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## Factors Affecting The Success of Digital Entrepreneurship among Suburban Women: Malacca

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### Abstract

**Background:** In the research field of Suburban Women, Malacca and from the viewpoint of Melaka residents, success of women entrepreneurs shows high resilience and competitiveness in facing any challenge in the economic cycle and having a good impact towards the communities in the world.

**Objectives:** This paper identifies the impact of success of women entrepreneurs, namely digital entrepreneurship, digital marketing, and government support.

**Method:** Using an online survey, the study collects data in Suburban, Malacca from 310 respondents among residents in Melaka. We used the Statistical Package for the Social Sciences (SPSS) software to test the correlation between dependent variables and independent variables.

**Result:** The results analyzed by multiple linear regression analysis show that only two out of three factors which are digital entrepreneurship and digital marketing have significant effect on the success of women entrepreneurs. While government support has no significant effect.

**Conclusion:** Mastering in digital marketing and digital entrepreneurship are internal factors that help entrepreneurs become successful compared to external factors such as government support.

**Keywords:** Success of Women Entrepreneurs, Digital Entrepreneurship, Digital Marketing, Government Support.

### Introduction

Several researchers have focused on the concept of “entrepreneurship” to maintain and improve the sustainability indicators of competitive advantage in organizations and businesses (Tajeddini, 2010). Entrepreneurship is recognized as an essential factor in the enhancement of the economic situation by creating new employment and income opportunities (Chitsaz et al., 2019). Women’s entrepreneurship is a growing global phenomenon, attracting considerable research attention during the last few decades (Henry et al., 2016). Not only does it contribute to economies in terms of job creation and economic growth (Kelley et al., 2010), it is also recognized as a source of increasing entrepreneurial

diversity in a range of economic contexts (Verheul et al., 2006); as such, it offers a valuable focus for concerted scholarly research.

At the same time, Sri Ayu Kartika Amri's article (2020) states that as of mid-2020, the total number of small and medium enterprises (SME) entrepreneurs registered in Malaysia is 907,065 companies and 186,855 of them or 20.6% are female SME entrepreneurs. Therefore, the emergence of women entrepreneurs cannot be denied as one of the contributors to the national economy. However, rural women entrepreneurs certainly face various challenges to grow and compete in the digitized world of business. According to Forbes Magazine, the COVID-19 epidemic has indeed paralyzed the world economy in early 2020. However, it is a blessing in disguise for businesses that use the internet to get customers. This is because since COVID-19, the increase in demand for physical products, services and digital products has increased 4-6 times. And there is no doubt that Malaysia as a whole also suffers due to this issue. This is said to be an opportunity to explore a new creation process in the field of digital entrepreneurship.

However, this study examines the factors that influence the success of digital entrepreneurship among women entrepreneurs in the suburbs of Malacca State. By emphasizing four important factors which are the type of technology, social media, digital marketing and government support.

### **Problem Statement**

Digitization is a term that is not foreign to the world community. The difference in the influence of the digital age on urban and rural communities is different. The rapid development of technology and the internet is certainly more likely to influence the actions of urban communities, while rural communities are less inclined to accept such developments. According to Ade Kusuma, et.al (2019) through his research has concluded that the existence of a limited support economy makes the type of business done by women in the village not diverse and limited. Also, the lack of digital knowledge and technology in business, especially in the field of marketing that can reach consumers outside, makes the involvement of digital entrepreneurship in suburban areas less welcome.

Department of Statistics Malaysia (2020) announced statistics that the unemployment rate increased slightly by 0.1 percentage points to 4.8 percent in November 2020 compared to the previous month. The number of unemployed increased by 2.2 percent or equivalent to 16.2 thousand people to 764.4 thousand unemployed people (2020: 748.2 thousand people). Through it also, the 5th goal of Sustainable Development which is Gender Equality refers to Goal 5: Achieving gender equality and empowering all women and girls. Indicator 5.1.1: Whether or not a legal framework exists to promote, enforce and monitor equality and non-discrimination on the basis of gender equality. Therefore, this study is indeed in line with the need for data and analysis to help the government and stakeholders increase the involvement of women in digital entrepreneurship.

In addition, the global issue of covid19 which has an impact on household income, and through digitalization opening up space for women also took the field in increasing household income. However, the constraints of the daily routine as housewives and women with families, and even constraints to go out freely are also the reason why they do not get involved in this field of entrepreneurship. However, with the existence of digitization facilities, it has an impact on the world of digital entrepreneurship in women, which if practiced well, then women are also able to become successful women entrepreneurs through this digital entrepreneurship model. However, to ensure the existence of these women digital

entrepreneurs is sustainable and has a great impact in improving the national economy, then the findings of this study can be used as a bet.

## **Literature Review**

### **Success of Women Entrepreneurs**

Entrepreneurship is a challenging career field. However, there are many women entrepreneurs who venture into the field of entrepreneurship. Schumpeter (1976) clarified that entrepreneurs are innovators with potentialities of doing new things, as an economic leader, and as a chief conductor in economic development (Haider et al., 2021). Entrepreneurs are those who are able to identify opportunities and connect those opportunities with consumers and subsequently create a business that produces substantial profits (Zan et al., 2017). Success of women entrepreneurs depend on their personal quality and traits: their determination and hard work, persistence and commitment, and good management skills (Coughlin, 2002; Saxon, 2003; Dzisi, 2008; Itani et al., 2011; Tiwari et al., 2020). It is the personal motivation of the entrepreneur that leads him to the path of success (Timmons and Spinelli, 2003; Tiwari et al., 2020).

### **Digital Entrepreneurship**

Khalil et al (2021) in his studies stated digital entrepreneurship is seen as the creation and use of new technology in transforming existing businesses that encourage in improving business operations as well as creating new competitive business models. According to Sahut et al (2019) on the other hand, digital entrepreneurship is an increase and unification of traditional efforts with the latest technology to create a digital business. According to Valigursky et al (2021) digital entrepreneurship is a transformation of entrepreneurial activities by introducing innovation and increasing competitiveness in the national and world markets. Wahab (2020) stated digital entrepreneurship divided into theory and practicum In terms of theory is to offer some new concepts about the entrepreneurial process online such as identifying new ideas and business opportunities that can be created digitally, development of digital business ideas, methods of exploiting business opportunities and so on. From a practical point of view, digital entrepreneurship opens up opportunities for individuals who wish to become entrepreneurs by learning basic skills about digital entrepreneurship such as creating new business ideas, improving data-based business ideas and so on.

### **Digital Marketing**

According to Onyango (2016) digital marketing is one of most effective strategies for small businesses creating prospects for the enterprises, efficiently connecting and engaging with clients, impacting all elements of business performance by improving revenues, market share and increased profitability. The findings indicated that enterprises who harnessed the power of digital marketing showed better performance claiming better returns, more customers and increased sales than those who merely used conventional marketing strategies. Today's world is a business online world. Thus, the average company or business, especially in Malaysia, has started a strategy using digital marketing techniques. Whereas another researcher (Afifah et al., 2018) found that entrepreneurs' knowledge positively affects the adoption of digital marketing which in turn positively impacts the business performance. Knowledge of the entrepreneurs means the understanding and usage of the internet and various digital media tools to perform marketing needs of the enterprise. Those who explore this medium for business purposes and gain profit through it are known as digital entrepreneurs. Cesaroni et

al (2017), study results emphasized the impact of use of social media by women entrepreneurs in emerging countries including India where women are marginalized, subordinated and poses cultural barriers in participation at the workplace. In such countries, adoption of digital marketing strategy can help budding women entrepreneurs to broaden their network, start and manage their business efficiently. Thus, the involvement of women entrepreneurs in the field of digital marketing gives implications to the lives of women entrepreneurs to be more advanced and successful at the global level.

### **Government Support**

Government support also has an impact on the success of women entrepreneurs. The government is their main focus in providing support and assistance to increase women entrepreneurs entering the business field. According to Hashim et al (2003), government support can be defined as an institution which provides financial and technical assistance, training programs, development and consultancy, information resources and so on towards entrepreneurship development. It also proves the government's recognition of women's contribution in generating and simultaneously restoring the national economy. Yusof (2011) found that support for entrepreneurship and government policies relating to the 'business angel' and the availability of risk capital, the availability of financial resources, and the effect of government support for entrepreneurship and the role of government policies to entrepreneurial activity also correlated with successful entrepreneurs in Malaysia. Furthermore, Cheston and Kuhn (2002); Kuzilwa (2005) mentioned that government assistance, including training programs, contribute a positive effect towards the entrepreneurs success. Entrepreneurs are assumed to be well equipped in terms of skills, knowledge and information to manage their firms and lead to their success based on the training program provided to them. Therefore, to ensure the resilience of women entrepreneurs, government support is the main factor in the success of women entrepreneurs who have high resilience and competitiveness in facing any challenge in the economic cycle.

### **Methodology**

The research design used is a correlation study, to determine the relationship between dependent and independent variables involved in this study especially in seeing the awareness and exposure of women entrepreneurs in the field of digital marketing. The population for this study is women entrepreneurs in rural areas. This location was chosen because the level of exposure or reach of digital marketing is lower than urban areas. Thus, this study can also help give exposure to rural women entrepreneurs about the importance of digital marketing. Sampling was determined using a simple sampling method and a total of 310 respondents among women entrepreneurs in rural areas involved in this study. The research instrument, which is a questionnaire with several related constructs or variables, will be prepared and involve groups of Women Entrepreneurs identified in rural areas in the State of Melaka. Data will be analyzed using descriptive and regression analysis methods. This method is used to identify the actual situation of the problem so that the best approach can be determined to overcome the issue that occurs.

### **Findings**

The information obtained is the result of this study that has been conducted on 310 respondents women entrepreneurs around the outskirts of Melaka.

Table 1

*Respondent Demographic Information (Type of Business)*

Profile	Frequency	Percentage (%)
Type of Business		
Food and Beverages	92	29.7
Health and Beauty	63	20.3
Tourism and Accommodation	46	14.8
Logistic and Transportation	23	7.4
Financial Services	7	2.3
Education	15	4.8
Others	64	20.6
Total	310	100.0

Table 1 displays the demographic information distribution of the respondent's business type. Based on the analysis of the study, there are a total of 29.7 percent running a food and beverages business, followed by 20.6 percent running a business other than the listed categories. Next, 20.3 percent of respondents ran health and beauty product businesses, 14.8 percent ventured into the tourism and accommodation business, 7.4 percent were involved in the type of transportation business, 4.8 percent in the type of education business. The remaining 2.3 percent of women entrepreneurs are involved in financial services businesses.

Table 2

*Respondent Demographic Information (Monthly Income)*

Profile	Frequency	Percentage (%)
Monthly Income		
Less than RM1,500	112	36.1
RM1,501 - RM3,000	68	21.9
RM3,001 - RM4,500	46	14.8
RM4,501 - RM6,000	59	19.0
RM6,001 and above	25	8.1
Total	310	100.0

The distribution of monthly income from businesses conducted by the respondents shown in Table 2 shows that 36.1 percent of respondents earn income of less than RM1,500 per month. A total of 21.9 percent earned a monthly income between RM1,501 to RM3,000 within a month. Followed by 19 percent who earn between RM4,501 to RM6,000 per month, 14.8 percent receive monthly income from RM3,001 to RM6,000. The rest, only 25 people or 8.1 percent managed to generate income up to RM6,001 and above.

Multiple linear regression analysis was used to test the effect of Digital Entrepreneurship, Digital Marketing, Government Support on the Success of Women Entrepreneurs.

Table 3

*Multiple Linear regression Analysis*

Dependent Variable	Independent Variable	$\beta$	BETA	t	Sig.
Success of Women Entrepreneurs (Y)	Constant	2.383		10.213	.000
	Digital Entrepreneurship (X <sub>1</sub> )	.170	.225	3.725	.000
	Digital Marketing (X <sub>2</sub> )	.295	.284	3.964	.000
	Government Support (X <sub>3</sub> )	.005	.010	.161	.872
F	24.929				
Sig F	0.000				

Table 3 also shows that the F-statistics ( $F = 24.929$ ) and the p value are significant (0.000) or smaller than the alpha value of 0.01. This shows that the slope of the linear regression line of this estimated model is not equal to zero confirming that the study data fits the three linear regression prediction models proposed in this study.

Referring to the multiple linear regression analysis, the Success of Female Entrepreneurs (Y) is only affected by two variables, namely the Digital Entrepreneurship factor (X<sub>1</sub>) and Digital Marketing (X<sub>2</sub>), but Government Support (X<sub>3</sub>) does not have a significant relationship and does not contribute to the Entrepreneur's Success Women. Based on the results of this study as well, the relationship between the success of female entrepreneurs (Y) is influenced by the factors of Digital Entrepreneurship (X<sub>1</sub>), Digital Marketing (X<sub>2</sub>), can be explained using multiple linear regression analysis expressed through the following linear equation:

$$Y = 2.383 + 0.170 (X_1) + 0.295 (X_2)$$

The results of this study show that if one unit of Digital Entrepreneurship (X<sub>1</sub>) increases, then the level of Female Entrepreneur Success also increases by 0.170. Meanwhile, one unit of Digital Marketing (X<sub>2</sub>) increases, so the level of Success of Female Entrepreneurs also increases by 0.295. While for this study, Government Support (X<sub>3</sub>) does not contribute to the Success of Women Entrepreneurs in the business they engage in. The results of this study simultaneously support that Digital Entrepreneurship (X<sub>1</sub>) and Digital Marketing (X<sub>2</sub>) can influence the success of female entrepreneurs.

### Discussions

Findings shows that only two out of three variables are significant factors that affect the success of digital entrepreneurship among suburban women in Malacca. The dropdown trend among businesses is undeniable especially during COVID-19. For those businesses that have mastered their digital entrepreneurship and digital marketing skills are able to sustain their business and make them become more successful. These findings are in line with research done by Khalil et al (2021); Sahut et al (2019); Valigursky et al (2021) that emphasize digital entrepreneurship is a transformation of entrepreneurial activities by introducing innovation and increasing competitiveness. Innovation will make the product different from others and

will lead to increase in demand thus the business will become more successful with the usage of technology.

Findings also show that digital marketing has significant factors that affect the success of digital entrepreneurship among suburban women in Malacca. Digital marketing will lead the targeted audience on a large scale and to be reached in a cost-effective and measurable way. Besides, digital marketing includes increasing brand loyalty and driving online sales. This will lead to increase in demand and sales. The findings are supported with previous studies such as (Onyango, 2016; Afifah et al., 2018; Cesaroni et al., 2017). Findings show that the impact of use of social media by women entrepreneurs in emerging countries and adoption of digital marketing strategy can help budding women entrepreneurs to broaden their network, start and manage their business efficiently. Nowadays, mastering the digital marketing skill is important in order to boost the business and stay relevant in the market.

In this study, government support did not have a significant effect towards the success of digital entrepreneurship among suburban women in Malacca. Besides, bureaucracy in government assistance such as procedure, process and the period make the business owner feel reluctant to get financial assistance from the government. This has been highlighted in Al-Kwafi et al (2020) findings that women entrepreneurs have to face many challenges including regulations, procedure, bureaucracy setting, prejudiced mindset and faced difficulties in obtaining financial assistance. Moreover, Damanhour (2017) findings show that obstacles faced by women entrepreneurship are assessing credit support and enhancing their business as compared to non-financial issues.

As a result, two out of three factors that have significant effect towards successful entrepreneurs are internal factors that are within the control of the entrepreneur itself. Self motivation to master both digital entrepreneurship skills and digital skills lead to their success. In contrast, financial assistance by the government are external factors that are beyond the control of the entrepreneurs.

## **Conclusion**

Digital Entrepreneurship and Digital Marketing are important skills that need to be mastered by the entrepreneurs to ensure they are in line with the current market trend nowadays. Less bureaucracy in the government financial assistance process will help to increase the number of entrepreneurs entering the market. With financial assistance it will help the entrepreneur to have better facilities, training and gadgets to improve their digital skills. Governments need to strengthen their process of giving out financial assistance to entrepreneurs. High number of entrepreneurs will help more people to have a better standard of living and can contribute to the economy.

This study contributes knowledge on Digital Entrepreneurship and Digital Marketing to women entrepreneurs in rural areas of Melaka in general. It also encourages the women entrepreneurs to be more aware and ready to explore digital entrepreneurs literacy and sustain their business during the unexpected economic crisis in the era of COVID-19. In addition, this study also encourages entrepreneurs to gain skills on digital marketing especially to promote their business using digital platforms. In addition, this study can also help the Melaka State Government to provide programs or financial support to the women entrepreneurs, especially those affected by the recent COVID-19 crisis. Businesses run by women entrepreneurs in the suburbs of Melaka contribute a lot to the rise of the domestic economy.



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