to providing their employees with the tools and resources necessary for enhanced performance.

### **4.3.3 Technology**

Technology had an impact on the success of microenterprises engaging in social commerce. Advances in digital technology had offered new possibilities for businesses to sell their goods and services, manage their finances, and simplify their operations, making technology an increasingly vital part of their business strategy (Surya et al., 2021). For instance, businesses could enhance their financial performance and automate routine tasks by using information technology. It also boosted their productivity, decreased their expenses, and helped them acquire a competitive edge in their sector by using innovative technology (Lukonga, 2020; Surya et al., 2021). For instance, participant R5 said that she used a messaging application to handle customer feedback for their business. As a result, the use of technology had become an important part of how businesses grew and expanded (Zapata Márquez et al., 2019).

Microenterprises have greatly benefited from using information technology like social media platforms, online forums, and messaging apps (Zapata Márquez et al., 2019). Social commerce was also a digital channel that allowed businesses to engage with customers and get their feedback (Hassan & Shahzad, 2022). It helped them to engage with their clients, partners, and other stakeholders using these technologies. Participants R6 and R7 reported

that they used Facebook to promote their product. They could also participate in real-time discussions and get feedback. For instance, microenterprises could use social media to market their goods and services, publish reviews and testimonials from previous customers, and react to problems and concerns raised by those customers. Participant R5 had said that she used a messaging app to engage with customers and collect their input on their products. Hence, microenterprises had to be well-prepared and ready to be trained as effective social media users for their business. This was because social media facilitated business expansion by broadening their target audience (Hassan & Shahzad, 2022).

“Okay, before this, we bought an SMS system. So, there will be a clerk who will enter the name and phone number into the system. So, in the system, we type "ask for feedback from the customer from January," and the system will send a message to all contacts in January. At the same time, I will enter the link for customers to share testimonials; usually, we will keep asking, so he (the customer) will share directly.”

(Respondent 2 – R2)

Moreover, technology played a crucial role in the success of businesses since it allowed them to create revenue by gaining access to new markets and target audiences (García-Perdomo & Magaña, 2020). Hence, there was an increase in the number of businesses connecting with their customers digitally, whether via social media or online advertising (Toor et al., 2017). Additionally, technology helped microenterprises manage their money and operations more effectively (Bvuma & Marnewick, 2020). Social networking sites

such as TikTok make it simple for microenterprises to collect customer payments and could facilitate the streamlining of order processing and delivery (Hasim & Sherlina, 2022). By automating common activities and procedures, microenterprises could cut expenses and boost productivity, enabling them to concentrate on expanding their operations and enhancing the customer experience. Participant R3 described how she advertised her products on Instagram and TikTok to simplify the purchase experience for potential buyers and increase sales.

#### **4.3.4 Marketing**

Usually, major corporations had access to a team of qualified and skilled marketing experts, while microbusiness owners were forced to handle all these responsibilities alone. In most cases, the owners performed this duty without any training. Business owners lacked marketing expertise and understanding. This was due to the lack of marketing training among these microbusiness owners, as evidenced by the absence of formal planning, inadequate consumer understanding, an absence of market research, and inefficient use of advertising.

“Social media has Facebook, but now it's a little chaotic. So, I did not update.”

(Respondent 4 – R4)

Furthermore, microenterprises sought to build a brand identity. Marketing helped microenterprises build a strong brand identity. This entailed producing a logo, developing

a unique selling point, and identifying the target market (Bravo et al., 2017). By developing a distinct brand identity, microenterprises could distinguish themselves from rivals and increase brand awareness. A brand identity, which was the essence of almost everything a business was and did, inspired consumers to buy products and promoted brand loyalty (Bravo et al., 2017; Srivastava & Rai, 2018). Thus, brand identification was vital to the success of a business. This was because the logo represented the "face" of the firm (Wheeler, 2022). It conveyed the business's individuality to the audience. A brand that constructed a face and continuously maintained that face throughout time gained credibility among its rivals and consumer trust. A business with a face and an industry reputation was well-equipped to advertise itself and leave a lasting impression on prospective customers. Brand identity could aid in acquiring new clients and retaining current ones. It attracted those who agreed with the brand's offerings. Yet, once these individuals became consumers, the brand identity provided them with a feeling of belonging (Büyükdag & Kitapci, 2021). A quality product attracted consumers, whereas a good brand attracted advocates (Wheeler, 2022). This was shown by the following participants (R1 and R2), who indicated that brand identity was vital to businesses:

“When you're running a business, when you have all the agents, you have to do the packing, which includes self-packaging and self-adhesive stickers. Yes, that is indeed our uniqueness.”

(Respondent 1 – R1)

“But people say maybe because our personal branding is strong, we sell

whatever people trust to buy. But I'm sure it's the concept of trust. Because we are considered trusted sellers, right? Anything we sell, people will want to buy because they know we sell quality things.”

(Respondent 2 – R2)

Additionally, developing an online presence is a crucial part of marketing for businesses (Lányi et al., 2021). A robust online presence could assist businesses in reaching a larger audience, showcasing their goods or services, and establishing a loyal following (Makrides et al., 2020). Microenterprises used social media to reach their target market and promote their goods and services. They could exhibit their products, communicate with clients, and establish a loyal following through social media platforms such as Facebook, Instagram, and TikTok. For example, participants R1, R2, and R5 mentioned that they did business online because Facebook allowed them to show off their products, set target audiences, talk to customers, and grow a loyal following. Participant R3 also mentioned using her Instagram and TikTok to promote her products and make it easier for customers to see them. Therefore, microenterprises needed to determine which social media channels were most pertinent to their target demographic and establish a presence on those platforms. They needed to keep up a steady posting schedule and interact with their audience to maximize their exposure.

In marketing, social engagement is also essential (Yuan et al., 2020). It assisted businesses in establishing customer relations through two-way communication (Li et al., 2020). This could aid in establishing customer confidence and trustworthiness, which are essential for

long-term success (Gong, 2018). In addition, social interaction allowed customers to share their experiences and opinions, which increased brand visibility (Gong, 2018). Secondly, social media communities and involvement could increase customer loyalty (Gong, 2018). This could develop a customer base that would return and promote the business. For instance, participant R2 noted that she always interacted with customers on his Facebook page to enhance her personal brand, so when people saw her selling items or promoting a new product, they had confidence in her to purchase. In addition, businesses could gain a deeper understanding of their target demographic and make better product, marketing, and customer service decisions by monitoring consumer feedback and social media participation (Li et al., 2020). For instance, participants R5 and R6 said that they asked customers for feedback in order to improve the operation of their business. Hence, social interaction assisted businesses in establishing relationships with customers, increasing brand recognition, fostering customer loyalty, gaining insights, and retaining customers.

In short, marketing was critical to any business's success and had a significant impact on its growth. According to Varela et al. (2017), a smart marketing strategy is vital for business success. Alfoqahaa (2018) agreed that a well-planned marketing strategy could help a business or product gain more attention. Business owners had to grasp marketing strategy since it required them to constantly devise new plans in order to improve customer satisfaction and boost sales.

#### **4.3.5 Supplier Management**

Managing supply, regardless of the size of a business, is a daunting endeavor for any

entrepreneur. Entrepreneurs faced challenges as a result of suppliers' insufficient product supply. This was due to certain suppliers ceasing manufacturing in order to upgrade packaging, resulting in insufficient product supply to satisfy customer demands. This was supported by the below statement:

“Because you suddenly want to change the packaging, you suddenly stop production [...]”

(Respondent 2 – R2)

Moreover, some suppliers were unable to meet the demand from business owners. This inhibited business owners' ability to meet the requirements of their customers to the point where it could affect the good name of their business, as highlighted in the following statement. As a result, it could be stated that the characteristics of a good supplier's image and track record must be considered in long-term business transactions. This was an important and critical factor that microenterprise entrepreneurs had to consider.

“[...] when I want to order goods, he is busy with no goods. After that, I said you all have a problem. If I want to order 300 packs, he sends 200 packs. [...]”

(Respondent 1 – R1)

Another issue with suppliers was quality issues. Before engaging in business transactions, microenterprises undertook exhaustive research and due diligence on possible suppliers to

minimize quality difficulties. It was important to make sure that the suppliers had a track record of making high-quality goods and had put in place the quality control measures that were needed. Also, it was important to build good relationships with suppliers and keep the lines of communication open in case there were any quality problems. If quality problems were not fixed, unhappy customers, lost business, and damage to the microenterprise's reputation could happen. Microentrepreneurs had to put quality control at the top of their supply chain management to keep customers happy and make money.

“In the middle of having fun selling products for more than a year, suddenly the quality of the product is getting worse. Falling quality.”

(Respondent 2 – R2)

In conclusion, this section emphasized the importance of suppliers in assuring the existence of a firm, particularly microenterprises. For example, the significance of suppliers supplying quality and adequate products to entrepreneurs was considered. According to Nyoni and Bonga (2018), quality was a key factor in a firm's continued success at any stage of its development. This observation was shared by Phonthanukitithaworn et al. (2019), who stated that quality was the key to corporate success. Businesses should not only choose the correct supplier but also regularly check their supplier to guarantee product quality and adequate stock levels. Consequently, supplier selection was one of the most difficult purchasing decisions. According to Colla and Lapoule (2012), purchasing was essential because company operations had to ensure the availability of desired goods and services. Tsironis et al. (2017) also emphasized the significance of choosing the proper business

partners (suppliers) and cooperating effectively. Not selecting the best supplier could reduce operational efficiency. Thus, businesses had to be careful when choosing their suppliers to make sure their customers could get high-quality goods.

#### **4.3.6 Government Support**

Government support was critical for businesses to overcome obstacles and grow. The degree of preparedness of businesses to compete and overcome market hurdles was one of the issues impeding their growth and development (Hossain et al., 2022). Furthermore, inconsistencies and shortcomings in management, as well as a lack of industry exposure, contributed to these concerns. As a result, critical microenterprise growth training programs were required to assist microenterprises in discovering their potential. Therefore, government-linked agencies assisted microenterprises through a series of training courses aimed at assisting them in learning and overcoming business hurdles. Digital marketing strategy, financial management, e-commerce-related businesses, product development, and business strategy were some of the training options. Respondent G1, as a government agency's representative, explained:

“[...] we provide financial assistance and guidance to entrepreneurs [...].”

“[...] basic finance courses are among the courses we provide. We will invite the identified entrepreneurs to attend this course's training.”

Respondent G2 expressed similar sentiments:

“We know the entrepreneur better. What does he want? What does he need [...]? How do we guide him in terms of his problems? In many ways, we provide coaching and mentoring sessions.”

“There are around 20 issues related to e-commerce alone. So, it can be said that it (training) covers practically every aspect of e-commerce.”

To remain competitive in today's dynamic market environment, training programs have to be continually updated to reflect the ever-changing and expanding business environment. Respondent G1 also said that experienced entrepreneurs were asked to act as coaches or mentors and talk about their business experiences to make sure the training program worked and had an effect on the entrepreneurs who took part.

“[...] hire an outside consultant.”

Respondent G02 made a similar statement:

“[...] we invite panels from industry players, [...] to provide free coaching to entrepreneurs or anyone on social media related to this pandemic. how to solve problems, how to do business, how to organize finances, how to create promotions [...].”

Even though the relevant agencies provided training, the module was only for novice or new business's owners. The Respondent G1 states:

“We share only the basics.”

Additionally, Respondent G2 discusses training and its module.

“There are modules that we provide [...] we provide for these entrepreneurs.”

Furthermore, the preceding remark suggested that training programs were divided into three stages: fundamental, intermediate, and advanced training programs. Although participation in training programs was free, anyone interested in more advanced or intensive training had to pay the following fees. Respondent G1 mentioned the following:

“Anyone who wants to apply for training is welcome to do so; it is completely free [...]”

“[...] we only offer basic (training). (For) others (training), and people (facilitators) will later recommend it (other related training) [...] for example, they (facilitators) will organise additional paid courses, and he will advertise them to participants.”

Also, Respondent G2 outlines training and the module that accompanies it.

“[...] programs implemented by, XYZ (agency), but implemented by consultants or by entrepreneurs [...] usually basic business courses on how to start, how to learn marketing, the basic training we provide [...]”

“In fact, when we provide basic training, the moderator will recommend that you proceed to the next (level) course. Of course, it must be paid.”

According to the situation outlined above, relevant agencies provided basic training rather than in-depth and comprehensive training capable of meeting the demands of entrepreneurs. This, of course, contradicted the agency’s claimed objective of aiding and encouraging microenterprises. Even the training programs supplied seemed to serve as a landing platform or marketing field for some parties. Nonetheless, the vendor relationship was advantageous. This was because merchants or vendors could establish relationships with industry leaders and thereby broaden their commercial opportunities. Additionally, participants learned about business and how to overcome business obstacles from experienced professionals. Respondent G1 mentioned the following:

“So, now, it's an easy way to sell online, he has a place to meet. At this meeting, he will discuss what he needs there.”

Respondent G2 made a similar statement:

“This Biz Network program we focus on helping entrepreneurs affected by the pandemic to create a network that is B2B or B2C and also to promote products to the community.”

“And also, our program is encouraging, for example if the entrepreneur makes a program (Biz network program), at the same time, the entrepreneur will offer to the participants of the program to be an agent, dropship. Participants can join. There, we can learn a lot from the entrepreneurs involved, and many also apply with the entrepreneur to be an agent, to be a dropship for the entrepreneur's product.”

Numerous training approaches were developed to assist entrepreneurs in developing their business skills and motivating them to sustain themselves in the market. E-commerce-specific training modules were also incorporated. This involved supporting entrepreneurs in becoming acquainted with the usage of social media platforms such as Facebook, Instagram, and others for commercial purposes, as well as e-commerce platforms or applications such as Shopee, Lazada, and others. This course covered the fundamentals of e-commerce, such as creating advertising and marketing strategies. Respondent G2 asserted:

“[...] and at the same time, we created a training program, the topic of the module is more to e-commerce. How to take pictures, identify ... how to create videos, for social media, how to market, how to do business with Shopee, how to do business with Lazada [...].”

“[...] lots of need for headlines, analytics data and what’s in Google. How do we use Google? We have how to know, what time we want to do business, what product, with whom we want to sell [...].”

Respondent G01(government agency’s representative) also made a similar statement:

“For this online entrepreneur, now we have prepared a platform for him [...]. Indirectly we guided him.”

In terms of e-commerce-related training, those programs typically included e-commerce technology methodologies and procedures as well as training on how to use e-commerce technology and run an online business. Entrepreneurs had identified the e-commerce business system as a means of starting a business without requiring external funding. This was made possible by the dropshipping business model. Because the dropshipper was not responsible for any storage or acquisition expenses, it was not liable for any storage or acquisition costs. This was a supply chain management strategy in which businesses sold items without stocking them in-store, instead relying on the manufacturer or wholesaler to ensure that they were available when consumers needed them (Kamalapur & Lyth, 2020).

When it came to dropshipping, this was a business that everyone, regardless of age or experience, could benefit from. This business was ideal for supporting individuals, particularly those in B40, in enhancing their standard of living because it could be

undertaken at any time and from any location. In other words, the business model had created opportunities for individuals who lacked the capital required to start a business, particularly microenterprises. In terms of economic development, this business model could assist the government in accomplishing poverty eradication initiatives and raising the population's economic living standards (Economic Planning Unit, 2017). Various organizations educate entrepreneurs on these business concepts to help microenterprises develop. Respondent G2 asserted the following:

“[...] Huh that's taught (for dropshipping). We teach, it's fun. Need to train what techniques and tactics to be an entrepreneur without a product. There is no capital.”

“We also have the topic [...] dropshippreneur. How to make.”

In addition, participants were taught how to find dropship agents and build business groups to better understand the benefits of dropshipping. Furthermore, the organizers encouraged the training participants to maintain their enthusiasm for starting their own businesses. The program was open to all individuals or persons, regardless of demographics such as B40 or M40. This allowed non-B40s to boost their income and quality of life while also contributing to the national economy. This was supported by the following excerpt:

“[...] examples of programmes we offer... entrepreneurs explain how to find an agent or dropshipper. This course is open to B40 or M40 individuals looking to boost their income... so that they can join and take advantage of

opportunities with established entrepreneurs. Aside from that, if he wants to learn how to do business on Shopee, we can help. He will, God willing, generate that income. In fact, at Shopee, we educate people on the best business tips.”

“[...] How to market on Shopee and make it visible on the platform... there are techniques and tactics to attract people to join Shopee [...].”

(Respondent G2)

Government agencies worked together to achieve the goals of entrepreneurial training. This was meant to encourage the sharing of ideas and identify the most effective strategies to expand business prospects for target entrepreneurs. In today's economic environment, significantly more emphasis is placed on helping businesses compete and prosper. This could be accomplished through projects and ideas such as developing an app to assist entrepreneurs in running their businesses. Respondent G2 observed that:

“[...] we cooperate with D agency to develop applications or provide apps (Apps) that are ideal for entrepreneurs. For example, to learn financial management, learn to handle firm finances, these apps are available and ideal for them [...]. We also request apps from D agency about what platform is best for them (entrepreneurs). What apps they should utilise [...] or which payment gateway is best for them. That is what we do in collaboration with other agencies [...].”

The COVID-19 epidemic, on the other hand, had a negative impact not just on the business sector but also on the provision of training to entrepreneurs. The deployment of physical and face-to-face training or courses was forbidden because of the epidemic's standard of procedure imposed by governments. In fact, this undermined the government's stated goal of encouraging individuals to become entrepreneurs by preventing them from relying solely on their staff or employees. Nonetheless, the organizations involved worked hard to develop plans that would help them reach their goals in each case. Respondent G2 pointed out that:

“[...] we focus on helping entrepreneurs affected by the pandemic (COVID-19) to create a network that is B2B or B2C and also to promote products to the community.”

“We have two methods we arrange. An offline and online method. With the increasing number of this epidemic (COVID-19), we are meeting online, if the situation is relieved, we will go back to offline. The reason is that this learning method has positive effects, pros, and cons. There is more physical impact”

“[...] in addition, we developed a unique programme for stewardesses who have lost their jobs. We teach them how to do business, identify target products, and so on... we will continue the programme so that we can assist individuals affected by the pandemic [...].”

New graduates could also benefit from business education and training opportunities. It can be difficult for new graduates to find employment in the current economic climate. Consequently, government-sponsored entrepreneur training programs work well for them. This helps the government lower the unemployment rate, particularly during an epidemic.

“[...] currently, there are numerous graduates, as well as current and new entrepreneurs, especially during this COVID period [...].”

(Respondent G2)

Government agencies have acknowledged the consequences of COVID-19 on current businesses. Consequently, they have developed business recovery solutions that are suited to the entrepreneurs they oversee. However, the execution of this approach is aligned with the government's Movement Control Order (MCO). Nevertheless, due to the length of the MCO, the economy took longer and was more difficult to recover. Respondent G2 observes that:

“When it was declared that social distancing would not be tightened, implying that people would be able to move, we at the agency launched a new programme - the Biz Network programme. This programme focuses on assisting entrepreneurs affected by the epidemic in creating a B2B or B2C network as well as promoting items to the community.”

Respondent G1 also mention that:

“Only covid time we go online. Now we make the application physically, have to come to the office.”

The conclusions in this section were based on findings from interviews with organizations that provided training and guidance to entrepreneurs. Financial management and accounting, marketing (conventional or digital), e-commerce, product development, and business strategy were among the subjects covered. However, it was discovered that the training programs provided by these agencies overlapped. For example, almost all agencies provided training in financial management and marketing. In other words, their training programs were comparable. Thus, it was believed that the agencies would be more effective if they could identify certain niches in order to better match the training supplied to entrepreneurs with its aim or direction. The training and coaching process would be more successful if the agency could provide a more customized or targeted training program.

Furthermore, as technology and online business evolved, the significance of online business training grew. This may have been a result of the COVID-19 outbreak, which had a substantial impact on the evolution of Internet commercial systems. Therefore, the organization's role in assisting businesses and individuals affected by the MCO's enforcement was crucial. Indirectly, the pandemic expanded online training that helped people create a livelihood via online business.

Overall, although several aspects could contribute to the success of microenterprises,

interviews with microenterprises involved in social commerce revealed several important factors that contributed to their success. Besides government support that provided loan funds, training, infrastructure, and other related initiatives, other success factors such as financial management, marketing, management skills, technology, and supplier management also played a significant role. The analysis of this study found that all these factors needed to be integrated to obtain maximum results. In other words, these factors were interdependent on each other.

#### **4.4 Propose a Business Success Framework for Microenterprises Engaging in Social Commerce in Malaysia**

This study developed a framework of Success Factors (SFs) for microenterprises based on the preceding discussions. The Critical Success Factors Model of e-Business (Tsironis et al., 2017), Critical Success Factors: 3E Model (Nyoni & Bonga, 2018), and the Click and Drive Model (Colla & Lapoule, 2012) were used as theoretical lenses in the development of this model. The study framework was comprised of the following seven elements: funding; financial management; marketing; technology; management skills; supplier management; and government support. (See Figure 4.1).

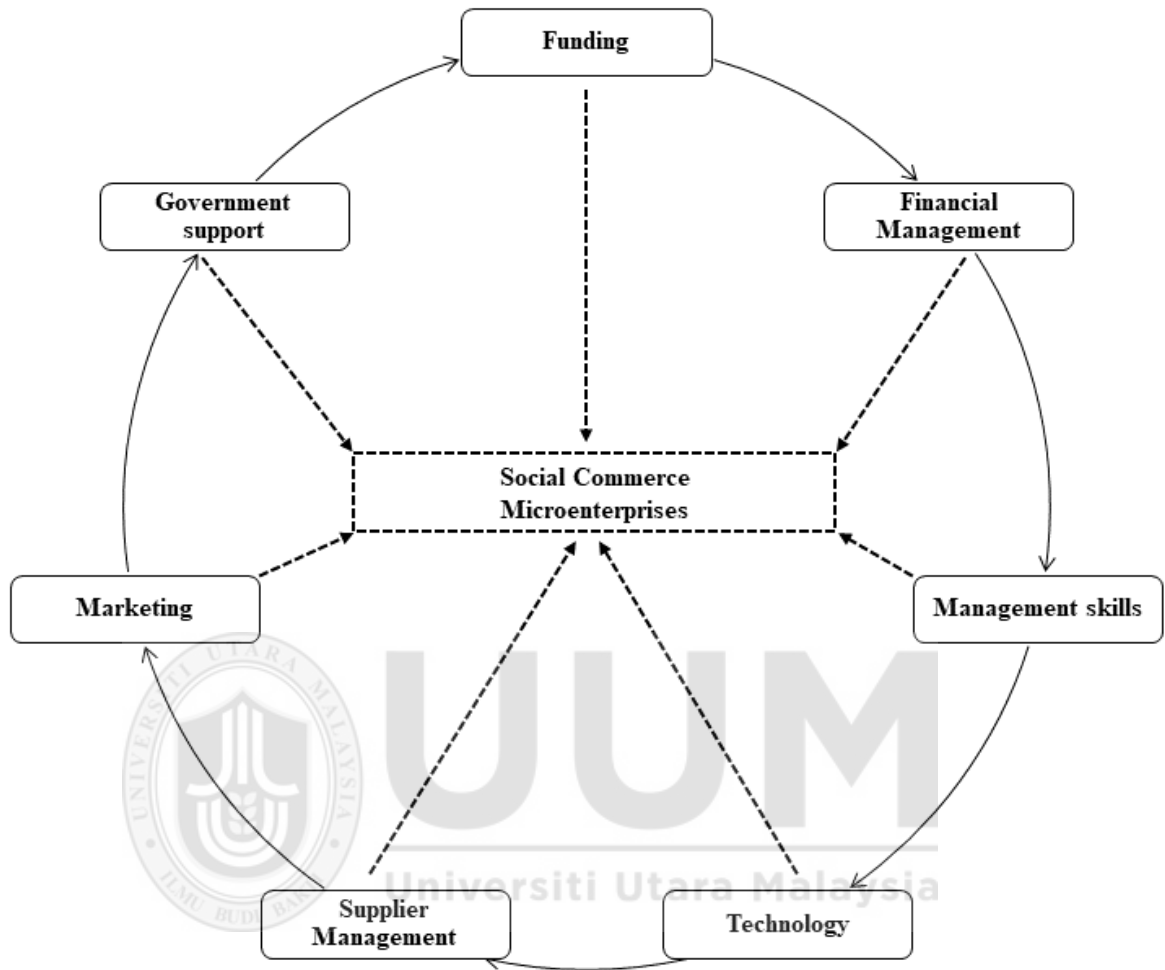


Figure 4.1

*Microenterprise Success Factors (MSFs) Model*

Source: Developed by researcher for this study

This study featured seven factors that may have helped microenterprises sustain in the dynamic business environment. To start a business, every entrepreneur required funds.

Funding was a vital component for business performance, according to studies by Rafiki

and Nasution (2019), Al-Tit et al. (2019), Gupta and Mirchandani (2018), Nyoni and Bonga (2018), and Boakye et al. (2018). There were numerous financing options available, including self-funding, grants, guarantees, direct loans, and indirect loans. Entrepreneurs, for example, were willing to mortgage treasures or assets and go into debt to begin a business. This was done so that entrepreneurs who wanted to start a business could have money to pay for their startup expenses. Government incentives were, according to Durst and Gerstlberger (2021), the primary source of finance for small and medium-sized businesses. The effective execution of aid programs by government agencies stimulated innovation and entrepreneurship while increasing the efficiency of microenterprise operations.

Furthermore, government agencies helped microenterprises in growing economically and socially by providing adequate funding and training. However, the importance of capital could not be overstated, as it needed careful financial planning and was the responsibility of entrepreneurs. When establishing the amount of money needed to launch a business, several aspects had to be considered. The amount of business capital necessary was determined by the type of business they wanted to embark on. This was because each business required a different amount of capital. Entrepreneurs had to keep track of all their expenses and estimate the total cost. This factor was in line with previous research. For instance, Gupta and Mirchandani (2018) highlighted the significance of start-up financing for business owners. Similarly, Al-Tit et al. (2019) and Boakye et al. (2018) argued that access to capital was important to enterprises since it was one of the requirements for business success. This factor was also consistent with the findings of Nyoni and Bonga

(2018), who discovered that financial assistance was one of the CSFs of SMEs. This implied that entrepreneurs required capital to operate or grow their businesses. As a result, every organization sought funds for its operations. Hence, the factor "funding" represented microenterprise SFs.

Financial management entailed funding, record keeping, and cost management. Many studies have emphasized the significance of financial management for businesses (Adeola et al., 2021; Gyimah et al., 2019; Rafiki & Nasution, 2019; Seman et al., 2019; Mabhungu & Van Der Poll, 2017). Keeping records was an important part of financial management because it meant keeping track of all business activities. Recent studies by Adeola et al. (2021), Gyimah et al. (2019), and Baidoun et al. (2018) supported the notion that businesses that had strong record-keeping and financial management skills were more likely to succeed. Therefore, every business had to keep records since maintaining accurate records allowed business owners to track their growth. This was important for entrepreneurs to get information about their current financial position, sales of goods, and costs. For instance, business owners used this information to assess sales earnings and losses and to make investments in property and equipment. Additionally, it facilitated the preparation of accurate financial accounts. This consisted of the income statement and balance sheet. These statements may have aided entrepreneurs in their dealings with banks and creditors, as well as in the management of their businesses. This factor was congruent with the findings of Tsironis et al. (2017), who discovered that financial information was critical and was associated with increases in overall business performance.

With the right business records, business owners could ensure that business funds were used correctly and could keep business money separate from their own money. Consequently, a solid track record might have boosted business success (Adeola et al., 2021). Gyimah et al. (2019) and Baidoun et al. (2018) supported the notion that businesses that could maintain records and manage money had a better probability of success. Entrepreneurs could assess expenses more accurately if they maintained proper records. This was important because it helped business owners make sure that the price of a product considered all costs. For example, the cost of raw materials, labor, and other expenses associated with business operations assisted entrepreneurs in determining the selling price. Proper cost calculation methods helped evaluate and increase product profitability. Hence, excellent record-keeping and financial control were critical to the success of a business.

Equally vital for the success of a microenterprise were business management skills. The business literature widely acknowledges that effective management is essential to the success of any category of business (Al-Tit et al., 2019; Rafiki & Nasution, 2019; Nyoni & Bonga, 2018; Trang, 2016). As a result, having effective management abilities was essential for microenterprise success. Proper management had been shown to be the key to success, whereas ineffective management had long been recognized as a significant factor in business failure (Nyoni & Bonga, 2018; Lampadarijos et al., 2017). Studies done by Trang (2016) and Choshin and Ghaffari (2017) that studied management abilities as one of the critical factors for business found that business management skills were also significant. This conclusion was further supported by the results of Lampadarijos et al. (2017), who

discovered that entrepreneurs with previous business knowledge and abilities had a greater likelihood of success than those who lacked such knowledge and skills.

Entrepreneurs needed to effectively manage both their business and their workforce. This was because good teamwork and effective management assisted in the growth and survival of businesses in a competitive market. Tsironis et al. (2017) integrated human resources into their model of e-business success elements. It included all the steps that had to be taken to boost the productivity and effectiveness of the workforce. However, this research indicated that microenterprises benefited more from managerial skills. This was due to the fact that microenterprises had relatively fewer workers than large corporations that had a comprehensive human resources structure. Hence, business owners needed to manage their businesses properly with the skills they had acquired. These results were congruent with those of Lampadariou et al. (2017), who concluded that managerial skills were the most well-established entrepreneurial determinant for SME success.

Technology was also a crucial element of the success of microenterprises that used social commerce. Several studies have been conducted to highlight the significance of technology for businesses (Tsironis et al., 2017; Lampadariou et al., 2017; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019; Al-Tit et al., 2019). Researchers had acknowledged the necessity of leveraging customer-focused technology such as social media (Ogilvie et al., 2018; Chuang, 2020) to appear more appealing to potential customers. Social media has helped businesses engage with their customers by enabling two-way communication about their goods and services (Chuang, 2020). By using social media, microenterprises could improve

the effectiveness of their marketing efforts and penetrate new markets (Rusliati et al., 2020).

Even though it may have been challenging for microenterprises to invest in cutting-edge technology infrastructure and hire professional staff to handle customer relations management, they could still manage their customer relationships using social media (Charoensukmongkol & Sasatanun, 2017). Entrepreneurs could use technology to boost their businesses' competitiveness by performing customer relationship management tasks via social media. Social media had become a platform for finding and sharing information, communicating with customers, building brand awareness, conducting word-of-mouth marketing, and introducing new products (Kumar & Reinartz, 2018; Li et al., 2020; Garg et al., 2020). Social media was increasingly essential to people's daily lives, and more and more individuals depended on it for their daily tasks (Sasatanun & Charoensukmongkol, 2016). Therefore, using social media as a customer relations management tool could offer microenterprises opportunities to expand their market by reaching out to more potential customers who also use social media (Sasatanun & Charoensukmongkol, 2016). Social media should be perceived as a powerful marketing tool that helped microenterprises enhance their business performance because it was easy to use and cost-effective (Charoensukmongkol & Sasatanun, 2017). In conclusion, technology was crucial to the success of microenterprises involved in social commerce because businesses had the potential to gain a competitive edge and increase their sales by making efficient use of technology.

The next factor, "supply management," pertained to the selection of an appropriate supplier and the maintenance of a successful and efficient supplier relationship. This factor was consistent with previous studies. For instance, Tsironis et al. (2017) stressed the importance of partner orientation as a determinant of e-business success. Thus, the selection of acceptable partners and effective coordination within the supply chain were crucial since failure to do so could slow down the operations of the business and negatively affect customer satisfaction. Mabhungu and Van Der Poll (2017) believed that organizations had to effectively manage their relationships with their suppliers if they wanted to maintain a competitive advantage and achieve long-term success. Entrepreneurs had to be able to manage the supply of commodities. For example, they had to be informed of the current status and product quality of the supplier. Both Nyoni and Bonga (2018) and Phonthanakitithaworn et al. (2019) concurred that quality was essential to the success of a firm. Therefore, it was essential to have effective supplier management to ensure that the products supplied by suppliers were of high quality. Therefore, businesses had to choose a supplier that delivered consistent and reliable services at a fair price. This was due to the fact that any change, such as a decrease in product quality or an increase in supplier prices, had a negative impact on businesses.

Marketing was another factor that contributed to the success of microenterprises. Marketing has been generally acknowledged in business literature as crucial to the success of businesses (Rafiki & Nasution, 2019; Phonthanakitithaworn et al., 2019; Alfoqahaa, 2018; Nyoni & Bonga, 2018; Lampadarios et al., 2017; Varela et al., 2017; Mohamad Radzi et al., 2017). According to Varela et al. (2017), the phenomenon of social networks

could be used by companies in a way that was beneficial to marketing, which enhanced the likelihood of such enterprises being successful. This had the added benefit of attracting the attention of those who were already frequent users of the Internet and reaching out to them with information about new goods and services. As a result, one could increase their target market by gaining clients via the use of these communication platforms. Alfoqahaa (2018) and Phonthanakitithaworn et al. (2019) conducted research that supported the idea that marketing made it more likely that a business would be successful.

Entrepreneurs used digital marketing to acquire new customers. Colla and Lapoule (2012) emphasized e-marketing in their critical success factors for the click and drive model. It was conducted using digital platforms, including search engines, websites, social media, email, and mobile apps. Utilizing these online media channels could provide customers with product information, facilitating the simplification of the purchase procedure for customers (Hassan & Shahzad, 2022). Entrepreneurs should have made the process straightforward and easily understandable. Entrepreneurs could also use social networking sites to build meaningful relationships with new and returning customers. By interacting with customers through social media, businesses could increase brand recognition and get a competitive advantage when customers were ready to purchase (Srivastava & Rai, 2018). Entrepreneurs could have utilized a variety of customer-accessible social media platforms for digital marketing, including TikTok, Facebook, Instagram, and others. This was because social media channels were a good place for businesses to advertise their products, services, customer engagement, branding, reviews, and loyalty (Yasiukovich & Haddara, 2021). Therefore, marketing was a factor that contributed to the growth of businesses.

The last factor was government support. This factor agreed with Al-Tit et al. (2019), who argued that government support was a vital component for business success. Phonthanukitithaworn et al. (2019), Gupta and Mirchandani (2018), Boakye et al. (2018), and Nyoni and Bonga (2018) supported these results with their emphasis on government assistance as a critical success factor for business success. This was because people who wanted to start their own business needed to know a lot about how to start and run one. Entrepreneurs had to understand financial management and be able to handle their own finances. This expertise could be obtained by entrepreneurs via the training they received from the government. Therefore, government support was essential for enhancing business growth. Access to funding and business coaching aided entrepreneurs in making wise business decisions.

Furthermore, government policies were essential for microenterprises to survive in a competitive market. This was because government policies facilitated the expansion of their businesses. This aspect was consistent with previous studies. For instance, Rafiki and Nasution (2019) believed that government policies were one of the elements that affected the performance of SMEs and fostered their growth. Al-Tit et al. (2019), Phonthanukitithaworn et al. (2019), Gupta and Mirchandani (2018), and Boakye et al. (2018) reiterated these findings with their focus on government support as a critical success factor for successful businesses. The lack of government backing would hinder the growth and development of small and medium-sized enterprises (Nyoni & Bonga, 2018). Therefore, governments needed to realize how important microenterprises were and pay more attention to their growth in order to strengthen economies.

All these factors contributed to the growth and sustainability of microenterprises. However, when microenterprises engaging in social commerce were unable to adapt to dynamic changes in the market and the technologies necessary for social commerce, they faced an impediment. Therefore, microenterprises needed to know about these factors to ensure they could run a successful business.

#### **4.5 Summary of the Chapter**

This chapter presented an analysis of interviews with microenterprise business owners engaging in social commerce. Specifically, the goal of this chapter was to answer three main objectives. It began by investigating the current state of microenterprises in the context of social commerce. Next, research on the success factors for microenterprises engaging in social commerce was discussed to help run their operations efficiently. This chapter concluded by proposing a model for microenterprises engaging in social commerce.

## **CHAPTER 5**

### **DISCUSSION AND CONCLUSION**

#### **5.1 Introduction**

This research aims to address concerns about microenterprises engaging in social commerce in Malaysia. This study is based on a qualitative research methodology and uses thematic techniques to examine the collected information. This chapter gives a summary of the most important results of the study, as well as suggestions, conclusions, and implications for further study.

#### **5.2 Overview of the Study**

This research investigated the elements that contributed to the success of microenterprises in Malaysia that were involved in social commerce. The success factors were identified based on past research and interviews with microenterprises involved in social commerce. The framework of this study was also based on resource-based view (RBV) theory and supporting theoretical lenses like The Critical Success Factors Model of E-Business (Tsironis et al., 2017), The Critical Success Factors: 3E Model (Nyoni & Bonga, 2018), and the Click and Drive Model (Colla & Lapoule, 2012). Resource-based view (RBV) referred to how businesses used their resources to improve their performance and get an edge over their competitors (Barney et al., 2001). A business needed success factors to do better and improve its performance. Utilizing these theoretical lenses as framework creation guidelines, this research proposed that success characteristics (see Figure 4.1) were essential for microenterprises to function more effectively.

### **5.3 Discussion of Findings**

The results of the study have been discussed in terms of the current situation of microenterprises involved in social commerce in Malaysia and the factors that led to their success.

#### **5.3.1 Current Situation of Microenterprises involved in Social Commerce in Malaysia**

Microenterprises have long been an important part of the economy (Muske & Woods, 2004). The rise of social commerce in recent years has created new possibilities for these firms to reach out to their targeted customers. Interviews and previous literature had shown that microenterprises in Malaysia that did social commerce faced the same problems as any other business, especially when it came to funding, financial management, business operating costs, and marketing.

Business owners had acknowledged that one of the factors limiting their growth was obtaining enough funding. Hence, most microenterprises often depend on personal finances for funding. They were prepared to mortgage assets to seek financing for a business startup. This was in line with what other research had found, since many studies (Abbasi et al., 2018; Mazzarol & Reboud, 2020; Zacharakis et al., 2020; Prijadi et al., 2020) had found that small businesses preferred to get money from their own savings and informal loans from friends or family. This was because they did not like to incur debt when launching a business and due to rigorous lending standards.

Most small businesses usually prefer to start with their own money. This was combined with the fact that bootstrapping, which was widely used and easily obtained (Waleczek et al., 2018), did not involve any commitment to pay back the loan. Besides, loan commitments would lead them to believe that their company's only goal was to repay its debts and had no plans for growth. Therefore, they would prefer to use their own resources rather than depend on those of a third party. Some entrepreneurs were so concerned about debt burden commitments that they would bring it up when the interviewer touched on the topic of capital during the interview process without waiting for the interviewer to ask about it.

Nevertheless, when businesses began to expand and could not satisfy the increased customer demand, they were compelled to seek assistance or incur debt in order to expand. Unlike external finance, self-financing, according to Fadil and St-Pierre (2021), could restrict expansion since it was dependent on the business's capacity to generate adequate money to meet its demands. According to Mohd Thas Thaker et al. (2020), it might be hard for microenterprises to get funding because of strict lending rules and a lack of collateral. Therefore, many small firms struggled to develop and expand. Thankfully, the Malaysian government recognized the necessity of assisting small firms and created several initiatives to give financial help to microenterprises, which offered low-interest loans to qualifying firms, allowing them to develop and expand. Most participants interviewed expressed that they obtained funds through government agencies in order to expand their businesses. Therefore, for businesses to grow, they could get loans and grants from government agencies.

One of the issues for Malaysian microenterprises engaging in social commerce was a lack of knowledge about managing money. Many small businesses struggled with managing money, which led to financial instability and, in some cases, business failure (Denton, 2020). Entrepreneurs were aware of the importance of effective financial management and how it impacted them in a variety of ways. They highlighted that managing money was difficult when they first began since they lacked expertise and experience. Several experienced business owners could handle money better because they had more experience managing money. Nevertheless, some entrepreneurs who lacked skill in managing money hired experienced employees to manage their accounts. Hence, financial management had to be prioritized by microenterprises involved in social commerce. This included keeping accurate records, keeping track of spending, and creating budgets. As a result, they were able to make better decisions about the business's expenses and ensure that they got the most out of their earnings (Eniola & Entebang, 2017). This was because many microenterprises handled their money on their own. They reported their own business activity. Few businesses use professional accountants to create business accounts. According to the research, for a firm to be successful, its finances had to be used efficiently (Mabhungu & Van Der Poll, 2017). Therefore, microentrepreneurs still needed training in financial management to compile proper business accounts and preserve the cash flow of their businesses.

Business operating expenses were also a concern for Malaysian microenterprises engaging in social commerce. With more people utilizing the internet, social networking platforms,

and other online markets, social commerce has aided small enterprises in establishing a presence in the digital market (Han & Trimi, 2017). However, operating a business in the digital environment had unique obstacles, particularly when it came to managing business expenses. As Isoherranen and Ratnayake (2018) pointed out, most microenterprises did poorly in terms of managing their business operations. Microenterprises had to manage the cost of operations, which included manufacturing, shipping, and order fulfillment. The typical brick-and-mortar business model involves significant overhead expenses such as rent, electricity, and personnel compensation. In contrast, online business provided a low-cost entrance into the market with minimal overhead expenditures (Bahcecik et al., 2019). However, establishing a successful firm in the digital age involved investments in technology, marketing, and logistics, among other areas. This was in line with previous research, which found that effective cost management led to profitable business operations (Mabhungu & Van Der Poll, 2017; Choshin & Ghaffari, 2017). To overcome these challenges, microenterprises optimized their business operations by identifying cost-cutting measures such as forgoing salary, involving family members as employees, or marketing via social media platforms rather than traditional advertising.

Marketing was an additional key obstacle for Malaysian microenterprises engaging in social commerce. A successful marketing strategy was vital for attracting new customers and keeping loyal ones. To stay competitive, these businesses had to have a strong online presence, use social media channels well, and come up with a solid branding strategy (Ananda et al., 2017). However, microenterprises had limited resources available to engage in marketing initiatives, and they frequently did not possess the expertise or skills necessary

to successfully advertise their goods or services (Kraus et al., 2019). Hence, microenterprises needed to put more of their attention and resources into digital marketing since it was efficient in terms of both money and time and could be easily managed in-house. The majority of those interviewed said that they marketed their products using social media since it was less expensive and simpler to reach their target audience. This was because by focusing on their ideal customers and making content that spoke to them, businesses could market their products and services effectively in the digital world (Charoensukmongkol & Sasatanun, 2017). Besides, these business owners used the dropship business model to recruit new members, and they did not need a substantial amount of startup capital. As a result, they could save money and time to promote their products or services.

In conclusion, Malaysian microenterprises engaging in social commerce encounter various challenges, such as funding, financial management, operating costs, and marketing. Despite these obstacles, these small businesses can overcome them and flourish in the competitive social commerce sector, provided they receive adequate support from the government and focus on strengthening their operations and marketing efforts. With the help of the government and sound financial management, microenterprises can enhance their financial stability and contribute to the growth of the Malaysian economy.

### **5.3.2 Success Factors for Microenterprises Engaging in Social Commerce in Malaysia**

In Malaysia, social commerce has been recognized as a crucial aspect of the business industry (BoxMe, 2021). The integration of e-commerce and social media has enabled

microenterprises to expand their market and improve their sales. However, microenterprises engaging in social commerce in Malaysia encounter various challenges that hinder their operations. During the interviews, participants shared how they dealt with these challenges and resolved them to keep their businesses running. Based on the issues raised in the interviews, this study proposes several success factors that can assist microenterprises in overcoming obstacles in social commerce. Therefore, microenterprises must focus on these success factors to achieve success in this industry, which include funding, financial management, marketing, technology, management skills, supplier management, and government support.

### **Funding**

Research conducted by Lampadarios et al. (2017), Nyoni and Bonga (2018), Gupta and Mirchandani (2018), and Boakye et al. (2018) showed that access to funding was one of the keys to success for businesses. Even though previous research had shown that funding was needed for businesses to grow significantly, participants reported that they would rather run a business with their own money than borrow from banks or government agencies. They believed that obtaining a loan would hinder the expansion of their businesses. This was due to the fact that they would be burdened with debt and would have to conduct business to repay it. It was believed that a loan from available lenders hindered their motivation to expand their business. This was in line with the findings of Angeles et al. (2019), who found that entrepreneurs preferred to use internal capital to avoid the consequences of having a “survival” mentality instead of a “development” mentality, which could be caused by a heavy loan commitment. During this study's interviews with

entrepreneurs, it was discovered that businesses typically borrowed from agencies when they could not meet customer demand with existing production. This was related to a previous study by Fadil and St-Pierre (2021), who said that self-financing could restrict expansion since it relied on a company's capacity to generate sufficient resources to satisfy its demands. As a result, when demand for their goods or services increased, entrepreneurs generally sought money from other sources in order to expand their businesses and acquire additional buildings or equipment. However, the participants indicated that they would make a loan if they believed the business had growth potential. Consequently, it was evident that microenterprises that were involved in social commerce needed funds in order to stay competitive in their businesses and enhance their overall success.

### **Financial Management**

Based on the results obtained in the previous chapter and literature, it appears that financial management is a vital success factor for businesses (Mabhungu & Van Der Poll, 2017; Kautsar & Asandimitra, 2019; Rafiki & Nasution, 2019; Adeola et al., 2021). As mentioned in Adeola et al. (2021), keeping accurate records of financial transactions is one of the most important parts of financial management in a business. Microenterprises had to have solid record-keeping and financial management abilities to ensure the success of their enterprises (Rahman et al., 2014). Yet, over the course of this study's interviews, a few microenterprises engaging in social commerce neglected this aspect, which caused their businesses to experience financial difficulties. Without proper business records and accounts, business owners had a tendency to overspend. For example, they acquired luxurious automobiles, cell phones, and other unnecessary expenditures. This only resulted

in debt, and the business owner might not be able to sustain the business. As a result, businesses were unable to purchase raw materials or replenish their inventory. This conclusion was consistent with that of Mabhungu and Van Der Poll (2017), who stated that enterprises with enough money often abused it, leading to their demise. Based on the results of past studies and interviews, it was clear that good financial management was essential for a business to do well.

### **Marketing**

As discussed in the previous chapter, it was found that marketing was one of the success factors for microenterprises engaging in social commerce (Mohamad Radzi et al., 2017; Lampadarijos et al., 2017; Varela et al., 2017; Alfoqahaa, 2018; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019; Phonthanakitithaworn et al., 2019). Varela et al. (2017) stated that applying the trend of social networks to online business had the added benefit of reaching a larger audience of regular internet users. However, getting their attention for new products and services required effective communication and marketing strategies. Microenterprises could use social commerce to find new customers and keep the ones they already have. They could do this by building a brand identity, making an online presence, and interacting with people on social media. Throughout the course of the interviews, a number of participants stressed the significance of these aspects to their businesses. This was because customers had more confidence in a business's products if it had a trusted reputation. This result fits with previous literature on brand identity (Bravo et al., 2017; Srivastava & Rai, 2018), online presence (Makrides et al., 2020; Lányi et al., 2021), and social interaction (Gong, 2018; Li et al., 2020) in helping businesses reach a bigger

audience, advertise products or services, and build a loyal following. Hence, microenterprises involved in social commerce had to use an effective marketing approach to be successful.

### **Technology**

Technology was found to be an important factor in the success of microenterprises engaging in social commerce, as proven by numerous studies (Tsironis et al., 2017; Lampadariou et al., 2017; Mohamad Radzi et al., 2017; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019; Al-Tit et al., 2019). Technological advancements have created new opportunities for microenterprises, and investing in technology can have a substantial impact on their operations. Microenterprises had to invest in technology to enhance their operations, online presence, and customer experience. According to researchers, social commerce allowed firms to foster social interactions to establish connections among users (Cheng et al., 2019; Bugshan & Attar, 2020; Yacob et al., 2021). The majority of participants who were interviewed said that they used social commerce to advertise and connect with their consumers. This gave businesses the capacity to communicate effectively with their consumers in a variety of ways, such as answering inquiries and gathering reviews (Hassan & Shahzad, 2022). Technology, such as social media, also helped businesses reach out to new customers and audiences (García-Perdomo & Magaña, 2020). As a result, the majority of businesses communicated with their customers online, whether via social media or online advertising (Toor et al., 2017). Past research and interviews make it clear that technology is an important part of any business's success.

## **Management Skills**

Management skills were identified as a crucial factor in the success of microenterprises engaging in social commerce, according to several studies (Al-Tit et al., 2019; Nyoni & Bonga, 2018; Rafiki & Nasution, 2019). During the interviews, many participants emphasized the importance of effective team management for the smooth functioning of business processes. However, the lack of attention to this aspect can lead to problems and negatively impact product sales. This finding is consistent with the argument made by Lampadarijos et al. (2017) that effective management is critical for business success. Microenterprises need management skills to achieve their goals and objectives, including planning, organization, leadership, and management (Zainol et al., 2017). For example, microenterprises must manage their marketing strategies, staff, resources, and financial objectives to ensure their operations remain on track. Therefore, managerial skills are essential for microenterprises to manage their daily operations successfully. In today's highly competitive and constantly changing business world, microenterprises can succeed if they have the appropriate management skills.

## **Supplier Management**

In addition, supplier management was one of the factors affecting business success. Businesses had to not only choose the correct supplier but also regularly check their supplier to guarantee product quality and adequate stock levels. It was possible to reduce operational efficiency by not selecting the best supplier. Good supplier management helps businesses maintain product quality standards, reduce risks, and build strong relationships with their suppliers (Aghapour et al., 2017; Singh & Kumar, 2020). Most microenterprises

relied on their suppliers to provide them with high-quality items that met customer expectations (Yang & Shafi, 2019). There were also many risks for microenterprises in social commerce, such as problems with the supply chain, problems with the quality of the product, and missed deadlines. By using effective supplier management methods, microenterprises could make sure that their suppliers met quality standards, which in turn helped to build trust and credibility with customers (Nyadzayo et al., 2023). Better connections with suppliers could also help microenterprises find opportunities for cooperation and innovation (Yang & Shafi, 2019), which could help them stand out in the market. In sum, good supplier management was a key part of the success of microenterprises engaging in social commerce in Malaysia. By using good supplier management strategies, microenterprises could maintain quality standards, control prices, limit risks, and build better relationships with their suppliers.

### **Government Support**

Government support was identified as a success factor for microenterprises that participated in social commerce in Malaysia. Numerous studies had supported the idea that government assistance was one of the success factors for businesses (Zainol et al., 2017; Boakye et al., 2018; Nyoni & Bonga, 2018; Gupta & Mirchandani, 2018; Al-Tit et al., 2019; Phonthanakitithaworn et al., 2019; Chen et al., 2021). Social commerce was a fast-growing industry that allowed microenterprises to extend their consumer base and reach a large audience. However, microenterprises often faced substantial problems, such as a lack of resources, capital, and marketing possibilities. Government agencies could assist in addressing these issues by providing microenterprises with finance, training, and marketing

opportunities (Zainol et al., 2017). By giving microenterprises access to money via grants, loans, and other forms of financial aid, for instance, government agencies could have assisted in addressing this problem. This could have enabled microenterprises to invest in new technology, broaden their product ranges, and penetrate new markets (Chege & Wang, 2019). Moreover, government assistance could have offered microenterprises proper training and coaching. In the highly competitive social commerce industry, microenterprises may have lacked the requisite skills and expertise to flourish. By offering proper training and education programs to microenterprises that taught them the necessary skills for success, the government could have assisted in addressing this problem (Munoz et al., 2015). These could have included programs that taught microenterprises how to establish successful marketing strategies, manage their money, and form good connections with their customers. In brief, government assistance was a crucial success element for Malaysian microenterprises engaging in social commerce.

To summarize, the success factors for microenterprises engaging in social commerce in Malaysia included finance, financial management, marketing, technology, managerial skills, supplier management, and government backing. These things were very important to the success of microenterprises, and they needed to be carefully looked at and managed to ensure microenterprises growth and success in the long run. Microenterprises needed to prioritize each of these success elements and build strategies to handle them to overcome the problems and hurdles they faced and flourish in Malaysia's highly competitive social commerce industry.

## **5.4 Research Implications**

The findings of this study have the potential to provide insights for the management of businesses, financial institutions, policymakers, and academics in managing and expanding microenterprises engaging in social commerce. This study discusses the implications from three perspectives, namely, theoretical, practical, and policy.

### **5.4.1 Theoretical**

This study helps to understand the business processes performed by microenterprises using social commerce. It also discusses the success factors for microenterprises engaging in social commerce and how to help them compete and grow. In addition, this study proposes a framework to help academics and microenterprises understand more about business operations that are involved in social commerce. This study provides a framework of microenterprise success variables, including funding, financial management, marketing, management skills, technology, supplier management, and government support (see Figure 4.1). This study incorporates variables that have often surfaced and been experimentally examined in prior research pertaining to important success factors in an entrepreneurial context and characteristics emphasized in the online business field. In essence, this work contributes by identifying microenterprise context-appropriate factors in social commerce. As indicated, the literature lacks a framework that explains the success of microenterprises in social commerce. Notably, this research attempted to bridge the gap between academic work on microenterprises and social commerce contexts, in addition to addressing the absence of a complete success framework in this field.

The resource-based view (RBV) theory is compatible with this study about business success factors for microenterprises engaging in social commerce. The RBV theory says that a company's competitive edge comes from the unique resources and skills it has (Barney, 1991). In social commerce, microenterprises need to know how to make the most of their resources and skills to gain a competitive edge in the market. So, microenterprises engaging in social commerce will be able to figure out what resources and skills are most important for success if they know what the most important success factors are. For example, according to the RBV theory, a company's resources may be divided into two categories: tangible assets and intangible assets (Barney et al., 2001). In the context of microenterprises engaging in social commerce, things like money, infrastructure, and technology are examples of tangible assets. Researchers can learn more about the RBV theory and how it can be used in digital business models by figuring out what specific resources microenterprises need to do well in social commerce. The RBV theory also says that these unique resources must be rare, valuable, and hard to copy if they are to give a company a long-term competitive advantage. Understanding the exact resources and skills that help microenterprises do well in social commerce can help guide strategies for creating unique, hard-to-copy, and valuable resources that can be used to gain a competitive edge (Barney et al., 2001; Abiodun & Harry, 2016). Overall, research on what makes microenterprises that do social commerce successful is especially important to the RBV theory. Researchers may contribute to a greater knowledge of the theory and its implementation in the context of digital business models by analyzing the unique resources and competencies that allow microenterprises to achieve success in social commerce.

Furthermore, the field of accounting could learn a lot from this study that use the Resource-Based View (RBV) theory to find out what factors make microenterprises that do social commerce successful. First, the RBV theory emphasizes the significance of resources and talents in enhancing a company's competitiveness. Hence, by studying financial analysis and learning about the resources and skills that are most useful for microenterprises in social commerce, academics may learn how to allocate resources efficiently and invest in the capabilities that help businesses prosper. Second, the RBV theory emphasizes the value of intangible assets such as information, skill, and connection. Accounting researchers can assist microenterprises in developing and using these assets to build competitive advantages by studying the intangible assets that are most valued in the social commerce area. Next, RBV theory emphasizes the significance of internal processes and systems in the development of competitive advantages. Accountants may assist microenterprises in developing efficient and effective financial management practices by identifying the most effective internal procedures and methods for managing funds in firms. Lastly, RBV theory promotes a strategic approach to resource allocation and management. Accountants may assist microenterprises in developing strategic financial management plans that correspond with their company objectives and resources based on business success determinants for microenterprises engaging in social commerce. Overall, research on business success determinants for microenterprises engaging in social commerce provides significant insights and direction for accountants working with microenterprises in this field. Accountants can assist microenterprises in achieving sustainable development and competitive advantage by comprehending the resources, capabilities, intangible assets, internal procedures, and strategic considerations that are crucial for success in the social

commerce area.

#### **5.4.2 Practical**

The findings of this study, deduced from participants' experiences, can contribute to a better understanding of entrepreneurs in managing microenterprises in Malaysia and the challenges they face. This means that participants' experiences may help business owners to have a better understanding of social commerce and microenterprises. Business owners can associate with the issues regarding social commerce, and this will help them to determine new and better strategies for their business. The results of this study also offer valuable information to business owners on things that they can manage more efficiently and effectively to improve their business.

Research on the factors that affect the performance of microenterprises that take part in social commerce could help the accounting field in a number of ways. First, this research can give us information about how well microenterprises do financially in the context of social commerce. So, accountants may be able to give their clients better advice about how to improve their financial strategies for microenterprises that do social commerce. Second, research on what makes a microenterprise successful in social commerce could help accountants understand the unique financial problems that microenterprises in this industry face. Due to their limited resources and skill in financial management, microenterprises may find it challenging to stay updated on financial trends and best practices due to the rapid speed and continual evolution of social commerce. Accountants can assist microenterprises in navigating this environment and making wise financial choices by

recognizing the unique problems and possibilities of social commerce. Last but not least, research on the success criteria for microenterprises in social commerce might aid accountants in acquiring new skills and knowledge in digital financial management. Social commerce is a rapidly expanding and dynamic area, and it is essential for success to remain abreast of the most recent trends and technology. By studying this issue, accountants may gain greater knowledge of the digital tools and tactics that are most successful for managing finances in microenterprises that participate in social commerce. Overall, research on business success determinants for microenterprises engaging in social commerce may provide significant insights and assistance for accountants working with microenterprises in this sector and can contribute to the innovation and expansion of digital financial management.

#### **5.4.3 Policy**

Policymakers could benefit in many ways from research into the factors that make microenterprises successful in social commerce. This research could help policymakers understand the unique problems and opportunities that microenterprises face in social commerce. By recognizing the important success factors that drive business performance in this sector, governments may devise policies and programs that assist microenterprises in acquiring the resources, skills, and expertise required for social commerce success. Secondly, research on the success determinants for microenterprises in social commerce may assist policymakers in designing successful training and courses that develop the skills and knowledge microenterprises require to flourish in this field. These may include courses focusing on digital marketing, financial management, and other crucial areas for social

commerce success. Lastly, research on microenterprise success characteristics in social commerce may guide the creation of financial assistance programs that enable microenterprises to have access to the resources they need to flourish in this area. This may include initiatives centered on gaining access to funds, grants, and other types of financial assistance that allow microenterprises to invest in the most valued resources and skills for social commerce success. Lastly, research on the characteristics that contribute to the success of microenterprises in social commerce may guide the construction of legal frameworks that promote the expansion and innovation of social commerce. Policymakers may establish policies that allow microenterprises to innovate and compete successfully in the social commerce sector by recognizing the specific features of this domain and the success criteria. In general, research on business success determinants for microenterprises participating in social commerce may offer policymakers significant insights and direction. Policymakers may establish policies and practices that encourage sustainable growth and innovation in this dynamic and fast-expanding industry by recognizing the difficulties and potential of microenterprises engaging in social commerce.

### **5.5 Limitations and the Suggestion for the Future Research**

This study is limited by the small number of participants who took part and by the fact that it focuses on microenterprises who are involved in social commerce. However, it may serve as a crucial foundation for future research that tries to analyze each of these characteristics' influence on entrepreneurs' capacity to thrive in social commerce activities. In future research, researchers may examine the link between these parameters and the enhancement of entrepreneurs' success rates. For example, quantitative research may be used to examine

the link between these elements in terms of how much they impact one another. In addition, numerous additional criteria included in this framework may serve as the foundation for future study.



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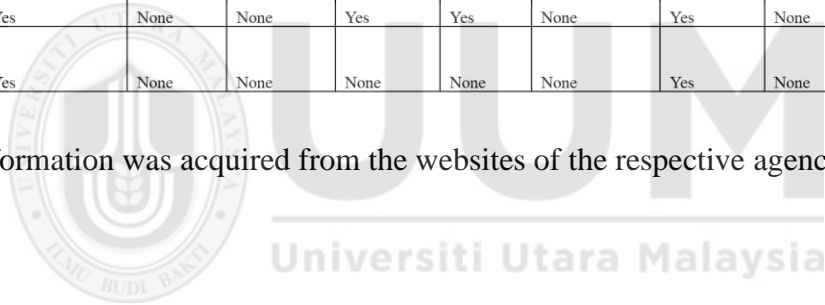
## APPENDICES

### Appendix 3-1

#### *Government Support Agencies for Businesses*

Agency	Entrepreneur Development			Business Development			Support Services			
	Entrepreneurship Training	Coaching and Mentoring	Consultancy Experts	Special Programme	Access to Market	Industrial Infrastructure	Business Financing	Business Infrastructure	Advice Services	Welfare
MDEC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None
SME CORP	Yes	Yes	Yes	Yes	Yes	None	Yes	None	Yes	None
MARA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
TEKUN	Yes	None	None	Yes	Yes	None	Yes	None	None	None
AIM	Yes	None	None	None	None	None	Yes	None	None	Yes

(This information was acquired from the websites of the respective agencies.)



## Appendix 4-1

### *Thematic Analysis Results*

Main Theme	Sub Theme
Funding	Financing, capital, profit, sales, inventory, marketing, assets, operation, training, self-funding, and investment.
Financial Management	Accounting, financing, capital, profit, sales, inventory, marketing, assets, integrity, trust, training, financial records, business records, cost, money management, and data records
Marketing	Branding, target audience, advertisement, new product, uniqueness, market demand, networking, personal branding, feedback, price, planning, customer persona, demand, customer relationship, target market, price manipulation, feedback management, customer management, brand awareness, promotion, and testimony.

Technology	Social media, Instagram, FB, WhatsApp, Instagram, and TikTok.
Management Skills	Business forecasting, leadership, delegation of tasks, budget planning, operation, management, planning, human resources management, team management, coaching, staff management, and time management.
Supplier Management	Partnership, product allocation, logistic, supplier quality, product quality, supply, product, quality management, transportation, shipping, joint venture, production, and material.
Government support	Coaching, training, and funding,