E-BUSINESS: OBSTACLES AND MARKETING STRATEGY IN SELLING FISHING TOOLS IN AKAPIMAN ENTERPRISE

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ABSTRACT

There is no doubt that in the 21st century Malaysia had entered a new era of globalization. Among others, Malaysia is faced with the new challenge especially in adoption with new business marketing through internet. The terms formerly known as e-commerce, is become a popular platform for the company in marketing the product virtually. This study attempt to analyze the obstacles faces by Akapiman Enterprise, a bumiputera holder company that can be categories as successful company that selling fishing equipment in reality and virtual base. This paper will concentrate on the obstacles doing online business by Akapiman Enterprise, to identify the criteria in terms of marketing strategy that could affect the business flow, to relate the criteria with the obstacles in determine the successful of online business and to create a model from the findings. This study will involve in qualitative and quantitative method in order to see the two way feedback from the owner and also from customer side. The interview session was conduct with the owner with unstructured question while the survey will conduct among the customer and distribute by online. The number of customer will randomly choose and it will involve about 150 samples that actively purchasing fishing tools by online.

INTRODUCTION

Today, the internet is a public, cooperative and self sustaining facility accessible to hundreds of millions of people worldwide. (Turban E.,Leidner D., Mclean E., Wetherbe J. 2006). Apart from that, new ways of doing business have developed in almost every industry sector. In some sectors, new and efficient internet business method is done on the web primarily in identical manners as on the physical market. (Anckar B.,Walden P., Tawfik Jelassi; 2002).

E-business could be define as buying an selling of goods and services, servicing customers, collaborating with business partners, conducting e-learning and conducting electronic transactions in the business. Apart from e-business is e-commerce which consist a different types of services such as business to business (B2B), Business to Consumers (B2C), Consumer to Consumer (C2C), Consumer to Business (C2B) Intrabusiness (intraorganizational) commerce, Government to Citizen (G2C) and to others, and Mobile Commerce (M-Commerce). (Turban E., et.al 2006). The Federally operated Electronic Commerce Acquisition Programme Management Office (ECAPMO) (1994) define the e-business as '*The paperless exchange of business information using electronic data interchange (EDI),e-mail, electronic bulletin boards, electronic funds transfer (EFT) and similar technology'*. (As cited in Augusta C.Y., Hartman S.J, and Walsh K.R., 2004).

Statistics show that current users of internet amount to approximately 151 million, whereas by 2005, users are expected to number by 231 million (Augusta et.al 2004 by PriceWaterHouseCoopers; 2001). This number of user will surely increase year by year according the low price of personal computer or laptop in the market. In Malaysia case, the number of internet user stated that until December 2005, the number of internet user about 10,040,000 users. This figure represents 38% of Malaysia population and the highest user came from Penang, Kuala Lumpur, Johor and Selangor. (NICT Malaysia). In terms of language, 2/3 from 10 million users is likely to communicate in Bahasa Malaysia (NICT Malaysia, 2004). Taking opportunity from the rapidly growth, Akapiman Enterprise start their own business online in selling fishing lure, fishing accessories, fishing bait and casting in order to compete with existing rivals and also to penetrate the global market virtually. It is a spectacular action by this Akapiman when involving the online business especially in entrust a high risky in selling fishing tools which is the market niche are targeting the fishing sport lovers. Entering the virtual market at the beginning had given a bright prospect for Akapiman Enterprise in order to improve their marketing style rather than selling product physically. Currently, Akapiman are proudly to become a well known fishing lure supplier through internet especially among the sport fishing lovers. There is lack of research especially in e-business development in Malaysia. This paper hope will list

the obstacles facing by entrepreneur in Malaysia and to analyst the relationship of marketing strategy criteria with the obstacles in affecting the business. In identifying the problems, we will see the obstacles from two different perspectives; from the owner itself and from their customers. This will give a better result from two different views in order to avoid any biases in this study.

PROBLEM STATEMENT

Online business in Malaysia is still green when compare to other country such as United States, United Kingdom, Canada or other develop country. There is lack of research especially in publish report or journal about e-business development in Malaysia. Recent studies by Ainin Sulaiman et.al (2005) focus about the factors affecting online purchasing in urban area. However, for other countries, some of the report saying that there is a few obstacles facing by the company in using World Wide Web (WWW) in their e-business. The obstacles facing by the entrepreneur such as problem in locating desired information, rising cost of utilizing the internet, security problems, rapid changes and technology advance and long waiting time to access the internet (server problem). (Christina et.al 2007).
In this study, the company has listed a few major obstacles during their online business operation. This study will focus on certain criteria which are 4P (price, promotion, place and products). Other major criteria are technology and security.

Objective of this study is:

1) To identify the obstacles facing by the company in doing online business
2) To determine the criteria in marketing strategy that could affect the online business.
3) To identify the relationship of the obstacles and criteria that affects the online business.
4) To create a model that could relate the obstacles and 4P's towards e-business.

Scope of Study

This paper only concentrates at one company Akapiman Enterprise , doing business in selling fishing tools and accessories. The focus in this study is about their obstacles and identifies the important criteria that could affect the online business.

Methodology

The qualitative and quantitative method is chosen and more specific on interview session with the owner regarding their company background, sales performance and management. The qualitative method is doing survey by distributing questionnaire online (email) to the active respondent (customer) in order to get their feedback from two way perspective, from customer side and the entrepreneur side. Lack of time especially in waiting their feedback and respond from the customer is one of the limitations in this study.
Beside that, small respondent are also the boundary in this study. Most of the customer are buying online, so it takes time to trace them and waiting their feedback about the product and service. The weakness in distributing questionnaire online is also the problem comparing to reality communication and hard to get the feedback in short time. This is because the question will distribute through their email, and the possibility inactive email could happen.

Literature review

The literature review in this study will focus on the four main areas which are the internet background as overall and the development in Malaysia, the related articles or journal from the previous research regarding the obstacles in e-business, the marketing strategy and the criteria which is 4P, technology and security as a general.

Internet background and development in Malaysia

The internet provides a powerful platform for corporation with homepage to market and advertise their products and services. It provides a labor-efficient and cost effective way of distributing information almost instantaneously to millions of potential clients in the global market. (Christina et.al 1997). Online purchasing involves many activities

associated with the customer's action of buying products from the internet using e-commerce technology. They turned to the internet for purchasing goods and services thus making it a part of their lives. (Ainin, et al.2005)

Recent study by Thoung, Koh (2002) stated that there were only two national internet service provide (ISP) in Malaysia which is Mimos Berhad (www.jaring.com.my) and Telekom Malaysia Berhad (tm.net.my). The new competitors entered the market recently such as Maxis Communication Berhad (www.maxis.net.my) in 1999 and TimedotNet.Bhd (time.net.my) in October 2000. All four ISPs are locally owned. More entrants are expected as a result of recent regulatory changes that remove the ISP's internet provider. (In Thoung et.al 2002).The Internet is becoming popular in Malaysia, as it is a virtual place where people share their ideas, build communities, shape the future democratically, and promote a new way of doing business. The Internet is the world's biggest shopping mall that allows enterprises to do their business with low cost involved, yet covering global market. According to a research by the Thailand Development Research Institute, e-commerce in the United Stated captures 70 % of the world market value, followed by Europe with 14 %, and Canada 8 %. The Asia Pacific region captures only 5 % of the market value (E-revolution, 2000, in Paynter J, et.al 2001)

About 96% of urban adults in Peninsular Malaysia never bought anything via the Internet and a mere 4% had done so. Malaysians do not appear to be comfortable using the Internet for applications such as shopping and banking. It has yet to become a way of life in Malaysia. Malaysia's online shopping activity, compared with the other Asean countries. Before a growth in the number of online transactions could be seen, an understanding of the possible hindrances to such growth is necessary. (Paynter J.,et al 2001). At the time it was created its key role was the regulation of the communications and multimedia industry based on the powers provided for in the Malaysian Communications and Multimedia Commission Act (1998) and the Communications and Multimedia Act (1998). Pursuant to these Acts the role of the Malaysian Communications and Multimedia Commission is to implement and promote the Malaysian Government's national policy objectives for the communications and multimedia sector. As of June 2006 there are 652,000 ADSL connections. TMnet, a subsidiary of Telekom Malaysia, is Malaysia's largest Internet service provider. While there are many ISPs in Malaysia, Telekom Malaysia's ownership of the nation's last mile connections restricts competition to densely populated areas in major cities. Since there is no local loop unbundling, TMnet enjoys a virtual monopoly of the broadband market.

A research has been done in Klang valley with 123 respondents in order to identify the activity by internet user that working in urban area. The result had show that 65.9% of the respondent have transacted online especially in buying online tickets especially surfing the website such as AirAsia.com. Other activities such as buying books (14.8%), buying or searching computers gadgets (7.4%) and download music (7.4%). (Ainin Sulaiman et.al 2005).This study was conduct at Melaka based company, based on the presentation by Mohamed Sulaiman Sultan Suhaibuddeen for the planning and coordination workshop States ICT and MSC Malaysia Development on 29 January 2008, he presented the figure of private computer (PC) ownership in Malacca, the internet user in Malacca and the broadband subscriber in Malacca. The statistic is from 2000 and expected to increase until year 2010. Compare to the states in Malaysia, Malacca is the fourth place in Malaysia represents the population of pc ownership by household. It consist 13 main states in Malaysia and the highest pc ownership was Wilayah Persekutuan Kuala Lumpur, as everybody known the centre of MSC and governance centre.

Even though Malacca states is one of the small states in Malaysia, but the development in information structure is massive compare to other state. The pattern of people in Malaysia is now following the trend slowly in buying product or service by online. The study shows that the respondents living in urban area has fully accommodated with internet access either in the office or at home. Same with Akapiman Enterprise, most of the customer prefers to buy online because it is more convenience, more choices, and no time limit (24 hours), save time and can be access anywhere. With the Wi-Fi or internet broadband, the new technology allows the people to surf anywhere at anytime without messy cable or wire. Some of the café nowadays such as Coffee Beans, McD, Secret Recipe and hotels have provided the Wi-Fi services to the customers.

It also can be summarize that the people are tend to attempt the new technology by slowly learning from their friend, mass media and observations, and they slowly enhance their skill by surfing the internet everyday and daily communication among their colleague. Not all the people know how to start buying online, but with proper instruction and friendly user website, it can attract the people with zero knowledge in IT to the skillful person and will also attract them to involve in business such in trading merchandise forum such as Mudah.com or doing auction through E-Bay.

MARKETING STRATEGY

All firms viewed the internet and e-mail in particular as essential for business in the 21st century, as it provides the service platform, which enables them to enter new markets, whilst reducing the investment and resources required in order working internationally. Almost firm were actively using the internet as a marketing medium. Basically, firms were using the internet for three main purpose in this area: Marketing communications, customer relationship management (CRM) and as marketing channel, sales transaction and fulfillment) (Leone, 2006)

According to Li (1994,1998b) as stated in Tung-Lung,Steven C. and Peter P.L., (2003), four factor typology can be used to measure strategy content, which is applicable to e-business strategy formulation. The four factors are strategy target, strategy thrust, and strategy posture and strategy mode.

Porter (2001) argues that e-business firms need to make a shift in their thinking - from "e-business to business", from "e-strategy to strategy". This is necessary as the Internet has now become a well-established phenomenon and should be treated as an essential and usual part of business strategy. (Alan K.,Khalid Hafeez,Jawad Siddiqi 2007).The company should know their purpose of marketing through website. There is a research have been conducted in Singapore regarding the uses of internet by the company. According to Christina S.,et.at 1997) their findings stated that there are four major commercial functions to the companies use the internet :

    a)   Market themselves both locally and globally
    b)   Gather requisite information by searching other websites or gather customer feedback
    c)   Provide customer service and support
    d)   Conduct electronic transaction

All the function above was applied by Akapiman Enterprise in selling the fishing tools and equipment online through their website. Currently, the Akapiman website is well known among the fishing-sport lovers and slowly trying to penetrate global market virtually with different product range and competitive price.

OBSTACLES

Internet security

There are few obstacles in selling product online. Based on the research done by Christina et.al (1997), they have summarize a few problems will arise in using internet as a shopping medium. One of the problems is security. The issues of security are major obstacles in online transactions. For example, MasterCard had expressly discouraged the use of credits card to buy goods and the internet because it is a public network and the flow of credit information is vulnerable to computer hackers.The main obstacle that prevents Internet users from transacting over the Internet is security. This issue is not only the major concern among Malaysian consumers but of users worldwide. Regardless of the reason, security issues have been creating unnecessary anxieties for many businesses and consumers. (Paynter J.et.al 2001)

The security of e-business not only involved spamming, but is also affect the payment security especially in credit card transaction. It is believed that credit card fraud was first reported in Malaysia in 1998. The case was discovered in one of the shopping malls in Malaysia.

Hally Wolhandler, VP of Research at USbased ActivMedia Research, said:
'Fear of placing electronic transactions has kept some would be buyers off the Web, just as fear of fraud keeps some businesses from diving in with both feet. But the reality is that Web-based transactions are, in many cases, safer than those that take place over the phone or even with bricks-and-mortar retailers.'

A survey conducted early in 2000 revealed that, while the number of online shoppers is expected to increase in the foreseeable future, security or financial transactions remain a key concern to consumers. Shoppers who have purchased online only once recorded a higher concern with this medium, although this trepidation decreases slightly with repeat purchases. It is interesting to note that 'computer viruses' and 'response times' are of greater concern to online shoppers than 'financial transaction security'. Perhaps indicative of the future trend of online shopping, the

primary concerns of those who purchased more than once are 'response time' and 'junk mail/intrusive marketing'. (http://www.security.iia.net.au/downloads/creditcardfraud.pdf)

BROADBAND AND TECHNOLOGY ADVANCE

With over 50 million internet users, there is a concern to whether the global networks will have the capacity to carry the rising traffics. At presence, the traffic generated by internet used worldwide is estimated 30,000 gigabytes of information each month. This problem could be reaching a critical point in three-live years unless the solution found.

There is a lack adoption WiFi and broadband in developing country such as Malaysia. The current level of adoption is approximately 11 percent (Keong 2007, as cited in Dwevedi, Y.K, Selamat M.H., Abd Wahab M.S., Mat Samsudin M.A., and Lal B. 2008). There has been surprisingly little interest in broadband internet, the international broadband penetration is only slightly over 3% at the end of 2006 (Budde.Com –Malaysia Broadband Market-www.budde.com.as cited in Dwevedi, Y.K, Selamat M.H., Abd Wahab M.S., Mat Samsudin M.A., and Lal B. 2008).The reason of this slow broadband services because of slow infrastructure development, low-tele-density and slow rate of adoption. Even though the number of broadband user in Malaysia are still low and high charge compare to other countries, but it will effect the process on surfing the internet especially in high peak time (working hours). The online traffic will also cause jamming by thousand of users at one time. This slowly connection broadband will affect the customer behavior in purchasing online.

The slow internet or broadband services will cause fail purchasing by the customer. According to the findings by Boston Consulting Group (BCG, 2000), purchase failures, security fears and service frustrations remain a serious concern for online customers. Customer want simple, easy and stress free purchasing process (Mc Garvey 1999 in Ainin Sulaiman et.al 2005).

PAYMENT OPTION

The payment option offered by most of the virtual shops is by credit card. In Malaysia, to apply for a credit card, a minimum annual income of RM18, 000 is needed. The number of credit card holders in the country at the end of March 2000 was 2.415 million compared with 2.066 million at the end of March 1998 (Bank Negara Malaysia, 2000). This implies an increase of 16.9% over a two-year period, which means that less than 10% of Malaysians are actually credit card holders (as some might be holding more than one card). It would help get more online users to purchase if a variety of payment options were available. A survey result shows that 60 % of Malaysians are interested in an ATM debit card that could be used to make purchases on the Internet (Skali.com, 1999). Help might be needed from the banks to promote more applications to the Malaysian communities and this will benefit both the banks and the communities. (Dwevedi et.al 2008)

Most of the internet shopping website provides a credit payment which is using credit card. For international payment, they are most likely to use PayPal, which is more convenience and accepted in many countries. In Southeast Asia, the PayPal service provider is based at Singapore. Not all the people in Malaysia know about this PayPal and how the system runs. In Akapiman website, they provide two main payment options which are PayPal and Maybank2u.com (M2U). By giving this option, at least it gives the opportunity for those who didn't have credit card in purchasing online. But, payment option like this could affect the shopping online, when some of the customer is not a Maybank account holder and not deserved to have credit card. This barrier will switch them to brick and mortar shopping environment means that buying products that using cash.

4P's (Price, products, place and promotion)

The criteria that focus in this study is 4 elements in Marketing Mix Model (also known as 4P's) in order to examine the relation between the 4P the obstacles that can cause the failure or success to online business. The main element which is product, price, promotion and place in online business is different for some terms. For example, marketing the product online doesn't involved any physically product, the customer not able to touch, taste, hold and put it on

the rack, but it only can view in the website . The size or product specification only stated in the website, so the customer only has to choose based on the figure displayed.

There are a few questions that should consider by the entrepreneur. In terms of product, does the organization create what its intended customer wants? For the price factor, how much are the intended customers willing to pay? Is the price are reasonable and more competitive rather than buying at normal shop? It is a good website that can attract customer to purchase online? Are the website secured well especially in protecting confidential information? How to market through internet, due to in can't simply spread over compare to physical shop?

The function of marketing mix is to help develop a package that will not only satisfy the needs of customers within the target markets, but simultaneously to maximize the performance of the organization.
As stated in Arnott D.C and Bridgewater S (2002), based on Dutta and Segev's (1999) classification of internet marketing function could describe as below:

a) **Customer relation** – feedback, online customer service, customer
Identification, customer communities (forum) and communication to customer.

b) **Product** -Online product catalogue (shopping cart), product value
added, information of the product, online helps in choosing product, Product customization and customer participation in product design (as applied by Ferrari)

c) **Price-** Price information available online, metering pricing, dynamic, customization and customer participating (bargaining)

d) **Place -** Online order, real time processing of orders, online payment, involvement of other partner and online distribution product.

e) **Promotion** - Online promotion, customized promotion, links with other firms, customer participation and online advertising.

Involving in online business that also know as e-business or e-commerce, it has significant impact on the marketing mix. For the product, information is the key of viable product. Based on Rayport and Sviokla (1994) as stated in recent study by Nelson (2007), discuss the transaction where the actual product. In the real world, a shopper who wants to buy items or product is simply can choose from various range of product and brand. Compare with the virtual market, the customer only can view virtually and choose it from the catalogue without knowing is it the product appears will the same they will receive. Some of cases report on newspaper about the product selling on internet such as auction website, there is some unethical behavior for certain people to sell different or low quality product when reaching to the customer.

With regard to pricing, it has been argued that the internet will lead to increase price competition and the standardization of prices. Klein and Quelch (1996) in Nelson et.al (2007) discussed the global reach of the internet in creating a larger marketplace and the strong growth of network utility based on Metcalf's law. Klein et.al (1996) pointed out two counteracting effects of the internet on price. First, a supplier can use the technology to discriminate pricing between consumers, for example in different countries especially in currency rate. Secondly, the ability to compare price across or among other rivals using internet will lead to increased price competition (Klein et.al 1996). The price of providing internet based-services often contain small or nor marginal costs, the internet could enable customer to compare fees, access information on discount, make payment for services reserved or received cheaper than ever before. (Nelson 2007)

For promotion, the entrepreneur could spread over their website and service through online forum or registered with certain body regarding to establish the business. The internet provided a low cost of promotion cost, no limitation or extra charges except they only have to pay to web provider with minimal cost. Product information is most useful when the consumer is evangelistic, enthusiastic and the product has a strong connotative context (Evans and Wurster 1999 in Nelson 2007). The promotion for the product could also be done in giving discount, coupon or special rates for regular customer. There is a lot of promotion method that could be done through online business, the example can be seen when surfing the local forum such as Wanitamelayu.com, wanitasiber.com or e-bazaar.com.

The promotion refers t advertising and creating awareness for users to learn about the products. For one to one contact such as email and discussion groups and these can be used to develop a relationship with a customer. The closing component is setting the price and closing the deal. Conversely, there is an electronic record of the sale and the deal struck. The fourth component which is transaction involved the payment system by normally using credit card. The last component is fulfillment means the delivery process, not only shipping but also effective electronic order processing (Ian P. et.al 2000).To sell the product, it is and advantage if the entrepreneur could offer a shopping cart, catalogue, list of product offer of the month, product range by brand, popular product plus order form in one page for customer convenience. Providing appropriate form, place and time utility (i.e. giving customers the opportunity to decide what they want, where and when) may result in competitive advantage for the marketers (Paul P., 1996).

A place factor for internet business is more relate with the website. The website will replace the physical shop to sell the products and display it with price offer, specification and order cart. A notable implication for marketers is the potential to shift from a non-virtual marketplace to a market-space instead, incorporating virtual transaction/distribution spaces (Lockett and Blackman, 2001 in Harridge S. 2002). The ability of the website to establish contact with and subsequently serves customer has been hailed by many as cost-reducing way of distributing goods/services direct from the provider to the customer. Hence, the potential of internet has been seen to be exciting and opportunity to enter the new market (Allan and Chucky 2000 in Harridge S.2002).One weakness of the internet is that it can realistically reproduce only two or five senses, namely, sight and sound. One cannot feel, smell or taste the products that are advertised on the website. This limitation will restrict the kind of products that are sellable on the internet. (Ian P, et. al 2000)

FINDING

This chapter will focus on the data collection method in order to fulfill the objective of the study. It concentrates on data analysis and the discussion of the outcome. This chapter consist four different part which is part one concentrate on characteristic of demography data respondent.

The part two will explain the outcome of the first objective which is to identify the obstacle facing by the company in doing online business. The third part more deeply analysis about what criteria that affects the online business which is the continuing from part two. The next part is identifying the relationship of obstacles and criteria that could affect the online business. In order to achieve this objective, the Pearson Method was used in order to see the relationship of both elements.

Respondent Demography Characteristic

Table 1: Respondent by income level and interest

Income (RM)	Percentage	Interest	Percentage
< 1000	16%	Surfing internet	42 %
1001 – 2000	42 %	Fishing	53 %
2000 – 3000	36 %	Travelling	3 %
➤ 3000	6 %	Others	2 %

According to the income level, most of the customers are middle range income in range RM 1001 to RM 2000 per month. The purchasing behavior are also depends on monthly income. The more income they obtain the more expensive and various items they will buy. The medium range represents the highest percent in among other income range from RM 1000 to RM 3000 per month. Even though some of the customer had income less than RM1000, but they still interested to purchase online and it means that the lower income doesn't affect in online purchasing even some of the price are quite expensive.

For the interest, many of the customers are likely to involve in fishing rather than surfing internet. Even though the age ranges for customer are considering young and working man, but they prefer in fishing activities to fulfill their leisure time rather than surfing internet. The deep interest in fishing hobby is one of the factors that urge them to do online purchasing in buying the fishing tools and part especially the fishing lure.

Table 2: Internet knowledge and place surfing

Internet knowledge	Percentage	Place surfing	Percentage
Less	30 %	Office	82 %
Moderate	64 %	Home	14 %
Expert	6 %	Public café/cyber cafe	4 %

The table above shows that 64% of the respondent is moderate in terms of internet knowledge and only 6% claims that they are expert on it. It is important to know at least basic skill of internet access especially in purchasing online, to know the payment method and process and also the law and regulation. The place internet surfing are mostly at the office with 82% of the customer surf internet during the working hours or after. Only 14% are surf at home and possibly only few respondents have internet access at home. Other place is public café that provide WIFI service or cyber café which represent 4% of the total respondent.

DATA ANALYSIS

To identify the obstacles facing by the company.

This part focuses on 5 main items in defining the obstacles in online business which is 4Ps' and new element which is security. The questionnaire need the respondent to fill up the scale from strongly agree to strongly disagree. This part stated the respondent answer and followed by the result by transforming into the graph bar. The table below shows the number of respondent that fill in the questionnaire in product factor. It consist 7 questions about the product offered by the company.

Table 3 – Product

Items	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Latest product in website	9	31		10		**50**
Frequent product rotation	6	18	2	24		**50**
Offer variety of product	3	21		22	4	**50**
Good product information	10	31	1	5	3	**50**
Good product arrangement	7	40		3		**50**
Provide shopping cart	8	42				**50**
Display size and product specification	33	17				**50**
						50

Using the SPSS system, all the information above was transform into the simple graph bar that show the result on table 5.1. The graph shows the overall result that combine all the 5 part of scale from strongly agree to strongly disagree.
 As the result, the highest percent that represent half of the respondent is 50% agree that they are satisfied about the product offered by the company. It covers the criteria of latest product sold or appears in website, product rotation, product arrangement, product information and provide shopping cart for the customer. 16% are strongly agreed that the company are provide good product to customer. Only 30% of the customers are not agreeing about the product variety that represents 26 respondents from out of 50. 7 respondent represent the 3% of strongly disagree about the variety of product offered and not good in product information.

The next factor is price that consist 8 questions and the result was transform to the graph bar below.

Table 4- Price

Items	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	**Total**
Reasonable price	6	21	2	21		**50**
No hidden cost of the product	4	33		13		**50**
Product are expensive		10	2	28		**50**
Product are quality with price offer	12	30		8		**50**
Price are related with brand	9	33	2	6		**50**
Notice of increasing price	10	33		7		**50**
Product cheaper than others	6	38	6			**50**
Price are advertise clearly	11	36		3		**50**

The price factors consist 8 questions and it shown on the table above that most of the customer are agreed that the price offered by the company are reasonable, quality as same with brand, price increasing notice, the price is cheaper than other rivals and the company are well advertise clearly the product in the website.

As the reult shown above, it could summarize that 64% of the customer are agreed that Akapiman providing a reasonable price compare to other competitors. The company also offered quality product and product needed by customer such as Shimano, Ace Tackle, Jansen and others. The customer believes that the brand related with the price offered and trusts in high quality. The company also creates a customer trust in terms on no hidden cost without prior notice to the customer. It also support by 15% strongly agree respondent regarding the price factor. For 19% respondent, they are disagreeing about the price factor that some of them think that the price are expensive or not reasonable for some products. The factor maybe could happened if they customer are first time buyer and not compare the price with other competitors.

Table 5- Promotion

Items	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	**Total**
Good promotion	4	3		39	4	**50**
Website not familiar	3	33	1	13		**50**
Passive promotion	13	43		4		**50**
Information not update		23		24	3	**50**
No discount for regular customer	11	37	3			**50**
No discount for repeat order	8	41	1			**50**
No information through email	15	35				**50**
No aggressive promotion ex : free gift/ lucky draw/bonus coupon	11	36	3			**50**

The next factor is promotion. From the table below, the number of respondent are mostly felt that the company are not well enough in doing aggressive promotion through online. The highest respondent comes from passive promotion criteria which represent 43 out of 50; felt that the company is not struggle to promote their website to other customer. Some of them felt the website is not familiar by some user and only known among the fishing friend or colleague.

As the result above, the highest scale is no 2 represent the agree part. The 61% respondents, represent the customer are agree that the company weakness is promotion part. The previous factor which is product and price didn't affect the business but in terms of promotion failure, it could be an important factor to ensure the business lifecycle is going further and develop in the future. Most of the customer also strongly agrees (1) which represents 16% of total respondent regarding the passive promotion. Beside that, the company also not creating good relationship with customer especially in giving discount or special price for regular customer. This is one of the obstacles that come out from this study. Only 20% are disagreeing about the passive promotion. Based on the previous journal written

by Cristina et.al (1997), stated that 96% of the firm are using the internet as important base for marketing, advertising and information gathering. The marketing part involves the promotion method, so could give a big impact to the company. Through promotion also, the internet has increased effectiveness and efficiency in communicating with customers (Hardaker and Graham (2004) in Harridge S. 2006).

The next factor is place that represents the website of the company. Since it is a virtual business, the question are mostly based on the website, tracing address, domain name and the feature of the website whether could attract the customer or not.

Table 6-Place

Items	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Interesting website	5	39	1	5		50
User friendly instruction		33		15	2	50
Good domain name(tracing address)		24		26		50
Customer service column	4	24		16	6	50
Too many page to surf	3	12		23	2	50
Easy to access the website	35	12		3		50

The place factor is mostly related with the website since it is an online business. There are 6 criteria that cover mostly regarding the domain name, surfing page, instruction and customer service column. Most of the customers are agree that the company provide a user friendly instruction, easy domain name and interesting website. The result was shown on the table 8.1:

As the result above, only 50% are agreed represent the number of respondent about the interesting website, user friendly instruction, provide customer service column and easy to access the website. Disagree part that represent 30% from total respondent comes from the dissatisfaction about tracing website address and many page to surf the product or information. Overall result for place factor shows that the customers is comfortable about the website feature and can fulfill their need in purchasing items online. The important thing for place factor is domain name, weather easy or difficult to search either by current engine operator such as Google, Yahoo or MSN.

Table 7 - Security

Items	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	**Total**
Trust in credit card transaction	8	29		13		**50**
Good firewall to block any spam/virus		37	2	11		**50**
Good security especially in avoiding fraud	3	27	11	9		**50**
Trust in private and confidential information	4	22	3	21		**50**
Trust in cash transaction interbank	3	22		25		**50**
Good antivirus		27		23		**50**

The last factor is internet security, also important for internet business. The security in online business are mostly covers the important criteria such as credit card transaction, firewall in avoiding any virus or spam by hackers, security in preventing any fraud from others, private and confidential information, and also cash transaction especially for local customer using local bank for example Maybank2u.com or CIMBclick.

Most of the respondent is aware and careful in any online transaction. Based on the result above, it show that some of the respondent are agree with the good firewall setup by the company and trust in giving credit card number by online but some of them are not trusting or worried in transform the cash within the bank in order to avoid any fraud or stolen money from others. Based on the previous literature, stated that the main obstacle that prevents Internet users from transacting over the Internet is security. This issue is not only the major concern among Malaysian

consumers but of users worldwide. Regardless of the reason, security issues have been creating unnecessary anxieties for many businesses and consumers. (Paynter J.et.al 2001)

As the resulte above summarize that 55% of the customer are agreed about 4 criteria from the total of 6. Creating trustee in internet business is important among the seller and buyer in order to activate the business for long term. The seller should prepare a good security and firewall setup in avoiding any virus, spamming or hackers while doing online transaction especially during cash transfer through online. Other people can simply steal the money through computer once the account bank number appears online. The website should have a good firewall and secured website in order to avoid any losses to customer. For the bank users, they need to register a account holder and every transaction needed them to request a pin number in order to avoid any fraud or losses during the transaction. 34% from the respondent are worried or aware about the private and confidential information, due to some cases that happen nowadays especially in stealing other people identity. Curiosity about cash transaction and worried from the respondent especially in Malaysia environment, they are sometime more likely to buy physically rather than virtually. Overall result show that the company aware about customer needs in terms of good security and build a strong firewall to face for any problems.

Result from the survey according to the 4 main factor and security; it can summarize that the main obstacles in online business were the promotion part. Most of the customer is agreed that good promotion will help the business and easy way for customer in doing buying online. The next objective is to identify what criteria that could affect the online business. This part will focus on promotion part, and analyze what are the most criteria in promotion that could give big impact to the business. Table 10 shows the result of promotion element. It consist 8 criteria such as passive promotion, unfamiliar website, difficult to access the address, no discount for regular customer and others. The promotion criteria consist to eight main items. In order to achieve the second objective of this study, all the main elements of promotion was transform in the bar graph. It shown that the P3 that represents 16% from all the criteria which is passive promotion is the main criteria that could affect the online business. Based on the result survey, 43 respondents are agreed that the company is not well enough in promoting their website and product to the others, in order to attract more customers not only for local market but also other country. There are a few reasons why the company is not performing well in their promotion. One of the reasons is the weakness in terms of promotion, limitation of information especially how to penetrate to other place or country globally, small number of customers and small number of product type compare to others.

The third objective is to identify the relationship of obstacles and criteria that could affect the online business. In order to achieve this objective, the Pearson correlation method was used in order to identify the relationship of obstacles and criteria. To do this part, the different survey was done and the sample size is about 25 samples due to time shortage. The simple questionnaire are distributed through online in order to identify which obstacles face by the online business owner, they only have to choose the most one from the 33 criteria from 4Ps to the security.

Correlation

		Obstacle	Criteria
OBSTACLES	Pearson Correlation	1	.984**
	Sig. (2 tailed)	.	.000
	N	30	30
CRITERIA	Pearson Correlation	.984**	1
	Sig. (2 tailed)	.000	.
	N	30	30

** Correlation is significant at the level of 0.01 levels (2 tailed)

According to the table above, the result show by Pearson Correlation for obstacles and criteria show that there is no relationship for both elements. It is because the relationship for the dependent variable (obstacles) and independent variable (criteria) are negative relationship which means that the R value is -.072. Apart from that, it can be summarize that there is no relation between the obstacles and criteria in online business. The variable are not affect the online business and the criteria that discuss before in this study are not much affect the obstacles. This result also depends on number of sample. Only 20 respondent are respond to answer this part, and it the graph shown that the there is no relationship for both element.

The last objective is to create a model based on the findings of this research. As conclusion, the model is promotion is an important element in every marketing or business. Sales promotion is important tools and they command a

greater portion of the marketing budget than advertisement. (Kumar M, Rangachari A., Jhingran A, Mohan R., Sales promotion on the internet , IBM Research Division, TJ Watson Research Center, NY 10598)

SUMMARY AND RECOMMENDATION

The case study indicates that the 4P's are important elements in marketing for business. It is not only applied in current business situation but it also important for online business. Practically, the findings in this study show that the weakness of promotion as part of 4P's is played an important role in business flow. The failure of promotion especially for the new entrant will also affect the overall business cycle. It is important for the entrepreneur to realize that the promotion as a fundamental elements to expose the company to the customers.

In order to see the relationship between obstacles and criteria, it can be said that these both variables are dependent on each other. Without proper planning, it could be a huge obstacle for the company. To enter the new market, the entrepreneur should realize their market segmentation and market needs. They also know the existing rivals and type of business they will involved.

In order to overcome the problem facing by Akapiman Enterprise, one of the methods is improve their current marketing plan in terms of promotion to aggressive promotion especially in competing with other rivals. The suggestion is to penetrate the online market not only focusing in Malaysia, but also to trying to sell the product to other region of the world through online basis.

Other method such as to see the competitors strategy and how they do their promotion and attracting the customer. In online business situation, there is no a boundary or limitation to surfing other website. Every people could see and somehow steal the idea from other web in order to enhance the current website. The important is, the company should see their weakness and improve it plus to see other rival weakness and at the same time trying to grab the opportunity to offer what the rivals don't have.

The company also needs to do some post mortem to identify their problem and at the same time need to overcome the obstacle in order to avoid any failure to all the business flow.

Online business in Malaysia is still new and not much research has been done to study the changes in buying pattern of Malaysia resident especially for online product. This study hope could be a basic reference for next researcher to do other topics in online business. As conclusion, strictly to say that the promotion is an important part of marketing strategy for the newcomers.

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