

**The Determinants of Startups' Financial Sustainability:
The Mediating Role of Social Media Adoption**

Norzana Binti Zakiah @ Zakaria



**Research Project Submitted in Partial Fulfilment of the Requirements
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DECLARATION

The author hereby declares that this project paper is the original study undertaken by her unless stated otherwise. Due acknowledgement has been given to references quoted in the bibliography. The views and analyses in this study are that of author's, based on the references made; and this does not constitute an invitation to use this study as a technical tool for management purpose.



Signature :

Name : Norzana binti Zakiah @ Zakaria

Date : 05 Oktober 2022

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Abstract of the research project paper submitted to the Senate of Universiti Tun Abdul Razak (UNIRAZAK) in partial fulfilment of the requirements for the Master of Business Administration.

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By

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Startups have become a vibrant and dynamic sector of the world economy. Information technology plays a vital role in improving the productivity and competitiveness of startups. The dynamic business environment has brought fierce competition among startups and, therefore, requires the owners to interact with internal and external members actively. Hence, this study aims to investigate the impact of technology, organization, and environment as important factors in the financial sustainability of startups' enterprises. It also examines the mediating role of social media adoption. Items were developed to measure the various purposes of social media use in organizations, which contribute to increasing the measurement of social media usage. For the empirical investigation, this paper used a closed-ended questionnaire. Using a quantitative method, we observed 116 responses through structural equation modeling. The findings of the study will determine whether technology, organization, and the environment play effective roles for startups' financial sustainability. More importantly, social media adoption positively mediates the relationship between technology, organization, environment, and startups' performance. The study also helps organizations realize the advantages of using social media and specifies the rationale behind an organization's investment in social media.

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CHAPTER 1: INTRODUCTION

1.1 Background of the Study

The purpose of this study is to examine the determinants of Social Media Adoption and their financial sustainability in Malaysian startups. Research into the area of organizational Social Media adoption using adoption theories and frameworks is not widespread due to the relatively new phenomena of social media use in companies. Nevertheless, a handful of researches have been done on this topic in developed and developing countries.

Social media (SM) has reshaped the enterprise environment worldwide, where businesses attempt to seek competitive advantages through their SM presence (Ahmad, S.Z.; Bakar, A.R.A., 2019) In the modern era, firms need to develop their skills in using SM to create better marketing campaigns and advertisement strategies, build profitable customer long-lasting relationships, and obtain an accessible tool for information sharing with SM connected customers (Tajvidi,2017)

The earliest studies that argued on the adoption of Social Media among the organizations focusses on the public relations function, and was based in the United States (Eyrich, et al, 2008; Curtis et al, 2010). Siamagka et al, (2015) paved the way for further research on the determinants of social media adoption by organizations. This is followed by Pentina et al, (2012) who tested technology acceptance model (TAM) to analyse the SME's use of social media marketing. Also, Durkin et al, (2014) surveyed eight (8) Irish SMEs over two (2) years using case-study approach on social media adoption and usage. The research on social media became more intense when as Mertins et al, (2014), collected data from 93 managers across various countries. The number of respondents from SMEs selected to survey the social media adoption has increased over the years. For example, Wamba & Carter, (2013) surveyed 453 SME mangers from the United States, United Kingdom, Australia and India. The study of social media not only focus on business, but political aspects of the society as well. For instance, Milewicz & Saxby, (2013) used data from 91 US House of Representatives and completed their intention and use of social media, while Moya (2014) study was based in the US and data collected from 187 public relations practitioners.

Similarly, Radhakrishnan et al (2018) examined the effect of social media use on the performance of employees and organization among the Multinationals in Malaysia. Also, Nadzir, (2019) examined ways that individuals and organisations engage with social media through Facebook affects Malaysian government agencies. Nawi et al (2019) studied the key determinants of social media adoption as a business platform. Various other studies were done as well on Malaysian context in examining the adoption of social media and its influence on performance of the organizations.

Internet users in Malaysia is observed to be higher than the global average for the last decade and increasing. In 2014, 40% of the world population were Internet users- individuals who have used the Internet within the last 12 months. In the survey conducted in 2018 showed that internet users in Malaysia stood at 87.4% and 10.5 percentage point increased from 76.9% in 2016. The total number of internet users in Malaysia estimated in 2016 were 24.5 million which increase to 28.7 million in 2018. Such high rates of internet usage in Malaysia is not accidental - ICT developments in Malaysia was highlighted as early as the 8th and 9th Malaysia plan due to the government's realization that digitalization of Malaysian firms is essential for the country to remain competitive and to cater to the bigger global market. (Malaysian Communications and Multimedia Commission, 2018)

On that note, it is now popularly regarded academically that organizations may be on the blunt end of the stick should they treat Social Media similar to other media- Social Media is unlike Print, TV and Radio where the message is one-way from the company to target consumer (Mangold & Faulds, 2009). Interest into the factors that drives Social Media adoption by organizations have also garnered increasing attention from researchers, with more studies emerging on determinants of intentions to adopt or continue to use Social Media, of satisfaction of using Social Media, and of its initiation, implementation and use, to name a few. These studies applied varying theories and frameworks, such as the, Theory of Planned Behavior, Theory of Reasoned Action, Technology Acceptance Model, Institutional Theory, and the modified Technology Acceptance Model 2, Innovation of Diffusions theory, (Miranda et al, 2015; Siamagka et al, 2015; Zolkepli & Kamarulzaman, 2015; Ainin et al, 2015; Beier & Wagner, 2016; Bogeia & Brito, 2018; Ahmad, Bakar, & Ahmad, 2019; Khan, Rahim & Maarop, 2020).

Social Media usage by individuals are on the rise, due to the ease to create content and seek out other individual's opinions and other information on the platform (Wei & Hienlan, 2011,). In line with this foreseeable uptrend in Social Media globally, a 2014 study done by Kantar TNS- a research agency with more than 80 offices worldwide and one of the largest insight and consultancy firms, revealed that Malaysia is positioned as one of the most "socially-engaged" population in the world, with much higher levels of engagement on Social Media than the global average. A popular discussed application of Social Media is using it to create an online platform supporting Integrated Marketing Communications where Public Relations activities and Marketing blend in the unique dynamic of "in-bound and out-bound marketing", and which is made possible by the conversations generated by both users and companies. (Kaplan & Heinlan, 2010).

Although SM tools are relatively cheap and provide access to a diverse consumer base, firms have been slow to adopt these technologies. Large firms have generally recognised the need for SM and have rapidly adopted these technologies to improve both their performance and their financial sustainability of their practices (Barnes, 2013) (Rozzani, 2013) (Zu, X, 2019) In contrast, Small and Medium-sized Enterprises (SMEs) with limited resources and technical knowledge are reluctant to use such technologies ((Ahmad, S.Z, 2018), particularly in a strategic manner to help them pursue their sustainability goals (Ye, J.; Kulathunga, 2019), startups sustainability practices consist of attaining a balance between financial resources on the one hand and their social and economic environment on the other hand. Limited financial resources and time constraints are frequently cited factors that hinder startups' ability to improve their financial sustainability (Burlea-Schiopoiu, 2019).

Startups can use social media (SM) because of its ease of use, low cost, technical manageability, and its ability to connect with many potential consumers (Tajuddin,2018). SM adoption is growing exponentially among businesses (Chatterjee, 2020) and is currently considered a key strategy (Iankova, 2019) however, firms are utilizing several different SM platforms (Ainin, 2015) SM is a popular choice for SMEs (Alford, 2016) because it enables clear communication, and gives firms the opportunity to understand and respond—competently and proactively—to customer needs (Parveen, 2016). SM is also a comparatively inexpensive choice for analytics, conversion tracking, content management, automated publishing, and customer targeting (Ahmad, S.Z, 2019).

Research tends to consider the use of SM from a business-to-consumer perspective. For instance, studies have investigated the effects of SM on consumer purchase decisions (Vithayathil, 2020), the impact on brand awareness and purchase intention (Wang, 2019), customer retention, electronic word of mouth, and purchase decision involvement (Alalwan, 2019). Despite the significant impacts and perceived value for SMEs, research is limited regarding how startups choose or use SM channels. Few studies have investigated the use of SM to advance business practices and their effects on an organization's performance (Garg, 2020).

Prior studies have investigated the influence of SM on SMEs and its mediating role, but several areas remain unexplored, such as the use of digital platforms by SMEs (Scuotto, 2017) and the impact on SME survival (Rahman, 2016). This study aims to extend the previous work of technological, organizational, and environmental (TOE) characteristics. The study also aims to answer a number of research questions, including how effective SM adoption improves startups performance (and how it benefits startups operating in Malaysia); whether SM plays a key role in refining a firm's activities to gain business value; and what the outcomes are of SM in startups performance. We should note that few studies have focused on the effects of SM on startups performance in Malaysia (Hassan, 2016) (Sangi, 2018).

Due to the importance of social media for startups and the benefits it brings, attention has been drawn to various areas, including information systems and management. This is evidenced by the growing number of scientific articles that are published every year. A systematic review of the SM adoption and startups literature can provide information for research in this field. While there have been previous social media review articles, these are not directly related to the mediating role of social media. Instead, these articles usually cover all, or pertain to a specific domain, such as marketing (Misirlis, 2018) (Roy, 2020).

Although the literature shows that entrepreneurs are actively using SM, there is little systematic research that shows the state of research on SM and startups. Such research is essential to understanding how much research into global entrepreneurship and SM has covered, and what needs to be done to increase our knowledge. Therefore, based on previous literature, this study developed an integrated research model that explains factors affecting startups financial sustainability and the mediating role of social media adoption.

In other words, the model explains what drives startups to use social media and the mediating role in the relationship between technological impact, organizational impact, environmental impact, and startups financial sustainability. The review and framework are expected to help researchers and practitioners understand the current state of research and support future research in the field. Despite of direct impacts of TOE factors. This study also validates mediating role of SM adoption in the context of startups.

The study starts with a literature review on the impact of technology, organizational impact, environmental impact, and use of SM, and its impact on startups financial sustainability. Then, it discusses the methodology, including sampling and data collection, measures and instrument validation, and results of the quantitative research. The article concludes with research limitations and the direction of future research.

1.2 Problem Statement

There is limited research investigating on the impact of social media on startups financial sustainability and business performance. The research emphasis on SM and startups' financial sustainability is essential because most startups struggle to implement SM platforms for the reasons mentioned above. As in many other economies, startups in Malaysia play a significant role in providing income and employment to a large number of people. Startups account for 99% of the 3.17 million businesses established in Malaysia and play a significant role in the country's industrial development. Startups are spread all over Malaysia in rural and urban areas and represent a large portion of the country's services, trade, agriculture, retail, and manufacturing sectors. Due to startups' importance for the economic growth of Malaysia, there is a need to support the role of SM in enhancing the performance of this sector.

There is scarce literature regarding the drivers of SM adoption by startups, particularly in the context of developing countries such as Malaysia. Additionally, the previous literature investigating this topic supports the notion that technology's adoption improves business processes and financial sustainability. In this context, while some researchers found a significant positive impact of SM adoption on corporate processes, researchers also argued that SM adoption improves firms' ability to reduce costs compared to traditional methods (Chuang, 2020).

Therefore, research in this area should provide in-depth information regarding how to increase SM adoption in SMEs and its sustainability implications (Ahmad, 2019). Considering this, the current study aims to develop and test a comprehensive model of factors that affect SM adoption by startups in Malaysia and its implications on sustainability (i.e., financial sustainability) in a developing country context.

1.3 Research Objectives

Research objectives are as the following:

- To validate the important mediating roles of social media adoption in the context of startups
- To examine the relationship between technology, organization and environment and startups' financial stability.
- To investigate the level of awareness on importance of social media adoption towards Malaysian startups
- To propose intervention program based on further investigation of SM adoption and a firm's business performance

1.4 Research Questions

Specifically, the study sought to find the answers to the following questions:

- What are the significant determinants of social media adoption contributing to financial sustainability of startups?
- Is social media adoption giving impact on the startups' financial sustainability?

1.5 Significance of the Study

Startups

This research is significant for startups to help their organizations realize the advantage of using social media and specifies the rationale behind an organization's investment in social media.

Academicians

Recommendations to be highlighted would initiate new insights that are of significance in the further exploration of social media adoption among Malaysian startups to sustain them financially.

Training Providers

Provide information that are essential to build better entrepreneurship and digital programs and goals integral to the development to their learners; startups

Local Literature

The novel facet of the study would contribute to the dearth literature on the relationship of social media adoption and financial sustainability specifically in Malaysian setting.


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1.6 The Organization of the study

To find answers to the central research questions, this study is organised as follows (refer table 1.6.1 for an overview of the organisation of this research).

Table 1.6.1 The Organisation of This Study

Chapter 1	Introduction to the background of the study, research questions, methodology, and organisation of this research
Chapter 2	Literature review of prior empirical studies in relation to determinants; technological, organizational, environmental and financial sustainability and the relationship between the four constructs
Chapter 3	Method and procedures Research methods, respondents of the study, sampling procedure, instruments and techniques, validation of the instrument Data gathering procedures, statistical treatment of data
Chapter 4	Profile of respondents in terms of age, gender, ethnic, work status, current designation and household income Descriptive Analysis Data Interpretation
Chapter 5	General overview of the study Summary of findings Conclusions Recommendations

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction : Underpinning Theory and Theoretical Framework

The definition of key concepts is important before we proceed to review the key literature on this topic. The three key concepts of social media, adoption and social media returns should be clearly defined.

First, the social media refers to the collective of applications that facilitates the forging and transfer of User Generated Content(USG) for the purpose of communicating to other users about “products, brands, services, personalities and issues”, in a scalable way (Kaplan & Heinlan, 2010; Blackshaw & Nazzaro, 2004; Agresta & Bough, 2010). USG can be produced by organizations or more organically by consumers and can take the form of Facebook ‘wall’ posts, photos, videos, tweets, and comments, with occasional reference to company, brand and products.

Second, Gallivan (2001b)’s approach to the definition of adoption is “the recognition of a need, decision and attempt to implement, and full implementation of innovation” as a solution. Whereas, In Diffusions of Innovations theory, Roger (2003) argued that social media adoption could be the best course of action available for the full use of an innovation (Roger, 2003). Wisdom et al (2014) refers to adoption in their critical review of innovation theories as “the full or partial implementation” of innovations (Wisdom et al, 2014) while Damanpour & Schneider (2006) assumes true adoption when it is actually used in organizations, and not only just initiated.

Financial sustainability is understood as the ability of public administrations to continue now and in the future current policies without causing the debt to rise continuously (springer.com, January 2018). The assessment that a project will have sufficient funds to meet all its resource and financial obligations, whether the fund continues or not that is definition cited in IG Global, 2015. An organisation’s capacity to obtain revenues in response to a demand in order to sustain productive processes at a steady or growing rate to produce results and obtain a surplus cited by Maizaitulaidawati Md Husin, 2020 Financial Sustainability of SMEs Through Islamic Crowdfunding.

This chapter presents a review of literature and studies which are relevant to the present study. These reviewed materials will serve to strengthen the theoretical frame of reference on which this study was premised.

2.2 Review of the Prior Empirical Studies

KEY EVOLUTION OF SOCIAL MEDIA STATISTICS – BECOMING POWERFUL TOOL FOR BUSINESS

Key Finding	Evolve of Social Media
Source	<i>International Journal of Economic Perspectives, Volume 1, Issue 2</i>
Release	2017

Social networks have evolved to become a very powerful tool for businesses. If you have a good use of these platforms, you can attract millions of new users at the same time you have direct contact with existing customers thereby improving the brand experience and reputation every day. SMEs should use social networks as an essential tool to grow.

Businesses across the globe have maintained social networks for their B2C operations. (Dazeinfo, 2015) Not only do the startups and SMEs utilize these social media platforms to economize their sales and marketing budgets, these platforms are also popular among big companies. In the Forbes list of top 50 CEOs **84% (42) say they depended upon social media sites like Facebook and Twitter to make buying decisions.** Similarly, CMOs or top-level marketing executives of 42 brands have an active social media presence on several platforms and 31 CMOs of these brands maintain active Twitter accounts with 10,000 or more followers. The reason behind such an accumulation of companies can best be understood with these statistics for startups and business owners:

74% of adult Internet users utilize social media for their purchases (Source: PewInternet) with 52% of them use two or more social media sites.

97% of Marketers are using some form of social media marketing (AdWeek) two thirds of sales representatives say they finalized at least one sale every month directly from social media site. 64% of sales teams who use social media reach their sales targets; roughly 81% of SMEs use social media and of those 94% do so for marketing purposes. The advertising revenue from social media reported reached \$9.8 billion in 2016.

55% of all buyers use social networking to research a product. As a result, 61% of B2B marketers use social media networks to build leads.

Marketing budgets earmarked for social media marketing increased more than two-fold an increase from 10% to nearly 25% by 2020 (Source: Dazeinfo, 2016)

Key Finding	The Digital Landscape is Becoming More Social
Source	<i>Digital Information World (www.gwi.com)</i>
Release	2018

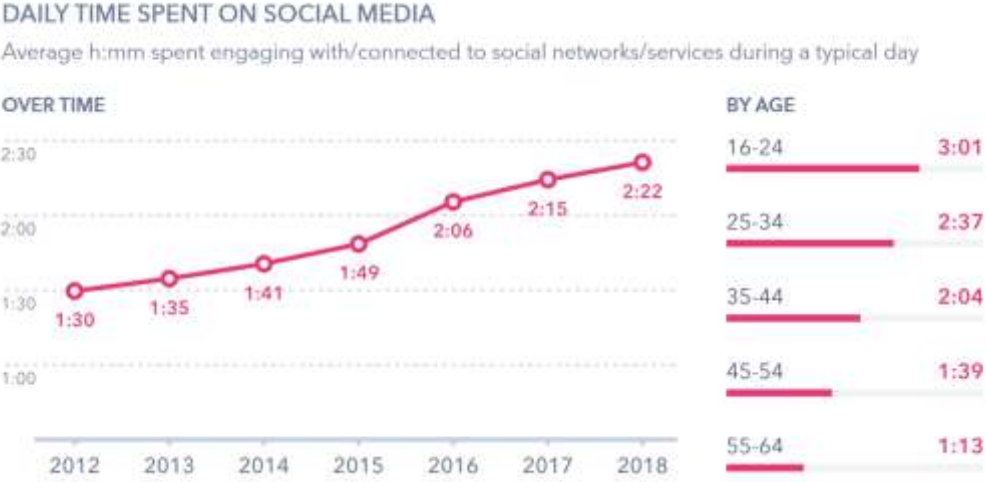
Companies that don't use social media optimization are making a dangerous business decision. Luckily, not optimizing your website for social media is a mistake that can easily be avoided.

Let's take a look at a report from **GWI** that highlights how much the global population is using social media.

According to the survey, internet users are now spending an average of **2 hours and 22 minutes per day on social networking and messaging platforms**. Trended data is also suggesting that there may be saturation in social media consumption. Social media — including organic and paid search media — continues to impact the digital marketing industry. **45% of the world's population uses social media and spends more than 140 minutes a day surfing**. If you want your business to be successful, optimizing your social channels isn't a choice. It's a necessity.



How much time does an average user spends on social media



Key Finding	Number of Global Social Network Users 2017 to 2025
Source	<i>Published by Statista Research Department</i>
Release	Sept 10, 2021

How many people use social media?

Social media usage is one of the most popular online activities. In 2020, over 3.6 billion people were using social media worldwide, a number projected to increase to almost 4.41 billion in 2025.

Who uses social media?

Social networking is one of the most popular digital activities worldwide and it is no surprise that social networking penetration across all regions is constantly increasing. As of January 2020, the global social media usage rate stood at 49 %. This figure is anticipated to grow as lesser developed digital markets catch up with other regions when it comes to infrastructure development and the availability of cheap mobile devices. In fact, most of social media's global growth is driven by the increasing usage of mobile devices. Mobile-first market Eastern Asia topped the global ranking of mobile social networking penetration, followed by established digital powerhouses such as the Americas and Northern Europe.

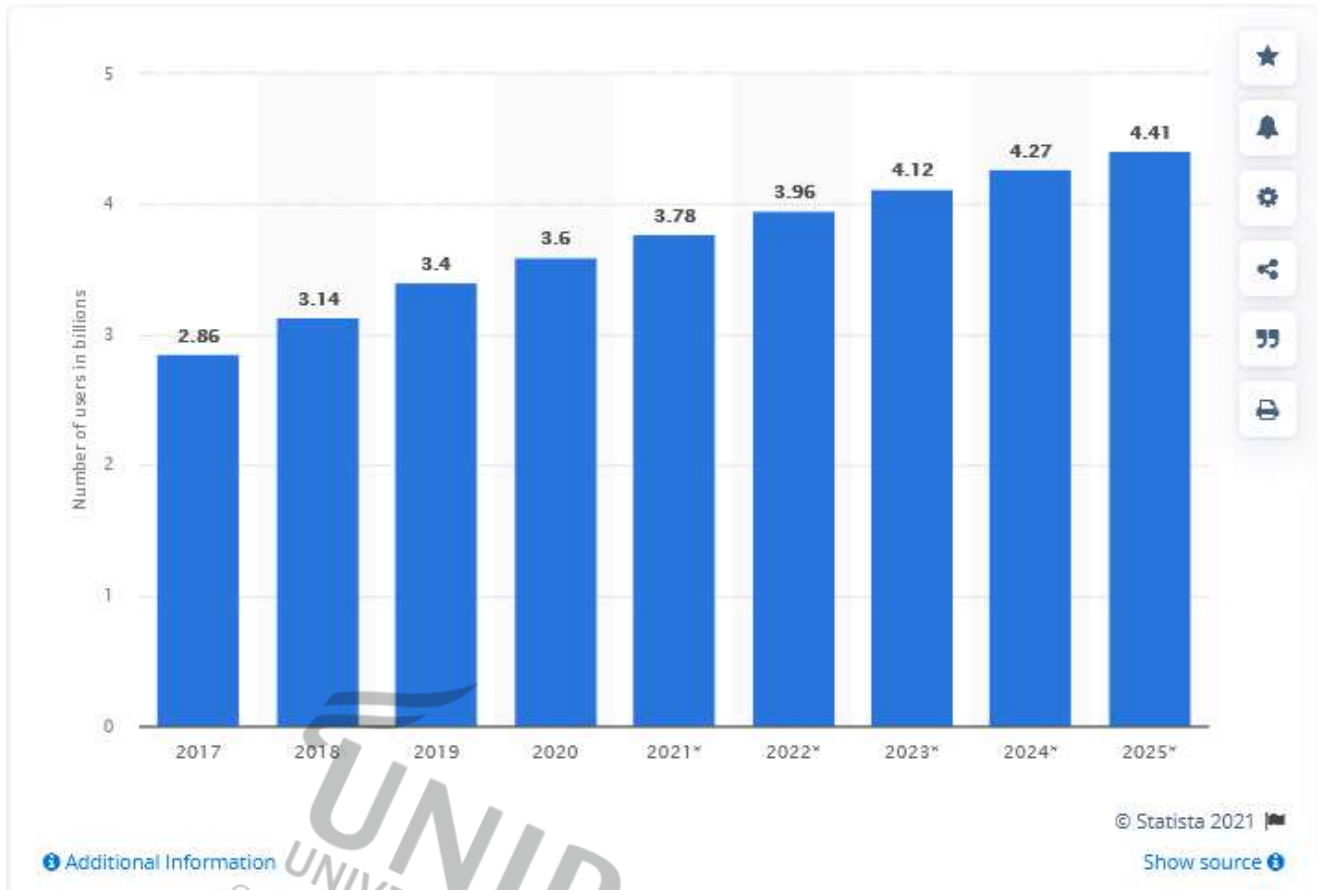
How much time do people spend on social media?

Social media is an integral part of daily internet usage. ***On average, internet users spend 144 minutes per day on social media and messaging apps, an increase of more than half an hour since 2015.*** On average, internet users in Latin America had the highest average time spent per day on social media.

What are the most popular social media platforms?

Market leader **Facebook** was the first social network to surpass one billion registered accounts and currently boasts ***more than 2.85 billion monthly active users***, making it the most popular social network worldwide. In June 2020, the top social media apps in the Apple App Store included mobile messaging apps WhatsApp and Facebook Messenger, as well as the ever-popular app version of Facebook.

Number of social network users worldwide from 2017 to 2025 (in billions)



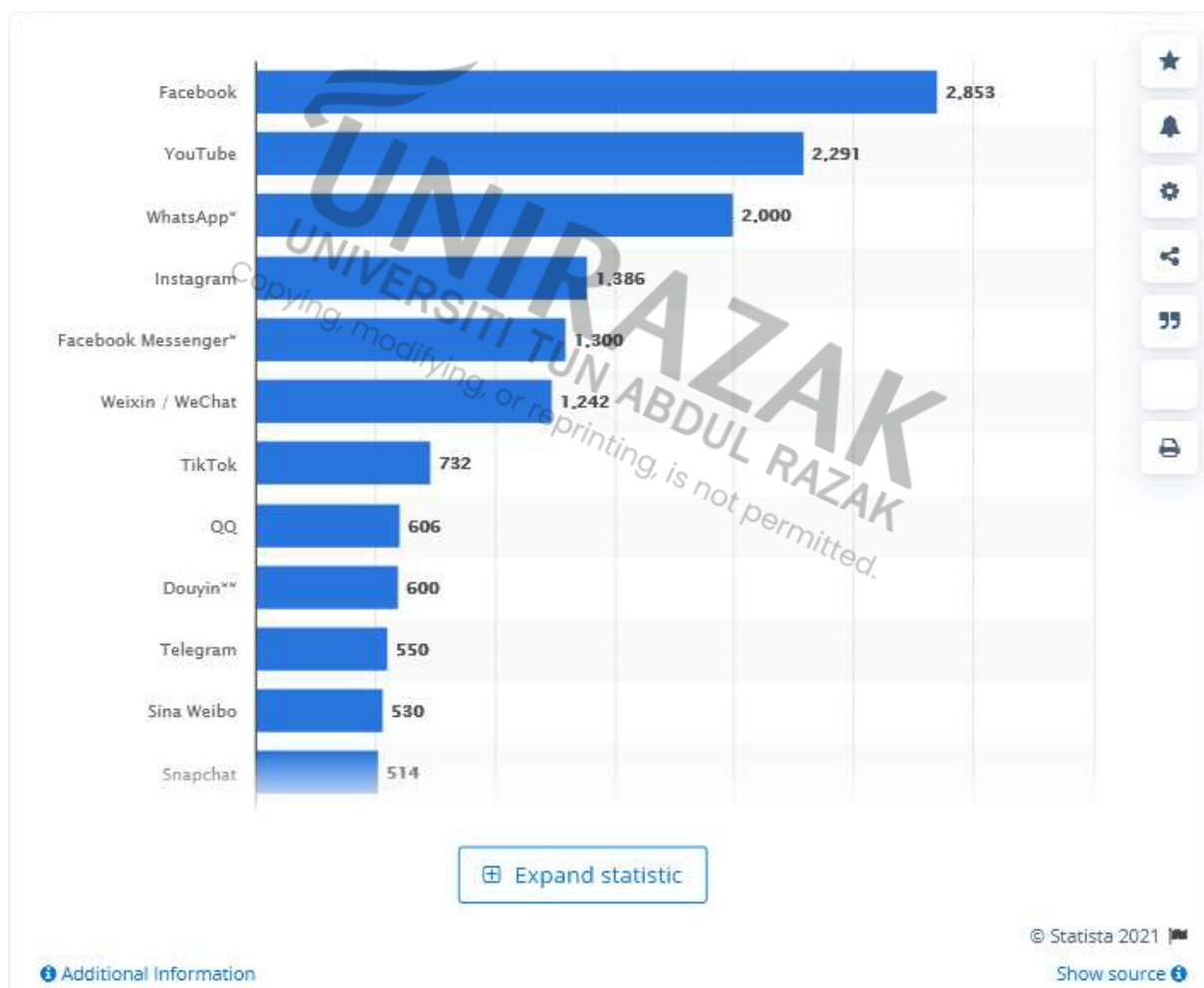
Source Information

Source	Statista 2021
Release Date	July 2020
Region	Worldwide
Survey Period	2017 – 2020
Forecast	Internet users who use a social network site via any device at least once per month

Key Finding	Global Social Networks Ranked by Number of Users
Source	<i>Published by Statista Research Department</i>
Release	September 10, 2021

This statistic presents information on market leader **Facebook** was the first social network to surpass one billion registered accounts and currently sits at **more than 2.85 billion monthly active users**. The company currently also owns four of the biggest social media platforms, all with over one billion monthly active users each: Facebook (core platform), WhatsApp, Facebook Messenger, and Instagram. In the first quarter of 2021, Facebook reported over 3.51 billion monthly core family product users.

Most Popular Social Network Worldwide as of July 2021, Rank by Number of Active Users (in billions)



Source Information

Source	Statista 2021
Release Date	July 2021
Region	Worldwide
Survey Time Period	July 2021
Number of Respondent	24,000
Method of Interview	Online Survey

WHY FACEBOOK IS RANKED AS FIRST TOP SOCIAL MEDIA 2021

The latest statistics show that Facebook continues to reign *strong as the king of social media*, with *2.8 billion active users as of July 2021*. That means that nearly two out of every three of the 4.2 billion active social media users are active Facebook users.

Facebook's statistics and its social media ranking say it all. Not only is it the social media platform with the most active users, but it is also *the platform on which users spend the most time with an average of 58 minutes per day*, compared to some of the other most popular social media platform such as YouTube, Instagram, WhatsApp, and Twitter.

What makes Facebook maintains its status as *king of social media?*

Largest Population Worldwide. In 2021, China remains the country with the largest population in the world, with more than 1.4 billion people. India has the second largest population in the world, with just under 1.4 billion inhabitants. With an estimated difference of fewer than 20 million people, experts predict that India will overtake China as the most populous nation on earth by the middle of the decade. But Chinese authorities has blocked Facebook along with Twitter and Google service in July 2009 following riots in Xinjiang, a special autonomous region in western China. The crackdown was aimed at curtailing communications among independence activists.

Therefore, Facebook lead the social media with more than 2.8 billion monthly active users worldwide, with primarily no footprint in China. India takes over China since there are *over 340 million Facebook users in India alone, making it the leading country in terms of Facebook audience size*.

To put this into context, if India's Facebook audience were a country then it would be ranked third in terms of largest population worldwide. Apart from India, there are several other markets with more than 100 million Facebook users each: The United States, Indonesia, and Brazil with 200 million, 140 million, and 130 million Facebook users respectively.

Mobile Device Users. As of July 2021, it was found that **98.5 percent of active users accessed their Facebook account from mobile devices.** In fact, almost 81.8 percent of Facebook audiences worldwide access the platform only via mobile phone. Facebook is not only available through mobile browser as the company has published several mobile apps for users to access their products and services. Facebook and its core group of products regularly rank among the most downloaded apps worldwide.

Adapt to the Latest Trends and Changes. Since its creation, Facebook has ruled the world of social media, and it seems like there's no stopping the giant. Though there are many strong competitors like Instagram, Snapchat, Twitter, and several others that are trying to compete, Facebook still stands strong among the competition.

Facebook has the greatest number of active users out of all the social media platforms and people spend hours a day scrolling through their Facebook feeds. For many of them, Facebook ***isn't just a social media platform, it's a way of life.***

One of the reasons Facebook has been able to maintain its staggering growth is ***its ability to meet users' needs.*** Over the years, Facebook has surpassed all expectations and has evolved to meet the needs of its growing user base.

Its ***willingness to adapt to the latest trends and changes*** is also why Facebook continues to reign as the market leader.

Facebook is Just Easier to Use for Most People. Facebook doesn't do any of that. Although it now recognises and supports @ for tagging and # for trending words, Facebook doesn't rely on them. For instance, on Facebook, you can start writing the name of a person in a status, and Facebook will understand what you're doing and allow you to tag that person. It's easy.

In fact, all of Facebook's features are easy. That's why your parents, aunts, uncles and grandparents can use it. You don't have to be a computer hacker like Zuckerberg to figure it out. And with such ease of use, millions upon millions of people have embraced Facebook and stuck with it for so long. Facebook still be dominant, even Instagram, TikTok and others has seen grown fast in social media arena.

Conclusion. The best move for all business owners is to consider which channels are right for your audience. Test a presence on the relevant social media sites, and from results, strategically choose which ones to double down on.

WHY YOUTUBE IS RANKED AS SECOND TOP SOCIAL MEDIA 2021

According to Statista, 2021, YouTube, the video sharing platform has 2.3 billion users worldwide. It is ranked as the second most popular social network and the only platform that has more active users than YouTube is Facebook.

These 2.3 billion users are defined as viewers who log into the site at least once per month. Considering YouTube videos can also be viewed without using Google accounts. YouTube's reach is actually higher.

How is YouTube so popular and how is it able to generate billions of views every single day?

Different Locality Languages. To understand that, we need to take a deeper look at its numbers. YouTube is not only available but also localized (*YouTube, 2021*) in over 100 countries. This means that *the platform adapts to the different languages of the different markets it is in.*

This makes it inviting and attractive for its users, which increases engagement and usage. Plus, it can be accessed in 80 different languages. This ranges from the world's most spoken languages like English, Spanish, and Mandarin to more obscure ones like Azerbaijani, Khmer, and Laotian. In fact, the majority of videos published on YouTube aren't even in English. According to a survey, 67% of the videos posted by popular YouTube channels are in other languages. Of the rest, just 28 % are in English, while the remaining five percent are in English and other languages. The same survey also found that even though there were significantly fewer videos in English, English-language videos tend to receive around four times more views than videos in other languages.

The Billion Viewers. Everyday people watch one billion hours of videos on YouTube and generate billions of views (*YouTube, 2019*). Let's do the math. If every single person on earth watched a video, that is around 8.4 minutes per day per person. That's a mind-blowing number that just adds to the credibility of video as a content source for people. Another interesting fact is that searches related to the term "how to" are growing 70% year over year, according to searchengineland.com. This means that when users are searching for ways to learn something, they rely on video content.

Conclusion. This YouTube user statistic can be of huge value to marketers in 2021. When more than two billion users are logging in every month to watch videos on YouTube, there is a massive and active market that marketers have the potential to tap into. And with an even wider reach, YouTube will certainly prove to be a great platform for businesses' digital marketing efforts.

WHY WHATSAPP IS RANKED AS THIRD TOP SOCIAL MEDIA 2021

WhatsApp is a cross-platform instant messaging service for mobile devices that relies on the internet for the transmission of messages. As of 2021, WhatsApp is most popular global mobile messenger app worldwide with approximately two billion monthly active users, outranking Facebook Messenger at 1.3 billion and WeChat at 1.2 billion users. Following Facebook and YouTube, it is the third most popular social network worldwide.

What makes it third popular social network 2021?

Cheap. Based on a low-cost subscription model, WhatsApp is a *cheap alternative* to carrier-billed text messaging via SMS, especially for international or group messaging. The mobile messaging app enables users to share text, image, video, voice messages and also supports video calling. The service handles billions of photo and text messages every day. WhatsApp might be the market leader in terms of global audiences but as of July 2019, the messaging app faces strong competition from other social messenger apps such as WeChat, Viber, and Discord.

Free message services. WhatsApp was unique at the time of initial development, outside of Blackberry's BBM, in providing a free message service that allowed users to log in with their phone number.

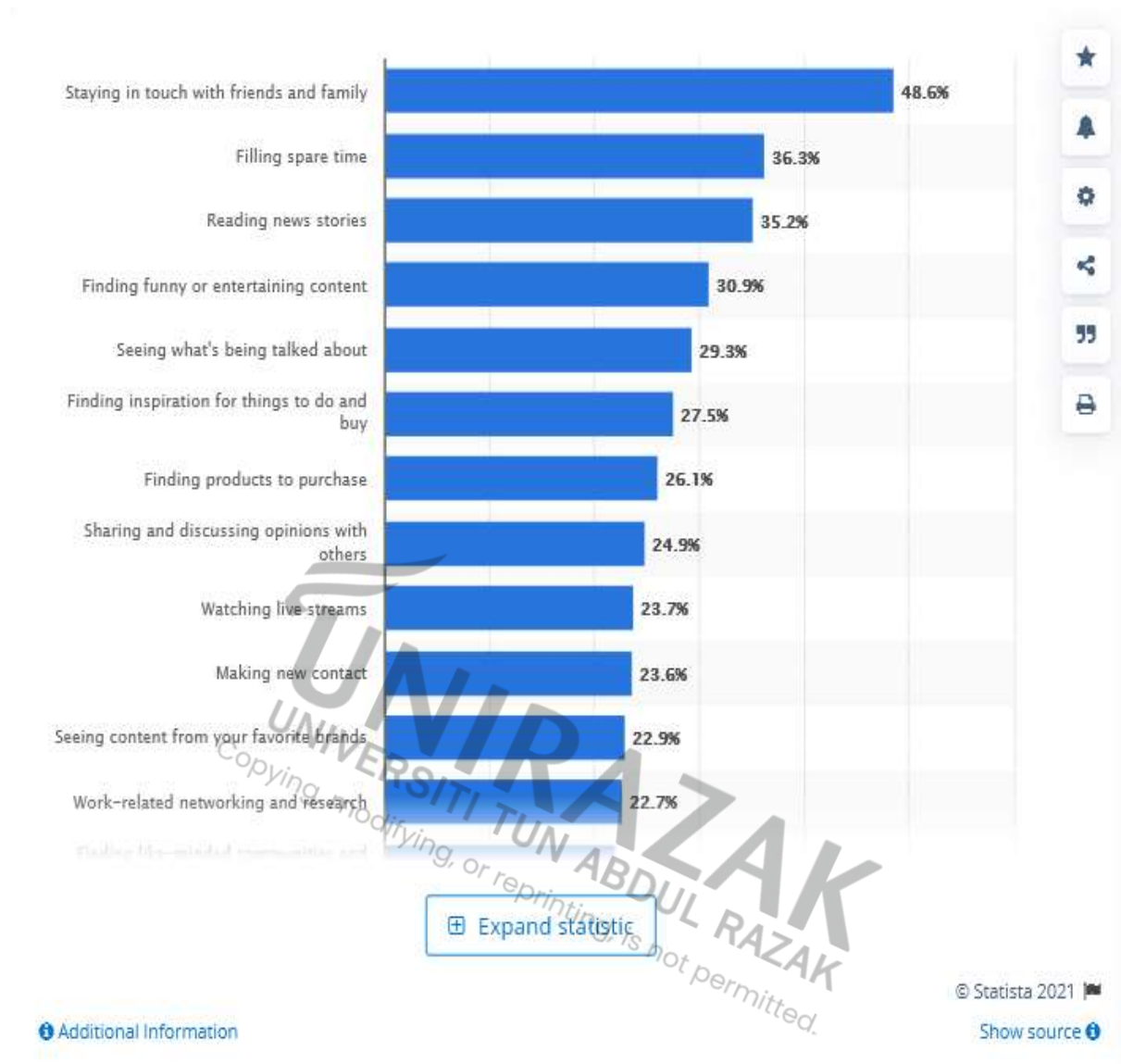
WhatsApp is a *freeware application* which can be installed on mobile phones, tablets and other computing devices. Messages are sent without any charges to any part of the world provided internet is available on mobile devices. Location, images, status can be shared with friends. Friends can chat with friends without spending any money using WhatsApp on internet enabled devices.

Conclusion. Because of its easy features – able to make voice calls and video calls, sharing images and status to other phones, businesses can promptly perform purchase decision making and retaining customers by asking the shopping experience by sending messages via WhatsApp using via hotline number.

Key Finding	Leading Social Media Usage Reasons Worldwide 2021
Source	<i>Published by Statista Research Department</i>
Release	Sept 7, 2021

This below statistic indicates the primary reasons for internet users worldwide to use social media as of the first quarter of 2021. During the survey period, almost *five in ten respondents and the highest rank stated they used social media to stay in touch with friends and family*. Filling spare time and reading news stories also appeared to be among the main reasons for using social media, while almost *21% of respondents reported using them to follow celebrities or influencers*.

Most popular reasons for internet users worldwide to use social media as of 1st quarter 2021



Source Information

Source	Statista 2021
Release Date	July 2020
Region	Worldwide
Survey Period	Q1 2021
Age Group	16-64 years old
Special Properties	Internet users

KEY SOCIAL SELLING STATISTICS 2021 – DEPENDING ON SOCIAL MEDIA FOR BUYING DECISION

Key Finding	More than 50% of sales revenue across 14 major industries worldwide is generated by selling using social media.
Source	<i>Investigating the Truth About Social Selling by Industry</i>
Author	Ethan Andrianos
Release	Sept 20, 2017



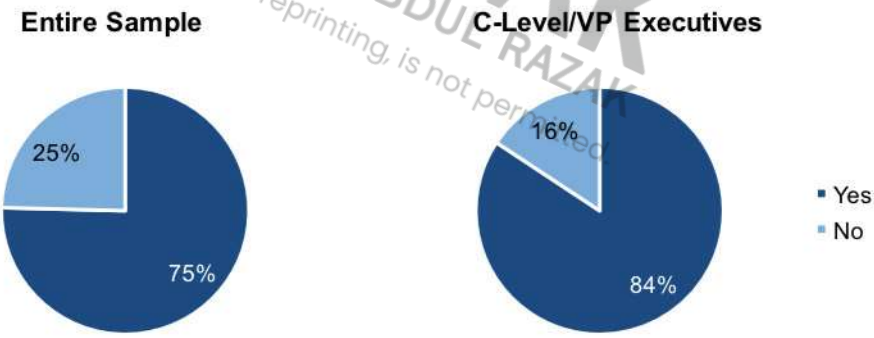
This statistic indicates that out of fourteen industries analysed, *all of them show more than half of their revenue being influenced by Sales Navigator*. It is not surprising to see tech industries driving value through the platform, but what is perhaps less expected are the equally strong results in non-tech industries, such as financial services or logistics & supply chain.

On average, companies across the fourteen industries have been on a social selling program for over a year. Given that implementing new sales practices effectively requires training and leadership reinforcement, a multi-year social selling plan may be necessary to attain significant revenue impact. By knowing that their peers in the same industry are seeing strong results over a long-term investment, *sales leaders now have evidence that social selling could work for their business.*

Key Finding	75% of B2B buyers and 84% of C-level executives are influenced by social media when they make purchasing decisions
Refer	Figure 1
Source	<i>Social Buying Makes Social Selling : How Trusted Network Improves the Purchase Experience</i>
Author	Kathleen Schaub
Release	April 1, 2014

FIGURE 1
75% of B2B Buyers and 84% of C-Level/VP Executives Surveyed Use Social Media to Make Purchasing Decisions

Q. Have you ever used social media, such as LinkedIn, Twitter, Facebook, or online professional communities, to assist in any way with your company purchasing decisions?



n = 760
 Source: IDC's Social Buying Study, February 2014

Key Finding	Social selling is taking out the pitching component of sales
Refer	Paul Sowada, SSI 89 Market Development Manager, Binocular
Source	<i>The Social Selling Index, LinkedIn Corporation</i>
Author	Paul Sowada
Release	2021

“Social selling is taking out the pitching component of sales. You’re creating conversations about your product and services which organically can produce sales conversations.”

Social selling leaders create 45% more opportunities than peers with lower SSI.

Social selling leaders are 51% more likely to reach quota.

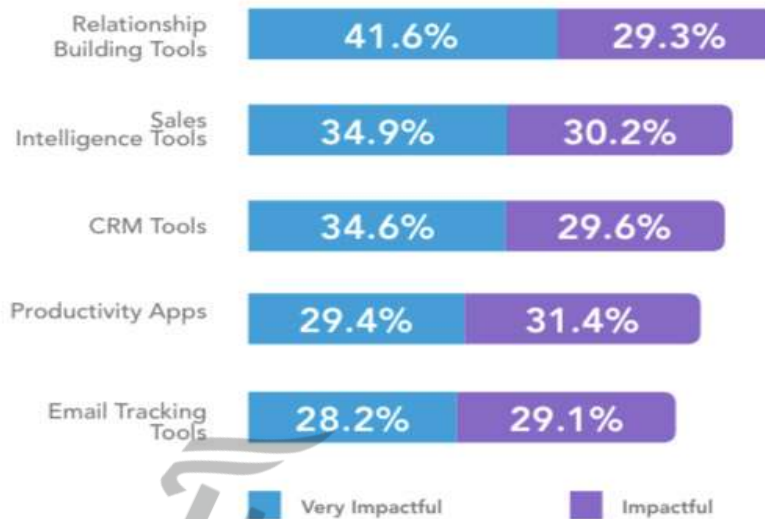
78% of social sellers outsell peers who don’t use social media.

Key Finding	Over 70% of sales professionals use social selling tools for lead development
Source	<i>State of Sales in 2016 LinkedIn Sales Solutions</i>
Release	2016

More than 70% of sales professionals use social selling tools, including LinkedIn, Twitter and Facebook, making them the most widely used sales technology. Specifically, *sales professionals see relationship building tools as having the highest impact on revenue.*

Today, building relationships online by providing value from the first interaction is a requirement for winning new business. As marketers turn to software to generate more qualified leads, sales organizations have begun to recognize the value of technology to create human connection at scale. In fact, salespeople cite the ability to build stronger relationships with prospects and customers, and *the ability to close more deals and generate more revenue as the top two benefits of sales technology.*

Thinking about the various types of sales technology, how impactful are they on your ability to grow revenues?

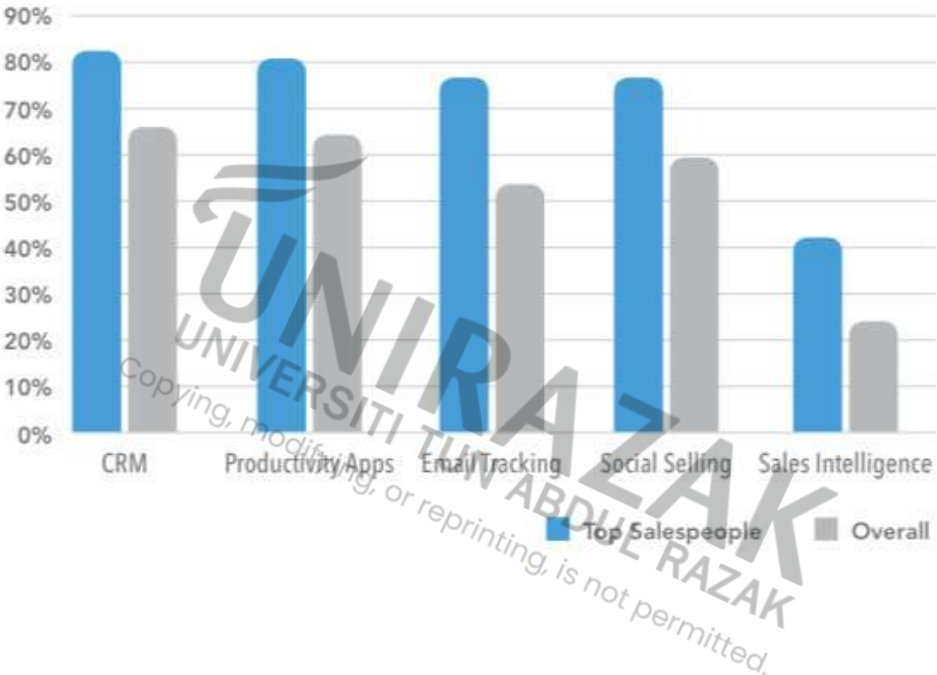


It's prime time for social selling. Salespeople who excel at social selling create more opportunities and are 51 % more likely to hit quota. Top sales professionals rely on social networking to create lasting business relationships both online and offline, and ultimately, to close more deals. Salespeople view social selling tools as their most impactful sales technology for growing revenue and closing deals: *Seven in 10 sales professionals cite social selling tools as “very impactful” or “impactful” on their ability to grow revenue. More than eight in 10 sales professionals cite social selling tools as “important” or “very important” to closing sales.*

Companies are also investing more in social selling, making it a key part of their sales strategy. A majority of salespeople mention that their *companies use social selling as a strategy for closing more deals.*

Key Finding	90% of top salespeople use social selling tools, compared with 71% of overall sales professionals.
Source	<i>State of Sales in 2016 LinkedIn Sales Solutions</i>
Release	2016

Top Salespeople Value Sales Technology



This statistic indicates what differentiates top salespeople and average sales performers. One of the key factors is their use of sales technology. *Salespeople who have risen to the top of their field are frequent users of sales intelligence and social selling tools.* 17% of top salespeople rely on sales intelligence tools, compared with 52% of overall sales professionals.

Plus, top salespeople are 24% more likely to attribute their success to sales technology: 82% of top salespeople cite sales tools as “critical” to their ability to close deals, compared with 66% overall. They cite sales technology in general as key to their success, as well as specific tools. 76% of top sales performers cite social selling tools as “critical” or “extremely critical” to their ability to close deals.

2.3 Proposed Conceptual Framework

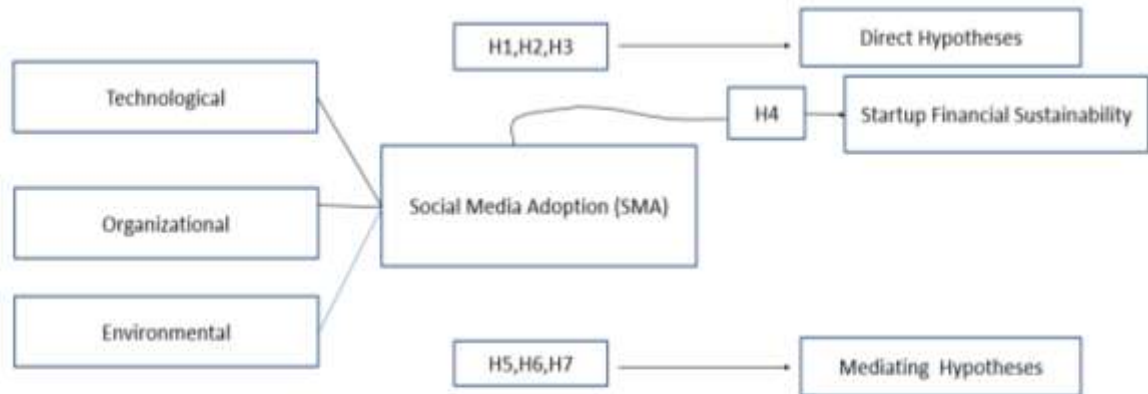


Figure 2.3.1. Proposed Conceptual Framework

The above figure illustrates the interrelationships of the research constructs. The respondents of this study are Malaysian startups, and they are assessed through their social media adoption and financial sustainability. The two constructs will be compared according to their demographic profile. The study will further demonstrate the correlation between social media adoption dimensions and financial sustainability constructs. From the output of this study, the impact of social media adoption on financial sustainability of Malaysian startups will be determined in different contexts.

2.4 Hypotheses Development

The following hypotheses will be tested at 0.05 Level of Significance:

H1 : The technological factor has a significant effect on startups' financial sustainability

H2 : The organizational factor has a significant effect on startups' financial sustainability

H3 : The environmental factor has a significant effect on startups' financial sustainability

H4 : SMA has significant effect on startups' financial sustainability

H5 : SMA positively mediates the relationship between technology and startups' financial sustainability

H6 : SMA positively mediates the relationship between organization and startups' financial sustainability

H7 : SMA positively mediates the relationship between environment and startups' financial sustainability



CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter includes the research design appropriate in the conduct of the study, the descriptions of respondents, and the sampling technique in identifying respondents. This chapter also presents the data gathering procedure, research instruments, and the statistical tools that will be utilised in the treatment of data.

3.2 Research Design

The research used quantitative approach and employ a cross-sectional quantitative survey strategy with no interference from researcher. The quantitative approach was chosen because of its ability to gather and analyse data for numerical setting to explain phenomena that are studied (Gay LR, 2018).



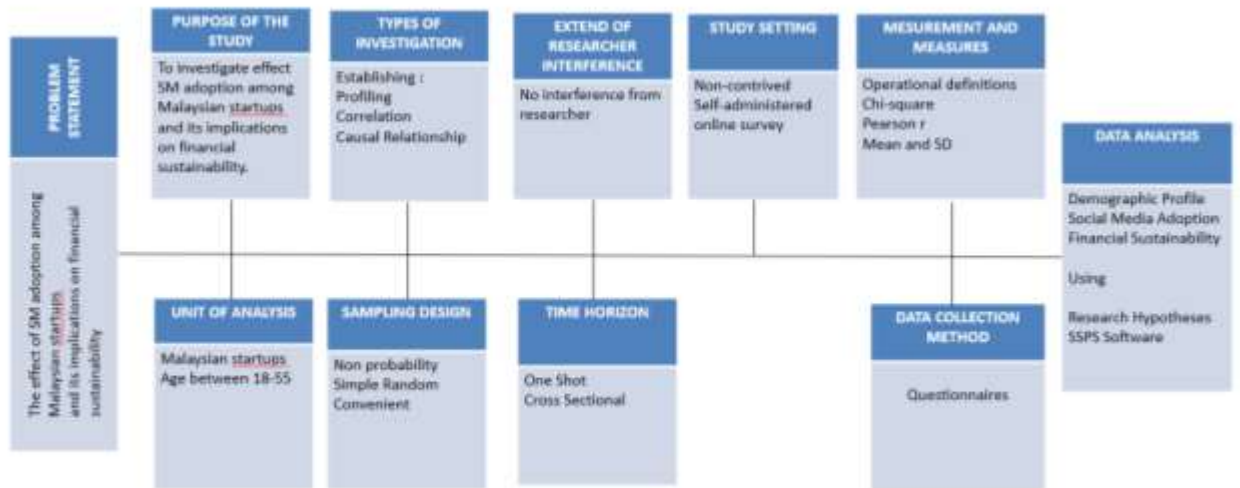


Figure 3.2.1. Research Design

The figure above illustrates the design of this study which will employ descriptive approach to describe present condition. Comparative and correlational methods with the use of survey questionnaires will be used to determine the extent of relationship between independent variables technological, organizational and environmental and dependent variable, Financial Sustainability. It also measured the impact of technological, organizational and environmental of the respondents on their financial sustainability.

3.3 Study Population and Sampling Procedures

Study Population

This study has 116 number of respondents age between 18 to 55 years old based on visible startups on LinkedIn with Malaysia nationality and business registration.

Sampling Procedures

The researcher applies non-probability convenience simple random sampling to select respondents. No specific criteria for Malaysian startups to participate in the survey. Everyone has a known and equal chance of being selected.

3.4 Data Collection Method

There were four (4) research tools given to the respondents to gather the needed data.

1. Demographic profiling
2. Determinants of startups financial sustainability survey instrument
3. Mediating roles of social media adoption survey instrument
4. Social media adoption inventory

Demographic profiling

This part discusses the demographic information of the participants including age range, gender, education level, position in companies, location of business operations, company ownership by race, duration of business establishment, business category, business social media channels ownership, social media leverage level, social media most used and profit gain from social media marketing.

Determinants of startups financial sustainability survey instrument

The first is Technological context, asking about your thoughts or opinions regarding how technology influences on social media adoption and usage in your company. It is concerned with investigating the technological influences such as relative advantages, compatibility and complexity.

The second is Organizational context, which concerned with company's internal factors and its relation to digital strategy managerial support and technical capability

The third is Environmental which was based concerned about examining the external factors that may influence the decision to social media as part of marketing plan in the company such as movement control order, competition, customer demand, supplier's pressure and government support.

Mediating roles of social media adoption survey instrument

This part of the questionnaire is concerned about impacts of social media adoption on customer-facing activities and company's brand.

Social media adoption inventory

This part of the questionnaire is concerned about startups' financial sustainability by identifying impacts on expenses and profit when adopting social media.

3.5 Extent of Researcher Interference, Study Setting and Time Horizon

Respondents were informed of the purposes and their protection rights before participating. Convenience sampling technique was used because the participants are easy to access, involved strictly by their voluntary and will be anonymous. The data was obtained using self-administered online survey because they are inexpensive, no cost of copying surveys and no coding necessary. Thus, the results will be ready for statistical analysis almost immediately (Hair JF, 2017). Data collection were conducted using Online Google Form, which requires participants to respond to all items before submitting their answers to prevent missing data. The respondents were invited to take part in the research until desired number of sample size is reached.

3.6 Operational and Measurement

The questionnaire designed for this study include four parts:

- 1) Basic personal information that consists of demographic items which are age, ethnic, income and education level
- 2) Technological context with items that measure domains of perceived T1. This is a five-point Likert scale self-report section which measures the following domains: Usage Intensity, Relative Advantage, Compatibility and Complexity.
- 3) Organizational context which incorporated four main challenges that are normally faced by Malaysian startups that include the four subscales of O1 (Social Media Marketing, Managerial Capabilities, Technical Capabilities and Staffs Motivation). It is rated on a five-level Likert scales response system, from 1 "Strongly Disagree" to 5 "Strongly Agree."
- 4) Environmental context which uses five-level Likert scales and consists of two constructs
1) Market Factor 2) Ecosystem Support

The time frame given to complete the questionnaires is one week.

3.7 Operational Definitions of Research Variables

The operational definitions of key terms that will be used in this study are as shown in Table 3.7.1.,

Table 3.7.1. Operational Definitions of Key Terms

Key Terms	Operational Definitions
Technological	T1 refers to how technology influences on social media adoption and usage in your company. It is concerned with investigating the technological influences such as relative advantages, compatibility and complexity.
Organizational	O1 refers to concerned with your company's internal factors and its relation to digital strategy managerial support and technical capability
Environmental	E1 refers to concerned about examining the external factors that may influence the decision to social media as part of marketing plan in the company such as movement control order, competition, customer demand, supplier's pressure and government support.
Social Media Adoption	SMA refers to concerned about impacts of social media adoption on customer-facing activities and company's brand.
Financial Sustainability	FS refers to is concerned about startups' financial sustainability by identifying impacts on expenses and profit when adopting social media.
Malaysian startups	Citizen of Malaysia age between 18 to 55 years old from various business nature.

3.8 Data Analysis Techniques

The researcher utilises the following statistical tools to provide quantitative description of the data: Frequency and Percentage. This was used as a descriptive analysis to demonstrate the profile of the respondents with respect to age, gender, ethnicity, household income, level of education and occupation. It was also utilised to describe the relationship of a part to a whole.

Mean and Standard Deviation. This was employed to illustrate the average response of the respondents on the technological, organizational and environmental.

One-Way Analysis of Variance (ANOVA). This was used to determine the significance of difference in the technological, organizational and environmental as well as the demographic profiles of the respondents.

Chi-Square Test of Independence. This is a nonparametric test used to determine whether there is an association between categorical variables (i.e., whether the variables are independent or related).

Pearson r . This is used to demonstrate the degree of correlation between technological, organizational and environmental and financial sustainability.

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CHAPTER 4: PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA

4.1 Introduction

This chapter reports and explains the results of a correlational study of the technological (T1), organizational (O1) and environmental (EI) and financial sustainability (FS). The purpose of the study, data on the participants, instrumentation, research questions, and data analysis are presented. Findings reported as significant are those which have met the level of statistical significance ($p \leq .001$ or $p, < .05$).

4.1.2 Problem Statement

There is inadequate evidence that demonstrates how TI, O1 and E1 could impact startups FS in Malaysia. On that account, it would be remarkably interesting to investigate the key determinants Malaysian startups financial sustainability using social media adoption, so that an intervention programme to enhance their social media adoption can be developed.

4.1.3 Research Objectives

- To validate the important mediating roles of social media adoption in the context of startups
- To examine the relationship between technology, organization and environment and startups' financial stability.
- To investigate the level of awareness on importance of social media adoption towards Malaysian startups
- To propose intervention program based on further investigation of SM adoption and a firm's performance

4.1.4 Research Questions

Specifically, the study sought to find the answers to the following questions:

- What are the significant determinants of social media adoption contributing to financial sustainability of startups ?
- Is social media adoption giving impact on the startups financial sustainability?

4.1.5 Hypotheses

The following hypotheses will be tested at 0.05 Level of Significance:

H1 : The technological factor has a significant effect on startups' financial sustainability

H2 : The organizational factor has a significant effect on startups' financial sustainability

H3 : The environmental factor has a significant effect on startups' financial sustainability

H4 : SMA has significant effect on startups' financial sustainability

H5 : SMA positively mediates the relationship between technology and startups' financial sustainability

H6 : SMA positively mediates the relationship between organization and startups' financial sustainability

H7 : SMA positively mediates the relationship between environment and startups' financial sustainability

4.2 Treatment of Data

With reference to Chapter 3, non-probability sampling method has been used to select respondents based on non-random criteria, where not every individual has a chance of being included. This type of sampling method was chosen as it is often used to develop an initial understanding of under-researched population.

A convenience sampling was chosen in this study to include individuals that are most accessible to the researcher. Therefore, survey questionnaires have been distributed to various startups in Malaysia via LinkedIn Personal Message. LinkedIn Personal Message platform has been chosen because it is the most convenient way to tap on the respondents' insights, and knowledge.

The data collected were classified according to the age, ethnic, academic level and current roles in the companies. Data that does not adhere to the criteria of age and citizenship will not be qualified.

Appendix 1 exhibits the questionnaire distributed to respondents.

4.3 Demographic Profile of the Respondents

This part discusses the demographic information of the participants. The Table 4.3.1 gives the exact breakage of the characteristics of the respondents. Out of 116 total useable samples, 60 are male and 56 are female respondents. This gives a higher ratio of male participants with 51.7% compared to female with 48.3% responses.

The average ages of the respondents are above 55 age group has 4.4 % of respondents, 26-35 age group has 15.8 % of respondents, 46-55 age group has 25.4 %, 25 below age group has 21.1% respondents while 33.3 % participants were in the age group 36-45 years old.

Regarding the highest academic level of the respondents, it is seen that most of the respondents are bachelor's degree holder with 61.9% followed by respondents with Master Degree represented by 23.9 %. The Diploma holders were 9.7% at third place and secondary school respondents with 2.7% in fourth place.

Regarding the collected samples on occupation (role in their respective organization), it is reflected that the greatest number of respondents currently owners of the company represented by 42.6 %, which is followed by management with 33.9 %. The next is represented by operation people with 18.3%. The remaining respondents belongs to CEO, Partner, Freelancer, academic support, sales consultant, distributor, self-employed and lab technologist.

Based on the data survey, it indicates that the most respondents operate their business in Klang Valley (Federal Territories and Selangor) represented by 82.8% which followed by Southern Region (Melaka and Johor) with 9.5 % and Eastern Region (Kelantan and Terengganu) with 7.8%.

The data survey also indicates that Malay owns the company ownership most by 59.1% followed by Chinese with 22.6% and Indian with 6.1%.

Among the 116 respondents, 114 responded on this inquiry; the business establishment duration. It is seen that most respondents have operated their businesses more than three and a half years represented by 67.5% followed by duration of 8 months to three and a half years represented by 25.4% and zero to 6 months represented by 7%.

Regarding the collected samples on category of business, it is reflected that the greatest number of respondents currently offering services, represented by 77.2% which second is products represented by 44.7%.

Regarding the business social media channels ownership among the respondents, it is seen that most of the respondents own social media channels for their businesses represented by 93%. Only 7% do not own social media channels for the businesses.

A more specific question was inquired to the respondents who own social media channels for their businesses; do they leverage on them to minimize marketing cost in order to maximize business profit. 81.3% respondents leverage their social media channels followed by 11.6 % respondents are unsure about this and 9.8% respondents do not leverage their social media channels to minimize marketing cost for business profit maximation.

Based on the data survey, it indicates that the most respondents use Facebook as their social media channel for their businesses which is represented by 87.3% followed by LinkedIn with 70.9%. The next is presented by Instagram with 70%.

Regarding the profit gained from social media marketing, it is reflected that the greatest number of respondents currently do not know about the profit gained represented by 38.1% followed by 27.4% who earned profit from RM1,000 to RM9,999 from social media marketing. 21.2% respondents confirmed that none of the profit range gained from social media marketing for their businesses.

Table 4.3.1: Demographic profile of the Respondents

Demographic Profile	Number of Respondent (N=116)	Total Percentage (%)
Gender		
Male	60	51.7
Female	56	48.3
Age Range		
Less than 25	24	21.1
26-35	18	15.8
36-45	38	33.3
46-55	29	25.4
Above 55	5	4.4

Demographic Profile	Number of Respondent (N=116)	Total Percentage (%)
Roles in Company		
Owner of Company	49	42.6
Chief Executive Officer (CEO)	13	11.3

Partner	12	10.4
Management	39	33.9
Operation	21	18.3
Freelancer	2	1.7
Academic Support	1	0.9
Sales Consultant	1	0.9
Distributor	1	0.9
Self-Employed	1	0.9
Lab Technologist	1	0.9
Highest Level of Education		
Secondary	3	2.7
Diploma	11	9.7
Degree	70	61.9
Master Degree	27	23.9
PhD	1	0.9
Certificate	1	0.9
Professional Qualification	1	0.9
Business Location		
Klang Valley	96	82.8
Northern Region	7	6
Southern Region	11	9.5
Eastern Region	9	7.8
Sabah	6	5.2
Sarawak	4	4.3

Demographic Profile	Number of Respondent (N=116)	Total Percentage (%)
Company Ownership		
Malay	68	59.1
Chinese	26	22.6
Indian	7	6.1
Foreign	3	2.6
GLC	2	1.7
Yayasan	1	0.9

Japanese	1	0.9
Bumiputra Sabah	1	0.9
Government	1	0.9
Private and GLC	1	0.9
Agency under MITI	1	0.9
Afganstan	1	0.9
International	1	0.9
Japanese MNC	1	0.9
Sikh	1	0.9
Hong Kong	1	0.9
Foreign Own	1	0.9
Bumiputra	1	0.9
European	1	0.9
Business Establishment Duration		
0-6 months	8	7
6 months – 3 ½ years	29	25.4
More than 3 ½ years	77	67.5
Business Category		
Products	51	44.7
Services	88	77.2

Demographic Profile	Number of Respondent (N=116)	Total Percentage (%)
Social Media Channels Owning		
Yes	106	93
No	8	7
If YES, Leverage Status of Social Media Marketing		
Yes	8	7
No	29	25.4
I am not sure	77	67.5
Most Used Social Media Channel		
Facebook	96	87.3
Instagram	77	70
LinkedIn	78	70.9

Telegram	22	20
Tik Tok	21	19.1
You Tube	31	28.2
Twitter	20	18.2
Clubhouse	4	3.6
Estimated Profit Gained from Social Media Marketing		
RM 1,000 – RM 9,999	31	27.4
RM 10,000 – RM 99,999	3	2.7
RM 100,000 – RM 499,999	2	1.8
More than RM 500,000	2	1.8
None of the above	24	21.2
I do not bother	1	0.9
I do not know	43	38.1
RM 10,000 – RM 10,000	8	7.1

4.4 Reliability Analysis

As stated by Straub (1989, p.151), “high correlations between alternative measures or large Cronbach alphas are usually signs that the measures are reliable”. There is no standard cut-off point for the alpha coefficient, but the generally agreed upon lower limit for Cronbach’s alpha is 0.70, although it may decrease to 0.60 or even 0.50 in exploratory research (Hair et al., 2000; Sekaran, 2005; Nunnally, 1978).

Table 4.4.1 shows the results of Cronbach’s Alpha values at 0.812 for the 14 items tested, which is above the threshold of 0.70.

Table 4.4.1 Reliability Statistics

H1 Relative advantage has a positive relationship on social media adoption impacts

Table 4.1: Research hypothesis test finding for relative advantage

Hypothesized Effects	Std. Estimate (β)	SE	t	p
H1 Relative advantage has significant positive influence on social media adoption impacts	0.596	0.067	8.851	0.000

***: $p < 0.001$; **: $p < 0.01$; *: $p < 0.05$

H2 Managerial capabilities has a positive relationship on social media adoption impacts

Table 4.2: Research hypothesis test finding for managerial capabilities

Hypothesized Effects	Std. Estimate (β)	SE	t	p
H2 Managerial capabilities have significant positive influence on social media adoption impacts	0.325	0.057	5.682	0.000

***: $p < 0.001$; **: $p < 0.01$; *: $p < 0.05$

H3 Motivation factor has a positive relationship on social media adoption impacts

Table 4.3: Research hypothesis test finding for motivation factor

Hypothesized Effects	Std. Estimate (β)	SE	t	p
H3 Motivation factor has significant positive influence on social media adoption impacts	0.599	0.058	10.343	0.000

***: $p < 0.001$; **: $p < 0.01$; *: $p < 0.05$

H4 Market factor has a positive relationship on social media adoption impacts

Table 4.4: Research hypothesis test finding for market factor

Hypothesized Effects	Std. Estimate (β)	SE	t	p
H4 Market factor has significant positive influence on social media adoption impacts	0.659	0.065	10.145	0.000

***: $p < 0.001$; **: $p < 0.01$; *: $p < 0.05$

As can be shown in Table 4.1 - 4.4, all 4 direct hypotheses were supported in the model.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.629	.246		2.562	.012
	MeanR	.259	.071	.275	3.626	.000
	MeanMC	-.173	.064	-.252	-2.718	.008
	MeanMF	.504	.085	.575	5.949	.000
	MeanMK	.279	.084	.303	3.313	.001

a. Dependent Variable: MeanSE

As the results show in figure 4.5, relative advantage (MeanR), managerial capabilities (MeanMC), motivation factor (MeanMF) and market factor (MeanMK) had significant direct effects on business performance (MeanSE) variable in the model.

Summary of Hypotheses Testing

The path model showed that 4 out of 11 of the direct hypotheses for all 116 samples were accepted and the remaining one factor (financial impacts) is modified correlation and significant associated through covariance to proceed for model development.



CHAPTER 5: SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

The final chapter of the dissertation provides a discussion of the study which includes reviews on the key methods used in this research, the summary of findings, the conclusions drawn on the basis of the findings, and the recommendations.

5.2 Problem Statement

The study aimed to determine the relationship between technological, organizational, environmental, social media adoption and financial sustainability among Malaysian startups. Demographic data was also collected to further describe the sample.

5.3 Research Questions

- What are the significant determinants of social media adoption contributing to financial sustainability of startups (social media adoption impacts)?
- Is social media adoption giving impact on the startups financial sustainability?

5.4 Summary of Findings

The followings are the results drawn from the study:

1. The study involved a total of 116 Malaysian startups, and most of them were young adults (18 – 55 years old). Majority of the respondents are male and holding bachelor's degree. They were mostly permanent owners of companies.
2. The findings of the study provided significant correlation between the relative advantage (MeanR), managerial capabilities (MeanMC), motivation factor (MeanMF) and market factor (MeanMK) had significant direct effects on business performance (MeanSE) variable in the model but not between SMA and FS dimensions.

5.5 Conclusion

It can be concluded that *the determinants of social media technology level contributing to business performance of Malaysian startups*. Relative advantage, managerial capabilities, motivation factor and market factor are the key determinants of social media adoption. They play an important role in determine the social media adoption (SMA).

The finding of this study *failed to establish the key factors such as technological, organizational and environmental as key determinants of Malaysian startups financial sustainability as mediating roles to social media adoption (SMA)*. Similarly, this study also concluded that social media adoption has a negative influence on financial sustainability of Malaysian startups. This means the social media adoption or usage increases, drives *social media marketing and sales operations* as for *branding and overall business performance* only. Startups spend more cost on marketing compared to gaining revenue at their first business operation phase by consistently promoting their branding in the market. Therefore, no or less profit gained in the initial business period. Most small businesses take at least 2 to 3 years to be profitable and become truly successful once they have hit the 7-to-10-year mark. Most small businesses take years to be successful, despite the overnight success of companies like Facebook. Statistics show that successful small businesses are built over years, not months, according to **Forbes, Sep 19, 2012, Siimon Reynolds**.

Social media adoption (SMA) hardly plays roles for determining financial sustainability of startups as business that has achieved financial sustainability is one that is selling a product or service at a price that not only covers their expenses but also creates a profit (**Mirusaustralia, Oct 20,2020**). In order to reach this state, startups need to develop a plan that outlines their long-term goals and the resources they need to achieve them. In addition to this, startups need to keep a watchful eye on their company's cash flow, to ensure their outgoing expenses are not greater than their incoming funds.

This study *contributes to the existing social media adoption literature* by establishing relative advantage, managerial capabilities, motivation factor and market factor as key determinants of social media adoption among the startups in Malaysia. Also, this study *contributes to the existing theories* by establishing that social media adoption has increases the social media return for the organizations, especially for startups in Malaysian context.

5.6 Recommendations

In view of the findings, the following recommendations were offered.

This research also contributes practice of social media adoption and for those organizations who are interested in adopting social media in the following ways :

- To formulate strategic decision such as allocation of resources in terms of which social media platform could be useful to implement within the workforce
- To determine how to design and implement effective training and awareness programs among the employees working at startup companies in Malaysia
- The research can be repeated and use more systematic sampling technique to ensure more accurate and reliable data are collected to generalize the finding among the startups in Malaysia. Also, it is important to employ mixed method of data collection to ensure there is meaningful recommendation for social media adoption.
- Researchers are encouraged to sample from organizations who are *not social media adopters* alongside *organizations who adopt and use social media* to investigate the strength of this study's findings- only organizations that used social media was use in this study. It is expected that findings of correlation between the proposed independent variables and dependent variables will be more evident should the samples include non-adopting organizations-as the researcher found technological, organizational, environmental, financial sustainability and social media adoption to be very commonly perceived in this study's sample.

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APPENDIX 1: Questionnaire Distributed to Respondents

THE DETERMINANTS OF MALAYSIAN STARTUPS' FINANCIAL SUSTAINABILITY: MEDIATING ROLE OF SOCIAL MEDIA ADOPTION

Dear Valued and Respected Respondent,

This questionnaire is designed to discover the mediating roles of social media adoption as determinant of Malaysian startups' financial sustainability. As Malaysia is on the rise of digital transformation to achieve high-income nation status, it is critical to discover how effective social media adoption improves startup financial sustainability.

The enclosed questionnaire is constructed in a straightforward manner and easy to answer which should take about 30 minutes of your time. Your response will contribute greatly to the significance of this research. No information obtained from this study shall be disclosed in any manner that would identify the respondents. All information obtained shall be kept *strictly confidential*.

Your response is important to us and I greatly appreciate your time and effort.

Thank you.

Cordially,

Norzana binti Zakiah @ Zakaria
Master in Business Administration (MBA) Student
Universiti Tun Abdul Razak (UNIRAZAK)
Malaysia
Email: z.norzana2011@ur.unirazak.edu.my
H/P No.: 016 867 1277

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PART 1 : GENERAL INFORMATION

SOCIAL MEDIA ADOPTION SURVEY FOR STARTUP FINANCIAL SUSTAINABILITY

As part of the MBA – Majoring in Entrepreneurship study at Universiti Tun Abdul Razak, I am conducting a survey to assess Startups' Financial Sustainability and the Mediating Role of Social Media Adoption. There are SIX (6) sections in this survey which encompass evaluation of the Social Media Adoption aspects (1) General Information (2) Technological Context (3) Organizational Context (4) Environmental Contexts (5) Social Media Adoption and (6) Financial Sustainability. It would be appreciated if you could complete and return the questionnaire by 7 January 2022.

My Role

<input type="checkbox"/>	Owner of the Company
<input type="checkbox"/>	CEO
<input type="checkbox"/>	Partner
<input type="checkbox"/>	Management
<input type="checkbox"/>	Operation
<input type="checkbox"/>	Others. Please specify _____

My Function

<input type="checkbox"/>	Board of Directors
<input type="checkbox"/>	Sales
<input type="checkbox"/>	Marketing
<input type="checkbox"/>	Business Development
<input type="checkbox"/>	Finance
<input type="checkbox"/>	Others. Please specify _____

Gender :

<input type="checkbox"/>	Male
--------------------------	------

<input type="checkbox"/>	Female
--------------------------	--------

Location of Main Business/Headquarters :

<input type="checkbox"/>	Klang Valley (Federal Territories , Selangor)
<input type="checkbox"/>	Northern Region (Perak, Kedah , Penang, Perlis)
<input type="checkbox"/>	Southern Region (, Melaka , Johor)

<input type="checkbox"/>	Eastern Region (Kelantan & Terengganu)
<input type="checkbox"/>	Sabah
<input type="checkbox"/>	Sarawak

<input type="checkbox"/>	Malay
--------------------------	-------

<input type="checkbox"/>	Chinese
--------------------------	---------

<input type="checkbox"/>	Indian
--------------------------	--------

<input type="checkbox"/>	Others Please specify : _____
--------------------------	-------------------------------

Company's Profile	
Q1) How long has your business been established?	Q2) Which is the category of your business?
<input type="checkbox"/> 0 – 6 months <input type="checkbox"/> 6 months – 3 ½ years <input type="checkbox"/> More than 3 ½ years	<input type="checkbox"/> Products <input type="checkbox"/> Services
Q3) Which of the industry is your business in?	Q4) Does your business have social media channels?
<input type="checkbox"/> Information Technology /FinTech/Gaming/AI <input type="checkbox"/> Education <input type="checkbox"/> Manufacturing / Production <input type="checkbox"/> Delivery / e-Hailing <input type="checkbox"/> Food and Beverages <input type="checkbox"/> Others. Please specify :	<input type="checkbox"/> Yes <input type="checkbox"/> No
Q5) If YES, do you leverage on social media channels to minimise marketing cost and to maximise business profit?	Q6) What social media channels are used by your business? (Note : You can select more than one (1) answer)
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> I am not sure	<input type="checkbox"/> Facebook <input type="checkbox"/> Instagram <input type="checkbox"/> LinkedIn <input type="checkbox"/> Telegram <input type="checkbox"/> Tik Tok <input type="checkbox"/> YouTube <input type="checkbox"/> Twitter

<p>Q7) How much profit is gained from social media marketing?</p> <p><input type="checkbox"/> RM 1,000 – RM 9,999</p> <p><input type="checkbox"/> RM 10,000 – RM 10,000</p> <p><input type="checkbox"/> None of the above</p> <p><input type="checkbox"/> I do not know</p>	<p>Q8) As a business owner, if you are given an opportunity to learn intensively on social media marketing, which course would you be interested to attend for business growth?</p> <p><input type="checkbox"/> Facebook Ad</p> <p><input type="checkbox"/> Instagram Ad</p> <p><input type="checkbox"/> YouTube Video</p> <p><input type="checkbox"/> LinkedIn Authority</p>
--	--

Owner's/Staff's Profile	
<p>Q9) Which of the following is the highest educational qualification you have achieved?</p>	<p>Q10) What is your age range?</p>
<p><input type="checkbox"/> Secondary</p> <p><input type="checkbox"/> Tertiary (Diploma / Degree</p> <p><input type="checkbox"/> Postgraduate Degree</p>	<p><input type="checkbox"/> Less than 25 years</p> <p><input type="checkbox"/> 26-35</p> <p><input type="checkbox"/> 36-45</p> <p><input type="checkbox"/> 46-55</p> <p><input type="checkbox"/> Above 55</p>

Part 2 : TECHNOLOGICAL CONTEXT

This part of the questionnaire is asking about your thoughts /opinions regarding how technology influences on social media adoption and usage in your company. It is concerned with investigating the technological influences such as relative advantages, compatibility and complexity :

Please indicate to what extent you agree or disagree with these statements that ranges from 1 (Strongly Disagree) to 5 (Strongly Agree)

Strongly Disagree = 1 Disagree = 2 Neutral = 3 Agree = 4 Strongly Agree = 5

No	Statements	Available Choices				
		1	2	3	4	5
T1	Usage Intensity of Technology to drive Social Media Marketing & Sales Operations					
1	My business uses social media technology intensively to communicate with customers.					
2	My business uses Web-based instant messenger intensively for business operations.					
3	My business uses mobile apps intensively for business operations.					
4	My business uses Artificial Intelligence (AI) for customer data gathering process.					
5	My business invests in Big Data solution tools for social media marketing to predict customers' behavior.					
6	My business uses Internet of Things (IOT) in our business operations.					
7	My business uses Cybersecurity solutions to defend our business from cyber- attacks.					

No	Statements	Available Choices				
		1	2	3	4	5
T2	Relative Advantage :					
8	Social media technology reduces the overall operating costs of the business.					
9	Social media technology helps our business to expand market reach.					
10	Social media technology helps our business to increase customer base.					
11	Social media technology makes our operation faster.					
12	Social media technology improves our product quality.					
13	Social media technology improves our service quality.					
14	Social media technology increases competitive advantage.					
15	Social media technology improves customer satisfaction.					
16	Social media technology improves business relationship with suppliers.					

No	Statements	Available Choices				
		1	2	3	4	5
T3	Compatibility:					
17	Social media technology is compatible with our current communication environment.					
18	Social media technology is compatible with our current software environment.					
19	Social media technology is compatible with our current hardware environment.					
20	Social media technology is compatible with our current business operation system.					
21	Social media technology is compatible with the existing mentality of our people.					
22	Social media technology is compatible with our suppliers' process.					
23	Social media technology is compatible with our customers' journey.					

No	Statements	Available Choices				
		1	2	3	4	5
T4	Complexity:					
24	Social media technology is too complex for our business operations.					
25	My business lacks adequate resources to support social media technology activities.					
26	Social media technology involves high initial cost to our business.					
27	Adopting social media technology is time consuming.					
28	Social media technology implementation creates high risk to my business.					

Part 3 : ORGANISATIONAL CONTEXT

This part of the questionnaire is concerned with your company's internal factors and its relation to digital strategy managerial support and technical capability

No	Statements	Available Choices				
		1	2	3	4	5
O1	Social Media Marketing Strategy :					
29	Our business has social media marketing strategy.					
30	Our business has a clear social media execution plan.					
31	Social media marketing strategy of the business is shared with the employees.					
32	Our business has a dedicated team to explore new social media channels.					

No	Statements	Available Choices				
		1	2	3	4	5
02	Managerial Support :					
33	Our management shows great support towards social media marketing plan.					
34	Our management is willing to take risks in implementing current social media channels.					
35	Our management has invested time in implementing social media channels.					
36	Our management has invested money in implementing social media channels.					
37	Our management has a strong understanding on importance of social media marketing.					
38	Our management has a strong understanding on benefits of social media marketing.					
39	Our management provides encouragement to the staff to embrace social media marketing.					
40	Our management provides encouragement to the staff to leverage social media marketing.					

No	Statements	Available Choices				
		1	2	3	4	5
03	Technical Capabilities					
41	Employees in our company are social media savvy.					
42	Our business has a social media support unit.					
43	Our business has standardized process for each social media management.					
44	Our business has standardized procedure for each social media management.					
45	Our employees have the ability to integrate new social media channels into our existing infrastructure.					
46	Our business has suitable resources to implement social media management.					

M1 : Managerial Capability

No	Statements	Available Choices				
		1	2	3	4	5
M1	Managerial Capabilities					
47	Our management has clear objectives to adopt social media as minimal marketing cost.					
48	Our management created Project Management Team to support strategic social media marketing.					
49	Our Management plays an important role to ensure cross-functional teamwork successfully executes the strategic social media marketing plan.					
50	Our management invested in upskilling programs for social media adoption.					
51	Our management invested in reskilling programs for social media adoption.					
52	Our management communicates frequently with employees about the strategic social media plan.					
53	Our management communicates frequently with employees about the strategic social media execution.					

M2 : Staff Motivation

No	Statements	Available Choices				
		1	2	3	4	5
M2	Motivation Factor					
54	Our employees have great experience interacting with social media channels.					
55	Our employees have great experience using social media channels with customers.					
56	Our employees like the concept of embracing social media trends to make their marketing jobs simpler.					
57	Our employees like the concept of embracing social media trends to make their sales jobs simpler.					
58	Our employees believe that social media will be adopted by most businesses in the near future.					
59	Our employees believe adopting social media would benefit business growth.					
60	Our employees are inspired to leverage social media channels because of the company's rewards in training.					
61	Our employees are inspired to leverage social media channels because of the company's rewards in promotion.					
62	Our employees are inspired to leverage social media channels because of the company's rewards in career development.					

Part 4 : ENVIRONMENTAL CONTEXT

This part of the questionnaire is concerned about examining the external factors that may influence the decision to social media as part of marketing plan in the company such as movement control order, competition, customer demand, supplier's pressure and government support.

No	Statements	Available Choices				
		1	2	3	4	5
E1	Market Factors					
63	Movement Control Order (MCO) drives our company to use the social media as marketing plan to be resilient in business.					
64	New social media trends can improve our products to address the dynamic changes of customer requirements.					
65	New social media trends can improve our services to address the dynamic changes of customer requirements.					
66	In our market, there are mega trends in using social media to boost business operations.					
67	Current social media trends will enhance the competitiveness of our company's business.					
68	Our customers are demanding the use of social media in communicating the brand.					
69	Our customers are demanding the use of social media in communicating the shopping experience with them.					

No	Statements	Available Choices				
		1	2	3	4	5
E2	Ecosystem Support					
70	The specification and continuity of government policies are beneficial to business operations.					
71	Multiple service providers provide relevant digital technology solutions for our company at affordable prices.					
72	Financial institutions provide us with financial facilities to implement emerging social media platforms.					
73	The government supports us to upskill our workers to use new social media channels.					
74	There is enough talent for us to employ for social media marketing implementation.					
75	Government plays an important role in promoting social media marketing importance for startups.					

Part 5 : SOCIAL MEDIA ADOPTION CONTEXT

This part of the questionnaire is concerned about impacts of social media adoption on customer-facing activities and company's brand.

No	Statements	Available Choices				
		1	2	3	4	5
S1	Social Media Adoption Impacts					
76	Social media adoption has improved the customer relationship.					
77	Social media adoption has improved service quality.					
78	Social media adoption has increased customer engagement.					
79	Social media adoption has increased brand visibility of the business.					
80	Social media adoption has increased brand reputation of the business.					
81	Social media adoption has increased customers retention.					
82	Social media adoption has enhanced customer service.					

Part 6 : FINANCIAL SUSTAINABILITY CONTEXT

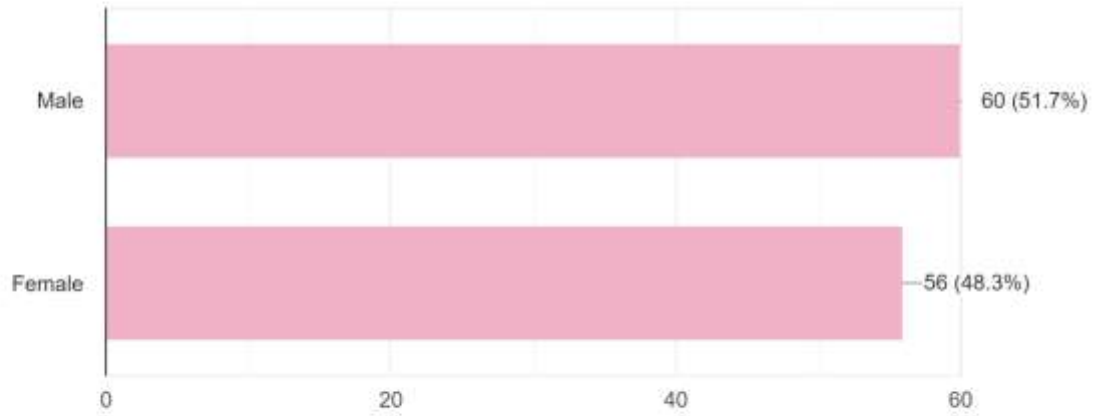
This part of the questionnaire is concerned about startups' financial sustainability by identifying impacts on expenses and profit when adopting social media.

No	Statements	Available Choices				
		1	2	3	4	5
F1	Financial Impacts					
83	The use of social media marketing has increased cost.					
84	Social media adoption has decreased operational cost.					
85	Social media adoption has reduced marketing cost.					
86	Social media adoption has decreased inventory cost.					
87	Social media adoption has decreased total cost.					
88	Social media adoption has increased total sales of the business.					
89	Social media adoption has increased gross profits of the business.					
90	Social media adoption has increased net profits of the business.					

APPENDIX 2 : BARCHART - RESPONDENTS' DEMOGRAPHIC PROFILE

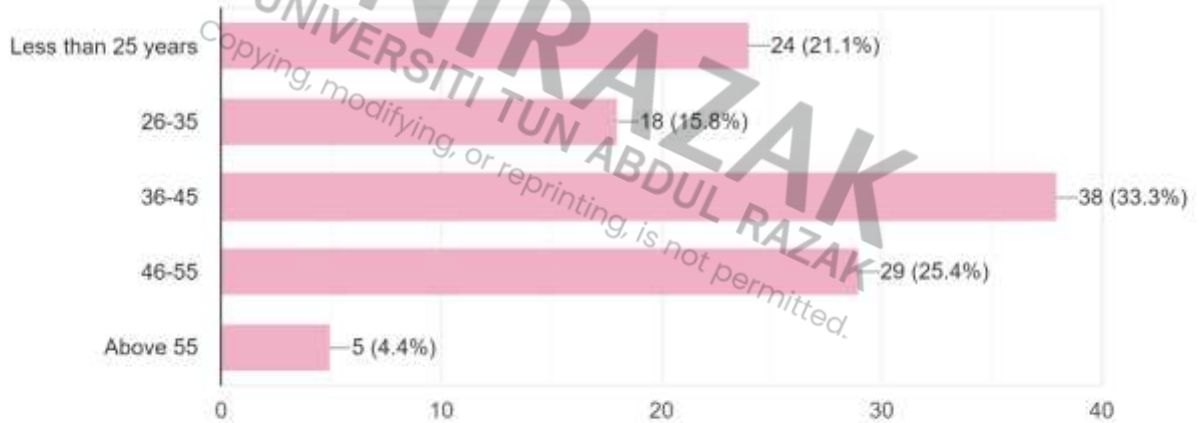
Gender

116 responses



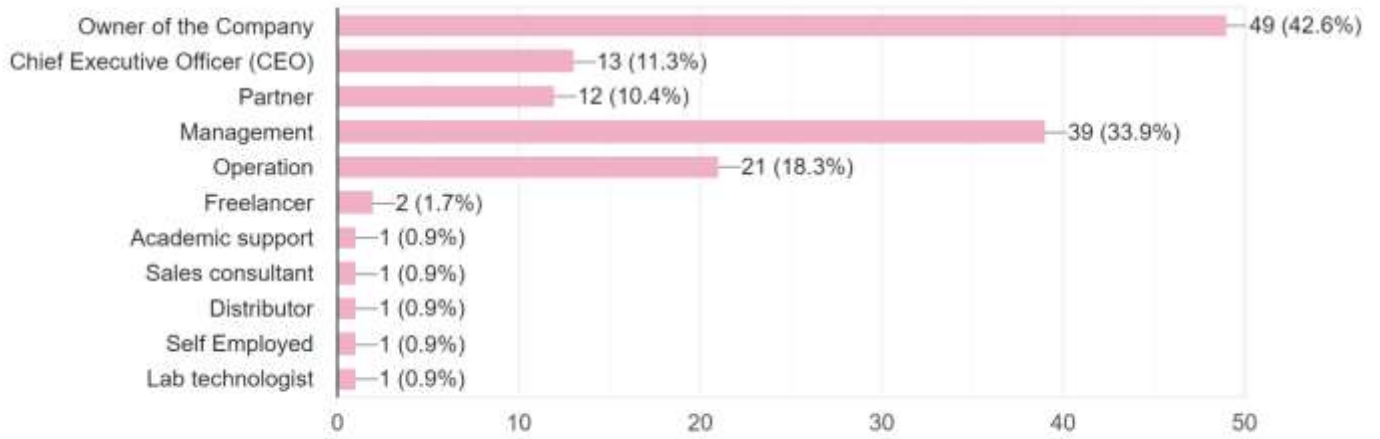
What is your age range?

114 responses



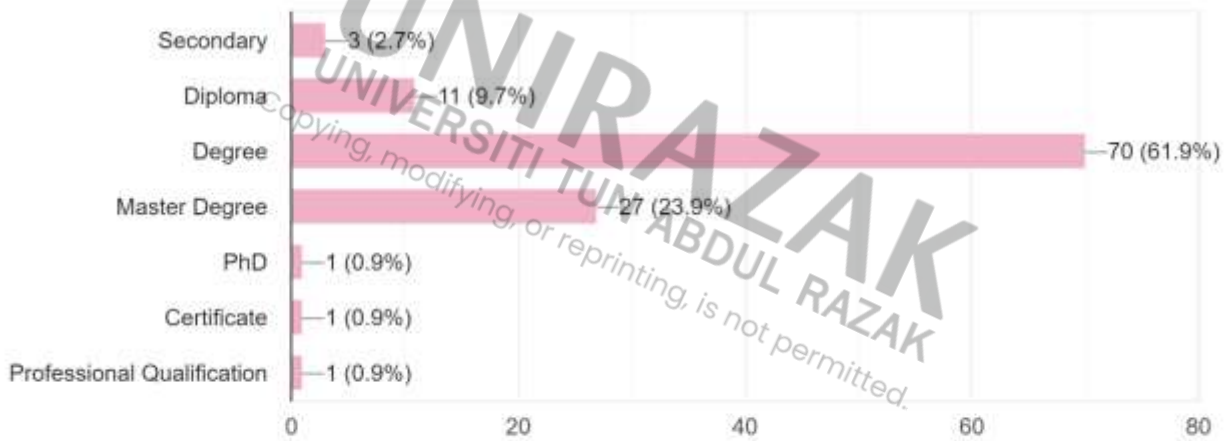
My Role

115 responses



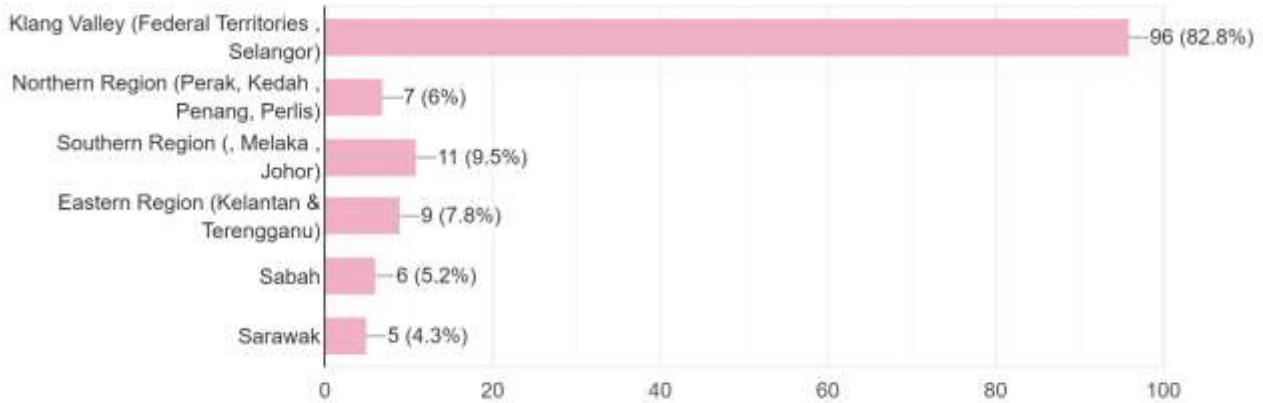
Which of the following is the highest educational qualification you have achieved?

113 responses



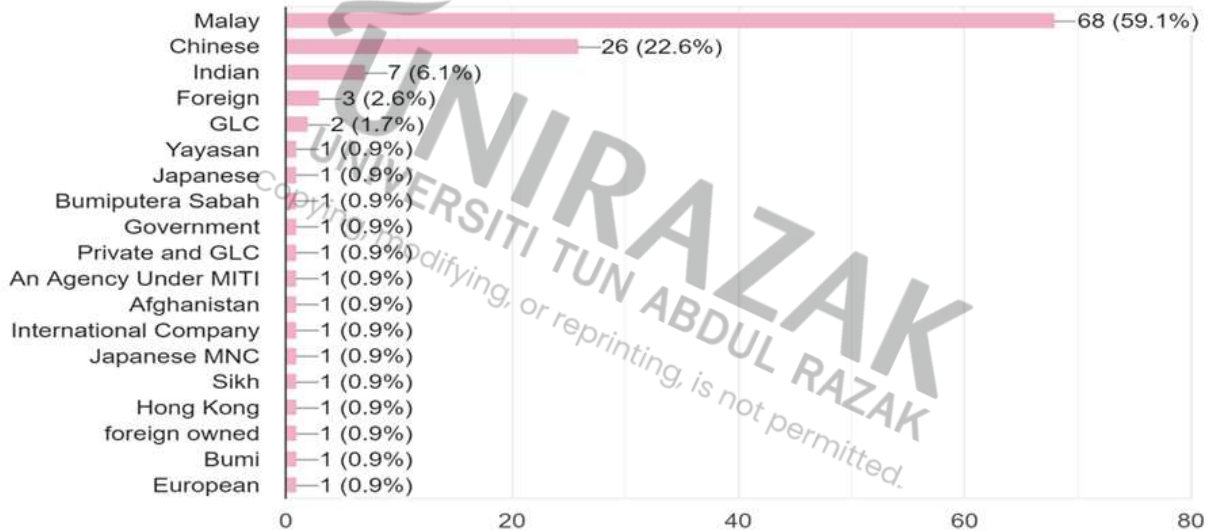
Location of Main Business/Headquarters

116 responses



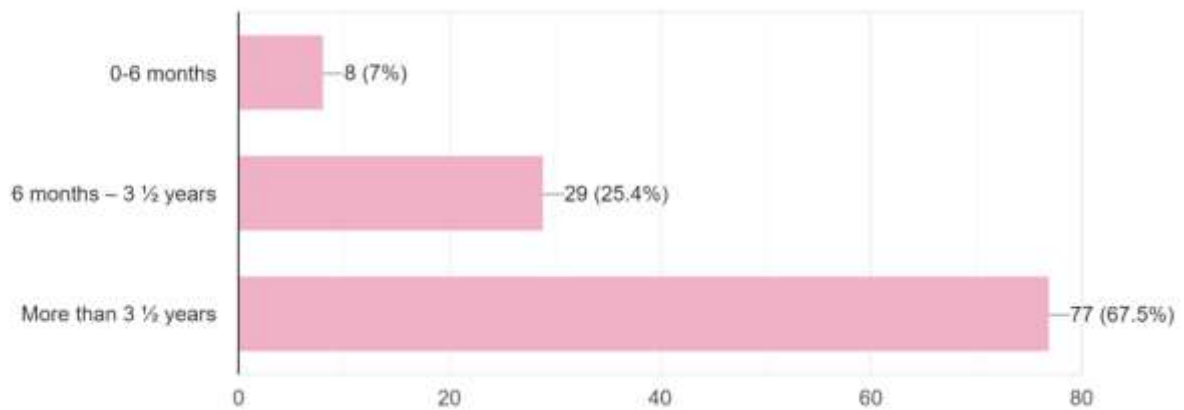
Company Ownership

115 responses



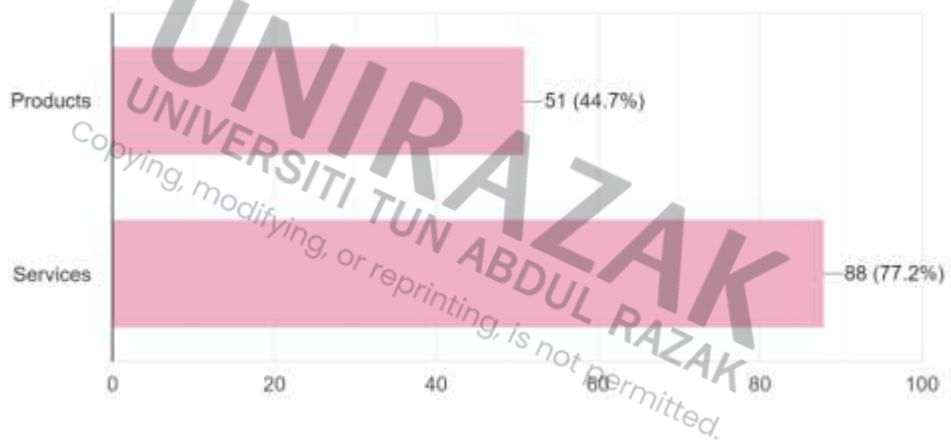
How long has your business been established?

114 responses



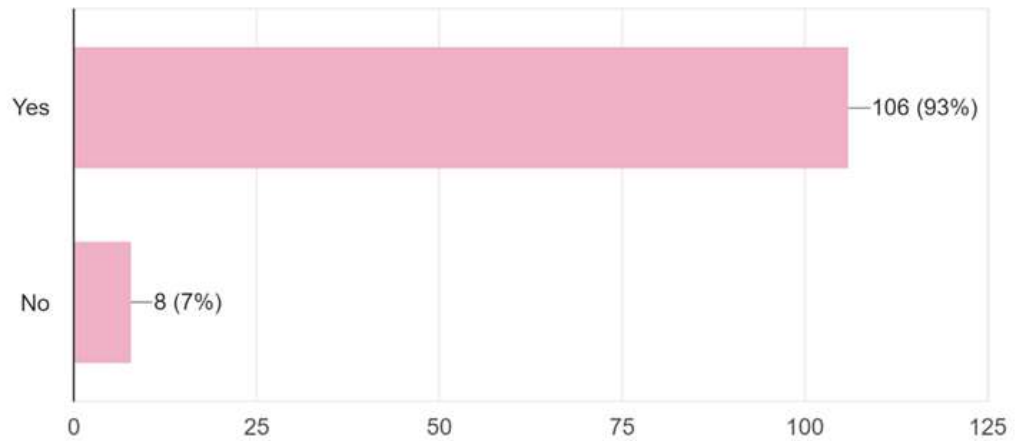
Which is the category of your business?

114 responses



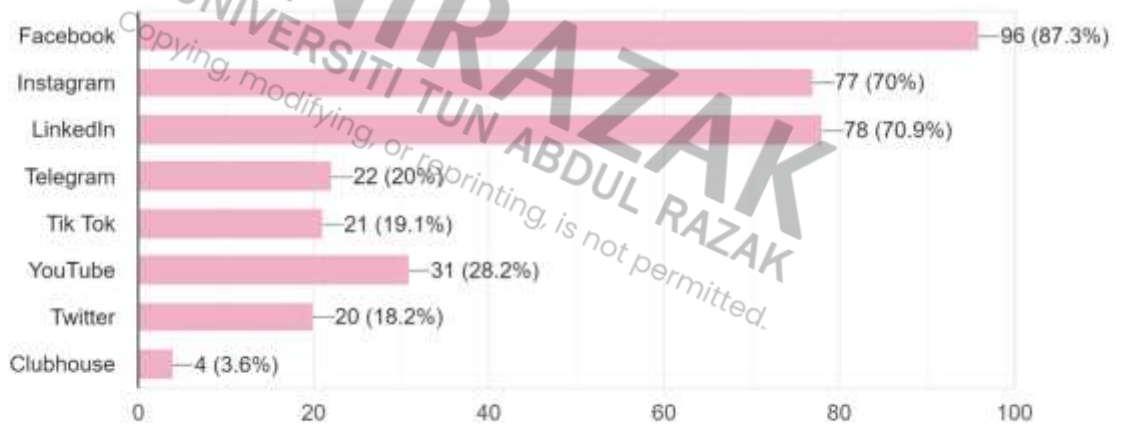
Does your business have social media channels?

114 responses



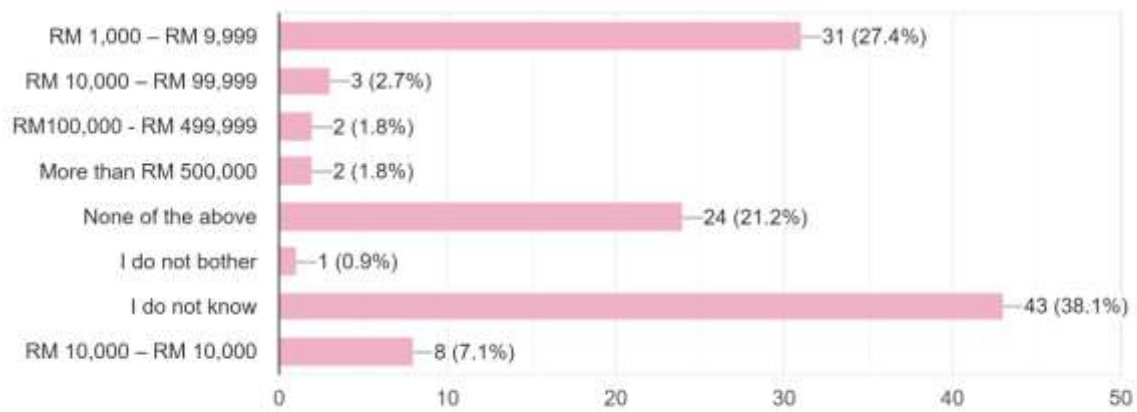
What social media channels are used by your business? (Note : You can select more than one (1) answer)

110 responses



How much profit is gained from social media marketing?

113 responses



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APPROVAL PAGE

TITLE OF PROJECT PAPER: **THE DETERMINANTS OF STARTUPS' FINANCIAL SUSTAINABILITY: THE MEDIATING ROLE OF SOCIAL MEDIA ADOPTION**

NAME OF AUTHOR **:** **NORZANA BINTI ZAKIAH @ ZAKARIA**

The undersigned certify that the above candidate has fulfilled the condition of the project paper prepared in partial fulfilment for the degree of Master of Business Administration.

SUPERVISOR:

Signature **:** _____

Name **:**

Date **:**



ENDORSED BY:

Dean

Graduate School of Business

Date: