Group 32

FACTORS AFFECTING THE BUSINESS PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMEs) FOR TOURISM INDUSTRY IN MALAYSIA: EVIDENCE FROM PENANG

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DECLARATION

We hereby declare that:

(1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

(4) The word count of this research report is_____.

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LIST OF ABBREVIATIONS

APEC	Asia-Pacific Economic Cooperation
BP	Business Performance
FAMA	Federal Agricultural Marketing Authority
GDP	Gross Domestic Products
GS	Government Support
IP	Innovation Practices
MARDI	Malaysian Agricultural Research and Development Institute
MLR	Multi Linear Regression
NKEAs	National Key Economic Areas
P	Business Planning
PLC	Product Life Cycle
RBV	Resource-Based View
ROI	Return on Investment
SAS	System Enterprise Guide
SBRC	Small Business Research Centre
SM	Social Media
SMEs	Small and Medium Enterprises
SPA	Salus Per-Aqua
TSA	Tourism Satellite Accounts
TSMEs	Tourism Small and Medium Enterprises
UGC	User Generated Content

UTAR	Universiti Tunku Abdul Rahman
WOM	Word of Mouth

PREFACE

It is compulsory to carry out this research project in order to accomplish our study - Bachelor Degree of Business Administration (Hons). The topic of this research project is "*Factors Affecting the Business Performance of Small and Medium Enterprises (SMEs) for Tourism Industry in Malaysia: Evidence from Penang.*" This research project is conducted because the Business Performance of TSMEs is crucial for the growth and development of Malaysia's economic and gross national product.

Malaysia is recognized as one of the most attractive country to be visited as the number of international tourist arrivals has been increasing throughout the years. The industry is realized to have a huge business potential, which leads to the diversification of tourism products and services and subsequently the blooming os SMEs in the tourism industry in Malaysia. The SMEs in tourism sectors is considered one of the major contributors to the nation in terms of economic and growth. However, it is shown that the failure rate of SMEs in tourism sector is relatively high. Thus, it creates an urgency to investigate what are the factor that can contribute to a better Business Performance for the SMEs.

In this study, we have outlined the four important variables that may affect the Business Performance of Small and Medium Enterprises (SMEs) for Tourism Industry in Malaysia. The variables are Government Support, Social Media, Business Planning and Innovation Practices.

ABSTRACT

Small and Medium Enterprises in tourism industry (TSMEs) in Malaysia have played a big part in contributing income and development to the industry and the nation. The main objective of this study is to determine whether the four factors mainly; Government Support, Social Media, Business Planning and Innovation Practices will affect the Business Performance of the TSMEs in Penang, Malaysia. The findings of previous studies and theory are adopted in assisting the hypothesis formulation in this research project and questionnaires are designed and distributed to the target respondents. A total of 278 responses were recorded from the TSMEs in Penang, Malaysia. The Data was then analyzed using SAS Enterprise Guide version 7.1. Pearson Correlation Coefficient and Multiple Linear Regression Analysis are carried out to test the relationship between the factors and the Business Performance. The result shows that all of the factors have a significant relationship with Business Performance except Social Media. It is found that Social Media is less significant to the Business Performance of the TSMEs in Malaysia.

This study allows the government, TSMEs and scholars to gain insight regarding the factors that affect the Business Performance. The researchers hope that this research could improve the Business Performance of the TSMEs and promote economic development in Malaysia. Several recommendations for future research are also highlighted so that the potential areas of improvements could be further investigated.

Keywords: Business Performance, Government Support, Social Media, Business Planning, Innovation Practices, TSMEs

CHAPTER ONE: INTRODUCTION

1.0 Introduction

The objective of this research is to identify the factors affecting Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia. Generally, this research strives to find out whether factors which are Government Support, Social Media, Business Planning and Innovation Practices have direct and significant influence on the TSMEs today.

This chapter is the preliminary chapter of the study. In this research consists of Research Background, Problem Statement, Research Questions, Research Objectives, Hypothesis of the Study, Significance of Study, Chapter Layout and Conclusion. Research background describes the scope of this research and acts as a guideline for us to conduct the research in a proper way. Problem statement presents the basis of this study as well as indicating and setting a border for the research. Research questions and objectives deliver perception obviously on the major determination of the study and stimulate the curiosity of the reviewer. Hypothesis of the study is derivative from summarization of literature review whereas implication of the study specifies the significance, importance and the involvement of this research when it is complete. Finally, this chapter will end with chapter layout and conclusion.

1.1 Research Background of Study

In 2010, Malaysia has recognized the tourism sector as one of the national key economic areas (NKEAs) that is capable in assisting Malaysia to realize its economic transformation of becoming a high level income country by 2020 (Mosbah & Khuja, 2014). Currently, the tourism sector is one of the main contributor of foreign exchange earnings and stimulant to the economic growth and development of the nation. The sector brought about approximately 9 per cent of GDP in Malaysia (Sivalingam, 2007).

In global perspective, Malaysia was ranked the fourth most affordable country to travel among the 133 countries surveyed (Wong, 2009). In 2011, the tourism sector and tourism-related industries had created approximately 2 million jobs in Malaysia (MOT, 2013). According to Teo and Lindsay (2012), many of these jobs are created by Small and Medium Enterprises (SMEs). In Malaysia, the SMEs represent 97.3 per cent (645, 136) of the total establishments and they are the major provider of jobs, creating approximately 65 per cent of total employment in the country (Department of Statistic, 2012).

Based on Table 1.1.1, it is shown that Malaysian SMEs are classified into 'manufacturing' and 'services and others' sectors. As tourism industry falls under the services sector, TSMEs are defined as companies with less than RM 20 million sales turnover and not more than 75 employees. Table 1.1.2 shows that when the sales turnover of a firm is below RM300, 000 or when it employs less than 5 full time employees, then the firm is a micro enterprise; when the sales turnover of a firm is in the range of RM300, 000 and RM3 million or when it employs 5 to 30 full time employees, then the firm is a small enterprise; and when the sales turnover of a firm is in the range of RM3 million and RM20 million or when it employs 30 to 75 full time employees, then the firm is a medium enterprise.

Table 1.1.1: Malaysia SMEs' Definition

Sector	**Sales Turnover**	**Full Time Employees**
Manufacturing	≤ RM50 million	≤ 200 employees
Services and other sectors	≤ RM 20 million	≤ 75 employees

Source: (Department of Statistic, 2012).

Table 1.1.2: Malaysia SMEs' Category

Category	**Service & other sectors**
Micro	Sales Turnover < RM 300,000 OR Full Time Employees < 5 workers
Small	RM 300,000 ≤ Sales Turnover ≤ RM 3 million OR 5 ≤ Full Time Employees ≤ 30
Medium	RM 3 million ≤ Sales Turnover ≤ RM 20 million OR 30 ≤ Full Time Employees ≤ 75

Source: (Department of Statistic, 2012).

Recently, Malaysia is known as an attractive country to be visited and there were approximately 1.035 billion international tourist who had visited Malaysia in 2012 (UNWTO Annual Report 2013, 2014; Mosbah & Khuja, 2014). In accordance to the increase of international tourist arrivals, the industry is realized to have huge business potential, which leads to the diversification of tourism products and services and subsequently the blooming of SMEs in the tourism industry in Malaysia. These SMEs in the tourism industry are known as Tourism SME (TSMEs).

TSMEs in Malaysia account for about 85% of total tourism businesses (Set, 2014). Since the year of 2005, the TSMEs in Malaysia have been increasing. It was recorded that the number of TSMEs had grown up to 41.1% from 100, 637 firms in 2005 to 239, 110 firms in 2010 (Department of Statistic, 2012). There are various tourism products and services offered by the TSMEs. The Malaysian Government applies the Tourism Satellite Accounts (TSA) to characterize tourism-specific products as below:

- Accommodation services,
- Food and beverage serving services,
- Passenger transport services,
- Travel agency, tour operator and tourism guide services,
- Cultural services, recreation and other entertainment services, and
- Miscellaneous tourism services (i.e., Personal care and Salus Per Aqua (SPA), camping sites, Zoo, museum and theme parks).

Table 1.1.3 indicates the business activities of the TSMEs in 2010 carried out by the 239,110 active establishments. There were 2, 817 firms (1.2%) providing accommodation services; 40, 025 firms (16.7%) offering food and beverage services; 6, 217 firms (2.6%) providing passages transport services; 142, 721 firms (59.7%) offering travel agency, tour operator and tourism guide services; 36, 721 firms (15.4%) providing cultural services, recreation and other entertainment services and 10, 609 firms (4.4%) providing miscellaneous tourism services.

Table 1.1.3: Business Activities of TSMEs, 2010

TSMEs Business Activities	**Establishments**	**%**
Accommodation Services	2, 817	1.2
Food and Beverage Serving Services	40, 025	16.7
Passenger Transport Services	6, 217	2.6
Travel Agency, Tour Operator and Tourism Guide Services	142, 721	59.7
Cultural Services, Recreation and Other Entertainment Services	36,721	15.4
Miscellaneous Tourism Services (i.e., Personal Care and Salus Per Aqua (SPA), Camping Sites, Zoo, Museum and Theme Parks)	10,609	4.4
Total	239110	100

Source: (Department of Statistic, 2012).

In 2010, TSMEs employed about 991, 419 workers, that is 38.1% of total SME employment (2.6 million) in the services sector (MOTOUR, 2011). This indicates that the TSMEs play a big part in contributing income to the industry and the nation. Consequently, the development of these small-scale tourism companies can lead to sustainable regional development and hence was mentioned as a necessary area to be emphasized for the Asia-Pacific Economic Cooperation (APEC) to promote the interdependence and growth of the Asia-Pacific countries in the 2009 Leader Declaration.

Nevertheless, according to Yusoff and Yaacob (2010), it is shown that the failure rate of SMEs for the first five years exceeds 50%. Similarly, the TSMEs face the same risk. This creates urgency for the policy makers and scholars to investigate what are the factors that contribute to a better Business Performance of the TSMEs. Based on past studies, factors such as financial capital (Fatoki, 2011), technological support (Olubenga, 2012), infrastructure (Amwele, 2013), entrepreneurial orientation (Mahmood & Hanafi, 2013) and firm characteristic (Muzenda, 2014) are linked to the Business Performance of the SMEs. Some of them applied theories such as Resource-Based View Theory to support their hypothesis.

Among the various factors studied, Government Support, Social Media, Business Planning and Innovation Practices are the most crucial factors that are strongly encouraged by APEC. SME Corp. Malaysia, which is an active member of APEC, encourages SMEs to utilize information communications technology, carry out more planning and embrace innovation practices to grow. It also claims that government support is necessary to assist the SMEs to have a better performance (APEC, 2016; "SMEs working group," 2016).

1.2 Problem Statement

Given the importance of SMEs in the economic development, the Malaysian government has initiated various assistance programs and incentives for the SMEs. In the 2010 budget, the government has emphasized on SME development and their capability to enter and compete in the global market. Nevertheless, despite

the various assistance offered by the government, the SMEs are still struggling with their business operations (Hung, Effendi, Talib & Rani, 2011). According to Yusuff and Yaacob (2010), the TSMEs acknowledged by the government for their outstanding performance only represent a minor fraction of all the TSMEs in Malaysia.

Meanwhile, the impact of Government Support on the SMEs is said to be irrelevant and many perceive that the effort put in by the government to assist the SMEs is meaningless. One of the reasons is because the offered assistance programs for the SMEs are without proper observation from the government (Mohamad, Ibrahim, Muda & Moklis, 2013). Past studies also found that the government assistance programs are not utilized as most of the TSMEs are not familiar with the assistance programs. They also feel unconfident in their proposal and think that they need a middleman to gain Government Support (Lee, 1990). Most of the TSMEs today are still unaware of the financial assistance programs (Hashim, Ahmad, & Zakaria, 2007) and management training programs (Hashim, Ahmad, & Hassan, 2007) given by the government.

On the other hand, a study carried out by Holmes (2012) found out that more than 50% of small business owners realize the benefits of Social Media but do not actively apply it to increase sales and brand awareness. Despite the fact that Social Media is more cost efficient than a marketing department, it requires a certain amount of maintenance and attention which firms find it troublesome (Erdogmus & Cicek, 2012). Small businesses are struggling with the adoption of Social Media and do not know what strategy to go into with it (Gilmore et al., 2001; Reijonen, 2010). When the SMEs perceive marketing narrowly, countless opportunities and benefits are missed (Reijonen, 2010).

Business Planning, especially in new firms, is made complex by a lack of information and high environmental uncertainty. Castrogiovanni (1996) concluded that the failure rate of small firms is due to the lack of Business Planning. Most of the TSMEs do not understand the importance and the knowledge needed for carrying out a business plan (Chami, 2006). Even if the owners and managers of a SME prepared a business plan, there is still a tendency where they may be

negligent in executing it (Rijal, Chowdhury & Lamichhane, 2010). Thus, this has resulted to the high failure rate of the TSMEs especially during its start-up stage.

For SMEs in Malaysia, innovation plays a major role in Business Performance. In recent years, Innovation Practices is becoming a vital factor in creating value, fostering economic growth and promoting social welfare (Claude, 2014). Unfortunately, in Malaysia, SMEs' innovation is still low comparatively to other countries, although there are support from both government and private sectors (Yunoh & Ali, 2015). The SMEs lack the ability to respond quickly to the rapidly changing environmental and fail to initiate and exploit economic opportunity. The underlying reason is the fact that they do not understand the innovation process holistically.

Since Penang is Malaysia's most tourist-visited destination ("Old Georgetown Streets," 2016), it is reasonable to infer that there are numerous TSMEs operating in the island. Therefore, this research focuses on studying the Business Performance of TSMEs in Penang.

1.3 Research Questions

In accordance to the problems identified, some questions arose. These questions act as the basis for our objectives to solve the problems faced by the TSMEs in Penang, Malaysia. The research questions are formulated as below:

1.3.1 General Question

Will the factors significantly affect Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia?

1.3.2 Specific Questions

In order to gain an insight in achieving the research objectives, there are several questions are formed as below:

1. Will the Government Support significantly affect Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia?
2. Will the Social Media significantly affect Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia?
3. Will the Business Planning significantly affect Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia?
4. Will the Innovation Practices significantly affect Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia?

1.4 Research Objectives

From the research questions, the research objectives are formulated as followed:

1.4.1 General Objective

To determine the factors that will affect the Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

1.4.2 Specific Objectives

1. To determine whether Government Support will affect the Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.
2. To determine whether Social Media will affect the Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

3. To determine whether Business Planning will affect the Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

4. To determine whether Innovation Practices will affect the Business Performance Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

5. To determine the factor that affects Business Performance of Small and Medium Enterprises (SMEs) for tourism industry most significantly in Penang, Malaysia.

1.5 Hypothesis of the Study

1.5.1 General Hypothesis

All the factors are significant in explaining the variance of Business Performance.

1.5.2 Specific Hypothesis

Based on the research objectives above, the following hypotheses are proposed:

1. There is a significant relationship between Government Support and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

2. There is a significant relationship between Social Media and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

3. There is a significant relationship between Business Planning and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

4. There is a significant relationship between Innovation Practices and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

1.6 Significance of the Study

The main purpose of this research aims to find out the factors contributing to a better Business Performance of Small and Medium Enterprises (SMEs) for tourism industry. This is especially useful to the government as it provides further information on the areas that the government could help the SMEs in growing and developing their enterprises. The result of this study can assist the government in understanding the obstacles faced by the SMEs and serve as valuable information that enables the government to improve the assistance programs and allocate more funding to the SMEs (Hung & Effendi, 2011).

In similar ways, this study assists in providing valuable information that encourages new and existing SMEs to adapt to and adopt the factors that are suitable to their businesses. This study enables the management team to gain insight on what are the factors that is the most prominent in gaining a better Business Performance. This is critical as when the TSMEs gain a better Business Performance, it contributes to the business continuity of firms and consequently the country.

On top of that, this study will be valuable and helpful to the administrators and scholars of the management sector as it will assist them in understanding the importance of Government Support, Social Media, Business Planning and Innovation Practices that may influence the Business Performance of the SMEs in tourism industry. Although this study focuses only on the tourism industry, it provides a guideline that can be relevant and applicable in other fields. It can also act as a guiding principle for other researchers to study on the subject of Business Performance.

1.7 Chapter Layout

There are a total five chapters in this study which are introduction, literature review, research methodology, research results, discussion and conclusion.

Chapter 1 is an introductory chapter which will give a review on the Business Performance in the tourism industry. It includes the research background, problem statement, research objectives, research questions, hypothesis and the significance of the research.

Chapter 2 delivers the summary of literature review conducted on the sources of secondary data that had been collected. The literature review focuses mainly on the factors affecting Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia, which comprises of Government Support, Social Media, Business Planning and Innovation Practices. This section addresses the relationship between the independent variables and dependent variable. In addition to this, a proposed theoretical or conceptual framework is designed based on the research objectives and research questions. Then we formulate the hypothesis are based on past studies and theories to find out whether the conceptual framework is valid.

Chapter 3 is research methodology which focuses on the methods used in this study to gather information and data. This chapter includes the selected measurement for each of the variable and its dependability that will be carried out in steps. It is comprised of research design, data collection technique, sampling design, operational definitions of constructs, measurement scales and methods of data analysis.

Chapter 4 delivers the research result that will overcome the unclear restrictions to the argument of earlier chapters. The subsections of this chapter consist of descriptive analysis, scale measurement and inferential analysis.

Lastly, chapter 5 delivers a summary of the analyzed statistics, major findings, implications, limitations and recommendations for future research. It also includes a comprehensive result of this study that matches with the research objectives of this study.

1.8 Conclusion

Chapter reviews the research background and problem statement regarding the factors affecting the Business Performance of SMEs in tourism industry. The research objectives, questions and hypothesis are developed to serve as the direction for researcher to have a better understanding on the issues. Further discussion and reviews regarding the dependent variables and independent variables will be carried in the following chapter.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

In chapter 2, a literature review is conducted on all of the variables starting with the dependent variable (Business Performance) and followed by the independent variables (Government, Social Media, Business Planning and Innovation Practices). A theoretical model or framework is constructed based on the research objectives. Lastly, hypothesis statements are formulated on each of the independent variables to test whether there is a significant relationship between each of the independent variables and the dependent variable.

2.1 Review of the Literature

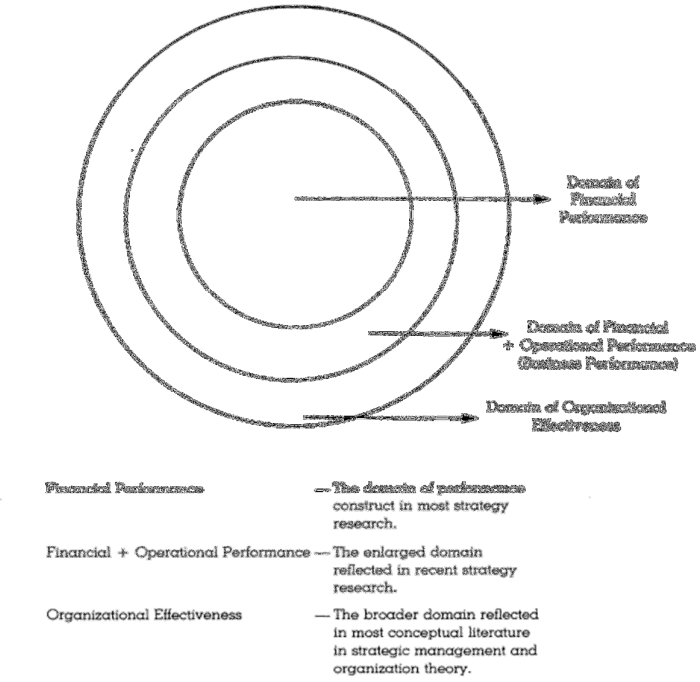
2.1.1 Business Performance

Performance is a famous concept among the academic scholars and practicing managers. It is always present in most of the management context. Business Performance is assessed by measuring whether a firm is successful in achieving its goals and therefore can be defined in a number of ways (Wood, 2006). According to Venkatraman and Ramanujam (1986), Business Performance is a subset of the overall concept of organizational effectiveness and it reflects the perspective of strategic management. Smith and Reece (1999) had generally stated the definition of Business Performance as "the operational capability of the company to satisfy the wants of its major shareholders" and highlighted that it is necessary to measure the firm's accomplishment.

In the past few decades, many studies have focused on the small and medium firms' performance (Pelham & Wilson, 1996; Thomas, Theresa & Ed, 2008). Academic scholars and practicing managers have been searching for reliable and relevant ways to measure Business Performance in midst of changing economic environments (Anderson & Zeithaml, 1984). Financial measures and non-financial measures are the popular performance indicators found in the past literature. Venkatraman and

Ramanujam (1986) had created Figure 2.1.1 to identify and differentiate the different domains and scopes of Business Performance. They mentioned that most researchers have their studies focused on the financial measures and non-financial measures.

Figure 2.1.1: Domains and Scopes of Business Performance.



Source: (Venkatraman & Ramanujam, 1986).

The narrowest Business Performance concept focuses on financial measures. These measures have been historically indicating whether a firm fulfills its economic goals (Venkatraman & Ramanujam, 1986). This concept is widely recognized in empirical strategy research and is known as financial performance (Hofer, 1983). Typically, financial measures examine indicators such as sales growth and profitability (reflected by ratios including return on investment). Apart from that, high-performing firms often have sufficient cash flow (Tsuruta, 2014). Thus, operating income ratios are also used as an indicator of Business Performance. These indicators are claimed to be regular indicators used to measure a business'

financial performance (Anderson & Zeithaml, 1984; Wood, 2006) and are described as following:-

Table 2.1.1.1: Definitions for Indicators of Business Performance

Author	Definition
Colasse (2009)	"Company's growth is the company's ability to increase its size."
Sam & Fazli (2013)	"Sales growth means utilizing capacity more fully, which spreads over the fixed costs and lead to a higher profitability."
Harward & Upton (1961)	"Profitability is the ability of a given investment to earn a return from its use."
Botchkarev & Andru (2011)	"ROI is a concept based on a rigorous and quantifiable analysis of financial returns and costs."
Small Business Encyclopedia	"The difference between the available cash at the beginning of an accounting period and that at the end of the period."

Source: Developed for the research.

Financial measures alone are not sufficient to represent the overall firm performance (Chakravarthy, 1986; Clarke & Watkins, 2003). Therefore, firms need to enter into a broader conception of Business Performance emphasizing on non-financial indicators, in addition to the financial performance indicators (Rahman, 2001; Venkatraman & Ramanujam, 1986). Azofra, Prieto, & Santidrian. (2003) claimed that non-financial performance has a positive relationship with profitability, which leads to

better Business Performance. This means that non-financial indicators allow companies to look beyond normal operational procedures that seem to result in better financial performance (Venkatraman & Ramanujam, 1986).

Under non-financial measures, market share is treated as a measure of Business Performance (Anderson & Zeithaml, 1984). Market share is widely recognized to be a factor leading to profitability (Buzzell, Gale, & Sultan, 1975) and is an accurate and meaningful performance indicator for firms. According to Hult, Ketchen, Griffith, Chabowski, Hamman & Dykes, 2008), market share was mostly applied by firms to measure operational performance and Return on Inverstment (ROI) is a popular measure used to measure market share.

Apart from that, Kaplan and Norton (2001) claimed that customer satisfaction is one of the most crucial nonfinancial indicators for firms. Kaplan and Norton (2001) contended that satisfied customers is an indication that firms have the ability to satisfy their customers and are more likely to retain and attract new customers. Previous literatures researching on the effect of customer satisfaction on performance tend to show that customer satisfaction brings about economic benefits to the firm (Ittner & Larcker 1998; Fornell, Mithas, Morgeson & Krishnan, 2006). For instance, customer satisfaction has been associated with improved revenues (Simon, Gomez, McLaughlin & Wittink, 2009), lower marketing costs, and other costs resulted from defects, complaints and poor quality (Anderson, Fornell & Rust, 1997). As a result of these benefits, customer satisfaction generally increases a firm's profitability (Aaker & Jacobson, 1994; Capon et al., 1990) and therefore leads to a better Business Performance.

Table 2.1.1.2: Definitions for Indicators of Business Performance

Author	Definition
Cooper & Nakanishi (2010)	"Market share is the share of the market commanded by a firm's product."
Grigoroudis, Tsitsiridi, & Zopounidis (2011)	"Customer satisfaction mainly refers to the fulfillment of customer expectations."

Source: Developed for the research.

Despite of the fact that the performance concept is vital and is widely studied, it is often difficult define the term in research settings. As the number of studies and researches done on this concept is continuously increasing, it is unlikely that any common agreement on basic definitions and terminology could be reached. The present authors seem to agree with Hofer (1983) which mentioned that different measures should be applied for different areas of study because of the distinctions in their research questions. In this study, Business Performance is defined as the ability of the TSMEs to achieve its economic and operational goals.

2.1.2 Government Support

Government Support is referring to the financial and non-financial assistance given by the government. It occurs when the government is helping businesses to get the right support at the right time. It is the role of the government to encourage the growth of private sector marketplace by working to address particular market failure or equity shortages ("Government support for business," 2015).

Numerous assistance programs and inducements has been introduced by the government in Government-Support Programs (GSPs), which are comprised of financial, training and marketing assistance (Hashim, 2007). The GSPs act as the foundation for SMEs to access the necessary resources required for supporting and sustaining their business (Ismail & Othman, 2014). It is intended to foster the continual growth of the SMEs.

GSPs reflects the government's effort and commitment in ensuring SMEs are still able to sustain despite being in a challenging business environment (Ismail & Othman, 2014).

Various financial institutions owned by the government have implemented financial assistance programs that can be assessed cheaply by the SMEs. Among them are the funds and schemes from Bank Negara Malaysia which include the Priority Lending Guidelines that requires commercial banks and financial companies to achieve specific quantitative lending targets that lend a specified minimum amount to SMEs below market interest rates. SMEs can also access the financial support directly from the government. The financial support given by the government includes funds and schemes which are in the form of soft loans, grant and venture capitals that can be used to assist SMEs in fostering and developing their businesses. This is vital to the SMEs as majority of them need financial resources to finance their operations and production (Ismail & Othman, 2014).

Apart from that, training assistance programs are necessary as firms have realized that employee training contributes positively to the growth of the organization. Noe (2000) defined training as a planned effort carried out by a firm to facilitate employees' learning of job-related competencies which are critical to successfully perform their job. Firms need to develop their employees' knowledge and skills and equip them with the right attitude to keep up with the impact of technological, economic, political and social changes (Ismail & Othman, 2014). Marketing assistance is a procedure implemented by the government agencies to identify potential marketplace for SMEs to sell their product and services. Business development, communication and technique can also be improved by utilizing the used of marketing assistance (Pech & Cameron, 2006). The Federal Agricultural Marketing Authority (FAMA) and Malaysian Agricultural Research and Development Institute (MARDI) are the two main government agencies in assisting SMEs in locating a potential market place for their product and services (Ismail & Othman, 2014).

Other than GSPs, the government has spent a relatively large amount of money on advisory programs in assisting the SMEs' business activities (Yusoff, Yaacob & Ibrahim, 2010). Advisory Programs, according to Schaper and Volley (2004) and Stanger (2004), are programs offered by a business advisor, either an organization or individual, that offers single or more skill and knowledge verbally or in written, in fields related to business operations like the preparation of financial statement and tax compliance. Berry, Sweating and Goto (2006) stated that advisory programs provide SMEs a mentor by educating the owners and managers the proper way of executing their business activities.

In this research, government support includes financial assistance, training assistance, marketing assistance and advisory programs for SMEs to develop their skills and knowledge in order to achieve a better Business Performance systematically.

2.1.3 Social Media

Kaplan and Haenlein (2010) defined Social Media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content". Web 2.0 refers to special web application technologies and websites, which provides services to users by using the Internet in a collaborative way. Social Media grants the owners and managers of SMEs the right to have two-way communication with their customers (Fournier & Avery, 2011). According to Jones (2010), businesses and consumers are increasingly adopting the use of Social Media to discuss, share and collaborate with one another. The types of social media include: social networks (Facebook, Myspace, and LinkedIn), micro-blogs (Twitter, Plurk, and Friend Feed), reviews and ratings (Yelp, Amazon, and Trip Advisor), video (YouTube and Vimeo), and more (Cook, 2008; Kaplan and Haenlein, 2010; Safko, 2010).

Table 2.1.3: Definitions of Social Media

Author	Definition
Solis (2007)	" Social media is defined as a shift in how people discover, read, collaborate, and share information and news with one another. It is a mixture of technology and sociology, transforming the flow of information from monologue (one to many) to dialog (many to many)."
Kaplan and Haenlein (2010)	"Social Media is defined using two approaches: Web 2.0 and User generated content (UGC). Web 2.0 is defined as a web application or technologies that support communication, collaboration and sharing on the World Wide Web (Barefoot & Szabo, 2010). Whereas for UGC, it can be classified as the various forms of contents reachable by the public and generated by individuals."

Source: Developed for the research.

After Social Media has become the usual place for many individual to share, communicate and network, firms are starting to adopt Social Media as a means of marketing to seek for more business opportunity. In this era, small firms are beginning to use Social Media as a means of Word of Mouth (WOM) marketing to acquire customers (Bresciani & Eppler, 2010; Stokes & Lomax, 2002). According to Straw (2011), up to 81% of companies have considered WOM as an important marketing tool for SMEs. Similarly, various past researches found out that the most vital source of new customers for SMEs is the recommendations from existing customers (Stokes & Lomax, 2002). For example, a satisfied customer will visit the firm's website and leave a positive comment. These recommendations will then be spread out to other potential customers of the firms and assist the firm in gaining new customers through Social

Media WOM. For many owner-managers of the SMEs, the reliance on Social Media WOM is more suited to their business considering their level of resource availability (Stokes & Lomax, 2002).

Customers are the foundation for any businesses. Social Media allows businesses to build a closer and more profitable relationship with both existing and potential customers as well as gaining feedback from them. For instance, Starbucks has launched its "My Starbucks Idea" site to encourage their customers in providing feedback and suggestions to help provide better product and services (Starbucks, 2011). Using Social Media in such a manner helps create transparency that can eventually increase the trust from customers. On top of that, social media also serves as a customer service platform that could foster a positive brand image and solve customer problems in a cost effective way. This is the reason why firms develop Social Media call centres or email service to handle customer complaints (Parr, 2009).

At the same time, firms favor a broader customer reach and in order to maximize this reach, firms need to have a clear concept of where their customers are lounging. Increasingly in this era, the customers are lounging on social networking sites (Halligan, Shah, & Scott, 2009). Social media tools help firms to communicate with individual consumers understand their needs and obtain valuable feedback. Consequently, a long term and a closer relationship are established with the consumers (Gilmore, Carson, & Grant, 2001). Moreover, Social Media helps firms to increase brand awareness as well as enhancing the brand image.

In this study, firms use Social Media as a strategic tool to monitor conversations with their customers, receive feedback, showcase their product and services, increase brand awareness, promotions and sales. Therefore, firms are increasingly attempting to embrace social media as an integral part of its business process.

2.1.4 Business Planning

All businesses start with an idea. Considerable planning is required for a business to progress from merely an idea to the start-up of an actual business. The concept of Business Planning has been developed for the context of SMEs. It was derived from the idea of strategic planning which is a broader concept that covers the organization as a whole (Fayol, 1988). According to Mambula (2002), a business plan is able to determine the fundamental objective of the business, identify how these objectives can be attained, consider the different point of views of the environments and recognize the resources needed for a successful implementation.

Planning is fundamental to communicate people with objectives, purpose and activities to achieve success on the Business Performance. Besides supporting goal attainment, SMEs apply Business Planning to make decisions in a faster and more effective way as well as turning goals into operational activities (Delmar, 2003). According to Olagunju (2004), Business Planning is able to help the owners and managers in predicting the future of the business and making the right decisions in order to achieve their business objectives. This is why firms that carry out Business Planning have better financial achievements than those that do not have one (Berman, Gordon, & Sussman, 1997).

According to Reinhart and Rogoff (2008), a business plan is a blueprint or a road map that act as a guide for the business activities to increase the percentage of a firm's survival and success rate. Clive (2004) also emphasizes that the objective of a business plan is to give focus to the firms. A business plan serves as an instrument in analyzing the firm's direction and executing changes in order to gain higher profitability (Pinson, 2008).

Moore & Joe (2003) interpreted Business Planning as a tool used to find opportunities, interpret the way to exploiting the opportunity and to recognize elements capable of influencing either directly or indirectly the goal of doing business. The entrepreneurs are able to grab opportunities by

using the Business Planning to determine the variety of strategies, factors of a new business venture, and the necessary resources (Timmons et al., 1985).

Overall, the literature suggests that Business Planning is beneficial to TSMEs as a management practice (Gibson & Cassar, 2002; Schwenk & Shrader, 1993). Reinhart and Rogoff (2008) suggested that Business Planning is able to test the feasibility of a business concept in a fast and inexpensive way. As a result, firms can eliminate untenable ideas and develop a venture with greater success rate. According to Mambula (2002), it is found that there is a positive relationship between Business Planning and Business Performance. Table 2.1.4 shows the definitions of Business Planning in past studies.

Table 2.1.4: Definitions of Business Planning

Author	**Definition**
Castrogiovanni (1996)	"Business Planning is defined as the effort of an entrepreneur in analysing the data gathered that would help create a business opportunity.
Nordstrom & Vaughan (1999)	Business Planning encompasses all the goals, strategies and actions that a firm envisions taking to ensure its survival and growth.
Delmar (2003)	"Business Planning is a process of gathering, analysing, documenting and identifying all the potential opportunities, risk and strategy required for a successful business operation."
Volkery & Jacob (2004)	"Business Planning refers to the testing of the viability of a project or organization by predicting income and expenditure over a period of time."

Source: Developed for the research.

In this study, firms use Business Planning in transforming new opportunity to start-up a new business and predicting the future performance regarding to the objectives, goals, and necessary resources needed. Therefore, Business Performance of the firms which adopt Business Planning will have better financial achievement and enhance the success rate in the market.

2.1.5 Innovation Practices

In the current marketplace, Innovation Practices has become a major determinant in influencing Business Performance of firms. According to Potecea and Cebuc (2010), business growth will be harmed without innovation in the long run. Previous study showed that fierce market competition and strong demand for new and improved products or services are among the main reasons inspiring Innovation Practices (Shukla, 2009). Innovation Practices includes the application of new progressions, new business structures and new management approaches, which have crucial influence on the growth and productivity of the business (Fayol, 1988).

Schumpter is the pioneer of the theory of innovation. He grouped innovation into five categories which are a creating a brand new product or changing an existing product, adopting new process to an industry or business, discovering a new market, developing new sources for material inputs and modification in the industry structures (Rogers, 1998; Yuzbasioglu, Celik & Topsakal, 2014). It was emphasized that the SMEs play a crucial part in the innovation process (Freeman & Soete, 1997). Other than this, there are various definitions of innovation that can found in the literatures. They are summarized in Table 2.1.5.

Table 2.1.5: Definitions of Innovation Practices

Author	Definition
Bryant (1996)	"Innovation is generating ideas that are new to the firm, whether the new ideas make changes in products, services or processes."
Freeman & Soete (1997)	Innovation is "the introduction of new or improved processes, products or services based on new scientific or technical knowledge and/or organizational know-how".
Ismail, Zaidi, Omar, Soehod, Senin, & Akthar (2014)	"Innovation is defined as creating something new and successfully implementing it at the market. Innovation also can be defined as the transformation of a person's knowledge into a wholly new product, process, or services."
Kamien & Schwartz (1982)	"Innovation is defined as a production process by inventing a totally new product or services."
Hjalager (2002)	"Innovation can be defined as transforming ideas into useful product and services or develop a better product or services that are far better than the original invention."
Crossan & Apaydin (2010)	"Innovation is the creation or acceptance, adaptation and utilization of a value added novelty in trade and industry spheres, regeneration and expansion of product, services and markets, new ways of product development and establishment of new management system."

Source: Developed for the research.

Innovation Practices is necessary and is very vital in growing firms as it is among the major ways to differentiate a firm's product from those of their competitors. If a firm is unable to be price competitive, then innovative of the products and ideas are crucial to make the firm stands out. Innovation Practices make all the difference. In consumers' perception, innovation is often seen as something that adds value to a firm or its products besides granting the firm a competitive advantage especially in intensely competitive or rapidly shifting markets (Potecea & Cebuc, 2010).

Product innovation is referring to the modification of past products that satisfy market need and demand or a new merge of different existing technologies. The basic idea of this concept is introducing a new or significantly improved product or services with better characteristics or intended uses. The improvements could be in the areas of components and materials, functional characteristics, technical specifications, user-friendly attitude or the embedded software (Kanagal, 2015).

In addition, product innovation can be differentiated according to the different time frames when the enterprises apply their competitive strategy and their innovative patterns. For example, a firm may strive to be the first-mover in the market who introduces a totally new product that is technically advanced, or to be second-mover who observes others innovation and quickly imitate and release new products with additional features and variations, or to penetrate the market in the later stage of the product life cycle (PLC) with simpler and more cost-effective products and services (Utterback & Abernathy, 1975).

Process innovation is defined as the use of a new or better process in manufacturing or delivery of a firm’s product or services. It includes significant improvements in equipment and techniques (Mbizi, Hove, Thondhlana, and Kakava, 2013). Process innovation leads to advancement in the production, distribution and product quality. This allows many firms to achieve their competitive advantage as they are able to provide higher-quality goods, prompt and efficient delivery to the market compared to their competitors (Milling & Stumpfe, n.d.).

Marketing innovation is closely linked to the marketing mix issues (eg. promotion) and improving service quality. Marketing innovation is necessary for firms to discover potential new markets and to offer good quality service to their target customers (Johne, 1999). Researchers explain the concept as the application of a new method of marketing, which includes major modifications in product packaging or design, promotion and placement of a product, and new sales methods or pricing policy. Marketing innovation aims to satisfy customer needs and seek for new potential markets to increase company sales (Abrar, Tian, & Deng, 2009).

Innovation in products, processes and services has become a part in all segments of economic activity from traditional to high-technology, public to market. Nevertheless, technology change has become essential in terms of developing, manufacturing and distributing products and services (Garcia, Guzman, & Serna, 2014). In our study, Innovation Practices is the process that transforms output with new ideas and adds value to the product.

2.2 Review of Relevant Theoretical / Past Conceptual Frameworks

2.2.1 Review of Relevant Theory

2.2.1.1 Resource-Based View (RBV) Theory

RBV has been widely recognized and applied in the business management and entrepreneurship context. Many researchers had studied various resources that contribute to a firm's competitive advantages. Among the resources examined are invisible assets, entrepreneurship, functionally based distinctive competencies, unique combination of business experience and human resources.

Barney, Wright and Ketchen (2001) had identified a framework that was both comprehensive and concrete, which focused on the needed characteristics of firm resources for the generation of a sustainable competitive advantage. Substitutability, rareness, value

and inimitability were the four criteria identified. Firstly, value is the extent of a firm's combined or potential resources which fits together with external environments. It allows a firm to grab opportunities while neutralizing threats simultaneously in any competitive environment. Second is rareness which is either physical or perceived physical rareness of any resource in factor markets. The third is inimitability which is a continuation of an imperfect factor that is marketed through information asymmetry. Such resources are neither obtainable nor recreated by firms without high costs. The fourth focuses on whether organizations can be substitutable by competitors. It was proposed by Hunt and Morgan (1996) that potential resources are divided into several categories which include human, physical, financial, legal, informational, relational and organizational.

2.2.1.2 Resource Classification

When a firm implements or formulates strategies that bring superior results relative to competitors in a similar industry or industry average, it is regarded as a competitive advantage. RBV posits that firms can improve performance based on the availability or access to resource or resource bundles that are rare, valuable, non-substitutable and inimitable (Barney et al., 2001). In addition, Wernefelt (1984) stated that resources can be "anything that might be thought of as a strength or weakness of a given firm." This can compromise of both tangible and intangible assets. Tangible resources refer to financial capital (e.g. equity capital, debt capital, retained earnings) as well as physical capital (e.g. machinery & buildings). On the other hand, intangible resources like organization culture, learning processes and networks which are idiosyncratic, tacit and buried deeply within an organization's social fabric tend to lead to a competitive advantage. Rather than seeking ways to acquire new skills for different opportunities, RBV

proponents suggest that exploitation of external opportunities through the use of existing resources is more feasible.

According to the RBV's model, companies that have great organizational performance focus their major roles on resources.

Table 2.2.1.1: Classification of Resources

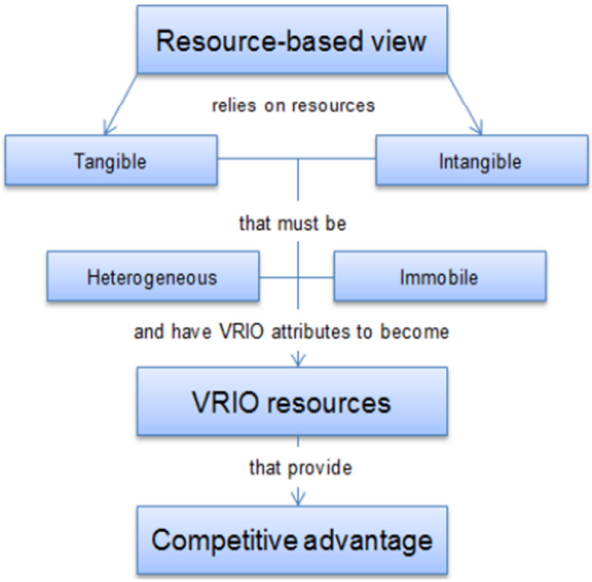
Tangible resources	Intangible resources
Financial	**Human**
Firm's borrowing capacity	Experience and capabilities of employees
Firm's capacity to raise equity	Trust
Firm's cash account and cash in hand	Managerial skill
	Practices and procedures
Physical	**Innovation and Creativity**
Modern plan and facilities	Technical and scientific skills
Favorable manufacturing locations	Innovation capacities
State of the art machinery and equipment	
Technological	**Reputation**
Trade	Reputation with customers
Innovative production processes	Reputation with suppliers
	Brand name
Organizational	
Strategic planning processes	
Excellent evaluation and control systems	

Source: (Kraja & Osmani, 2013)

Table 2.2.1.1 describes tangible and intangible resources. An example would be a strategic planning process that is categorized as tangible resources while creativity and innovation are categorized as intangible resources. Intangible resources creates better competitive advantages when compared to tangible resources because tangible resources can be brought into the market with greater convenience which brings little advantage to companies in the long run due to the fact that rivals can acquire similar assets

easily. In conclusion, RBV is greatly relevant to the field of SME due to the importance of intangible resources such as managerial competence and experiential knowledge in developing competitive advantages. Resource constraints always preclude the procurement of talents outside an organization hence the importance of resources in SMEs.

Figure 2.2.1.1: Resource-Based View Framework



Source: (Kraja & Osmani, 2013).

In this study, four independent variables were studied. The reason why is because these resources greatly contribute to performance advantages which are valuable, rare, costly to imitate, and non-substitutable. Albeit the fact SMEs has limited resources, they can be unique. The resources have to be well-positioned when utilized to create value for customers by increasing the potential of wealth creation and redistribution though SMEs.

Another one of a firms resources is organizational capabilities which is referred to as physical facilities, its capacity to deploy either its tangible or intangible assets as well as the employees

skills to carry out business activities that improves the business performance (Eniola & Ektebang, 2014). Better business performance is enhanced when a firm is able to create higher-order competencies that bring competitive advantage through Innovation practices.

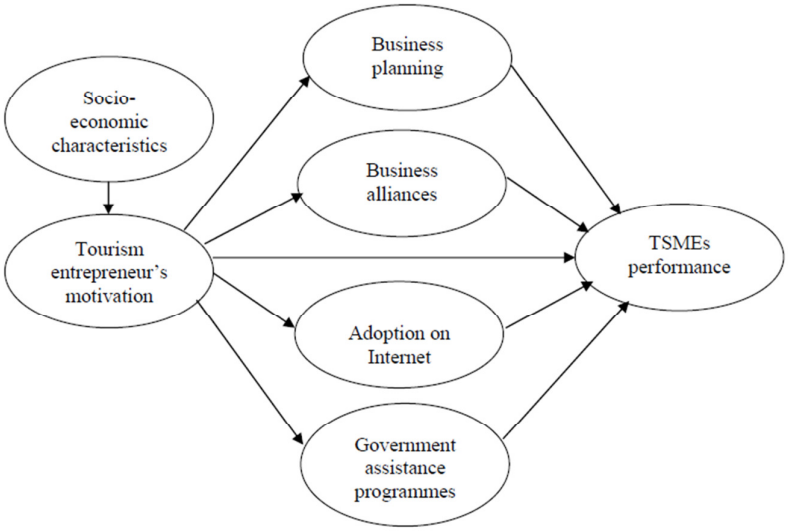
Besides that, owners and managers who grab opportunities through a variety of strategies will succeed due to business planning. The source of success in a firm is its capability. It was noted by Castania and Helfat and Lado (2001) that a firm's performance is created by the skills, expertise and know-how of managers. According to McEvily and Chakravarthy (2002), advantages created by know-how more durable compared to any other firm resources due to it being complex, tacit and specialized.

A firm's resources can regarded as technology. Technological resources are an important dimension for efforts unto national economic development. Social media is place under technology as a core competency to be gained which leads to business performance.

2.2.2 Review of Past Conceptual Frameworks

2.2.2.1 Government Support (Independent Variable)

Figure 2.2.2.1: Determining the Key Success factors of Tourism in Malaysia

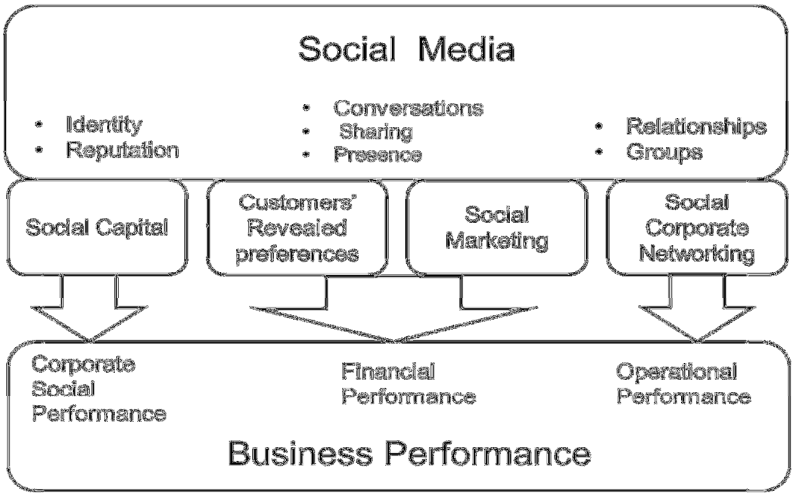


Source: (Set, 2014).

According to Set (2014), the proposed conceptual framework as depicted in Figure 2.2.2.1 showed the predictors belonging towards the internal environment of TSMEs. In this study, government assistance programs are one of the resources that contribute to the performance of TSMEs. The result of this study shows that there is a positive relationship between government assistance programs and TSMEs performance.

2.2.2.2 Social Media (Independent variable)

Figure 2.2.2.2: Social Media and Business Performance Channels

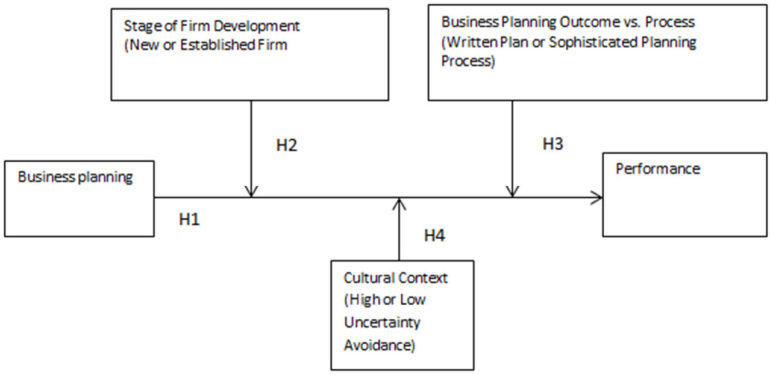


Source: (Paniagua & Sapena, 2014).

According to Paniagua and Sapena (2014), the proposed conceptual framework as shown in Figure 2.2.2.2 emphasize on the firm ability to convert resources (Identity, Reputation, Conversation, Sharing, Presence, Relationship and Group) into capabilities (Corporate Social Performance, Financial Performance and Operational Performance). The results of this study show that there is a positive relationship between Social Media and Business Performance.

2.2.2.3 Business Planning (Independent variable)

Figure 2.2.2.3: Contextual Factors Impacting the Business Planning Performance Relationship in Small Firms

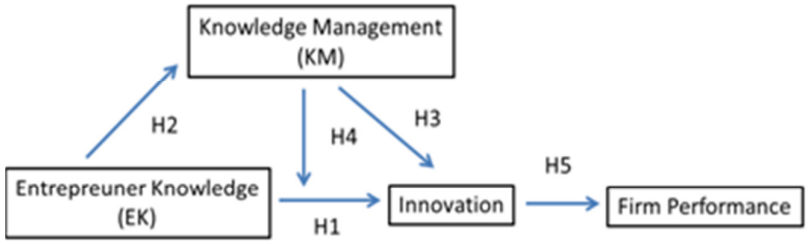


Source**:** (Brinckman, Grichnik & Kapsa, 2010).

The proposed conceptual framework by Brinckman, Grichnik and Kapsa (2010) argues that the relationship of Business Planning and Business Performance is moderated by several factors (Stage of Firm Development, Business Planning Outcome Versus Process and Cultural Context). The result of this study shows that there is a positive relationship between Business Planning and Business Performance.

2.2.2.4 Innovation Practices (Independent variable)

Figure 2.2.2.4: The Impact of Knowledge Management and Knowledge Entrepreneur on Innovations and Firm Performance



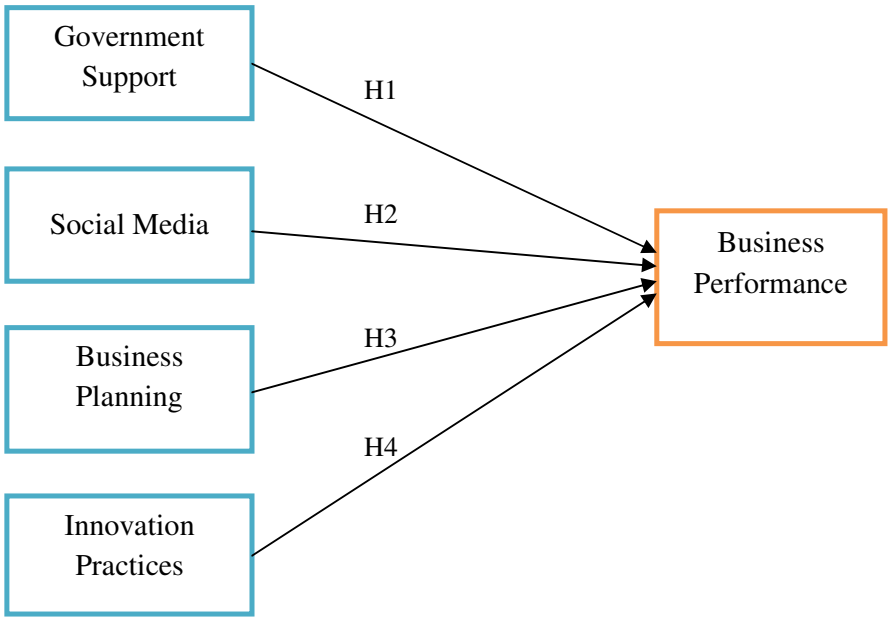
Source: (Hartono & Halin, 2014).

According to Hartono and Halin (2014), the proposed framework as shown in Figure 2.2.2.4 emphasized that the entrepreneur knowledge and knowledge management are important elements to promote innovation. Subsequently, the study indicates that Innovation will lead to a better Performance.

2.3 Proposed Theoretical/ Conceptual Framework

Based on the literature review, a proposed theoretical framework has been developed for this study to examine the relationship between independent variables (Government Support, Social Media, Business Planning and Innovation Practices) and dependent variables (Business Performance).

Figure 2.3.1: Research Framework



Source: Developed for the research.

2.4 Hypothesis Development

2.4.1 Government Support

The growing number of literature on Government Support and Business Performance exhibits that Government Support is an important factor for a better TSMEs' performance. Ismail and Othman (2014) stated that Government Support includes financial supporting, training and development and marketing support. Berry and Sweating (2006) found that there is a positive relationship between Government Support and TSMEs' Business Performance. Similar results were also found in studies

conducted by Othman and Rosli (2011). Which is why we hypothesize that Government Support helps TSMEs by providing seminars, advisory program, training program as well as financial support. Thus, a hypothesis is developed as below.

H1: There is a significant relationship between Government Support and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

2.4.2 Social Media

Social Media is seen as an important tool that could be used to ease and eliminate some of the constraint faced by TSMEs (Meske and Stieglitz, 2013). According to Shuai and Wu (2011), Stone et al. (2007) and Apigian et al. (2005), there is a positive relationship between technology usage and organization performance. According to Ainin, Parveen, Moghavvemi, Jaafar and Mohd Shuib (2015), Social Media such as Facebook has a positive impact towards the firm performance. Trainor et al. (2014) also stated that the usage of Social Media and Business Performance is highly related in a positive manner. Which is why we hypothesize that Social Media act as a media tools to engage, communicate, receive feedback, and increase the brand awareness to a broader range of customers. Thus, a hypothesis is developed as below.

H2: There is a significant relationship between Social Media and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

2.4.3 Business Planning

According to Stewart, Watson, Carland and Carland (1999), it is stated that intensive planning is able to affect the performance of enterprises positively. Delmar and Shane (2003) also claimed that planning is a critical preliminary action in start-up firms. Firms that adopt Business Planning tend to be more successful than those who do not (Jones, 1982). Similar results were also found in studies conducted by Gruber (2007) where he suggests that planning has a major impact of the firm Business

Performance. Therefore, we hypothesize that Business Planning helps TSMEs by reflecting and specifying their goals and target. Thus, a hypothesis is developed as below.

H3: There is a significant relationship between Business Planning and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

2.4.4 Innovation Practices

Geroski and Machin (1992) claimed that those companies that adopt Innovation Practices tend to have better performance than those do not. According to Canada and Sullivan (1990), most of the published paper only analyzes the relationship between Innovation and the performance in large organizations. In recent year, the number of researchers focusing on small enterprises is gradually increasing (Forsman & Temel, 2011). Verhees et al (2010) stated that Innovation helps to create a monopolistic position, which can subsequently increase the Business Performance. Therefore, we hypothesize product innovation, process innovation and marketing innovation helps TSMEs to create new product and services, deliver them to the customer more efficiently and market them into a broader range of customers. Thus, a hypothesis is developed as below.

H4: There is a significant relationship between Innovation Practices and Business Performance of Small and Medium Enterprises (SMEs) for tourism industry in Penang, Malaysia.

2.5 Conclusion

In short, a comprehensive view of the dependent and independent variables are shown in this chapter where reviews are done on the existing literature as well as the framework of theoretical model from other researchers. Besides that, hypotheses are developed based on other researchers' studies on the factors affecting the Business Performance of TSMEs in Penang where it would determine the relationship between the variables. Based on this chapter's finding, further research regarding the relationship of the variables will be varied out in the following chapter's methodology.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

Chapter 3 focuses on the methods used by us to carry out the research, design our questionnaire, collect data and analyze them to achieve the objectives of this research. This overview of research methodology includes the nature of study, research design, methods of data collection, sampling design, target population, sampling frame, sampling location, sampling technique, sampling elements, research instrument, constructs measurement, data processing as well as methods of data analysis.

3.1 Research Design

Research design is explained as a proper way to gather and collect relevant information (Sumathi & Saravanavel, 2003). The quality of a research study depends heavily on how carefully the researcher considers the specific purpose of a design and chooses among the designs to find for an appropriate one (Sekaran & Bougie, 2013). There have three types of research design which are exploratory, descriptive and causal research design.

Exploratory research design is generally applied in the situation with much unknown on hand or less information available; while descriptive research design is applied in the study that describing the characteristic of one individual, situation or event (Sekaran & Bougie, 2013). Since this research is to investigate the factors that affecting the business performance of TSMEs, then the exploratory and descriptive research designs are less suitable to be used in our study. This is because that we choose causal research design which is more suitable for our study to identify the extent to which the four independent variables affect the business performance of TSMEs in Penang. The causal research design is applied to determine whether the each of the independent variable (Government Support, Social Media, Business Planning, and Innovation Practices) affects the dependent variable (Business Performance). From that we can gain a better understanding on whether the independent variables will lead to a better business performance of TSMEs.

Research method can be defined in the dimension that the extent to which the method is quantitative, as opposed to qualitative. According to Sekaran & Bougie (2013), quantitative research method explains in phenomena by using statistical, mathematical or computational approach to assign the number in the form of ordered and meaningful way, as opposed to qualitative research method refers to data are characterized in visual, textual, and oral way. Quantitative research method is applied in our study to explain Business Performance by collecting numerical data that are analyzed using mathematical and statistical methods (Creswell, 1994). This method enables us to collect huge data that can be easily organized and analyzed.

3.2 Data Collection Methods

Data is generally gathered through primary sources and secondary sources. Primary sources provide primary data that are collected first-hand to solve a specific research problem while secondary sources offer secondary data that are collected from readily available sources (Hox & Boeije, 2005). Primary data could be gathered through the use of questionnaires, surveys, observations or interviews and secondary data is obtained from sources like the internet, books, census data, annual reports and publications (Sekaran & Bougie, 2009). Both of the data is used in our research in ensuring validity and accuracy of our study.

3.2.1 Primary Data

Primary data is referring to the original data that was previously not known and is gathered directly by the researcher from the target respondents for a specific research project (Currie, 2005). The decision to gather primary data depends on the type of research we are carrying out. As we are studying the factors affecting the business performance of TSMEs, we need data that is only available from key individuals like owners and managers in the firms. These data is unavailable from published sources and this has led us to the decision of collecting primary data from primary sources (Currie, 2005). By doing this, we directly gain first-hand data from the respondents and are able to elicit relevant data that is helpful in our

study.

In this study, we used questionnaire to collect the primary data. Questionnaire is a tool used for obtaining the respondent's information regarding his social characteristics, standards of behavior or attitudes, present and past behavior, beliefs and reasons for action with respect to the topic under investigation (Bulmer, 2004). It is used in our study because it enables us to reach a huge number of target respondents at a relatively low cost. Moreover, questionnaire helps to minimize bias error that is usually due to the difference in the interviewing skills of the interviewers. It also offers higher anonymity for the target respondents and boosts the reliability of their responses (Phellas, Vloch & Seale, 2011). In addition, the results of the questionnaires can usually be quickly and easily quantified by either a researcher or through the SAS software. The result of questionnaire can be analyzed more objectively than interview method.

3.2.2 Secondary Data

Secondary data is data that is readily available and has been collected and recorded by someone else. According to McCaston (2005), secondary data offers valuable information as it allows the researchers to gain knowledge on a wide range of phenomena and issues. As there was little past study being carried out to examine the relationship between the four factors (Government Support, Social Media, Business Planning and Innovation Practice) and the Business Performance, secondary data is hence unavailable in our study. Nevertheless, we include the use of secondary sources like books, internet resources, conference papers and journal articles to gain related and useful information. They are applied to reinforce or refute the conclusions resulted from the analysis of primary data. It had been useful in assisting us to design the questionnaire as well. This is why researchers are deemed to be wise when they start off their research activity by reviewing secondary data.

3.3 Sampling Design

3.3.1 Target Population

According to Heldal and Jentoft (2013), target population is referring to the group of persons in which researchers are concerned in studying and making statistical inferences. The target population of this research is TSMEs in Penang, Malaysia. We have made some estimation in order to find out the total TSMEs located in Penang. Based on Table 3.3.1 shown in Appendix, the data from Malaysian Department of Statistics shows that the total number of SMEs in Malaysia is 645, 136 and Penang represents 6.33% (40, 824) of it.

According to Department of Statistics (2012), the total number of TSMEs in Malaysia is 239,110. Therefore, we logically estimate the number of TSMEs located in Penang to be 6.33% to the total number of TSMEs (239,110) in Malaysia (SME Malaysia, 2015). Hence, the target population of this research will be the 15, 136 TSMEs operating in Penang.

3.3.2 Sampling Frame and Sampling Location

The sampling frame is a physical representation of the components wholly in the population from which the sample is drawn. In this research we are unable to get the list of all the TSMEs in Penang thus no sampling frame is used in this study.

The sampling location that we choose for this research is Penang, Malaysia. Penang is one of the most popular states for tourism in Malaysia. Based on Table 3.3.2.1 shown in Appendix, it shows the statistics for the number for the various festivals and events held in Penang, 2014-2015 ("Overview", 2016). The state is so famous with its tourism activities that it has brought in many foreign and local tourists and contributes to the blooming of TSMEs in Penang. Table 3.3.2.2 shows the hotel guests recorded in various states in Malaysia, 2013-2014. As shown in the table, there were 4.7 million local and foreign tourists who visited Penang in 2014 and this number has grown up to 6.85 million in 2015, almost doubling the number

tourists in its previous year record. Unlike Kuala Lumpur, Penang is not the capital of Malaysia. Nevertheless, there were already numerous past studies carried out in Kuala Lumpur and Selangor. For example, the studies carried out by researcher such as Kharuddin, Ashhari, and Nassir (2010) focus on business performance of SME. It has a huge potential to grow in the tourism industry and this is why we have chosen this state to carry out our research.

3.3.3 Sampling Elements

Sampling element is referring to an individual unit of the target population (Sekaran & Bougie, 2009). Sampling element for this research are the owners or the managers of TSMEs in Penang. The main reason for choosing them as elements is because the owners and managers are the ones who are familiar with the business processes and objectives because they are the ones who own or manage their firms. They are deemed to have better understanding of their businesses than any other employees in the firm and therefore can answer our survey questions more accurately.

3.3.4 Sampling Technique

The sampling technique is divided into two elements which are probability sampling and non-probability sampling. When each unit of the population has a known or nonzero chance of being selected as a sample subject, it is known as a probability sampling (Sekaran & Bougie, 2010). Conversely, a non-probability sampling is applied when the components in the population have no possibility assigned to them being chosen as subjects in the sample (Sekaran & Bougie, 2010).

Convenience sampling, which is a non-probability sampling technique, is applied in the study. This method allows us to distribute the questionnaire fast and inexpensively. This is because it is the most appropriate technique for us to conduct our study as it allows us to obtain data from any TSMEs operating in the tourist spots. We identify the TSMEs according to the TSMEs business activities mentioned in Chapter 1, Table 1.1.3.

In addition to convenience sampling, we had practiced area sampling in this survey. The numerous popular tourist spots is one of the reasons we chose Penang Island as our sampling location, as mentioned in 3.3.2. Area sampling allows us to obtain data through the use of Penang city map. We decided to go to famous tourist attractions such as Georgetown, Batu Ferringhi Beach, Gurney Drive, Tanjung Bungah, Little India Penang and the Clock Tower to collect data from the TSMEs operating there, which are relevant sources to our study. We had spent one week (22th May to 28th May) in Penang to collect data from these respondents to reach the desired sample size of respondents.

3.3.5 Sampling Size

Table 3.3.5: Table of sample size for a given population

Population (N)	Sample Size (S)
9000	368
10000	370
15000	375
20000	377

Source: (Sekaran & Bougie, 2009).

As mentioned in Table 3.3.1, the number of targeted population in this study is 15, 136. Based on Table 3.3.5, when the target population is more than 15, 000, the researcher should distribute more than 377 questionnaires to our respondents (Sekaran & Bougie 2009). According to the Sekaran and Bougie (2013), target population should be generated larger sample size better than lesser sample size due to the excessive sample size helps the researchers to gain more accurate and reliable result for the population as whole. Before we carry out the formal research, a pilot test had been conducted to ensure the reliability of the questionnaire and it is relevance to our study. After ensuring that the questionnaire does not have any error, we prepared and distributed a total of 400 copies to the respondents. Out of the 400 copies distributed, 278 were successfully collected. According to Roscoe (1975), it is suggested that the sample size between 30 to 500 is

appropriate for most research. Therefore, the 278 data collected is acceptable.

3.4 Research Instrument

According to Kothari (2004), questionnaire is the most widely applied way of collecting data in various surveys. It comprises of a set of questions printed on a form in an orderly manner and can be personally administered or mailed to the target respondents for answering the questions. Questionnaire helps to ease our analysis as data entry and tabulation could be done with Statistical Analysis System Enterprise Guide Version 7.1 computer software. Furthermore, respondents are more familiar with filling up questionnaires as it is a common form used by researchers to gather research data. They are also comparatively inexpensive to analyze and time-saving since we have to distribute 400 sets of research questions in conducting this research.

3.4.1 Questionnaire Design

According to Hair et al. (2010), Questionnaire helps to detain an individual though and how they feel about various matters. A questionnaire can be conducted to assist a researcher in addressing the problem faced by businesses today by gathering all the data and information needed (Zikmund et al., 2010).

The cover page of the questionnaire states the title and the objective of the research and a brief statement of the member's history and background, which includes the name of their university and the courses there are currently pursuing. It also includes a personal data protection statement which mentions that the answers obtained from the questionnaires will only be used for the purpose of this research and be kept confidential.

For our research, we have distributed a total of 400 sets of questionnaire in some of the most well-known tourist attraction in Penang, Malaysia which includes Georgetown, Batu Ferringhi Beach, Gurney Drive, Tanjung Bungah, Little India Penang and the Clock Town. The questionnaires are

distributed through the Internet as well as distributed personally where distributed personally has contributed the most in our research study. The questionnaire is made up of a total of 45 questions, where it has been categorize into section of two namely Section A and Section B. The questionnaire contains a total of 10 pages which includes the cover of the research survey.

The questionnaire is made up of closed questions, where the respondents are allowed to choose among the alternatives set by the researcher. Closed questions provide a clear meaning of the questions and enable the respondents to understand and answer them easily and quickly. It also assists in testing the hypothesis, making meaningful comparison of the result easier and fulfilling the research objectives.

The questionnaire is categorized into section of two, namely Section A and Section B. Part A consists of questions regarding both dependent (Business Performance) and independent (Government Support, Social Media, Business Planning and Innovation Practices) variables. A Five-point Likert scale is adopted to evaluate the variables. They range from 1 to 5, where Strongly disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly Agree = 5. Five-point Likert scale is used instead of seven-point or nine-point Likert scale because it is sufficient to show the variance in the respondent's attitude and at the same time avoid any confusion caused by offering too much alternatives to the respondents. In Table 3.4.1, it is listed with the questions used for each variable and the sources from which we adopted our questionnaire's questions.

Table 3.4.1: Sources of Questionnaire's Questions

Variables	Sources (adopted/ adapted)	Number of Questions
Business Performance	Abdi & Ali (2013)	6
Government Support	Hung, Effendi, Talib & Rani (2011)	1
	Ismail & Othman (2014)	2
	Zin (2015)	1
	Yusoff & Yaacob (2010)	1
Social Media	Mangold & Faulds (2009)	2
	Fournier & Avery (2011)	1
	Gilmore, Carson, Donnell & Cummins (1999)	1
	Fischer & Reuber (2011)	1
	Stokes & Lomax (2002)	1
	Kaplan & Haenlein (2010)	1
Business Planning	Set (2014)	4
	Rossiter (2009)	1
	Norton & Moore (2006)	1
	Abbrey, Bagah & Wulifan (2015)	2
Innovation Practices	Seyed & Amir (2014)	6
	Ansari (2014)	5

Source: Developed for the research.

Part B is designed to get the personal details of the target respondents. It involves a total of eight questions, which are gender, age, race, educational level, type of tourism activities, number of employees, sales turnover and the position of the respondent in the firm. These questions are put in the last section of the questionnaire because it is less important to measure the target

respondent in particular and to encourage respondents to give honest feedbacks for Part A.

3.4.3 Pilot Test

It is crucial to pre-test the instrument to ensure that there are no ambiguity in the questionnaire, which might mislead the respondents to misinterpret and also to ensure that there are no problems with the measurements and wordings. We had carried out a pre-test which involves the participation of a small group of respondents to help test the comprehension and the appropriateness of the survey questions. Guidance and advices regarding grammar, literature and the structure of the survey questionnaire are seek from experienced lectures in business and language departments in order to design a clear and easy to understand questionnaire. Prior to administering the questionnaire to the target respondents, this pre-test helps us to rectify some inadequacies in grammar, structure and therefore improving understandability and clarity of the questionnaire (Saunders, Lewis & Thornhill, 2009).

According to Isaac and Michael (1995) and Hill (1998), it is suggested that the number of participant for the pilot study should be around 10 – 30. Connelly (2008) suggested that the sample size for the pilot test should be 10% of the total sample size. Since the sample size of our study is 377, 10 % of it will be around 30 sets. Therefore, the pilot test is then conducted on a small-scale basis with around 30 sets of questionnaires directed to personnel related to our topic, which are the TSMEs owners. All the data collected are run using Statistical Analysis System (SAS) Enterprise Guide to check the creditability and reliability. The result of the pilot test is shown in Table 3.4.3.1.

Table 3.4.3.1: Summary of Reliability Test Result (1st Pilot Test, n=30)

Variables	Number of Items	Cronbach's Alpha	Strength of Reliability
Business Performance	6	0.5887	Poor
Government Support	5	0.8297	Very good
Social Media	7	0.7319	Good
Business Planning	8	0.8529	Very Good
Innovation Practices	11	0.8596	Very Good

Source: Developed for the research.

Table 3.4.3.2: Alpha Coefficient Range Table

Alpha Coefficient range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very good
>0.9	Excellent

Source: (Hair, Money, Samouel, & Page, 2010).

From the table, it is shown that the reliability test values for all the independent variables are above 0.7. Government Support, Business Planning and Innovation Practices have the highest reliability value of 0.8297, 0.8529 and 0.8596, which indicates that all three of the variables has a very good reliability result where they fall in the range of 0.8 to 0.9. However, Social Media valued the lowest among all the independent variables with a figure of 0.7319 but it is still a reliable value where it falls under a good reliability result.

However, the dependent variable (Business Performance) had a Cronbach Coefficient value of less than 0.7. This means that the Business Performance fell under the range of less than 0.6, indicating its reliability to be Poor. After much review and feedback from the pilot test respondents, we found out that most of them do not understand the questions, as they involve the use of technical terms, jargons and was unclear.

After changes have been made to simplify and improve the clarity on the questions regarding Business Performance, 30 sets of questionnaires were being distributed again. This time, a result of 0.7411 is gained and proved that the Business Performance variable has a good reliability. With this result, we obtained the "green light" to further our research by distributing the questionnaire to a larger scale of respondents. The results gained from the second pilot test are shown in Table 3.4.3.3.

Table 3.4.3.3: Summary of Reliability Test Result (2nd Pilot Test, n=30)

Variables	**Number of Items**	**Cronbach's Alpha**	**Strength of Reliability**
Business Performance	6	0.7411	Good
Government Support	5	0.8297	Very good
Social Media	7	0.7319	Good
Business Planning	8	0.8529	Very Good
Innovation Practices	11	0.8596	Very Good

Source: Developed for the research.

3.5 Construct Measurement

3.5.1 Nominal Scale

A nominal scale enables the researcher to categorize subjects to different groups or classes. The categories are designed simple so that respondents find it easy to choose an answer among the mutually distinctive groups. Nominal scale provides the researcher some gross, categorical and basic information that is easily analyzed using the SAS software (Sekaran & Bougie, 2010). It is also known as dichotomous scale (when there are only two categories to choose from) or categorical scale (Brown, 2011). In our questionnaire, there are four questions in section B which uses nominal scale. They include gender, age, type of firm and race. The following is the example of nominal scale:-

Gender:

□ Female

□ Male

3.5.2 Ordinal Scale

Other than helping to categorize the variables and differentiate among the categories, an ordinal scale places orders or ranks on them in some meaningful way. It is applied when the categories of variables need to be arranged according to certain sequence. As such, ordinal scale provides more information as it does more than just distinguishing the categories and rank-ordering them (Sekaran & Bougie, 2010). In section B of our questionnaire, there are four questions which use ordinal scale. They are the number of permanent employees, sales turnover, education level and position held in the business. The following is the example of ordinal scale:-

What is the total number of permanent employees in your firm?

□ Less than 5 workers

□ 5 to 30 workers

□ 30 to 75 workers

3.5.3 Interval Scale (Five Point Likert Scale)

An interval scale is used to help the researcher to carry out arithmetic operations on the collected data (Sekaran & Bougie, 2010). Different from nominal and ordinal scale, interval scale allows the researcher to show the order of groups by using equal intervals between any two points on the scale (Brown, 2011). As a result, the researcher gets to know the differences in the preferences among the respondents (Sekaran & Bougie, 2010). In the Section A of our questionnaire, interval scale is applied in the form of Likert scale. This method allows the respondents to select from the scale of 1 to 5 to show their degree or level of agreement or disagreement. It is simple and easy to understand and thus eases the respondents' burden in answering our questionnaire. The following is the example of Likert Scale; whereas the types of scales used in the questionnaire are summarized in Table 3.5.3.

No.	Business Performance	SD	D	N	A	SA
1.	The annual growth rate of the revenues and earnings (i.e. growth rate of annual sale)	1	2	3	4	5

Table 3.5.3: Types of Scales used in Questionnaire

Part A	**Number of Questions**	**Type of Scales**
Business Performance	6	Interval Scale
Government Support	5	Interval Scale
Social Media	7	Interval Scale
Business Planning	8	Interval Scale
Innovation Practices	11	Interval Scale
Part B		
Gender	1	Nominal Scale
Age	1	Nominal Scale
Type of Tourism Activities	1	Nominal Scale
Permanent Employees	1	Ordinal Scale
Sales Turnover	1	Ordinal Scale
Race	1	Nominal Scale
Education Level	1	Ordinal Scale
Position held in Business	1	Ordinal Scale

Source: Developed for the research.

3.6 Data Processing

Data processing plays a vital role in completing a research. It is a procedure converts all the data input into useful information. Data processing includes checking, editing, coding and indicating any unusual or special treatments of the data to ensure that the data by ensuring all the input data collected are appropriate, accurate and complete to be used.

3.6.1 Data Checking

Data checking is a process of determining whether the information gathered is complete and accurate (Sekaran & Bougie, 2010). In order to obtain an error-less survey, we have decided to remove some of the unacceptable

questionnaire such as incomplete questionnaire.

3.6.2 Data Editing

Data editing is a process where the entire questionnaire collected from the respondents with inconsistent, illogical and omitted data are checked and followed up (Sekaran & Bougie, 2013). When there is an omission of answer, we look into the pattern of the respondent in answering other questions, and use a logical way to predict the missing response. Through this modification, the data will be more consistent and accurate for analysis (De Waal, Pannekoek, & Scholtus, 2011).

3.6.3 Data Coding

Data coding is a process to identify and assign numbers as well as other symbol to the data edited previously (Sekaran & Bougie, 2010). All the data gathered for this research are coded into the software SAS Enterprise Guide Version 7.1. Casual research design is used in this study as the analysis technique to identify which variable might affect another variable to change. For example, which of the independent variables such as Government Support, Social Media, Business Planning or Innovation Practices might affect Business Performance.

The dependent and independent variables in Part A of the questionnaire are coded as below:

- "Business Performance" is coded as BP
- " Government Support" is coded as G
- "Social Media" is coded as SM
- "Business Planning" is coded as P
- "Innovation Practices" is coded as IP

Whereas the answers for the variables in each of the questions in Part A are coded as below:

- "Strongly Disagree" is coded as 1
- "Disagree" is coded as 2
- "Neutral" is coded as 3
- "Agree" is coded as 4
- "Strongly Agree" is coded as 5
- "Missing data" is coded as 999

In Part B of the questionnaire, the answer for each question is coded as below:

Table 3.6.3: Coding of Questions in Part B

No.	Question	Coding
Q1	Gender	• "Male" is coded as 1 • "Female" is coded as 2 • "Missing data" is coded as 999
Q2	Age Range	• "Less than 25" is coded as 1 • "25-34" is coded as 2 • "35-44" is coded as 3 • "45 and more" is coded as 4 • "Missing data" is coded as 999
Q3	Type of Tourism Activities	• "Accommodation services" is coded as 1 • "Food and Beverage serving services" is coded as 2 • "Passenger transport services" is coded as 3

		• "Travel agency, tour operator and tourism guide services" is coded as 4 • "Cultural services, recreation and other entertainment services" is coded as 5 • "Miscellaneous tourism services (i.e., Personal care and salus Per Aqua (SPA), camping sites, Zoo, Museum, and Theme parks)" is coded as 6 • "Missing data" is coded as 999
Q4	Race Group	• "Chinese" is coded as 1 • "Malay" is coded as 2 • "Indian" is coded as 3 • "Others" is coded as 4 • "Missing data" is coded as 999
Q5	Number of Permanent Employees	• "Less than 5 workers" is coded as 1 • "5 to 30 workers" is coded as 2 • "30 to 75 workers" is coded as 3 • "Missing data" is coded as 999 •
Q6	Sales Turnover	• "Less than RM 300, 000" is coded as 1 • "More than RM 300, 000 and less than RM 3 million" is coded as 2 • "More than RM 3 million and less than RM 20 million" is coded as 3 • "Missing data" is coded as 999
Q7	Race	• "Malay" is coded as 1 • "Chinese" is coded as 2 • "India" is coded as 3 • "Others" is coded as 4

		• "Missing data" is coded as 999
Q8	Educational Level	• " Secondary School" is coded as 1 • "Diploma" is coded as 2 • "Bachelor" is coded as 3 • " Others" is coded as 4 • "Missing data" is coded as 999

Source: Developed for the research.

3.6.4 Data Transcribing

Data transcribing is the closing step for data processing but the first stage for data analysis. The coded data is then transcribed into SAS Enterprise Guide Version 7.1 for data analysis.

3.7 Data Analysis

In analyzing the data, SAS Enterprise Guide Version 7.1 software is adopted in this study. In the data analysis process editing and coding are the two main requirements. Data analysis is used to convert data into useful knowledge and information by exploring the relationship of the independent variables (Government Support, Social Media, Business Planning and Innovation Practices) and dependent variable (Business Performance). Data analysis is the most challenging part in the quantitative research.

3.7.1. Descriptive Analysis

Descriptive analysis is an analysis that helps to outline a given data set statistically. Result of descriptive analysis or descriptive statistic is adopted to measure the central tendency include mean, median and mode, range and standard deviation. In this study, frequency analysis is used on a set of data which supports the researcher in transforming the data into histogram, bar charts, and pie charts according respective variable. According to Zikmund et al. (2010), histogram refers to a graphical

display which shows the frequency distribution of the data whereas a pie chart depicts data into segments according to their respective percentage.

3.7.2 Scale Measurement (Reliability Test)

Zikmund (2010) stated that reliability measures whether a data is free from mistake. Cronbach Alpha is used to measure the reliability of both dependent and independent variables in the questionnaire. In order to calculate the Cronbach's alpha, SAS Enterprise Guide Version 7.1 is being used. Although, the scale with Cronbach's alpha is shows the result 0, it refers to there is no steadiness, and the result of 1 signify the comprehensive steadiness. The standard alpha coefficient range is stated in Table 3.4.3.2.

3.7.3 Inferential Analysis

Inferential statistics is a method used to make generalization about the population from which the samples were drawn, based on the data collected from the samples (Banerjee & Chaudhury, 2010). Pearson Correlation Coefficient and Multiple Linear Regression (MLR) Analysis are applied to measure the data gathered as well as to analyze and explain the variables and the relationship between them.

3.7.3.1 Pearson Correlation Coefficient Analysis

Pearson Correlation Coefficient is an analysis that shows the strength of the linear relationship between two variables. Pearson coefficient is a correlation coefficient that varies from +1 and -1 (Kreinovich, Nguyen, & Wu, 2013). When the correlation coefficient is +1, it means that the variables are perfectly and positively related to one another. Conversely, when the coefficient is -1, it shows that there is a perfectly negative relationship between the two variables (Sekaran & Bougie, 2009). In this test, we apply Pearson Correlation Coefficient Test to examine the relationship between each independent variable (Government Support, Social Media, Business Planning and Innovation Practices)

and the dependent variable (Business Performance) as stated in H1, H2, H3 and H4.

Table 3.7.2.2: Alpha Coefficient Range Table

Coefficient range	Strength
±0.91 to ±1.00	Very Strong
±0.71 to ±0.90	High
±0.41 to ±0.70	Moderate
±0.21 to ±0.40	Small but Definite Relationship
0.00 to ±0.20	Slight or Almost Negligible

Source: (Hair, Money, Samouel & Page, 2010).

3.7.3.2 Multiple Linear Regression (MLR) Analysis

MLR is a numerical tool which enables researchers to study how independent variable and dependent variable are related (Higgins, 2005). It is a method to analyze the additional factors separately and to estimates the impact of each factor. Multiple regressions is useful by quantifying the effect of different independent variables upon a single dependent variable (Sykes, 1986). R-square (R^2) represent the information about whether the regression model fit is acceptable or not acceptable. Besides, it also evaluates the relationship for both independent and dependant variables. The independent variable will only influence the dependant variable if the value of R^2 is high (Hair, Money, Samouel, and Page, 2010). The purpose of carrying out this test is to determine whether all four independent variables are able to affect the dependent variables. The formula for multiple regression equation is shown as below:

$$Y= a + b1X1+ b2X2 + b3X3 + b4X4$$

Where, Y = Business Performance

a = Constant value, equal to the values of Y when the value of X1, X2, X3, X4 = 0

b = Coefficients of each independent variables

X1 = Government support

X2 = Social media

X3 = Business planning

X4 = Innovation

Business Performance = Government Support + Social Media + Business Planning + Innovation Practices

3.8 Conclusion

Chapter 3 describes the basic research techniques that are applied in gathering the primary and secondary data for this research. It also includes the sampling design, research instruments and constructs measurement. Subsequently, the survey will be carried out and the data collected will be included in the next chapter.

CHAPTER FOUR: RESEARCH RESULTS

4.0 Introduction

The data of descriptive analysis, inferential analysis and scale measurement are analyze and described in this chapter to have a more detailed picture of this research. The data is collected and gathered from 278 respondents in Penang and interpreted by using version 7.1 of the Statistical Analysis System (SAS) Enterprise Guide. The results are presented and interpreted in the form of pie chart, bar chart and table to help better understand the relationship between the variables.

4.1 Descriptive Analysis

Descriptive analysis is the extent to which data is obtained to interpret the frequency distribution of the respondent demographic profile. This section has total of 8 questions included with regard to the personal information of the respondents. As mentioned in Table 3.3.5, a total number of 400 questionnaires have been distributed in conducting this survey.

4.1.1 Respondent Demographic Profile

The information of respondent demographic profile consist of gender, age, type of tourism activities, total permanent employees, sales turnover, race, educational level, and position held in the business.

4.1.1.1 Gender

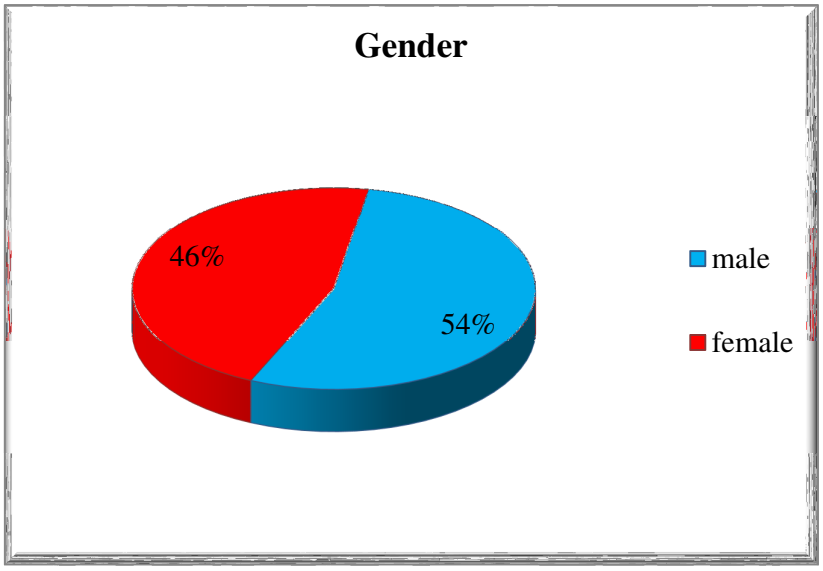
Based on Figure 4.1.1.1, it is shown that the proportions of male and female respondents who are committed in the survey. There are a total of 278 respondents. The majority of the 278 respondents are male; 150 (54%) and 128 (46%) out of 278 respondents are female.

Table 4.1.1.1: Statistics of Respondents' Gender

Gender	Frequency	Percent	Cumulative Percent
Male	150	54%	54%
Female	128	46%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.1: Statistics of Respondent's Gender



Source: Developed for the research.

4.1.1.2 Age

Based on Figure 4.1.1.2, it shows the different age range of respondents in TSMEs Penang, Malaysia. We have classified the age groups into five categories which are below 25, 25 to 34, 35 to 44 and more than 45 years old. Among these 278 respondents, the age group of less than 25 years old consists of 7.2% (20 respondents), followed by the majority of respondents who are between the ages of 25 to 34 years old which consist of 33% (92 respondents). Meanwhile, the age group of 35 to 44 years old

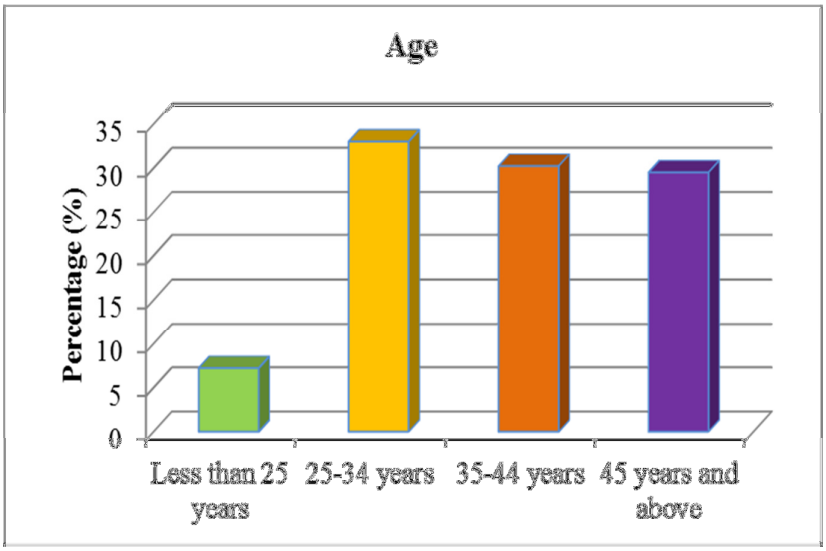
consists of 30.22% (84 respondents) from the total number of respondents. Lastly, the age group of 45 years old and above consists of 29.50% (82 respondents).

Table 4.1.1.2: Statistics of Respondents' Age

Age	Frequency	Percent	Cumulative Percent
Less than 25years	20	7.2%	7.2%
25-34 years	92	33%	40.2%
35-44 years	84	30.22%	70.42%
45 years and above	82	29.5%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.2: Statistics of Respondent's Age



Source: Developed for the research.

4.1.1.3 Type of Tourism Activities

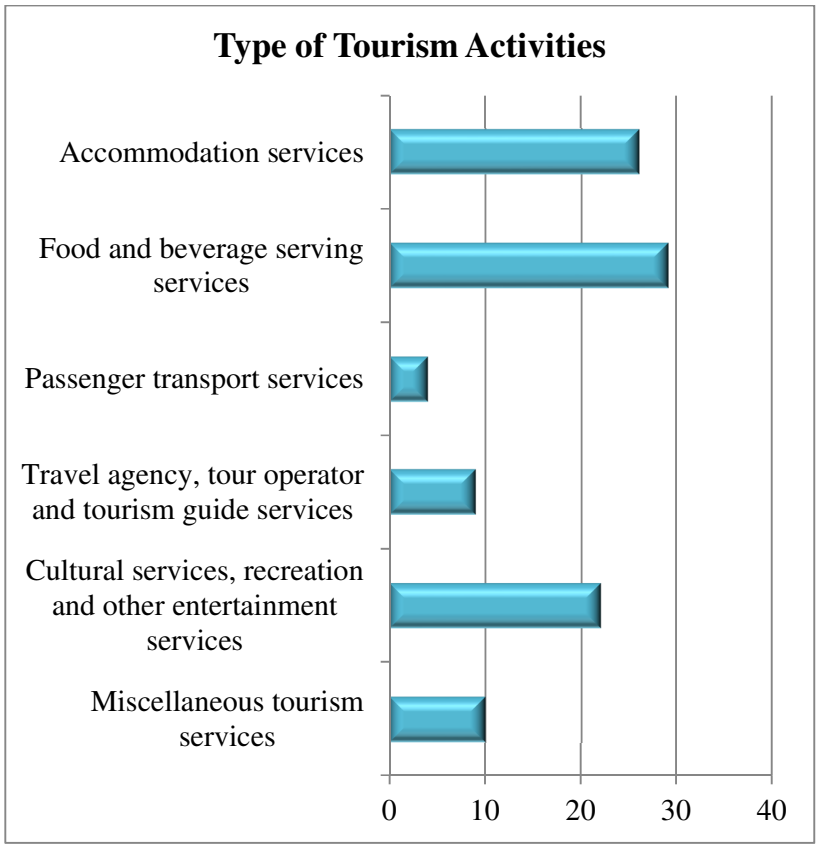
In Table 4.1.1.3 and Figure 4.1.1.3, it is shown that the respondent's firm are categorized into six groups which are accommodation services, food and beverage serving services, cultural services, recreation and other entertainment services, miscellaneous tourism services, travel agency, tour operator and tourism guide services, and passenger transport services. Through the survey, respondents belonging to the tourism activities of accommodation services are 72 respondents (26%). They provide hotels and home-stay services for tourists. Providing food and beverage serving services to the tourists are the majority of respondents, which is 82 out of 278 respondents (29%). Besides that, we found that respondents who are engaged in passenger transport services, represent only 10 (4%) out of the total 278 respondents. The data from the travel agency, tour operator and tourism guide services made up 26 respondents (9%) respectively. The second highest is 60 respondents (22%) engaging in the cultural services, recreation and other entertainment services. Lastly, the tourism activities of miscellaneous tourism service consist of only 28 respondents (10%) out of the total respondents.

Table 4.1.1.3: Statistics of Respondent's Type of Tourism Activities

Type of Tourism Activities	**Frequency**	**Percent**	**Cumulative Percent**
Accommodation services	72	26%	26%
Food and beverage serving services	82	29%	55%
Passenger transport services	10	4%	59%
Travel agency, tour operator and tourism guide services	26	9%	68%
Cultural services, recreation and other entertainment services	60	22%	90%
Miscellaneous tourism services	28	10%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.3: Statistics of Respondent's Type of Tourism Activities



Source: Developed for the research.

4.1.1.4 Number of Permanent Employees

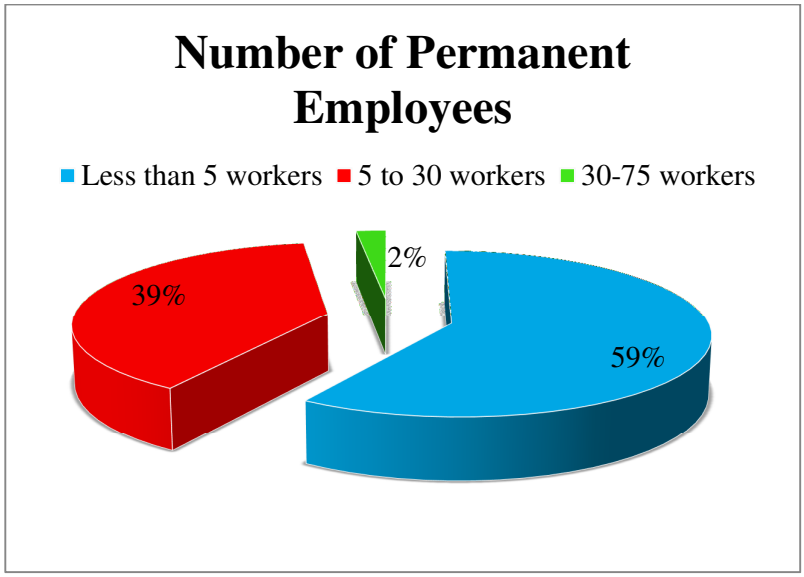
Table 4.1.1.4 and Figure 4.1.1.4 indicate the number of permanent employees in the respondents' enterprises. It shows that the majority of the respondents have less than 5 workers, representing 59%, which is 164 respondents out of the 278 respondents. 108 of them employed 5 to 30 workers, depicting a 39% of the total respondents. The minority of the respondents employ workers are within the range of 30 to 75. They represent only 6 respondents (2%) in this survey.

Table 4.1.1.4: Statistics of Respondents' Number of Permanent Employees

Number of Permanent Employees	Frequency	Percent	Cumulative Percent
Less than 5 workers	164	59%	59%
5 to 30 workers	108	39%	98%
30 to 75 workers	6	2%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.4: Statistics of Respondents' Number of Permanent Employees



Source: Developed for the research.

4.1.1.5 Sales Turnover

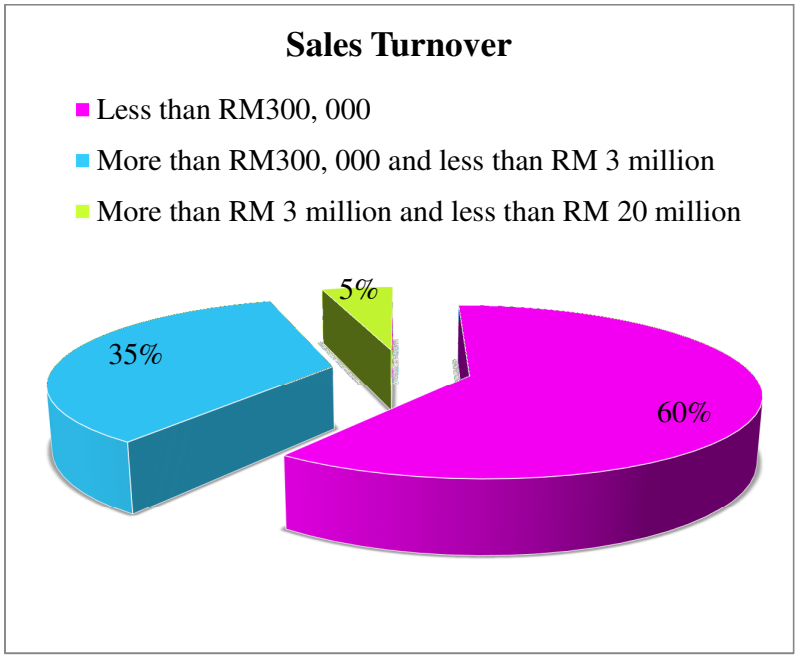
Table 4.1.1.5 and Figure 4.1.1.5 indicate the different sales turnover earned by the respondents over the years respectively. The majority of respondents' sales turnover is less than RM300, 000, which are 166 people (60%). It is followed by 98 people (35%) whose sales turnover is more than RM300, 000 and less than RM 3 million and least of all are 14 (5%) respondents whose sales turnover are more than RM3 million and less than RM20 million.

Table 4.1.1.5: Statistics of Respondent's Sales Turnover

Sales Turnover	Frequency	Percent	Cumulative Percent
Less than RM300, 000	166	60%	60%
More than RM300, 000 and less than RM 3 million	98	35%	95%
More than RM 3 million and less than RM 20 million	14	5%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.5: Statistics of Respondent's Sales Turnover



Source: Developed for the research.

4.1.1.6 Race

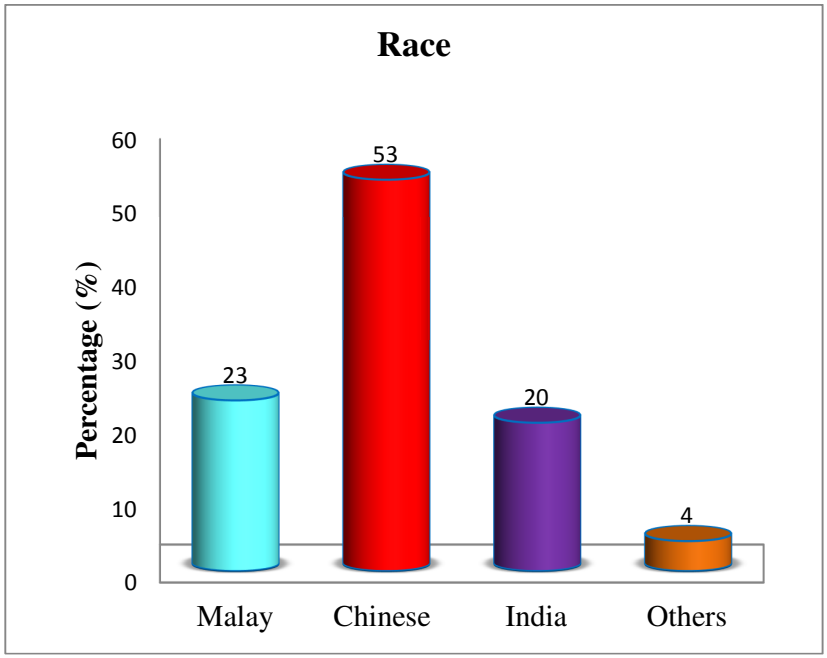
Table 4.1.1.6 and Figure 4.1.1.6 indicate the number of respondents who participated in the survey conducted from all different races respectively. Among 278 respondent's, 64 respondents (23%) of them are Malay, 148 respondents (53%) are Chinese, 56 respondents (20%) are Indian and 10 respondents (4%) are others.

Table 4.1.1.6: Statistics of Respondent's Race

Race	Frequency	Percent	Cumulative Percent
Malay	64	23%	23%
Chinese	148	53%	76%
Indian	56	20%	96%
Others	10	4%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.6: Statistics of Respondent's Race



Source: Developed for the research.

4.1.1.7 Educational Level

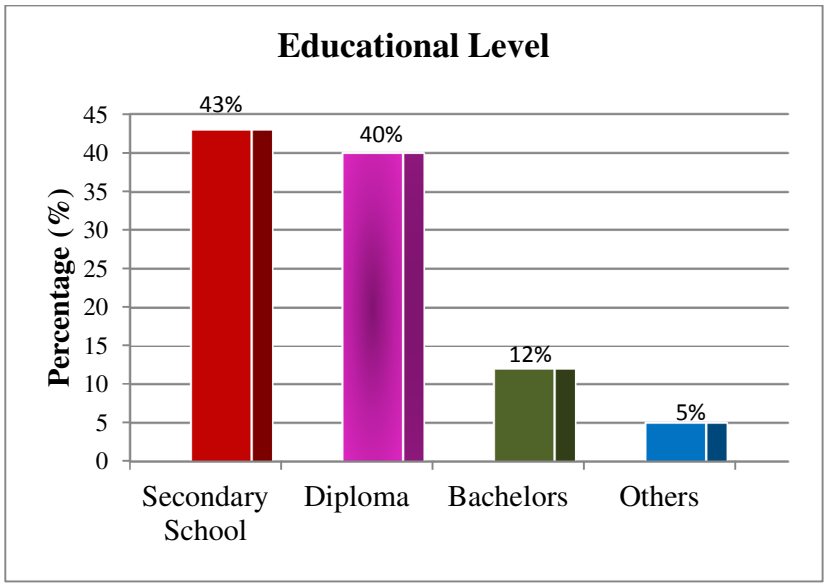
The educational levels achieved by the respondents are summarized in Table 4.1.1.7 and Figure 4.1.1.7. There are four levels of educational used to categorize the target respondents in the study. They are Secondary School, Diploma, Bachelors and Others. Among the four levels, Secondary School is the major contributor which is 43% (120 respondents). It is followed by the second highest contributor, which is Diploma representing 40% (110 respondents) and the third is the Bachelors representing 12% (34 respondents). The remaining 5% of respondents (14 respondents) falls into the category of others.

Table 4.1.1.7: Statistics of Respondents' Educational Level

Educational Level	Frequency	Percent	Cumulative Percent
Secondary School	120	43%	43%
Diploma	110	40%	83%
Bachelors	34	12%	95%
Others	14	5%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.7: Statistics of Respondents' Educational Level



Source: Developed for the research.

4.1.1.8 Position Held in the Business

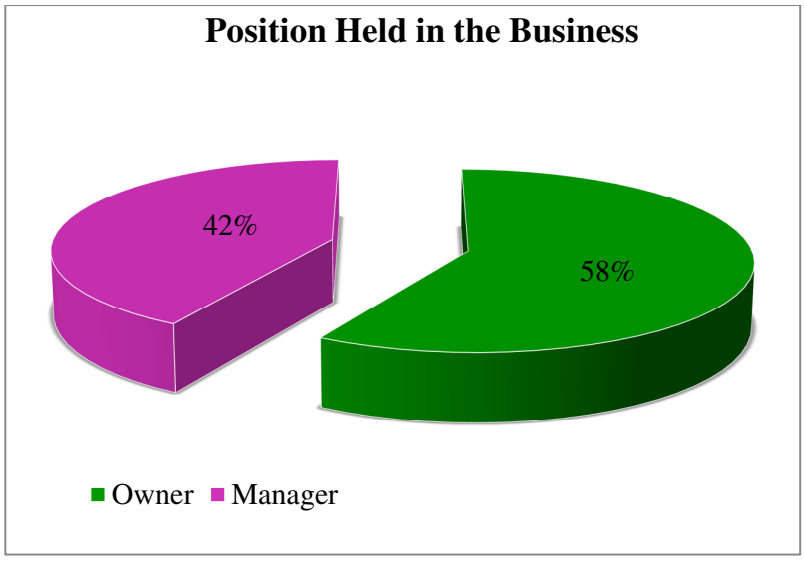
Table 4.1.1.8 and Figure 4.1.1.8 show the different positions held by the respondents in their business. Of all the 278 respondents participated, the majority is owners of their own enterprises and the minority are the managers in charge. The former represents 58%, which is a total of 162 respondents while the latter represents 42%, which is a total of 116 respondents.

Table 4.1.1.8: Statistics of Respondents' Position Held in the Business

Position Held in the Business	Frequency	Percent	Cumulative Percent
Owner	162	58%	58%
Manager	116	42%	100%
TOTAL	278	100%	

Source: Developed for the research.

Figure 4.1.1.8: Statistics of Respondents' Position Held in the Business



Source: Developed for the research.

4.1.2 Central Tendencies Measurement of Constructs

Central tendency is used to measure the single value to determine the central distribution which is best to represent the score as a whole. Central tendencies are often used to provide some general perception of the value that is usually seen as an average or common middling (Saunders, Lewis & Thornhill, 2009). The standard deviation and mean is applied to describe the data. Mean is the average of all data values (Saunders, Lewis & Thornhill, 2009) while standard deviation measures how the data is concentrated around the mean. The amount of standard deviation will only be small if the data are more concentrated (Rumsey, 2011).

4.1.2.1 Business Performance

Table 4.1.2.1: Central Tendency Measurement for Business Performance

Question	N	Mean	Standard Deviation
BP1	278	3.91367	0.75507
BP2	278	4.15827	0.78118
BP3	278	4.19424	0.80502
BP4	278	4.20144	0.77114
BP5	278	4.10072	0.84371
BP6	278	4.25899	0.88581

Source: Developed for the research.

Based on Table 4.1.2.1, the ranking for Business Performance variable is shown clearly in the above table. It is shown that question BP1 has the lowest mean of 3.91367 whereas question BP6 has the highest mean of 4.25899. As the mean for all the questions BP1 to BP6 are close to 4, all of the responds are generally close to "Agree".

For the standard deviation, it is shown that question BP1 has the lowest standard deviation of 0.75507 whereas question BP6 has the highest standard deviation of 0.88581. As the standard deviation for all the questions BP1 to BP6 are less than 1, we can conclude that the responds on average, are less than 1 point away from the mean.

4.1.2.2 Government Support

Table 4.1.2.2: Central Tendency Measurement for Government Support

Question	N	Mean	Standard Deviation
G1	278	3.16547	1.00968
G2	278	3.16547	1.07882
G3	278	2.97842	1.02297
G4	278	3.08633	1.06457
G5	278	2.97842	1.06447

Source: Developed for the research.

Based on Table 4.1.2.2, it is shown that questions G1 and G2 have the highest mean of 3.16547 whereas questions G3 and G5 have the lowest mean of 2.97842. The result for questions G1 and G2 indicates that the responds towards these questions are slightly above "Neutral" whereas the result for questions G3 and G5 indicates that the responds are slightly below "Neutral". Question G4 is between the highest and the lowest mean, with the value of 3.08633, indicating "Neutral".

For the standard deviation, it is shown that question G1 has the lowest standard deviation of 1.00968 whereas question G2 has the highest standard deviation of 1.07882. As the standard deviation for all the questions G1 to G5 are slightly more than 1, we can conclude that the responds on average, are slightly more than 1 point away from the mean.

4.1.2.3 Social Media

Table 4.1.2.3: Central Tendency Measurement for Social Media

Question	N	Mean	Standard Deviation
SM1	278	4.09353	0.83161
SM2	278	4.10072	0.71391
SM3	278	4.21583	0.79495
SM4	278	4.13669	0.80792
SM5	278	4.27338	0.83086
SM6	278	4.23741	0.83759
SM7	278	4.28777	0.81719

Source: Developed for the research.

Based on Table 4.1.2.3, it is shown that question SM1 has the lowest mean of 4.09353 whereas question SM7 has the highest mean of 4.28777. The result for questions SM1, SM2 and SM4 indicates that the responds are generally close to "Agree" whereas the result for questions SM3, SM5, SM6 and SM7 indicates that the responds towards these questions are slightly above "Agree".

For the standard deviation, it is shown that question SM2 has the lowest standard deviation of 0.71391 whereas question SM6 has the highest standard deviation of 0.83759. As the standard deviation for all the questions SM1 to SM7 are less than 1, we can conclude that the responds on average, are less than 1 point away from the mean.

4.1.2.4 Business Planning

Table 4.1.2.4: Central Tendency Measurement for Business Planning

Question	N	Mean	Standard Deviation
BP1	278	3.95683	0.76824
BP2	278	4.02158	0.73556
BP3	278	4.14388	0.74622
BP4	278	4.17266	0.80547
BP5	278	4.13669	0.80792
BP6	278	4.17986	0.77181
BP7	278	4.17266	0.69995
BP8	278	4.25180	0.78885

Source: Developed for the research.

Based on Table 4.1.2.4, it is shown that question P1 has the lowest mean of 3.95683 whereas question P8 has the highest mean of 4.25180. The result for questions P1 and P2 indicates that the responds are generally close to “Agree” whereas the result for questions P3 to P8 indicates that the responds towards these questions are slightly above “Agree”.

For the standard deviation, it is shown that question P7 has the lowest standard deviation of 0.69995 whereas question P5 has the highest standard deviation of 0.80792. As the standard deviation for all the questions P1 to P8 are less than 1, we can conclude that the responds on average, are less than 1 point away from the mean.

4.1.2.5 Innovation Practices

Table 4.1.2.5: Central Tendency Measurement for Innovation Practices

Question	N	Mean	Standard Deviation
I1	278	3.91367	0.87881
I2	278	3.94964	0.85247
I3	278	3.98561	0.86643
I4	278	4.07194	0.93577
I5	278	4.04317	0.87377
I6	278	3.78417	0.78582
I7	278	3.89209	0.88868
I8	278	3.97122	0.94577
I9	278	4.04317	0.99726
I10	278	4.02878	0.84068
I11	278	4.08633	0.96496

Source: Developed for the research.

Based on Table 4.1.2.5, it is shown that question I6 has the lowest mean of 3.78417 whereas question I11 has the highest mean of 4.08633. The result for questions I1, I2, I3, I6, I7 and I8 indicates that the responds are slightly below "Agree" whereas the result for questions I4, I5, I9, I10 and I11 indicates that the responds towards these questions are generally close to "Agree".

For the standard deviation, it is shown that question I6 has the lowest standard deviation of 0.78582 whereas question I9 has the highest standard deviation of 0.99726. As the standard deviation for all the questions I1 to I11 are less than 1, we can conclude that the responds on average, are less than 1 point away from the mean.

4.1.3 Normality

In our research studies, SAS is used to analyze the proposed hypothesis. According to Pallant (2004), normality test is used to analyze the bell-shaped curve where the middle part of the bell-shaped has the highest frequency and the extreme has the lowest frequency. This test is important as a normal bell curve is essential to draw reliable and accurate

conclusions about reality (Oztuna, Elhan & Tuccar, 2006). According to Osborne and Waters (2002), the relationship and significance test between the variables will be out of shape if it is not normally distributed.

The shape can be described with kurtosis and skewness (Pallant, 2004). Kurtosis is used to describe the distribution of the observed data, whether they can be peak or flat. In this study, the kurtosis is -1.0914, indicating a flat distribution (Wright & Herrington, 2011). Skewness is used to measure the distributional asymmetry. The skewness for this study is -0.0828. As it is in a negative form, the data shows a longer tail to the left from the center point. As these values of skewness and kurtosis (-1.0914 and -0.0828) fall within the range of ±2, the data is normally distributed (George & Mallery, 2004).

4.2 Scale Measurement

Scale measurement is used to present the reliability analysis result in the survey. Reliability analysis is used to understand the relationships between independent variables and dependent variables and whether they are positively correlated with each other.

4.2.1 Internal Reliability Test

Sekaran and Bougie (2013) state that it is vital to test the reliability of a study to obtain a result that is consistent and free from errors. The reliability test was conducted using SAS software to decide whether or not the result gained from 278 respondents is reliable. The result for both dependent and independent variables are stated clearly in Table 4.2.1.1. For the dependent variable which is the Business Performance, the Coefficient Alpha Value is 0.8586. For the dependent variables, Innovation Practices and Government Support have the highest Coefficient Alpha Value of 0.9273 and 0.9124 respectively. Social Media and Business Planning have a slightly lower value of 0.8836 and 0.8844. Based on table 3.4.3.2 all of the variables showed a very good reliability.

Table 4.2.1.1: Cronbach's Alpha Reliability Test

Questions	Coefficient Alpha Value	Number of Items
Dependent Variable :		
Business Performance	0.8586	6
Independent Variable :		
Government Support	0.9124	5
Social Media	0.8836	7
Business Planning	0.8844	8
Innovation Practices	0.9273	11

Source: Developed for the research.

4.3 Inferential Analyses

The inferential analysis includes Pearson Correlation Coefficient Analysis and Multiple Linear Regression (MLR) Analysis. In our study SAS Enterprise Guide Version 7.1 is used for analysis purposes. It refers to the connection of the relationship between dependent variable (Business Planning) and independent variables (Government Support, Business Planning, and Innovation Practices). The results of the data are shown respectively as below.

4.3.1 Pearson Correlation Analysis

According to Zikmund (2010), the linear connection's measurement among two metric variables is known as Pearson Correlation Coefficient. Pearson Correlation Analysis determines the direction, strength and bivariate relationship of all the variables used in a study (Sekaran & Bougie, 2010). In this study, all the hypothesis were examined by Pearson Correlation Coefficient.

The value of Pearson Correlation Analysis is referred to as correlation coefficient. According to the Rule of Thumb developed by Hair, Money,

Samouel and Page (2010), the correlation coefficient will be used to classify the degree among the variables studied. The classification for the Pearson Correlation Coefficients are shown in Table 3.7.2.1.

Table 3.7.2.1: Alpha Coefficient Range Table

Coefficient range	Strength
±0.91 to ±1.00	Very Strong
±0.71 to ±0.90	High
±0.41 to ±0.70	Moderate
±0.21 to ±0.40	Small but Definite Relationship
0.00 to ±0.20	Slight or Almost Negligible

Source: (Hair, Money, Samouel & Page, 2010).

4.3.1.1 Government Support and Business Performance (Hypothesis 1)

H1: There is a significant relationship between Government Support and Business Performance.

Table 4.3.1.1: Correlation between Government Support and Business Performance

	Business Performance
Government Support	0.23113
Significant	0.0001

Source: Generated from SAS version 7.1

Table 4.3.1.1 shows the Pearson Correlation Analysis result for Government Support and Business Performance. The positive result 0.23113 indicates that there is a positive and significant

relationship between Government Support and Business Performance. In other words, when there is more Government Support received by the TSMEs, a better Business Performance is achieved. The Cronbach Coefficient Alpha value of 0.23113 also explains that there is a Small but Definite Relationship between the two variables as it falls into the range of ±0.21 to ±0.40. Apart from that, the p-value of the relationship is 0.0001. Since the value is less than the significance alpha value of 0.01, H0 is rejected and H1 is supported. Thus, it is concluded that there is a significant relationship between Government Support and Business Performance.

4.3.1.2 Social Media and Business Performance (Hypothesis 2)

H2: There is a significant relationship between Social Media and Business Performance.

Table 4.3.1.2: Correlation between Social Media and Business Performance

	Business Performance
Social Media	0.32022
Significant	<0.0001

Source: Generated from SAS version 7.1

Table 4.3.1.2 shows the Pearson Correlation Analysis result for Social Media and Business Performance. The positive result 0.32022 indicates that there is a positive and significant relationship between Social Media and Business Performance. In other words, when there is more Social Media utilized by the TSMEs, a better Business Performance is achieved. The Cronbach Coefficient Alpha value of 0.32022 also explains that there is a Small but Definite Relationship between the two variables as it falls into the range of ±0.21 to ±0.40. Apart from that, the p-value

of the relationship is <0.0001. Since the value is less than the significance alpha value of 0.01, H0 is rejected and H1 is supported. Thus, it is concluded that there is a significant relationship between Social Media and Business Performance.

4.3.1.3 Business Planning and Business Performance (Hypothesis 3)

H3: There is significant relationship between Business Planning and Business Performance.

Table 4.3.1.3: Correlation between Business Planning and Business Performance

	Business Performance
Business Planning	0.36959
Significant	<0.0001

Source: Generated from SAS version 7.1

Table 4.3.1.3 shows the Pearson Correlation Analysis result for Business Planning and Business Performance. The positive result 0.36959 indicates that there is a positive and significant relationship between Business Planning and Business Performance. In other words, when there is more Business Planning done by the TSMEs, a better Business Performance is achieved. The Cronbach Coefficient Alpha value of 0.36959 also explains that there is a Small but Definite Relationship between the two variables as it falls into the range of ±0.21 to ±0.40. Apart from that, the p-value of the relationship is <0.0001. Since the value is less than the significance alpha value of 0.01, H0 is rejected and H1 is supported. Thus, it is concluded that there is a significant relationship between Business Planning and Business Performance.

4.3.1.4 Innovation Practices and Business Performance (Hypothesis 4)

H4: There is a significant relationship between Innovation Practices and Business Performance.

Table 4.3.1.4: Correlation between Innovation Practices and Business Performance

	Business Performance
Innovation Practices	0.39199
Significant	<0.0001

Source: Generated from SAS version 7.1

Table 4.3.1.4 shows the Pearson Correlation Analysis result for Innovation Practices and Business Performance. The positive result 0.39199 indicates that there is a positive and significant relationship between Innovation Practices and Business Performance. In other words, when there is more Innovation Practices carried out by the TSMEs, a better Business Performance is achieved. The Cronbach Coefficient Alpha value of 0.39199 also explains that there is a Small but Definite Relationship between the two variables as it falls into the range of ±0.21 to ±0.40. Apart from that, the p-value of the relationship is <0.0001. Since the value is less than the significance alpha value of 0.01, H0 is rejected and H1 is supported. Thus, it is concluded that there is a significant relationship between Innovation Practices and Business Performance.

4.3.2 Multiple Linear Regression (MLR) Analysis

MLR Analysis is the method which is used to measure single or more than one independent variable to explain the variance in a dependent variable. According to Zikmund (2010), MLR Analysis is an extension of bivariate correlations in which there are relationship between the independent variables and dependent variable involved. In this study, MLR Analysis will be adopted to examine the strength of linear relationship between the four independent variables.

H5: The four independent variables, Government Support, Social Media, Business Planning, Innovation Practices, are significant in explaining the variance in Business Performance.

Table 4.3.2.1: Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F-value	Pr > F
Model	4	24.65837	6.16459	20.69	<.0001
Error	273	81.33364	0.29793		
Corrected Total	277	105.99201			

Source: Data generated from SAS version 7.1

Based on Table 4.3.2.1, the p-value (<0.0001) is less than the alpha value 0.05, so the relationship is significant. The F-statistic (20.69) is significant. The model of the study is hence a good descriptor of the relationship between independent and dependent variables. The independent variables (Government Support, Social Media, Business Planning, and Innovation Practices) are significant to explain the variance in Business Performance of TSMEs in Penang. The alternate hypothesis for this study is supported by the data above.

Table 4.3.2.2: Model Summary of R-square

Root MSE	0.54583	R- Square	0.2326
Dependent Mean	4.13789	Adj R-Square	0.2214
Coefficient Variance	13.19091		

Source: Data generated from SAS version 7.1

R-square depicts the percentage of independent variables to illuminate dependent variable's variations. In this study, R^2 is 0.2326. This means that the independent variables (Government Support, Business Planning, and Innovation Practices) can explain 23.26% of the variations in dependent variable (Business Performance). The remaining 76.74% is unexplained in this study. This means that there are other significant variables in explaining Business Performance that have been excluded in this study.

4.3.3 Parameter Estimates

Based on the Table 4.3.2.3, Government Support (Independent Variable) is significant to predict dependent variable (Business Performance) for this research as the p-value for government support is 0.0269, which is below the of 0.05 alpha value. Social Media (Independent Variable) is less significant to Business Performance in this research as the p-value of Social Media is 0.0672 which is more than the alpha value of 0.05. Business Planning is significant to Business Performance as the p-value of 0.0007 is above the alpha value of 0.05. Innovation Practices is significant to predict Business Performance for this research as the p-value of Innovation Practices is 0.0002, which is less than the alpha value of 0.05.

By using the result gained, the linear regression equation is represented below:

$Y= a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$

Where,

Y = Business Performance

X_1 = Government Support

X_2 = Social Media

X_3 = Business Planning

X_4 = Innovation Practices

Business Performance= 1.63031 + 0.08443 (Government Support) + 0.11269 (Social Media) + 0.22804 (Business Planning) + 0.20956 (Innovation Practices)

Table 4.3.2.4: Independent variables' Beta Value

Independent Variable	**Standardized Coefficient, β**	**Level of Contribution**
Government Support	0.08443	Lowest
Social Media	0.11269	Low
Business Planning	0.22804	Highest
Innovation Practices	0.20956	High

Source: Developed for the research.

Based on Table 4.3.2.4, the most significant independent variable used to explain the variation of dependent variable (Business Performance) is Business Planning. This is because it has the highest value Parameter Estimate of 0.22804 as compared with other independent variables which are Government Support (0.08443), Social Media (0.11269), Innovation Practices (0.20956). In other words, Business Planning is the highest contributor in explaining the variation in the Business Performance as the other predictor variables in this model is controlled for.

Innovation Practices is the second highest contributes to explain variation of Business Performance as it has the second largest value of standardized coefficient of 0.20956. This shows that innovation practices is the second

strongest contributor in explaining the variation of the business performance.

Social Media is the third highest contribution of predictor variable to the variation of the business performance due to the value of standardized coefficients is 0.11269 which is the third largest value as compared to other predictor variables (Government Support, Business Planning, and Innovation Practices). This classifies that social media make the third strongest unique contribution to explain the variation of the business performance as the other predictor variables in this model is controlled for.

The lowest contribution of predictor variable to the variation of the business performance is government support due to the value of standardized coefficients is 0.08443 which is the lowest value as compared to other predictor variables (Business Planning, and Innovation Practices). This concludes that government support make the lowest contribution to explain the variation of the business performance as the other predictor variables in this model is controlled for.

4.4 Conclusion

In a nutshell, the series of the data for this research have been interpreted and concluded under the section of descriptive analysis, scale measurement, and inferential analysis that were conducted using SAS Enterprise Guide version 7.1. All of the relationship between dependent variable and independent variables were examined the hypothesis testing whether significantly as well. Based on the result, only Social Media shows a less significant relationship with Business Performance, while the rest of the independent variables (Government Support, Business Planning, and Innovation Practices) have significant relationship Business Performance respectively. Further discussion will be conducted in the following chapter.

CHAPTER FIVE: DISCUSSION AND CONCLUSION

5.0 Introduction

In chapter 5, a summary of statistical analysis which included description and inferential analyses are presented. This chapter also includes the major findings, implication as well as the recommendation for future researcher to consider. Lastly, this chapter will ended up with an overall conclusion of the whole research project.

5.1 Summary of Statistical Analyses

5.1.1 Descriptive Analysis

Based on the result that showed in Chapter 4, the male respondents is slightly more than the female respondent with the frequency of 150 (54%) and 128 (46%) out of the total respondent 278. Most of the respondents' age is between 25 to 34 years old (33%), followed by the age range of 35 to 44 years old (30.22%) and, 45 years old and above (29.50%). The least respondents' belong to the age group of less than 25 years old (7%).

From the 278 respondents, the majority of the respondents engage in the tourism activity of providing food and beverage serving services (29%), followed by accommodation services (26%), culture services, recreation and other entertainment services (22%), miscellaneous tourism services (10%), travel agency, tour operator and tourism guide services (9%) and lastly passenger transport services (4%), which that the least.

There are 59% of the respondents that employ less than 5 workers in their enterprises, while 39% of them employ between 5 to 30 workers, minority of 2% employ between 30 to 75 workers. In our study majority of firm' sales turnover are less than RM300, 000 (60%), followed by a sales turnover more than RM300, 000 (35%) whereas remaining represents 5%, which less than RM 3 million.

As for the ethnicity, Chinese represents 53%, Malay represents 23%,

Indian represents 20% and other race group represents 4%. The majority of the respondents' education levels are up to secondary school (43%). This is followed by respondents with a diploma certificate (40%) and a degree certificate (12%). The remaining does not belong to any of these categories 5%. Out of the total 278 respondents, the majority is owner of their firm (58%) and the minorities are the managers in charge (42%).

5.1.2 Central Tendencies

Central tendencies are often used to provide some general impression of values that could be seen as common, middling or average. Based on the result shown in Chapter 4, the average mean for the questions of Business Performance, Government Support, Business Planning, and Innovation Practices is 4.1379, 3.0748, 4.1922, 4.1295 and 3.9791 respectively. While the average standard deviation for the questions of Business Performance, Government Support, Business Planning, and Innovation Practices is 0.8084, 1.05, 0.80632, 0.7669, and 0.8953 respectively.

5.1.3 Scale Measurement

Based on table 4.2.1.1, the result of reliability test for business performance is 0.8586, government support is 0.9124, and social media is 0.8836. Besides that, the reliability test for business planning is 0.8844 and the highest alpha value is 0.9273 of innovation practices. As a result to this, all the constructs used in this research were found to have internal consistency reliability which the alpha value exceeds 0.6.

5.1.4 Pearson Correlation

Pearson Correlation Coefficient is used to measure the relationship of all the variables. Based on the result shown in Chapter 4 all the variables (Government Support, Business Planning, and Innovation Practices) had significant relationship with Business Performance. The highest correlation coefficient value between all the variables is Innovation Practice which is 0.39199, followed by Social Media which is 0.32022, and Business Planning is 0.36959. The lowest correlation coefficient value

is government support which is 0.23113. In a nutshell, all the null hypotheses (Ho) must be rejected as the relationship between independent and dependent variables are statistically significant at $p < 0.05$ level.

5.1.5 Multiple Linear Regression (MLR) Analysis

Based from the results, the regression coefficient for each of the variance is government support ($\beta = 0.08443$), social media ($\beta = 0.11269$), business planning ($\beta = 0.2284$), and innovation practices ($\beta = 0.20956$). According to the result of MLR Analysis, the R square of our study is 0.2326, which mean 23.26% of the variations can be explain by independent variables (Government Support, Business Planning, and Innovation Practices).

5.2 Discussion of Major Findings

In this discussion, we will identify the status of the hypothesis based on the result. The hypothesis for each p-value is to determine whether the hypothesis should be accepted or rejected. The null hypothesis can be discarded when the p-value is low (<0.05). In short, the independent variable with a lower p-value is likely to be a major contributor to our conceptual framework. On the other hand, a greater p-value (> 0.05) proposes that the variations in the dependent variables are not significant with changes in the independent variables.

Table 5.2.1: Correlation Value between Independent Variables and TSME Business Performance

	Hypothesis	Results	Status
H_1	There is a significant relationship between Government Support and Business Performance of Small and Medium Enterprises for tourism industry (TSMEs) in Penang, Malaysia.	P = 0.0269	Accepted
H_2	There is a significant relationship between Social Media and Business Performance of Small and Medium Enterprises for tourism industry (TSMEs) in Penang, Malaysia.	P = 0.0672	Not accepted
H_3	There is a significant relationship between Business Planning and Business Performance of Small and Medium Enterprises for tourism industry (TSMEs) in Penang, Malaysia.	P = 0.0007	Accepted
H_4	There is a significant relationship between Innovation Practices and Business Performance of Small and Medium Enterprises for tourism industry (TSMEs) in Penang, Malaysia.	P = 0.0002	Accepted

Source: Developed for the research.

The result for Government Support is in line with the study of Zin (2015), where it is an important element for enterprises to succeed. As hypothesized in the study, marketing support seemed to have a positive impact on the business performance of entrepreneurs (Hung, Effendi, Talib & Rani, 2011). Nevertheless, although government is offering assistance programs to the SMEs, it seems like they are still facing obstacles in obtaining the support (Hung, Effendi, Talib, & Rani, 2011).

In this research, most of the TSMEs owners and managers agree that Business

Planning is practically used as a mechanism for enhancing the Business Performance. According to Dhliwayo (2007), Business Planning works as the performance denominator in a business. Dhliwayo (2007)'s empirical investigation that Business Planning is used to achieve performance beyond the expectation through creation of competitive advantage in return to obtain the positive outcome. In the business, a well-developed business planning with proper implementation and review lead to a better Business Performance. In the report of Osiyevskyy, Hayes, Kruger and Madill (2013), it was stated that the SMEs that carry out Business Planning as a predominance of amplifying tools by providing overall positive linkage between the aspects of planning with the performance of business of SMEs. Business Planning could improve the product of a founder and strengthen development of product by reducing the hazard of business failure (Delmar & Shane, 2006).

On the other hand, Cambridge Small Business Research Centre (SBRC) found that more than half of the SMEs in UK had carried out a major innovation in the last five years. This survey indicated the attitudes of UK corporations towards innovation. Subsequently in 1997, another survey was carried out. It was found that 80% of the companies which applied innovation practices in the last 3 years had improved their Business Performance. In this study, a similar result has been obtained. Product innovation, process innovation and marketing innovation are deemed to be vital in affecting the Business Performance of TSMEs.

Social Media is especially beneficial to SMEs do not own technical expertise or financial backing to enhance their businesses (Stockdale et al., 2012; Zeiller and Schauer, 2011; Kaplan & Haenlein, 2010; Dyerson et al., 2009). It is believed that Social Media is crucial for TSMEs to build a closer relationships with both existing and new customers, increasing their brand awareness and showcasing their expertise. The impact of social media in this research study are highly point out by Divol et al. (2012), Stockdale et al. (2012), Nair (2011), etc. Business owner and managers are starting to realize that social media is a strategic tool that is necessary for them to adopt in order to stay competitive. In short, it is shown that Social Media has a positive impact on the organisational performance (Parveen, Jaafar, & Ainin, 2015).

5.3 Implications of the Study

5.3.1 Theoretical Implications

Generally, this study provides enhancement and additional information on the resources that could be included under the RBV theory. In past studies, RBV theory claims that resources play a major role in assisting companies to gain competitive advantage and subsequently a better organizational performance. This theory is in line with this study as the resources including Business Planning and Innovation Practices show a significant relationship with Business Performance. However, Social Media might not be considered as the resources of the firm as RBV Theory stresses more on the machinery and equipment technology instead of social media technology. This might be the reason why Social Media has a less significant relationship with the Business Performance of the TSMEs. As Government Support has a significant relationship with Business Performance of the TSMEs, the research implies that Government Support could be included as one of the resources under the RBV Theory as it helps firms to gain a better Business Performance.

In order to gain a better understanding on the factors affecting Business Performance, future researchers are suggested to include more independent variables and relevant theories to extend beyond the border this study.

5.3.2 Practical Implications

It is verified that the independent variables (Government Support, Business Planning and Innovative Practices) have a significant relationship with dependent variable (Business Performance) in this study. This implies that the TSMEs will have a better Business Performance should they carry out more Innovation Practices, Business Planning as well as receiving more support from the government. Generally, this study assists the TSMEs and the government designing better strategies or ways of doing their business more efficiently and effectively. Identifying key success factors of TSMEs can assist the companies to avoid pitfalls during start-up, and ensure survival in the industry. The TSMEs should be aware of and

take actions by utilizing Social Media, Business Planning and Innovation Practices to positively impact their Business Performance.

The study also provides important information for the Malaysian government to formulate and implement effective policies aimed at sustaining TSME growth within the tourism industry. For instance, this study found out that most TSMEs in Malaysia does not participate in and had no awareness regarding the tourism programs provided by the government which includes financial support and non-financial support such as advisory services, marketing and training courses and special financing programs. Low level of awareness and use of government assistance programs will impede business performance. This interesting finding needs to be further investigated in order to identify the reasons for this pessimistic perception among tourism entrepreneurs on the available assistance programs provided by the Malaysian government.

From this research, the government should have a glimpse of the problems faced by TSMEs where most of the TSMEs do not realize the support given to them in enhancing their Business Performance. For example, the TSMEs are not aware of the assistance programs offered by the government including Skills Upgrading Program, Financing Program, Advisory and Consultancy Services. Tourism entrepreneurs also need to be proactive in seeking information and support from the related ministry and agency about the available assistance provided by the Malaysian Government to enhance their Business Performance.

From the result of our study, the TSMEs agree that Business Planning is very crucial to their Business Performance. It assists them in directing their business activities, organizing their business operations and guiding the firm towards a better Business Performance. However, according to Chami (2006), SMEs have insufficient knowledge and do not know that they need a Business Planning for their company. Thus, Government could play another role to facilitate learning and educate the TSMEs in the aspect of their Business Planning. For instance, the government could carry out seminars and training programs that aim to develop and improve the

Business Planning. The TSMEs could learn how to explore market opportunities in the business environment and enhance their business' sustainability. This is to enable the TSMEs to utilize Business Planning to boost the satisfaction level among tourists and improve their Business Performance.

From the result of our study, it is shown that Innovation Practices play an important role in affecting Business Performance. From the result of our study, majority of the respondents agree that innovation allows them to combine existing knowledge or technology to produce new product or services. However, the respondents reflected that they face difficulties in applying the knowledge onto their business product. In other words, they do not know how to innovate. In order to improve their Innovation Practices, the owner-managers of the TSMEs are encouraged to attend various innovation talk, exhibitions, conferences and seminars so that they can gain more knowledge and experiences on how to maintain on product performance while introducing new products or services. For example, the private sectors Alliance Bank's Young Entrepreneurs' Conference is a good opportunity for the TSMEs to improve their Innovation Practices as it gathers young business owners and provide a platform for them to exchange knowledge and experience besides expanding their social circle through this program. ("Develop the marketplace," 2016).

In contrast with the other independent variables, Social Media shows a less significant relationship with Business Performance. Although this result is contradicted to past researchers, Social Media is a vital tool that leads to Business Performance in the global market. However in Malaysia, it seems that Social Media is less important and is not an effective contributor to Business Performance of TSMEs in Malaysia.

Nevertheless, the importance of Social Media should not be neglected. Our research found out that Social Media acts as an excellent tool in helping the TSMEs to promote their business. For instance, the TSMEs can apply Social Media in their business by introducing a smart phone applications to allow tourists to make their own travel arrangements, search

information by browsing the webpage, and contact TSMEs operators via email to get relevant information for making a holiday decision just by a few touches on the screen. For example, tourists could find good local eateries by MyHawker applications and at the same time the applications helps the small business owner to upgrade their foods and services (Zainal, 2016). Despite the fact that Social Media has a less significant relationship with Business Performance, it assists the TSMEs in improving their communication with customers and increasing their brand awareness. Hence, this research encourages further study on the relationship between Social Media and Business Performance in TSMEs in a broader scope to verify their significance.

5.4 Limitations of Study

There are certain limitations that are restraining the edge of the research. Efforts will be generated to succeed in the research as per the objectives stated.

5.4.1 Restraint on Data Collection

The sample size is considered as one of the significant limitations in this study as we are only able to receive a number of 278 out of 400 questionnaires from Penang by engaging with the owners and managers of SMEs. We are unable to cover all the geographic areas in Malaysia thus the data collected might be not be able to likely to represent the whole population of SMEs. Time limitation is also considered as one of the main problem in conducting our research study. Some of the target respondents are less willingly to participate in answering the questionnaire, as our target respondents are the owners and managers of TSMEs. During peak hours, the percentage of rejecting to participate is especially higher as they are busy with their workload and attracting more customers as our target areas are the SMEs in tourism hotspots. Moreover, some of our respondent has a perception that there is no benefit in taking their time to participate in answering the questionnaire.

5.4.2 Limitations on Research Design

For this study, the researcher adopted quantitative method in conducting data analysis. This research method might record the data and information in relatively least specific and detailed from the target respondents as compared to the qualitative method. The questionnaire is designed with the aspects of close-ended answers are provided with the numeric ranking scale for the respondents. This might lead the respondents answering on ranking scale of numeric rather than providing their own experience and opinion in the open-ended questionnaire. The data received might unable to represent the exactly opinions from the respondents through the close-ended questionnaire.

5.5 Recommendations

The findings of research coupled with the limitations discussed have led to the following recommendations for the future research.

Future research should also focus more in-depth of the full list of SMEs in Malaysia from the Registration of Security Suruhanjaya in order to capture a larger number of samples accurately. It is true that Penang has a lot of tourist flowing in, however, there are still many other famous tourist attraction places in Malaysia such as Melaka, Kuala Lumpur and many more. Future researchers who wished to conduct research on TSMEs in Malaysia should widen their geographical locations to really extend the research representation on the entire Malaysian tourism. The more accurately and reliability of the result can even more useful and dependable for the SMEs.

Researcher should also consider using qualitative research method for further studies. There are a few qualitative research methods can be applied such as telephone interviewing or conducting a personal interview with the management by making an appointment. Researcher should call and inform their target respondent after they have send an e-mail regarding the questionnaire and to encourage them to respond. If the future researcher wishes to distribute the

questionnaires, He or she should avoid any peak hours especially during public holidays or weekends in order to enhance the responsiveness of the respondents.

Researcher can further explore any other factors that could possibly affect the business performance of TSMEs in Malaysia. Furthermore, the layout of questionnaire should be designed in form of dual languages such as translated in Bahasa Malaysia and Chinese language. This is because it can ensure that the respondents are fully understood the questions discussed which bring in significant impact positively for future research. Thus, it will seek to boost the accuracy and reliable of the data received from the respondents.

With the recommendations discussed, we aim that this research can be dedicated to the future research in this field.

5.6 Conclusion

This study attempts to examine the relationship between independent variables (Government Support, Social Media, Business Planning, and Innovation Practices) and dependent variables (Business Performance). In general, this study had achieved its objectives, solved the research questions and drew a conclusion. Only 3 of the independent variables which are Government Support, Business Planning and Innovation Practices that has a significant relationship with the dependent variable which is Business Performance. Social Media is the only independent variable that has a less significant relationship with the dependent variable which is Business Performance.

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APPENDICES

Appendix 3.1: Questionnaire

Faculty of Business and Finance

Factors Affecting the Business Performance of Tourism Small and Medium Enterprises (SMEs) in Penang, Malaysia

Survey Questionnaire

Dear respondents,

The purpose of this survey is to understand ***factors affecting business performance of Tourism Small and Medium Enterprises for tourism industry TSMEs: Evidence from Penang, Malaysia.*** Kindly provide your valuable responses to all the statements listed in this questionnaire. All responses will be kept strictly **confidential**. There are no correct or incorrect responses to the statements.

Thank you for your participation.

Instructions:

1. There are **two** (2) sections in this questionnaire. Please answer **ALL questions** in ALL sections (total there are **11 pages**)
2. It takes you approximately **10 to 15 minutes** to complete this questionnaire.
3. This questionnaire will be kept strictly **CONFIDENTIAL**.

Please be informed that accordance with Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013, University Tunku Abdul Rahman ("UTAR") is hereby bound to make notice and require consent in relation to collection, recording, storage, usage and retention of personal information.

Acknowledgement of Notice

[ ] I have been notified by you and I hereby understood, consented and agreed per UTAR notice.

[ ] I disagree, my personal data will not be processed.

Last but not least, please read the instructions carefully before answering these questions. Thank you for your cooperation and willingness to answer the questionnaire. Your response will be kept confidential and used solely for academic purposes.

Section A:

Please circle one number per line to indicate the extent to which you agree or disagree with the following statements.

[(1) = strongly disagree; (2) = disagree; (3) neutral; (4) = agree; (5) = strongly agree]

Business Performance

No.	**I emphasize on these elements to evaluate my business performance:**	SD	D	N	A	SA
1.	The annual growth rate of the revenues and earnings (i.e. growth rate of annual sales).	1	2	3	4	5
2.	The ability to earn profit (i.e. general profitability).	1	2	3	4	5
3.	The efficient use of resources to gain profit from investment (i.e. return on investment).	1	2	3	4	5
4.	The incomings and outgoings of cash that represents the operating performance of my business (i.e. cash flows).	1	2	3	4	5
5.	The ability to compete with the competitors (i.e. market share).	1	2	3	4	5
6.	The ability to gain customer satisfaction successfully.	1	2	3	4	5

Government Support

No.		SD	D	N	A	SA
1.	The government provides relevant programs like seminars, courses and conferences to improve SMEs' performance.	1	2	3	4	5
2.	The banks do offer special financing for SMEs. (Eg. Financing Program for SME (SME-LEAP), SME Development Scheme (SDS), My Seed SME Scheme (MYS3), Small Business Financing (SBF))	1	2	3	4	5
3.	There are training programs offered by government to promote SMEs' business growth. (Eg. Skills Upgrading Programme offered by SMIDEC, 1Malaysia Entrepreneur Program (1MET))	1	2	3	4	5
4.	Various government agencies are assisting SMEs to find markets for their products. (Eg. Federal Agricultural Marketing Authority (FAMA) and Malaysian Agricultural Research and Development Institute (MARDI))	1	2	3	4	5
5.	The government provides business advisory programs to assist SMEs' business operations. (Eg. Advisory and Consultancy Services)	1	2	3	4	5

Social Media

No.		SD	D	N	A	SA
1.	Social media applications act as a media tool for my business to engage with customers.	1	2	3	4	5
2.	I use web-based applications to have a two-way communication with my customers.	1	2	3	4	5
3.	Social media networking tools such as Facebook and Twitter allows my business to share information with customers.	1	2	3	4	5
4.	Social media networking websites allow my business to get feedback from the customers.	1	2	3	4	5
5.	Social media is a useful tool to increase brand awareness.	1	2	3	4	5
6.	Social media websites is a good form of word-of-mouth marketing technique.	1	2	3	4	5
7.	Web-based applications are effective in allowing customers access to my product/service anytime and anywhere.	1	2	3	4	5

Business Planning

No.	**I use business plans:**	SD	D	N	A	SA
1.	As an effective way of setting my business goal and targets.	1	2	3	4	5
2.	As a useful business strategy to track my business development.	1	2	3	4	5
3.	As a working document to direct my business activities.	1	2	3	4	5
4.	As an effective way to organize my business operations.	1	2	3	4	5
5.	To explore market opportunities in my business environment.	1	2	3	4	5
6.	To enhance my business' sustainability.	1	2	3	4	5
7.	To evaluate the feasibility of my business.	1	2	3	4	5
8.	To guide my business performance towards sales revenue or profit target.	1	2	3	4	5

Innovation Practices

No.	**Product innovation allows my business to:**	SD	D	N	A	SA
1.	Combine existing knowledge or technology to produce new product/services.	1	2	3	4	5
2.	Continuously improve old products and raise quality of my new products.	1	2	3	4	5
3.	Improve the components and materials used in producing my product/services.	1	2	3	4	5
4.	Emphasize on product performance while introducing new products/services.	1	2	3	4	5
	Process innovation allows my business to:					
5.	Seek for new strategies in operating my business.	1	2	3	4	5
6.	Frequently improve my business process in delivering services.	1	2	3	4	5
7.	Fasten the production of my product/services.	1	2	3	4	5
	Marketing innovation allows my business to:					
8.	Apply new marketing methods in promoting my business' product/services.	1	2	3	4	5
9.	Promote my business' product/services in new market segments.	1	2	3	4	5
10.	Develop new ways to establish relationship with my customers.	1	2	3	4	5
11.	Modify my product design to better meet customer needs.	1	2	3	4	5

Section B: Enterprise Demographic Profile [Please place (√) where appropriate]

1. What is your gender?

☐ Male ☐ Female

2. What is your age range?

☐ Less than 25 years

☐ 25-34 years

☐ 35-44 years

☐ 45 years and more

3. In which category does your firm belongs to?

☐ Accommodation services

☐ Food and beverage serving services

☐ Passenger transport services

☐ Travel agency, tour operator and tourism guide services

☐ Cultural services, recreation and other entertainment services

☐ Miscellaneous tourism services (i.e., Personal care and Salus Per Aqua (SPA), camping sites, Zoo, museum and theme parks).

4. What is the total number of permanent employees in your firm?

☐ Less than 5 workers

☐ 5 to 30 workers

☐ 30 to 75 workers

5. What is the sales turnover of your firm?

   ☐ Sales Turnover less than RM 300,000

   ☐ Sales Turnover is more than RM 300, 000 and less than RM 3 million

   ☐ Sales Turnover is more than RM 3 million and less than RM 20 million

6. What is your race?

   ☐ Malay

   ☐ Chinese

   ☐ India

   ☐ Others

7. What is your educational level?

   ☐ Secondary School ☐ Diploma ☐ Bachelors ☐ Others

8. What is your position in the business?

   ☐ Owner ☐ Manager

Personal Data Protection Statement

Please be informed that in accordance with **Personal Data Protection Act 2010 (PDPA)** which came into force on 15 November 2013, **Universiti Tunku Abdul Rahman (UTAR)** is hereby bound to make notice and require consent in relation to collection, recording, storage, usage and retention of personal information.

Notice:

1. The purposes for which your personal data may be used are inclusive but not limited to:-

- **For assessment of any application to UTAR**
- **For processing any benefits and services**
- **For communication purposes**
- **For advertorial and news**
- **For general administration and record purposes**
- **For enhancing the value of education**
- **For educational and related purposes consequential to UTAR**
- **For the purpose of our corporate governance**
- **For consideration as a guarantor for UTAR staff/ student applying for his/her scholarship/ study loan**

2. Your personal data may be transferred and/or disclosed to third party and/or UTAR collaborative partners including but not limited to the respective and appointed outsourcing agents for purpose of fulfilling our obligations to you in respect of the purposes and all such other purposes that are related to the purposes and also in providing integrated services, maintaining and storing records. Your data may be shared when required by laws and when disclosure is necessary to comply with applicable laws.

3. Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

4. UTAR is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to us and it has been our ongoing strict policy to ensure that your personal information is accurate, complete, not misleading and updated. UTAR would also ensure that your personal data shall not be used for political and commercial purposes.

Consent:

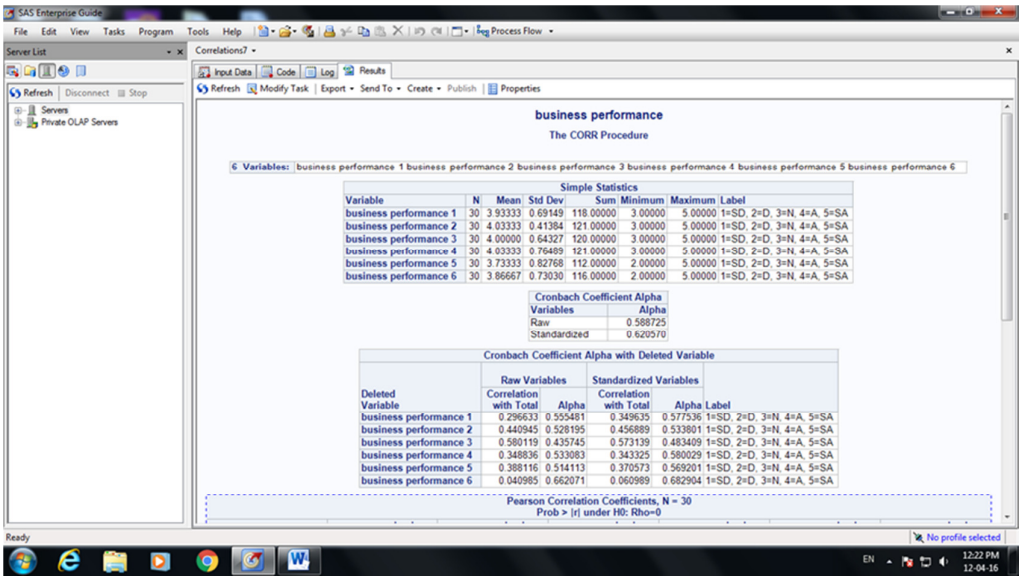
1. By submitting this form you hereby authorise and consent to us processing (including disclosing) your personal data and any updates of your information, for the purposes and/or for any other purposes related to the purpose.

2. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfil our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

3. You may access and update your personal data by writing to us at dhr@utar.edu.my.

Appendix 3.2: Reliability Test Result – Pilot Test 1

Appendix 3.2.1: Business Performance



business performance

The CORR Procedure

6 Variables: business performance 1 business performance 2 business performance 3 business performance 4 business performance 5 business performance 6

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
business performance 1	30	3.93333	0.69149	118.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 2	30	4.03333	0.41384	121.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 3	30	4.00000	0.64327	120.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 4	30	4.03333	0.76489	121.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 5	30	3.73333	0.82768	112.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 6	30	3.86667	0.73030	116.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

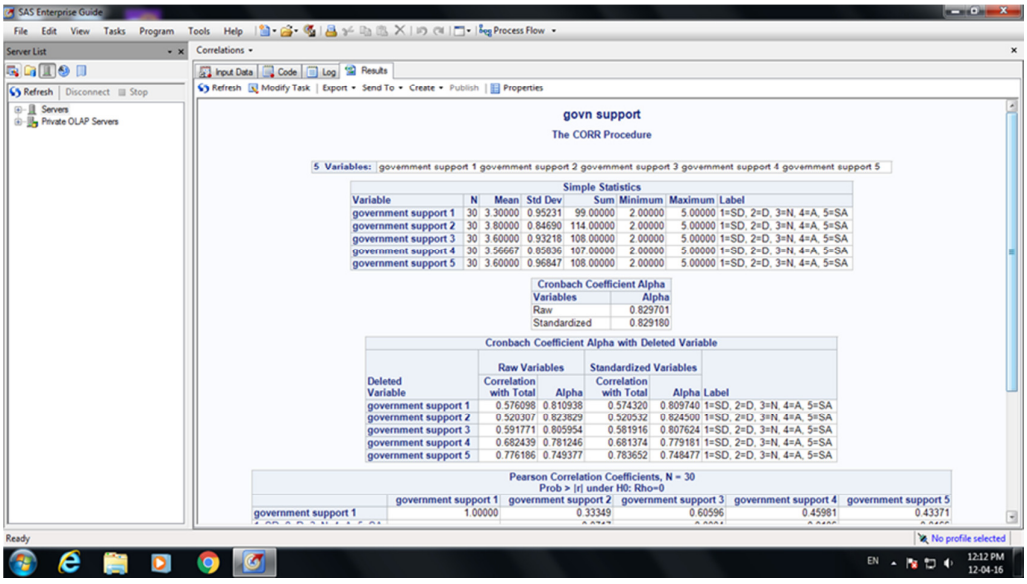
Variables	Alpha
Raw	0.588725
Standardized	0.620570

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
business performance 1	0.296633	0.555481	0.349635	0.577536	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 2	0.440945	0.526195	0.456889	0.533801	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 3	0.580119	0.435745	0.573139	0.483409	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 4	0.348836	0.533083	0.343325	0.580029	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 5	0.388116	0.514113	0.370573	0.569201	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 6	0.040985	0.662071	0.060989	0.682904	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 30
Prob > |r| under H0: Rho=0

Appendix 3.2.2: Government Support



govn support

The CORR Procedure

5 Variables: government support 1 government support 2 government support 3 government support 4 government support 5

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
government support 1	30	3.30000	0.95231	99.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 2	30	3.80000	0.84690	114.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 3	30	3.60000	0.93218	108.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 4	30	3.56667	0.85836	107.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 5	30	3.60000	0.96847	108.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.829701
Standardized	0.829180

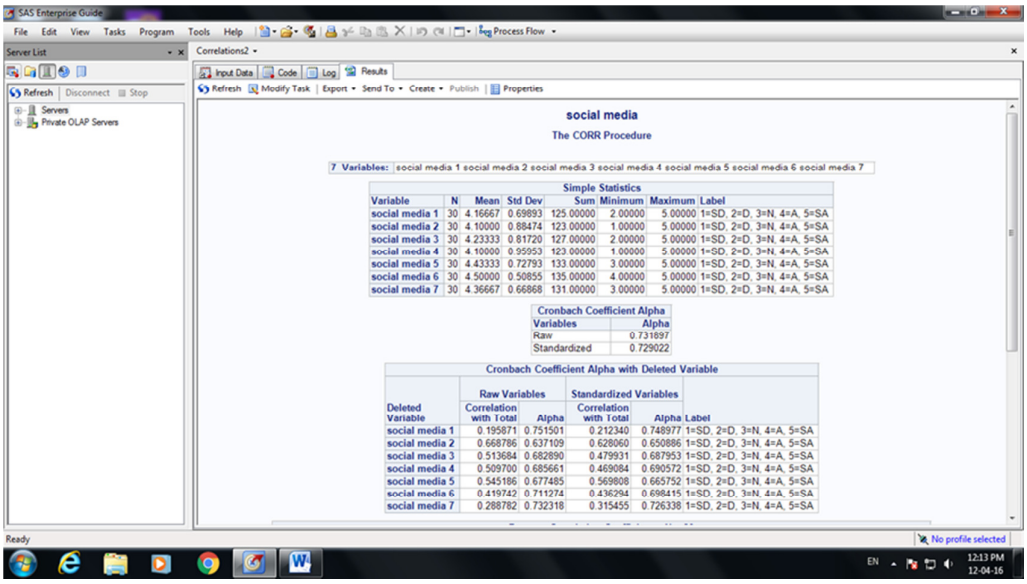
Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
government support 1	0.576098	0.810938	0.574320	0.809740	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 2	0.520307	0.823829	0.520532	0.824500	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 3	0.591771	0.805954	0.581916	0.807624	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 4	0.682439	0.781246	0.681374	0.779181	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 5	0.776186	0.749377	0.783652	0.748477	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 30
Prob > |r| under H0: Rho=0

	government support 1	government support 2	government support 3	government support 4	government support 5
government support 1	1.00000	0.33349	0.60596	0.45981	0.43371

Appendix 3.2.3: Social Media



social media

The CORR Procedure

7 Variables: social media 1 social media 2 social media 3 social media 4 social media 5 social media 6 social media 7

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
social media 1	30	4.16667	0.69893	125.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 2	30	4.10000	0.88474	123.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 3	30	4.23333	0.81720	127.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 4	30	4.10000	0.95953	123.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 5	30	4.43333	0.72793	133.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 6	30	4.50000	0.50855	135.00000	4.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 7	30	4.36667	0.66868	131.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

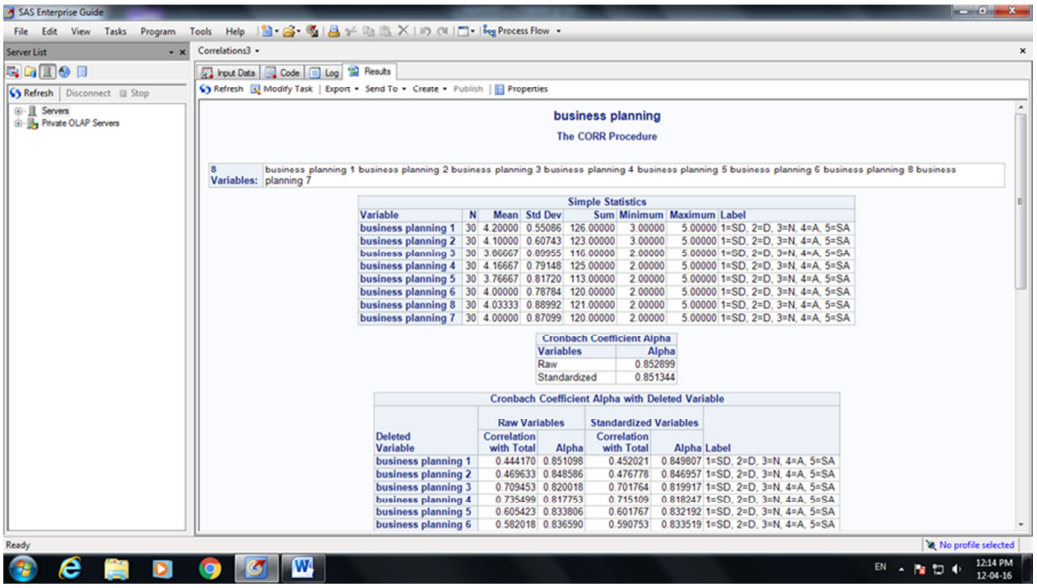
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.731697
Standardized	0.729022

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
social media 1	0.195871	0.751501	0.212340	0.748977	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 2	0.668786	0.637109	0.628060	0.650886	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 3	0.513684	0.682890	0.479931	0.687953	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 4	0.509700	0.685661	0.469084	0.690572	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 5	0.545186	0.677485	0.569808	0.665752	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 6	0.419742	0.711274	0.436294	0.698415	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 7	0.288782	0.732318	0.315455	0.726338	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 3.2.4: Business Planning



business planning

The CORR Procedure

8 Variables: business planning 1 business planning 2 business planning 3 business planning 4 business planning 5 business planning 6 business planning 8 business planning 7

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
business planning 1	30	4.20000	0.55086	126.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 2	30	4.10000	0.60743	123.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 3	30	3.86667	0.89955	116.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 4	30	4.16667	0.79148	125.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 5	30	3.76667	0.81720	113.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 6	30	4.00000	0.78784	120.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 8	30	4.03333	0.88992	121.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 7	30	4.00000	0.87099	120.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

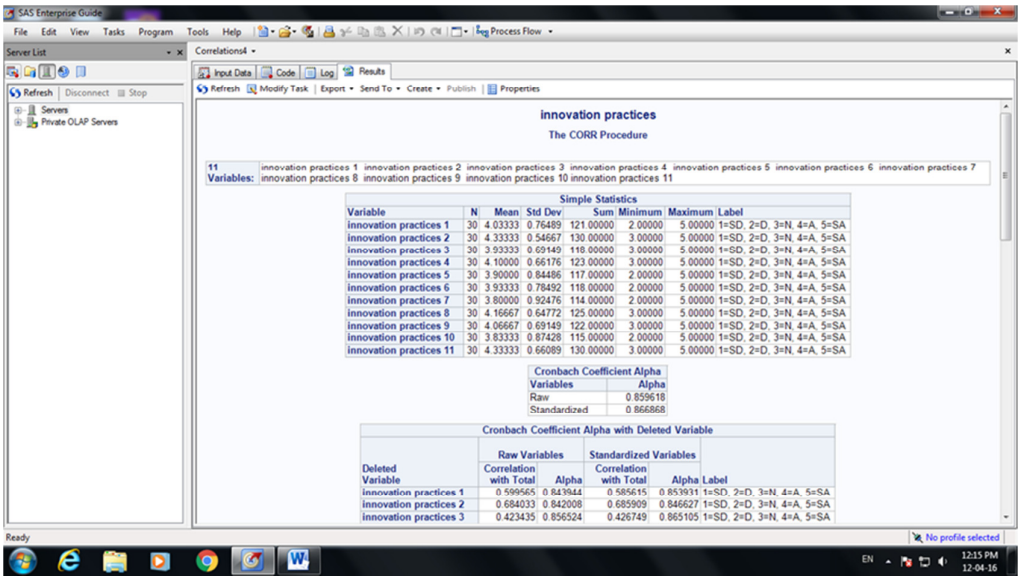
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.852899
Standardized	0.851344

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
business planning 1	0.444170	0.851098	0.452021	0.849807	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 2	0.469633	0.848586	0.476778	0.846957	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 3	0.709453	0.820018	0.701764	0.819917	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 4	0.735499	0.817753	0.715109	0.818247	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 5	0.605423	0.833806	0.601767	0.832192	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 6	0.582018	0.836590	0.590753	0.833519	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 3.2.5: Innovation Practices



innovation practices

The CORR Procedure

11 Variables:	innovation practices 1	innovation practices 2	innovation practices 3	innovation practices 4	innovation practices 5	innovation practices 6	innovation practices 7	innovation practices 8	innovation practices 9	innovation practices 10	innovation practices 11

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
innovation practices 1	30	4.03333	0.76489	121.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 2	30	4.33333	0.54667	130.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 3	30	3.93333	0.69149	118.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 4	30	4.10000	0.66176	123.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 5	30	3.90000	0.84486	117.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 6	30	3.93333	0.78492	118.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 7	30	3.80000	0.92476	114.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 8	30	4.16667	0.64772	125.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 9	30	4.06667	0.69149	122.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 10	30	3.83333	0.87428	115.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 11	30	4.33333	0.66089	130.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

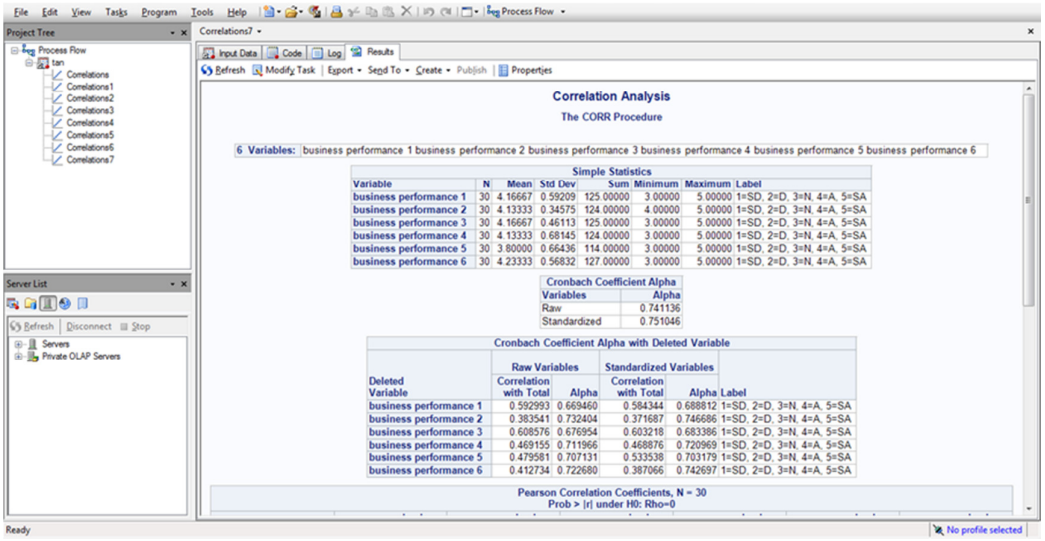
Variables	Alpha
Raw	0.859618
Standardized	0.866868

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
innovation practices 1	0.599565	0.843944	0.585615	0.853931	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 2	0.684033	0.842008	0.685909	0.846627	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 3	0.423435	0.856524	0.426749	0.865105	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 3.3: Reliability Test Result (Second Pilot Test)

Appendix 3.3.1: Business Performance



Correlation Analysis

The CORR Procedure

6 Variables: business performance 1 business performance 2 business performance 3 business performance 4 business performance 5 business performance 6

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
business performance 1	30	4.16667	0.59209	125.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 2	30	4.13333	0.34575	124.00000	4.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 3	30	4.16667	0.46113	125.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 4	30	4.13333	0.68145	124.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 5	30	3.80000	0.66436	114.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 6	30	4.23333	0.56832	127.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

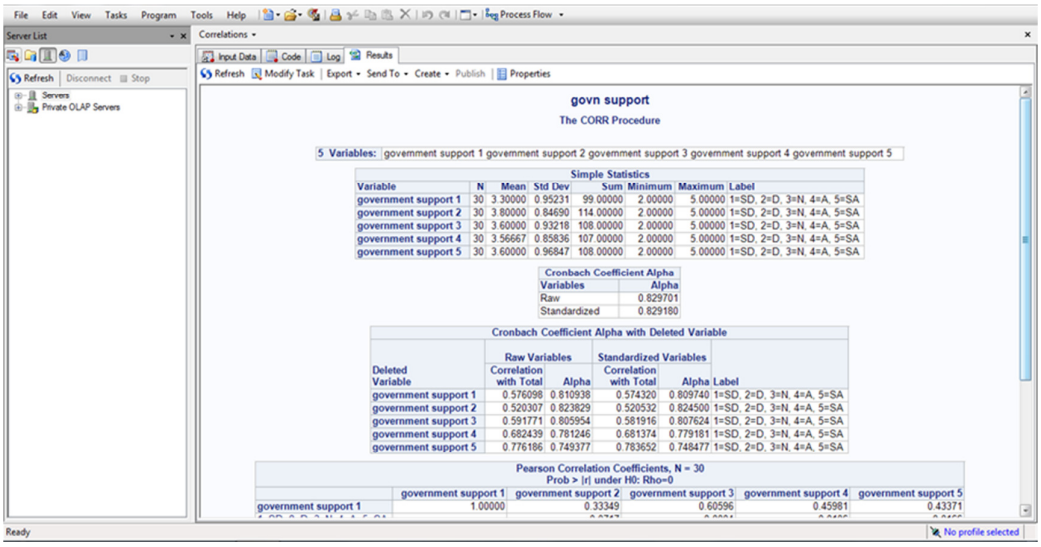
Variables	Alpha
Raw	0.741136
Standardized	0.751046

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
business performance 1	0.592993	0.669460	0.584344	0.688812	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 2	0.383541	0.732404	0.371687	0.746686	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 3	0.608576	0.676954	0.603218	0.683386	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 4	0.469155	0.711966	0.468876	0.720969	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 5	0.479581	0.707131	0.533538	0.703179	1=SD, 2=D, 3=N, 4=A, 5=SA
business performance 6	0.412734	0.722680	0.387066	0.742697	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 30
Prob > |r| under H0: Rho=0

Appendix 3.3.2: Government Support



govn support

The CORR Procedure

5 Variables: government support 1 government support 2 government support 3 government support 4 government support 5

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
government support 1	30	3.30000	0.95231	99.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 2	30	3.80000	0.84690	114.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 3	30	3.60000	0.93218	108.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 4	30	3.56667	0.85836	107.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 5	30	3.60000	0.96847	108.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.829701
Standardized	0.829180

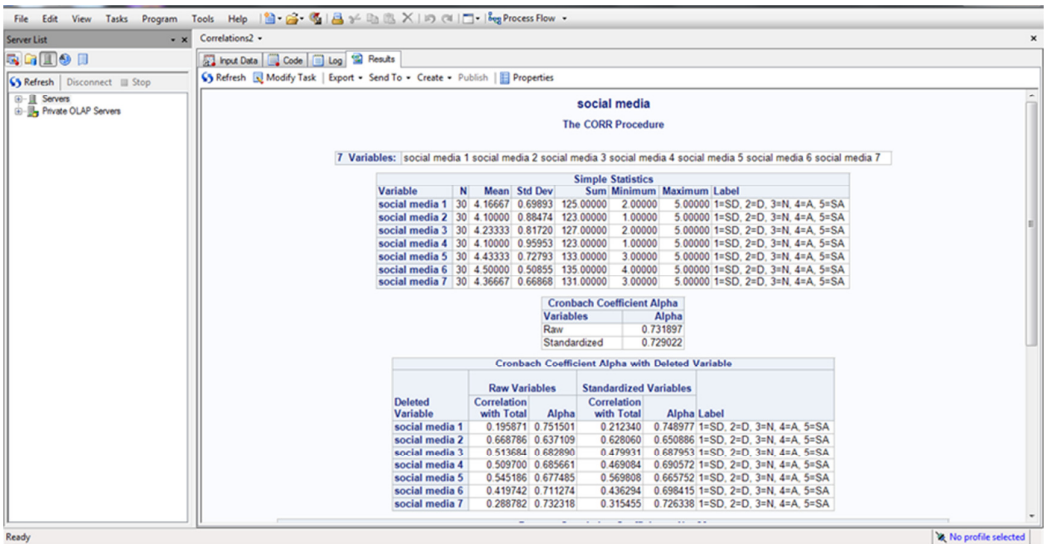
Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
government support 1	0.576098	0.810938	0.574320	0.809740	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 2	0.520307	0.823829	0.520532	0.824500	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 3	0.591771	0.805954	0.581916	0.807624	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 4	0.682439	0.781246	0.681374	0.779181	1=SD, 2=D, 3=N, 4=A, 5=SA
government support 5	0.776186	0.749377	0.783652	0.748477	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 30
Prob > |r| under H0: Rho=0

	government support 1	government support 2	government support 3	government support 4	government support 5
government support 1	1.00000	0.33349	0.60596	0.45981	0.43371

Appendix 3.3.3: Social Media



social media

The CORR Procedure

7 Variables: social media 1 social media 2 social media 3 social media 4 social media 5 social media 6 social media 7

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
social media 1	30	4.16667	0.69893	125.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 2	30	4.10000	0.88474	123.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 3	30	4.23333	0.81720	127.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 4	30	4.10000	0.95953	123.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 5	30	4.43333	0.72793	133.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 6	30	4.50000	0.50855	135.00000	4.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 7	30	4.36667	0.66868	131.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

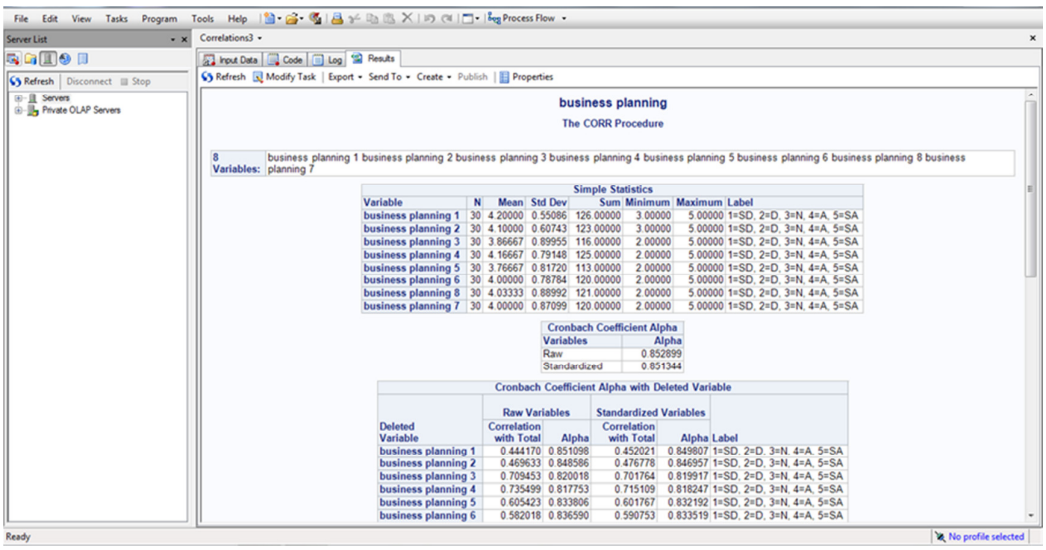
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.731897
Standardized	0.729022

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
social media 1	0.195871	0.751501	0.212340	0.748977	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 2	0.668786	0.637109	0.628060	0.650886	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 3	0.513684	0.682890	0.479931	0.687953	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 4	0.509700	0.685661	0.469084	0.690572	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 5	0.545186	0.677485	0.569808	0.665752	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 6	0.419742	0.711274	0.436294	0.698415	1=SD, 2=D, 3=N, 4=A, 5=SA
social media 7	0.288782	0.732318	0.315455	0.726338	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 3.3.4: Business Planning



business planning

The CORR Procedure

8 Variables: business planning 1 business planning 2 business planning 3 business planning 4 business planning 5 business planning 6 business planning 8 business planning 7

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
business planning 1	30	4.20000	0.55086	126.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 2	30	4.10000	0.60743	123.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 3	30	3.86667	0.89955	116.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 4	30	4.16667	0.79148	125.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 5	30	3.76667	0.81720	113.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 6	30	4.00000	0.78784	120.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 8	30	4.03333	0.88992	121.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 7	30	4.00000	0.87099	120.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

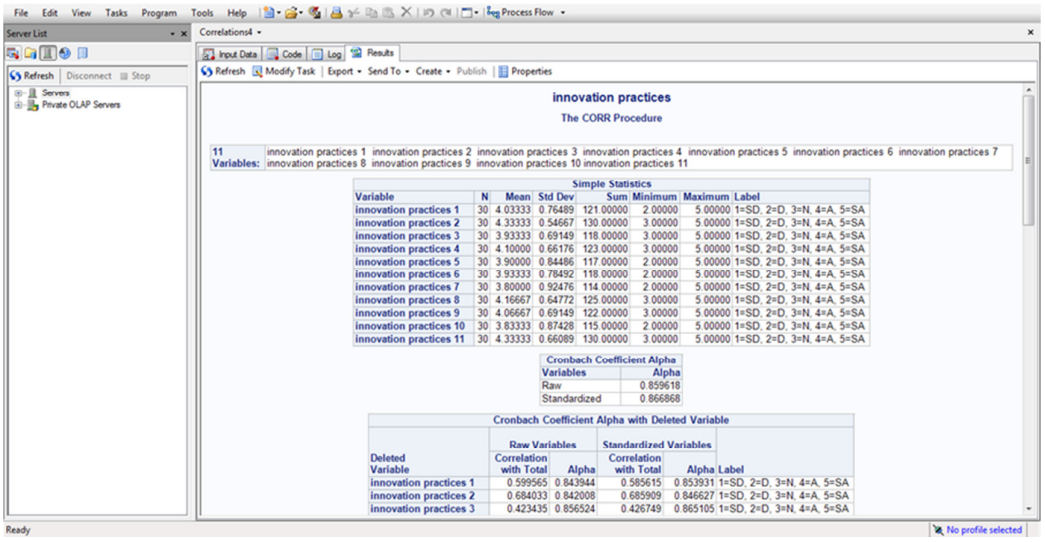
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.852899
Standardized	0.851344

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
business planning 1	0.444170	0.851098	0.452021	0.849807	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 2	0.469633	0.848586	0.476778	0.846957	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 3	0.709453	0.820018	0.701764	0.819917	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 4	0.735499	0.817753	0.715109	0.818247	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 5	0.605423	0.833806	0.601767	0.832192	1=SD, 2=D, 3=N, 4=A, 5=SA
business planning 6	0.582018	0.836590	0.590753	0.833519	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 3.3.5: Innovation Practices



innovation practices

The CORR Procedure

11 Variables:	innovation practices 1 innovation practices 2 innovation practices 3 innovation practices 4 innovation practices 5 innovation practices 6 innovation practices 7 innovation practices 8 innovation practices 9 innovation practices 10 innovation practices 11

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
innovation practices 1	30	4.03333	0.76489	121.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 2	30	4.33333	0.54667	130.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 3	30	3.93333	0.69149	118.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 4	30	4.10000	0.66176	123.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 5	30	3.90000	0.84486	117.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 6	30	3.93333	0.78492	118.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 7	30	3.80000	0.92476	114.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 8	30	4.16667	0.64772	125.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 9	30	4.06667	0.69149	122.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 10	30	3.83333	0.87428	115.00000	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 11	30	4.33333	0.66089	130.00000	3.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

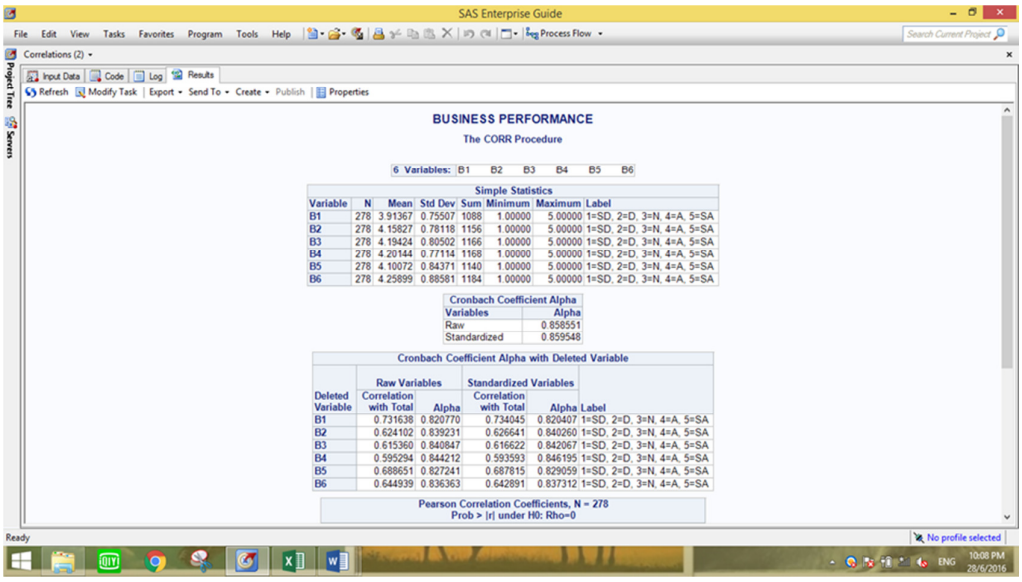
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.859618
Standardized	0.866868

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
innovation practices 1	0.599565	0.843944	0.585615	0.853931	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 2	0.684033	0.842008	0.685909	0.846627	1=SD, 2=D, 3=N, 4=A, 5=SA
innovation practices 3	0.423435	0.856524	0.426749	0.865105	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 4.1: Reliability Test Result - Business Performance (278 Respondents)



SAS Enterprise Guide

BUSINESS PERFORMANCE

The CORR Procedure

6 Variables: B1 B2 B3 B4 B5 B6

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
B1	278	3.91367	0.75507	1088	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
B2	278	4.15827	0.78118	1156	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
B3	278	4.19424	0.80502	1166	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
B4	278	4.20144	0.77114	1168	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
B5	278	4.10072	0.84371	1140	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
B6	278	4.25899	0.88581	1184	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

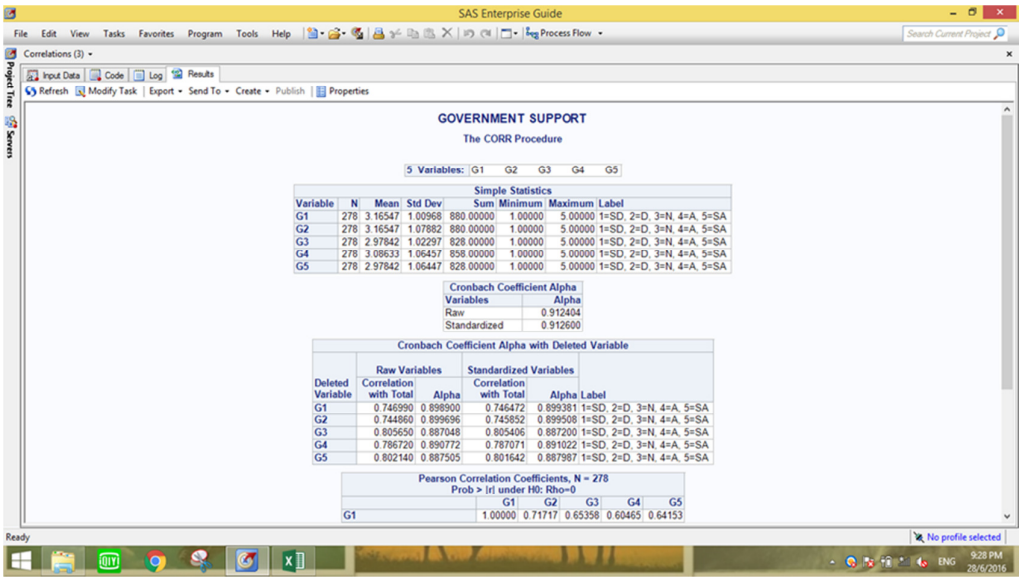
Variables	Alpha
Raw	0.858551
Standardized	0.859548

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
B1	0.731638	0.820770	0.734045	0.820407	1=SD, 2=D, 3=N, 4=A, 5=SA
B2	0.624102	0.839231	0.626641	0.840260	1=SD, 2=D, 3=N, 4=A, 5=SA
B3	0.615360	0.840847	0.616622	0.842067	1=SD, 2=D, 3=N, 4=A, 5=SA
B4	0.595294	0.844212	0.593593	0.846195	1=SD, 2=D, 3=N, 4=A, 5=SA
B5	0.688651	0.827241	0.687815	0.829059	1=SD, 2=D, 3=N, 4=A, 5=SA
B6	0.644939	0.836363	0.642891	0.837312	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 278
Prob > |r| under H0: Rho=0

Appendix 4.2: Reliability Test Result - Government Support (278 Respondents)



SAS Enterprise Guide

GOVERNMENT SUPPORT

The CORR Procedure

5 Variables: G1 G2 G3 G4 G5

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
G1	278	3.16547	1.00968	880.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
G2	278	3.16547	1.07882	880.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
G3	278	2.97842	1.02297	828.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
G4	278	3.08633	1.06457	858.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
G5	278	2.97842	1.06447	828.00000	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.912404
Standardized	0.912600

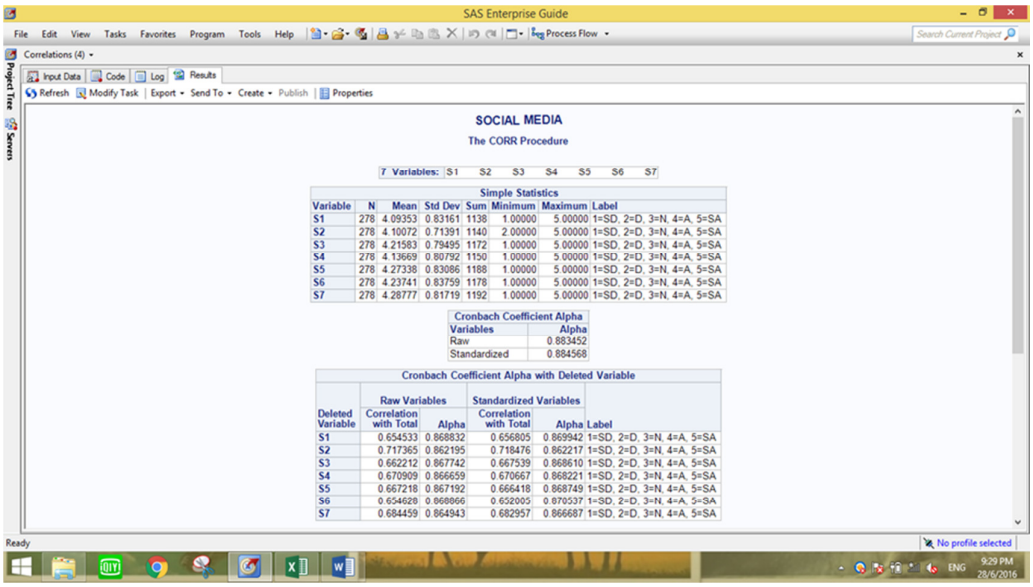
Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
G1	0.746990	0.898900	0.746472	0.899381	1=SD, 2=D, 3=N, 4=A, 5=SA
G2	0.744860	0.899696	0.745852	0.899508	1=SD, 2=D, 3=N, 4=A, 5=SA
G3	0.805650	0.887048	0.805406	0.887200	1=SD, 2=D, 3=N, 4=A, 5=SA
G4	0.786720	0.890772	0.787071	0.891022	1=SD, 2=D, 3=N, 4=A, 5=SA
G5	0.802140	0.887505	0.801642	0.887987	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 278
Prob > |r| under H0: Rho=0

	G1	G2	G3	G4	G5
G1	1.00000	0.71717	0.65358	0.60465	0.64153

Appendix 4.3: Reliability Test Result - Social Media (278 Respondents)



SAS Enterprise Guide

SOCIAL MEDIA

The CORR Procedure

7 Variables: S1 S2 S3 S4 S5 S6 S7

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
S1	278	4.09353	0.83161	1138	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
S2	278	4.10072	0.71391	1140	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
S3	278	4.21583	0.79495	1172	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
S4	278	4.13669	0.80792	1150	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
S5	278	4.27338	0.83086	1188	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
S6	278	4.23741	0.83759	1178	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
S7	278	4.28777	0.81719	1192	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

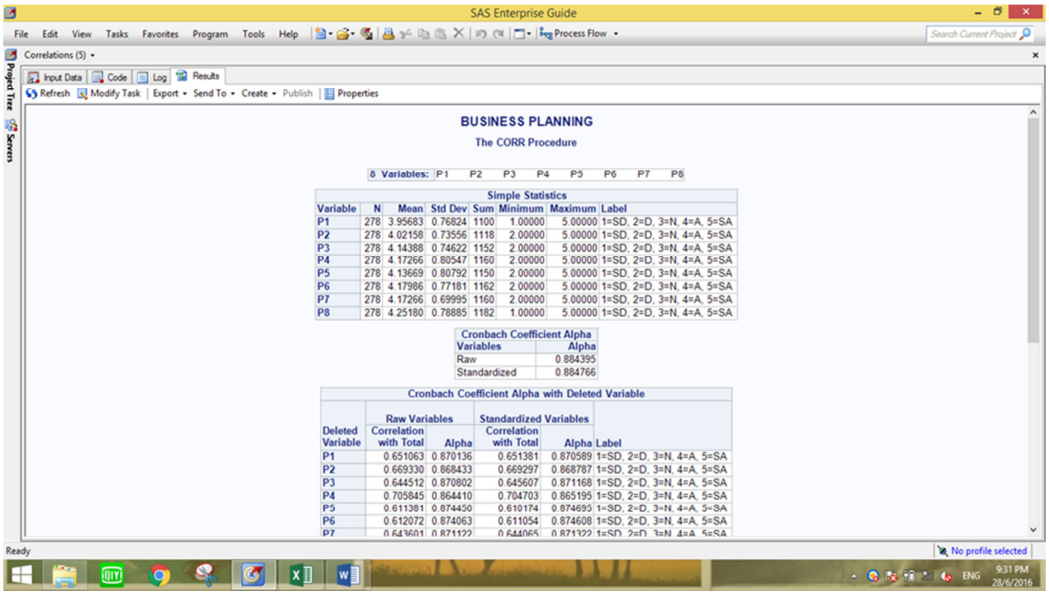
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.883452
Standardized	0.884568

Cronbach Coefficient Alpha with Deleted Variable

	Raw Variables		Standardized Variables		
Deleted Variable	Correlation with Total	Alpha	Correlation with Total	Alpha	Label
S1	0.654533	0.868832	0.656805	0.869942	1=SD, 2=D, 3=N, 4=A, 5=SA
S2	0.717365	0.862195	0.718476	0.862217	1=SD, 2=D, 3=N, 4=A, 5=SA
S3	0.662212	0.867742	0.667539	0.868610	1=SD, 2=D, 3=N, 4=A, 5=SA
S4	0.670909	0.866659	0.670667	0.868221	1=SD, 2=D, 3=N, 4=A, 5=SA
S5	0.667218	0.867192	0.666418	0.868749	1=SD, 2=D, 3=N, 4=A, 5=SA
S6	0.654628	0.868966	0.652005	0.870537	1=SD, 2=D, 3=N, 4=A, 5=SA
S7	0.684459	0.864943	0.682957	0.866687	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 4.4: Reliability Test Result - Business Planning (278 Respondents)



SAS Enterprise Guide

BUSINESS PLANNING

The CORR Procedure

8 Variables: P1 P2 P3 P4 P5 P6 P7 P8

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
P1	278	3.95683	0.76824	1100	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P2	278	4.02158	0.73556	1118	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P3	278	4.14388	0.74622	1152	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P4	278	4.17266	0.80547	1160	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P5	278	4.13669	0.80792	1150	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P6	278	4.17986	0.77181	1162	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P7	278	4.17266	0.69995	1160	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
P8	278	4.25180	0.78885	1182	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

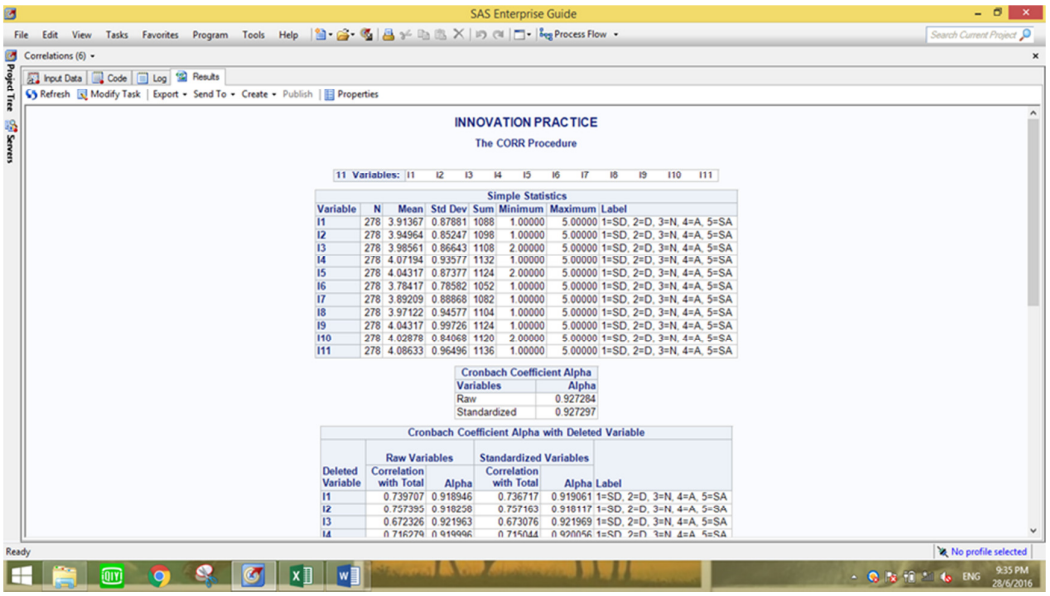
Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.884395
Standardized	0.884766

Cronbach Coefficient Alpha with Deleted Variable

	Raw Variables		Standardized Variables		
Deleted Variable	Correlation with Total	Alpha	Correlation with Total	Alpha	Label
P1	0.651063	0.870136	0.651381	0.870589	1=SD, 2=D, 3=N, 4=A, 5=SA
P2	0.669330	0.868433	0.669297	0.868787	1=SD, 2=D, 3=N, 4=A, 5=SA
P3	0.644512	0.870802	0.645607	0.871168	1=SD, 2=D, 3=N, 4=A, 5=SA
P4	0.705845	0.864410	0.704703	0.865195	1=SD, 2=D, 3=N, 4=A, 5=SA
P5	0.611381	0.874450	0.610174	0.874695	1=SD, 2=D, 3=N, 4=A, 5=SA
P6	0.612072	0.874063	0.611054	0.874608	1=SD, 2=D, 3=N, 4=A, 5=SA
P7	0.643601	0.871122	0.644065	0.871322	1=SD, 2=D, 3=N, 4=A, 5=SA

Appendix 4.5: Reliability Test Result - Innovation Practices (278 Respondents)



SAS Enterprise Guide

INNOVATION PRACTICE

The CORR Procedure

11 Variables: I1 I2 I3 I4 I5 I6 I7 I8 I9 I10 I11

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
I1	278	3.91367	0.87881	1088	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I2	278	3.94964	0.85247	1098	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I3	278	3.98561	0.86643	1108	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I4	278	4.07194	0.93577	1132	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I5	278	4.04317	0.87377	1124	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I6	278	3.78417	0.78582	1052	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I7	278	3.89209	0.88868	1082	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I8	278	3.97122	0.94577	1104	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I9	278	4.04317	0.99726	1124	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I10	278	4.02878	0.84068	1120	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
I11	278	4.08633	0.96496	1136	1.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA

Cronbach Coefficient Alpha

Variables	Alpha
Raw	0.927284
Standardized	0.927297

Cronbach Coefficient Alpha with Deleted Variable

Deleted Variable	Raw Variables: Correlation with Total	Raw Variables: Alpha	Standardized Variables: Correlation with Total	Standardized Variables: Alpha	Label
I1	0.739707	0.918946	0.736717	0.919061	1=SD, 2=D, 3=N, 4=A, 5=SA
I2	0.757395	0.918258	0.757163	0.918117	1=SD, 2=D, 3=N, 4=A, 5=SA
I3	0.672326	0.921963	0.673076	0.921969	1=SD, 2=D, 3=N, 4=A, 5=SA
I4	0.716279	0.919996	0.715044	0.920056	1=SD, 2=D, 3=N, 4=A, 5=SA

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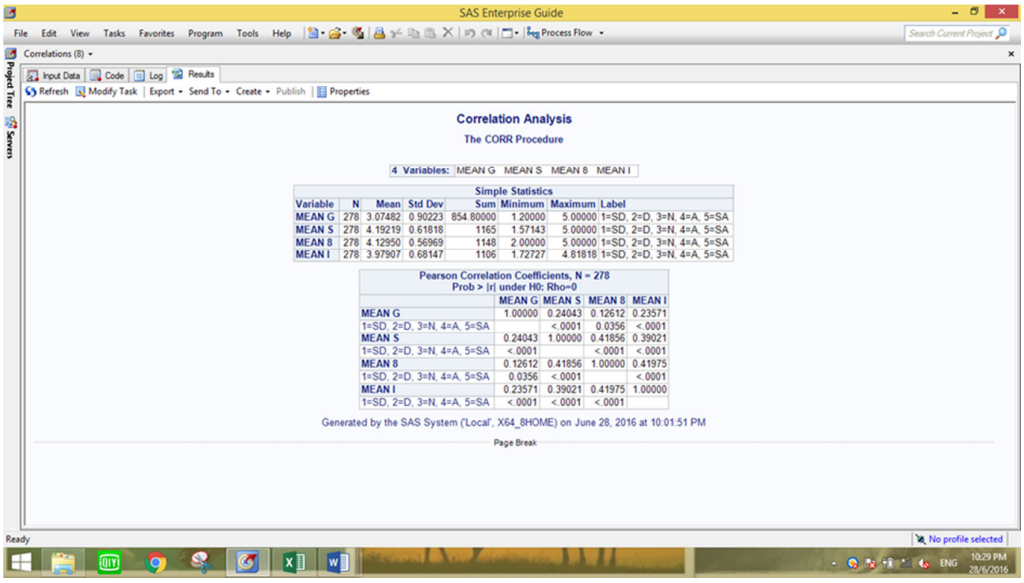
Appendix 4.6: Pearson Correlation Coefficient Analysis



SAS Enterprise Guide

Correlation Analysis

The CORR Procedure

4 Variables: MEAN G MEAN S MEAN 8 MEAN I

Simple Statistics

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
MEAN G	278	3.07482	0.90223	854.80000	1.20000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
MEAN S	278	4.19219	0.61818	1165	1.57143	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
MEAN 8	278	4.12950	0.56969	1148	2.00000	5.00000	1=SD, 2=D, 3=N, 4=A, 5=SA
MEAN I	278	3.97907	0.68147	1106	1.72727	4.81818	1=SD, 2=D, 3=N, 4=A, 5=SA

Pearson Correlation Coefficients, N = 278
Prob > |r| under H0: Rho=0

	MEAN G	MEAN S	MEAN 8	MEAN I
MEAN G	1.00000	0.24043	0.12612	0.23571
1=SD, 2=D, 3=N, 4=A, 5=SA		<.0001	0.0356	<.0001
MEAN S	0.24043	1.00000	0.41856	0.39021
1=SD, 2=D, 3=N, 4=A, 5=SA	<.0001		<.0001	<.0001
MEAN 8	0.12612	0.41856	1.00000	0.41975
1=SD, 2=D, 3=N, 4=A, 5=SA	0.0356	<.0001		<.0001
MEAN I	0.23571	0.39021	0.41975	1.00000
1=SD, 2=D, 3=N, 4=A, 5=SA	<.0001	<.0001	<.0001	

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Appendix 4.7: Multiple Linear Regression Analysis

Linear Regression Results

The REG Procedure
Model: Linear_Regression_Model
Dependent Variable: MEAN B 1=SD, 2=D, 3=N, 4=A, 5=SA

Number of Observations Read	278
Number of Observations Used	278

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	4	24.65837	6.16459	20.69	<.0001
Error	273	81.33364	0.29793		
Corrected Total	277	105.99201			

Root MSE	0.54583	R-Square	0.2326
Dependent Mean	4.13789	Adj R-Sq	0.2214
Coeff Var	13.19091		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr > |t|	Standardized Estimate	Tolerance	Variance Inflation
Intercept	Intercept	1	1.63031	0.28740	5.67	<.0001	0	.	0
MEAN G	1=SD, 2=D, 3=N, 4=A, 5=SA	1	0.08443	0.03794	2.23	0.0269	0.12315	0.91804	1.08928
MEAN S	1=SD, 2=D, 3=N, 4=A, 5=SA	1	0.11269	0.06133	1.84	0.0672	0.11262	0.74816	1.33661
MEAN B	1=SD, 2=D, 3=N, 4=A, 5=SA	1	0.22804	0.06661	3.42	0.0007	0.21001	0.74691	1.33885
MEAN I	1=SD, 2=D, 3=N, 4=A, 5=SA	1	0.20956	0.05561	3.77	0.0002	0.23087	0.74895	1.33520

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Table 3.3.2.1 Statistics for the number for the various festivals and events held in Penang, 2014-2015

No	Event	Date	Venue	Estimated visit number	Number of media report
1	World Curry Festival	Jan 30- Feb 1	Spice Arena	62818	>6
2	Penang Hot Air Balloon Festival	Feb 21-22	Polo Ground	80000	25
3	Chap Goh Meh	Mar 5	Esplanade	40000	
4	St Patrick's Festival	Mar 6-8	Straits Quay	3000	
5	Penang World Music Festival	Apr 11-12	Esplanade	6000	30
6	Penang International Dragon Boast Festival	May 30-31	Teluk Bahang Dam	2000	
7	George Town World Heritage Day Celebration	July 4-7	George Town	8000(Jul 4-7), 20000(whole event,2014)	36 (newspapers), 4(magazines)
8	St Anne's Novena and Feast	July 24-Aug 2	St Anne's Church	>10000(July 26), 100000 throughout the festival	
9	Penang Bon Odori Festival	July 25	Esplanade	50000	

	10	George Town Festival 2015	Aug1-31	George Town & Butterworth	250000	395(including reports from 11 foreign countries)
	11	George Town Literary Festival 2014	Nov 28-30	The Whiteaways Arcade	1000	
	12	Chingay Parade –island	Dec 14(2014)	Padang Brown to City Hall, Esplanade	5000	
	13	Penang Island Jazz Festival	Dec 4-7 (2014)	Batu Ferringhi	>5000	Coverage in 12 newspapers and magazines (4 foreign report),>60 online articles/reviews

Source: *Penang State Tourism Development office, Penang Global Tourism, Respective event organizers and media.*

Table 3.3.2.2 Hotel guests recorded in various states in Malaysia, 2013-2014

	Domestic			Foreign			Total		
	2013	**2014**	**Change (%)**	**2013**	**2014**	**Change (%)**	**2013**	**2014**	**Change (%)**
Kuala Lumpur	5149295	6584325	27.9	8520340	9867899	15.8	13669635	16452224	20.4
Selangor	1610726	2466995	53.2	1220613	1664686	36.4	2831339	4131681	45.9
Penang	2639182	3617170	37.1	2062917	3230399	56.6	4702099	6847569	45.6
Melaka	2201143	2675011	21.5	1930622	1757952	-8.9	4131765	4432963	7.3
Malaysia	34269757	45377375	32.4	22859913	26288920	15.0	57129670	71666295	25.4

Source: *Tourism Malaysia.*