FKP

EFFECT OF FUNDING METHOD ON DIGITALIZATION AMONG MSMEs

MUHAMMAD FAHMI ADLI BIN MOHD FAZLI
NUR ANIS AQILAH BINTI ROZAIDI
NURWAZANI BINTI JOHARI
TOGESWARI A/P GANESON

DEGREE OF ENTREPRENEURSHIP
(COMMERCE) WITH HONOURS
2024

UNIVERSITI
MALAYSIA
KELANTAN

Effect of Funding Method on Digitalization Among MSMEs

by

Muhammad Fahmi Adli Bin Mohd Fazli
Nur Anis Aqilah Binti Rozaidi
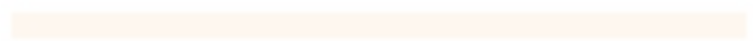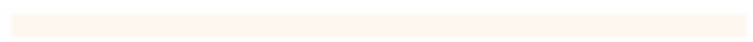**Nurwazani Binti Johari**
Togeswari A/P Ganeson

A thesis submitted in fulfillment of the requirements for the degree of
Entrepreneurship

Faculty of Entrepreneurship and Business
UNIVERSITI MALAYSIA KELANTAN

2024

THESIS DECLARATION

I hereby certify that the work embodied in this thesis is the result of the original research and has not been submitted for a higher degree to any other University or Institution.

☑	**OPEN ACCESS**	I agree that my thesis is to be made immediately available as hardcopy or on-line open access (full text).
☑	**EMBARGOES**	I agree that my thesis is to be made available as hardcopy or on-line (full text) for a period approved by the Post Graduate Committee. Dated from 8 October 2023 until 25 January 2024.
☑	**CONFIDENTIAL**	(Contain confidential information under the Official Secret Act 1972)*
☑	**RESTRICTED**	(Contains restricted information as specified by the organization where research was done)*

I acknowledge that Universiti Malaysia Kelantan reserves the right as follows:
1. The thesis is the property of Universiti Malaysia Kelantan.
2. The library of Universiti Malaysia Kelantan has the right to make copies for the purpose of research only.
3. The library has the right to make copies of the thesis for academic exchange.

_____
SIGNATURE
NAME: MUHAMMAD FAHMI ADLI BIN MOHD FAZLI

_____
SIGNATURE
NAME: NUR ANIS AQILAH BINTI ROZAIDI

_____
SIGNATURE
NAME: NURWAZANI BINTI JOHARI

_____
SIGNATURE
NAME: TOGESWARI A/P GANESON
Date: 25 January 2024

_____
SIGNATURE OF SUPERVISOR
NAME: DR. SITI AFIQAH BINTI ZAINUDDIN
Date: 25 January 2024

ASSESSMENT FORM FOR FINAL YEAR RESEARCH PROJECT: RESEARCH REPORT (Weight 50%)
(COMPLETED BY SUPERVISOR AND EXAMINER)

Student's Name:1. MUHAMMAD FAHMI ADLI BIN MOHD FAZLI   Matric No. A20A2175
          2. NUR ANIS AQILAH BINTI ROZAIDI   A20A2310
          3. NURWAZANI BINTI JOHARI   A20A1903
          4. TOGESWARI A/P GANESON   A20A2045
Name of Supervisor: DR. SITI AFIQAH BINTI ZAINUDDIN _____   Name of programme: SAK

Research Topic: EFFECT OF FUNDING METHOD ON DIGITALIZATION AMONG MSMES

NO.	CRITERIA	PERFORMANCE LEVEL				WEIGHT	TOTAL
		POOR (1 MARK)	FAIR (2 MARKS)	GOOD (3 MARKS)	EXCELLENT (4 MARKS)		
1.	**Content (10 MARKS)** (Research objective and Research Methodology in accordance to comprehensive literature review) Content of report is systematic and scientific (Systematic includes Background of study, Problem Statement, Research Objective, Research Question) (Scientific refers to researchable topic)	Poorly clarified and not focused on Research objective and Research Methodology in accordance to comprehensive literature review.	Fairly defined and fairly focused on Research objective and Research Methodology in accordance to comprehensive literature review.	Good and clear of Research objective and Research Methodology in accordance to comprehensive literature review with good facts.	Strong and very clear of Research objective and Research Methodology in accordance to comprehensive literature review with very good facts.	____ x 1.25 (Max: 5)	
		Content of report is written unsystematic that not include Background of study, Problem Statement, Research Objective,	Content of report is written less systematic with include fairly Background of study, Problem Statement,	Content of report is written systematic with include good Background of study, Problem Statement,	Content of report is written very systematic with excellent Background of study, Problem	____ x 1.25	

i

No.	Criteria	Sub-criteria					Marks
			Research Question and unscientific with unsearchable topic.	Research Objective, Research Question and less scientific with fairly researchable topic.	Research Objective, Research Question and scientific with good researchable topic.	Statement, Research Objective, Research Question and scientific with very good researchable topic.	(Max: 5)
2.	**Overall report format (5 MARKS)**	*Submit according to acquired format*	The report is not produced according to the specified time and/ or according to the format	The report is produced according to the specified time but fails to adhere to the format.	The report is produced on time, adheres to the format but with few weaknesses.	The report is produced on time, adheres to the format without any weaknesses.	____ x 0.25 (Max: 1)
		Writing styles (clarity, expression of ideas and coherence)	The report is poorly written and difficult to read. Many points are not explained well. Flow of ideas is incoherent.	The report is adequately written; Some points lack clarity. Flow of ideas is less coherent.	The report is well written and easy to read; Majority of the points is well explained, and flow of ideas is coherent.	The report is written in an excellent manner and easy to read. All of the points made are crystal clear with coherent argument.	____ x 0.25 (Max: 1)
		Technicality (Grammar, theory, logic and reasoning)	The report is grammatically, theoretically, technically and logically incorrect.	There are many errors in the report, grammatically, theoretically, technically and logically.	The report is grammatically, theoretically, technically and logically correct in most of the chapters with few weaknesses.	The report is grammatically, theoretically, technically, and logically perfect in all chapters without any weaknesses.	____ x 0.25 (Max: 1)

			No or incomplete	Incomplete reference	Complete reference	Complete reference		
		Reference list (APA Format)	No or incomplete reference list.	Incomplete reference list and/ or is not according to the format.	Complete reference list with few mistakes in format adherence.	Complete reference list according to format.	____ x 0.25 (Max: 1)	
		Format organizing (cover page, spacing, alignment, format structure, etc.)	Writing is disorganized and underdeveloped with no transitions or closure.	Writing is confused and loosely organized. Transitions are weak and closure is ineffective.	Uses correct writing format. Incorporates a coherent closure.	Writing include a strong beginning, middle, and end with clear transitions and a focused closure.	____ x 0.25 (Max: 1)	
3.	**Research Findings and Discussion (20 MARKS)**		Data is not adequate and irrelevant.	Data is fairly adequate and irrelevant.	Data is adequate and relevant.	Data is adequate and very relevant.	____ x 1 (Max: 4)	
			Measurement is wrong and irrelevant	Measurement is suitable and relevant but need major adjustment.	Measurement is suitable and relevant but need minor adjustment.	Measurement is excellent and very relevant.	____ x 1 (Max: 4)	
			Data analysis is inaccurate	Data analysis is fairly done but needs major modification.	Data analysis is satisfactory but needs minor modification.	Data analysis is correct and accurate.	____ x 1 (Max: 4)	
			Data analysis is not supported with relevant output/figures/tables and etc.	Data analysis is fairly supported with relevant output/figures/tables and etc.	Data analysis is adequately supported with relevant output/figures/table and etc.	Data analysis is strongly supported with relevant output/figures/table and etc.	____ x 1 (Max: 4)	

		Interpretation on analyzed data is wrong.	Interpretation on analyzed data is weak.	Interpretation on analyzed data is satisfactory.	Interpretation on analyzed data is excellent	____ x 1 (Max: 4)	
4.	**Conclusion and Recommendations (15 MARKS)**	Implication of study is not stated.	Implication of study is weak.	Implication of study is good.	Implication of study is excellent	____ x 1.25 (Max: 5)	
		Conclusion is not stated	Conclusion is weakly explained.	Conclusion is satisfactorily explained.	Conclusion is well explained.	____ x 1.25 (Max:5)	
		Recommendation is not adequate and irrelevant.	Recommendation is fairly adequate and irrelevant.	Recommendation is adequate and relevant.	Recommendation is adequate and very relevant.	____ x 1.25 (Max:5)	
						TOTAL (50 MARKS)	

UNIVERSITI

MALAYSIA

iv

KELANTAN

ACKNOWLEDGEMENT

First and above all, we praise God, the Almighty for providing us this opportunity and granting us the capability to proceed successfully. This thesis appears in its current form due to the assistance and guidance of several people. We would therefore like to offer our sincere thanks to all of them.

Firstly, we would like to express my sincere gratitude to our main supervisor Dr. Siti Afiqah Binti Zainuddin for accepting us as a degree student, continuous support for our study and related research, for her patience, motivation, thoughtful guidance, critical comment, and immense knowledge. Her guidance helped us throughout the research and writing of this report. We could not have imagined having a better advisor and mentor for degree study. We would like to extend our thanks to our examiner Dr. Nur Amirah Binti Mohd Yaziz for spending her time and evaluating this project.

We also want to thank the Faculty of Entrepreneurship and Business of Universiti Malaysia Kelantan for giving the opportunity to conduct this project with most recent format on this project as well we glad to Universiti Malaysia Kelantan library for prepare a convenient platform to gather relevant information on our final year project.

We want to express our deep thanks to every MSMEs in Malaysia for insightful comments and constructive suggestions not only concerning the structure and wording but also the content of the thesis with their professional experience and extensive knowledge of research methodology, especially in research of funding method on digitalization among MSMEs in Malaysia.

Finally, my appreciation also extends to our family members and colleagues for giving us moral support throughout this journey.

TABLE OF CONTENTS

xi

LIST OF TABLES

LIST OF FIGURES

LIST OF FORMULAS

xvi

LIST OF ABBREVIATIONS

UMK	Universiti Malaysia Kelantan
MSMEs	Micro, Small and Medium-Sized Enterprises
TPB	Theory of Planned Behaviour
SPSS	Statistical Package for the Social Sciences
SMEs	Small and Medium-Sized Enterprises
QRIS	QR Code Indonesian Standard
TRA	Theory of Rational Action
MECD	Ministry of Entrepreneur and Cooperative Development
BSI	Bank Syariah Indonesia
H1	Hypothesis 1
H2	Hypothesis 2
H3	Hypothesis 3
H4	Hypothesis 4
H5	Hypothesis 5
A	Attitude
SN	Subjective Norms
PBC	Perceived Behaviour Control
FS	Funding Structure
SOF	Source of Funding
IV	Independent Variable
DV	Dependent Variable

ABSTRAK

MENYIASAT KESAN KAEDAH PEMBIAYAAN TERHADAP DIGITALISASI DALAM KALANGAN PKS

Perusahaan Mikro, Kecil dan Sederhana (PKS) telah menjadi platform perniagaan baru muncul yang penting dalam pasaran untuk usahawan pemula dan usahawan kecil. Memandangkan tempoh era globalisasi dan perkembangan dalam pelaksanaan digital, satu jalan yang boleh digunakan oleh usahawan untuk membina perniagaan mereka ialah pembiayaan. Kajian ini bertujuan untuk menyiasat kesan kaedah pembiayaan terhadap pendigitalan dalam kalangan Perusahaan Mikro, Kecil dan Sederhana (PKS) di Malaysia. Selain itu, 'Theory of Planned Behaviour' (TPB) telah dilaksanakan dalam kajian ini. Kajian itu akan mengambil sampel 384 peserta yang menjalankan perusahaan mikro, kecil dan sederhana. Data akan dikumpul melalui tinjauan 'Google form' yang menggunakan pendekatan penyelidikan kuantitatif. Teknik persampelan yang digunakan dalam penyelidikan ini adalah berasaskan persampelan bukan kebarangkalian yang dikenali sebagai persampelan kemudahan. 'IBM Statistical Package for the Social Sciences' (SPSS) versi 26 telah digunakan untuk menganalisis data yang dikumpul. Deskriptif, kebolehpercayaan, akan digunakan untuk menganalisis data. Hasil kajian menunjukkan bahawa pembolehubah tidak bersandar iaitu sikap, norma subjektif, kawalan tingkah laku yang ditanggap, struktur pembiayaan dan sumber pembiayaan mempunyai signifikan terhadap pembolehubah bersandar pendigitalan dalam kalangan PKS. Kajian ini juga menyumbang kepada literatur akademik dengan hasrat untuk menerima pakai pembiayaan tertentu untuk pendigitalan dalam Perusahaan Mikro, Kecil dan Sederhana (PKS). Kajian ini menawarkan cadangan kepada semua aspek masyarakat tentang cara menggunakan pembiayaan untuk menggalakkan usahawan melibatkan diri dalam pemasaran digital yang berkesan dan mengembangkan perniagaan. Selain itu, kajian ini telah diteliti untuk implikasi, batasan dan cadangan selanjutnya.

Kata kunci: Kawalan tingkah laku yang dirasakan, norma subjektif, sikap, struktur pembiayaan dan sumber pembiayaan

ABSTRACT

INVESTIGATING THE EFFECT OF FUNDING METHOD ON DIGITALIZATION AMONG MSMES

Micro, Small and Medium-Sized Enterprises (MSMEs) have become a significant emerging business platform in the market for start-up and small entrepreneurs. Considering the globalization era duration and the developments in digital implementation, one avenue that entrepreneurs may use to build their businesses is funding. This study aims to investigate the effect of funding methods on digitalization among Micro, Small and Medium-Sized Enterprises (MSMEs) in Malaysia. Besides that, the Theory of Planned Behaviour (TPB) was implemented in this study. The study will recruit a sample of 384 participants who run micro, small, and medium enterprises. Data will be collected through a Google Form survey which is in a quantitative research approach. The sampling technique used in this research is based on non-probability sampling which is known as convenience sampling. The IBM Statistical Package for the Social Sciences (SPSS) version 26 was used to analyze the data collected. Descriptive, reliability, will be used to analyze the data. The results demonstrated that the independent variables which are attitude, subjective norm, perceived behavioural control, funding structure, and source of funding have as significant on the dependent variable of digitalization among MSMEs. This study also contributes to academic literature with the intention to adopt certain funding for digitalization in Micro, Small and Medium-Sized Enterprises (MSMEs). This study offers suggestions to all aspects of society on how to adopt funding to encourage entrepreneurs to engage in effective digital marketing and grow the business. Also, the study was examined for further implications, limitations, and recommendations.

Keywords: Attitude, funding structure, perceived behavioural control, subjective norm, and source of funding.

CHAPTER 1

INTRODUCTION

1.1   Research background

The study's background, issue statement, objectives, research questions, scope, importance, and operational definitions are the eight major elements that make up the study's introduction in chapter 1. The performance of the SME sector is important to the performance of a country. Most businesses worldwide are small and medium-sized enterprises (SMEs), making up the third biggest industry in Malaysia. SMEs also act as a haven for aspiring entrepreneurs and suppliers of solutions to issues related to labor shortages and marketing expansion. The significance of SMEs in the advancement of the economy, the fight against poverty, the creation of jobs, productivity, technological innovation, and the enhancement of social standing has been demonstrated and acknowledged on a worldwide scale in both developing and rising economies.

Due to their flexibility, SMEs sometimes have a significant advantage over larger rivals since they can quickly adjust to changing market conditions and are prepared to weather difficult economic times (Kayanula & Quartey, 2000b). Kotha and George (2012)

shown that business owners with prior start-up experience are better able to secure capital from official and informal sources than those without such expertise.

MSMEs can also provide innovative work that supports attempts to preserve and advance aspects of regional heritage and culture in the interim. On the other hand, MSMEs can absorb the labor force on a large scale to provide employment opportunities to all Malaysians and be able to alleviate unemployment among them. Recently, based on Bernama news in the portal of SMECorp CEO of SME Corporation gives an opinion on Funding option and Grants which could embrace more to digitalization wise among MSMEs (Nobody, 2015).

Despite their little size, SMEs are essential to an economy. They outnumber large companies, employ a sizable staff, and have an entrepreneurial spirit that spurs innovation. Small and medium-sized firms are more common in industries with lower labor costs and lower initial investment needs; however, they may be found in almost any sector.

Basically, in Malaysia MSME owners are accessing internal and external funding methods but most micro entrepreneurs prefer to access internal funds from their own money, relatives, friends, family, and crowdfunding. Digitalization, defined as the exploitation of digital potential or digitalization, is based on the process of transforming traditional data into digital information sets (Rachinger et al., 2019). Most MSMEs owners nowadays want to go digitally and the digitalization implementations that MSME owners adopt such as developing online databases, online payment methods (QR code) and so on.

2

MSME owners must consider fundings and specific training when they have intention to adopt and implement digitalization in terms of preparations of employees and facilities.

Digitalization implementation in Indonesia is improve in terms of payment method where a planned and methodical collaborative cooperation effort between Bank Indonesia and the federal government and local governments will be instructed to improve MSMEs' access to banking institutions; sector and markets, as well as digital payments channels created by installing QRIS (QR Code Indonesian Standard) (Nobody, 2020). the Indian government uses open APIs to develop cutting-edge digital commerce. According to Maru (2023), to encourage digital inclusion of the digital economy in SMEs, products, and services. Meanwhile, Malaysia has the support from SMECorp, MTDC, MARA, TEKUN and so on. In addition, most MSMEs companies, especially micro enterprises, have difficulty accessing external fundings because of high interest rates and high procedures. Therefore, this research focuses on factors of funding methods for digitalization of MSMEs. Hence, the factors are attitude, subjective norms, perceived behaviour control, funding structure, and source of funding.

1.2 Problem statement

Capital limitations are a common problem for MSMEs. Improvements to their look might discourage impoverished MSMEs from using financial services. Understanding how funding methods impact MSMEs' digitalization and ability to operate financially and sustainably was the research aim, given the close relationship between these two concerns.

3

To look at the significant relationship between MSMEs' financial performance and sustainability, these problem statements were gathered and reviewed.

Government funding has a good effect on innovation. Innovation mediation is anticipated to maximize the impact of subsidies and incentives from the government on enhancing corporate performance. It is possible to provide chances for innovation and improved company performance through the provision of financial resources. The obstacles MSMEs have faced in obtaining additional funding have hindered the growth of their enterprises. Additional ways that the government may assist innovation include offering incentives to MSMEs that have succeeded in innovating, as well as designing regulations and training programs that encourage innovation. When financial and nonfinancial incentives are offered to MSMEs businesses, funding activities and government involvement are inextricably linked.

A lack of financial literacy, poor cash management, incorrect saving practices, and ignorance of various financial loans and instruments. Peer-to-peer (P2P) lending and other internet loans pose significant obstacles for MSMEs, incentivizing them to explore alternative finance sources with greater funding prospects. When faced with resource constraints, small and young businesses sometimes resort to financial bootstrapping. Subsequently, working money for MSMEs' promotional activities might be obtained through government subsidies. MSMEs may improve their performance by identifying opportunities, threats, weaknesses, and strengths with the help of management training. It

4

is vital as the mix of non-financial and financial assistance will boost MSMEs' commercialization, sales growth, and the ability of MSMEs to survive.

1.3 Research questions

To achieve the goal of the research questions that need to be solved are:

i. Is attitude influencing MSME owners on intention to adopt certain funding method of digitalization?

ii. Is subjective norms influencing MSME owners on intention to adopt certain funding method of digitalization?

iii. Is perceived behavioural control influencing MSME owners on intention to adopt certain funding method of digitalization?

iv. Is funding structure influencing MSME owners on intention to adopt certain funding method of digitalization?

v. Is the source of funding influencing MSME owners on intention to adopt certain funding method of digitalization?

5

1.4 Research objectives

Understanding funding method characteristics on MSME digitalization implementation is the focus of this article.

The objectives of this study are:

i. to determine the influence of the attitude of MSME owners on intention to adopt certain funding method of digitalization.

ii. to examine the influence of the subjective norm of MSME owners on intention to adopt certain funding method of digitalization.

iii. to examine the influence of perceived behavioural control of MSME owners on intention to adopt certain funding method of digitalization.

iv. to examine the influence of funding structure of MSME owners on intention to adopt certain funding method of digitalization.

v. to examine the influence of source of funding of MSME owners on intention to adopt certain funding method of digitalization.

1.5   Significance of the study

The significance of the study explains the research is important and the contribution to the field. This section highlights the significance of government policy and significance of MSMEs that benefit in the field of micro business society.

In the first place, in terms of the significance of government policy, the government assists the people, thus the government must consider what efforts are made for the people each year. So, the scope provided by the KUSKOP Ministry of Entrepreneur and Cooperative Development (MECD) in Malaysia is to consider what policies, programmes, and initiatives they can implement to assist MSMEs, one of which is to assist MSMEs with digitalization and finance. If this MSME knows that this quantity of financing is insufficient to execute digitalization, it can be raised next year, or if the study shows that the structure has no effect on the digitalization process, another structure may be created. Based on The Star news, Yeoh Seng Hooi, secretary-general of the Small and Medium Enterprises Association (Samenta), stated that SMEs should have more assistance as the RM5,000 award for digitalization and automation is insufficient and suggested to rising the award amount to a minimum of RM50,000 and designating medium-sized entrepreneurs as ineligible, with a concentration on small businesses (San, 2023). If a substantial source of funds, such as crowdfunding, government grants and incentives, venture capital, equity financing, and so on, is available or not, MSME will still conduct digitalization. As a result, policymakers at all levels of government will be affected.

7

Next, in the significance of MSMEs, for example, firm A wants to know how companies B and C are implementing digitalization since it is costly. So, if supply attitude, the research of attitude has an important role and has an influence on the financing strategy that is chosen as well has an intention to adopt funding method. The owner's attitude is usually the owner's own impact on the company. For instance, MSME owners run a family firm and have access to internal funds that they may utilize for certain digitalization initiatives; they don't need to look for or obtain money from outside sources.

Therefore, the performance of MSMEs is critical for the growth of the MSME sector, according to this study looking at the effects of the digital financing approach.

1.6   Scope of the study

The impact of funding techniques on digitalization among Malaysian Micro, Small, and Medium-Sized Enterprises (MSMEs) is the main emphasis of this study. The population of the entire state of Malaysia was used to gather the statistics. It is anticipated that choosing the Malaysian region will facilitate efficient manufacturing and encourage the production of commodities. Additionally, most Malaysians nowadays are interested in business and want to learn more about Micro, Small, and Medium-Sized Enterprises (MSMEs) in order to become successful entrepreneurs. In addition, the researcher is interested in learning different perspectives from Malaysian citizens.

The study will concentrate more on financing strategies for the attitude, subjective norms, perceived behavior control, funding structure, and funding source among Micro,

Small, and Medium-Sized Enterprises (MSMEs) and its impact on digitalization. As a result, the study's respondents include Malaysian citizens who use social media and physical data. Through convenience sampling, it will target people who have become entrepreneurs at various ages. The questionnaire will be distributed to the intended respondents using a single platform, which includes social media sites like Telegram and WhatsApp in addition to Google Forms. Since the study's scope permits the researcher to concentrate on the work within real limits, it has been carefully determined.

1.7   Operational definition

MSMEs: The Micro, Small, and Medium-Sized Enterprises (MSMEs) are integral to the country's economic growth as support systems for industries. Production, manufacturing, and processing of goods and commodities are the activities of these businesses. MSMEs are classified as manufacturing, whose sales turnover is limited to RM50 million or 200 full-time employees; services and other sectors are limited to RM20 million in sales turnover or 75 full-time employees (Nobody, 2020). The sustainability of MSMEs' businesses is crucial since they provide economic growth and jobs in Malaysia. SMEs and MSMEs are the same concept; nevertheless, there are some distinctions in their meaning, objectives, contributions, and financing sources. The two main industries that comprise Malaysian MSMEs are manufacturing and services, along with other sectors. Manufacturing companies handle the physical or chemical conversion of raw materials or component parts into finished goods. All businesses that offer distribution, lodging and

dining, R&D, logistics, warehousing, and other related services are included in the services industry, while the remaining three significant economic sectors are mining, construction, and agriculture that are included in "others." In 2021, there were 1,226,494 MSMEs in total, making up 97.4% of all enterprises in Malaysia (Nobody, 2020).

Digitalization Adoption: For MSMEs, the core of digital transformation is innovation. To improve the customer experience, this phrase describes the transition from paper-based procedures to digital applications. It stands for both organizational culture shifts inside MSMEs and technology advancements and automation. Apart from augmenting the personal qualities of workers, digital skills also help small and medium-sized enterprises remain competitive. Companies may improve consumer engagement, boost productivity, and simplify operations by using digital technology**.** By suggesting and empowering MSMEs with digital tools, applications, and technologies to enhance their production and business processes, thereby increasing their competitiveness (Yip, T., 2023)

Attitude: An indication of attitudes towards the intention to start a business is someone's interest in a business opportunity, their favorable assessment of the business's failure, and their willingness to put their own interests at risk. Attitude is the willingness to respond in a way that expresses appreciation for certain items in the surrounding environment. An individual's attitude is their response to an item in their surroundings; entrepreneurship is the study of these objects (Utami, 2017).

Subjective norm: According to (Ham et al., 2015), Views of individuals who have impacted one another are considered subjective norms. Subjective norms are defined as the opinions that people value highly and that encourage someone to engage behaviors. Subjective social norms are the ideas that an individual has about significant individuals and the reasons behind their motivation to believe that way.

Perceived behaviour control: As stated by Ajzen (1998), "this factor refreshes to the perceived ease or difficulty performing the behaviour and it assumes to reflect past experience as well as anticipates impediment and obstacles." This is the definition of behavioural control. In other words, these factors represent the perceptions of how difficult or impossible an action would be to perform, as well as the assumption that experience and the anticipation of obstacles are reflected.

Funding structure (Crowdfunding): Crowdfunding became popular in 2009 and during the financial crisis. This was mainly because of the new regulations, strict controls, governance, and new systems that regulators imposed. Due to these restrictions, financing became more expensive, and as banks and angel investors were unprepared for the financial shock, entrepreneurs started searching for alternate sources of capital, mostly from the public (crowd). Conversely, crowdfunding platforms showed a tendency of traction and expansion, drawing in new clients on the supply and demand sides with flexible pricing and a range of models according to investors' risk tolerance. (Lasheen, 2021)

11

Source of funding: To start and initially operate their businesses, MSMEs are less likely than large companies to be able to secure bank loans; instead, they must rely on internal capital or money from friends and family. Throughout their existence, companies often have recourse to many types of financing. The entrepreneur's own resources are initially the most prevalent kind and might be supplied as the business owner's personal loan, which they thereafter hold ownership stakes in their company. Moreover, startups might have access to resources from friends and family, could be given donations from the government, charitable foundations, or raise money using reward-based crowdfunding websites (Bhattacharya & Londhe, 2014).

1.8   Organization of the study

The study's title, background, problem statement, research questions, research purpose, scope, importance, definition of terms, and proposal organization are all provided in the first chapter together with an introduction. The study's background provides a brief synopsis of the research issues addressed as well as the context for the data that forms the basis of the investigation. Identifying the issue and narrowing it down so that it may be investigated methodically is the goal of a problem statement. Data analysis is used to address the research topic that arises. The study aims to elucidate the researcher's objectives and provide a rationale for the research's continuation from inception to completion. The study's scope outlines the criteria that will be in place and the depth to which the research will be examined in the project. The study's relevance is to explain how it may benefit Micro, Small, and Medium Enterprise (MSMEs) entrepreneurs on digitalization

12

implementation. Ultimately, the meanings of terms provide a comprehensive understanding of the terminology used in this book.

The second chapter includes an introduction to the literature review, a synopsis of previous studies on the subject, a gap analysis of the literature, a theoretical framework and conceptual underpinnings, important findings, and trends in the literature. Finally, the chapter is summarized. In this section, independent and dependent variables have been described. Lastly, the discussion of independent and dependent variables contributed to the development of specifics on the conceptual framework and hypothesis statement.

The methodology, study design and approach, sampling strategy and sample size, data collection techniques, data analysis plan, and explanation for the methodology selection are all covered in the third chapter. Finally, the projected outcome based on the data we obtained is presented. This chapter has identified the research approach. To show how the hypothesis was understood, it will explain how the questionnaire is completed. This chapter will also cover the statistical analysis approaches that researchers employ.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher will be clearly studying the effects of funding methods on digitalization among MSMEs to meet the objectives of the research. This chapter includes a literature review, an underpinning review, a conceptual framework, the formulation of a hypothesis, and the chapter's general conclusion. A literature review is a written summary of significant publications and additional information on a positive topic. The review might include theoretical articles, journal papers, government reports, websites, and other materials. A literature review gathers current, relevant research on the topic at hand and synthesizes it into a thorough summary of what is known in the field. This review of the literature will prepare us to present our own views on the subject or to do original research. Literature exists to entertain and gratify readers' aesthetic desires.

2.2 Underpinning Theory

Before explaining basically what theory is used in this research method, this theoretical concept can indeed be defined or translated at several sentence levels. Theory is a conceptual system that connects something for the purpose of understanding something in the study. If no theoretical concept exists, then research related to the concept cannot be carried out (Ajzen, 1985).

The social cognition theory known as the Theory of Planned Behavior (TPB), which was created by Ajzen in 1985, is used in social psychology to explain the complexity of rationally motivated human behaviour. This theory is a development of the previous theory of rational action (TRA), which contends that people have control over their conduct and acknowledges intent to act as the primary factor influencing behavior prediction (Taing & Chang, 2020). To determine the effect of financing options MSMEs' for digitalization, this study applies the Theory of Planned Behavior (TPB).

Three elements determine intents, which in turn drive behaviours attitudes, perceived behavioural control, and subjective norms (Ajzen, 1991). These factors make up the theory of planned behaviour. In addition, depending on how much an individual can control their behaviour and how well perceived behavioural control represents real behavioural control, external influences may directly push or inhibit behaviours, regardless of the intention.
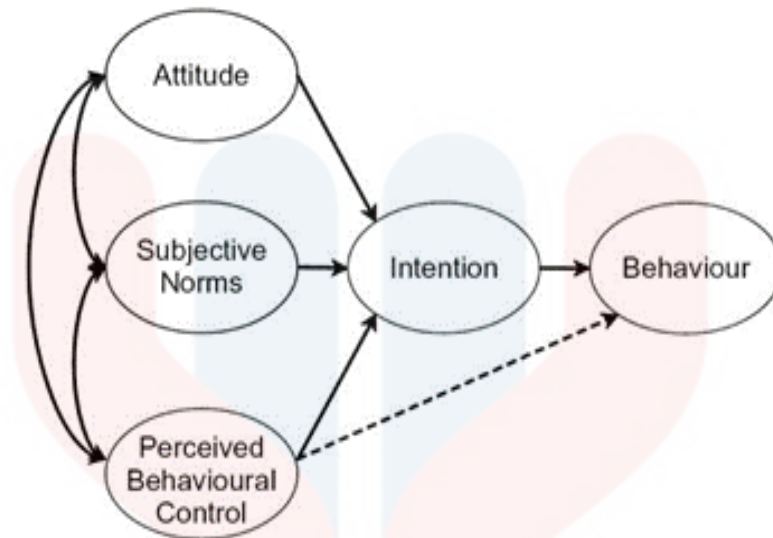
Figure 2.1: Theory Planned Behavior (TPB)

The theory of planned behavior is one of the psychological theories which is best supported by predicting the behavior of every human being (Sommer, 2011). This theory also provides rich information from various human social aspects compared to other theoretical models, to predict human behavior (Mathieson, 1991). The main components of the Theory of Planned Behavior (Attitudes towards Behavior, Subjective Norms, and Perceived Behavioral Control) as designed by Fishbein and Ajzen (2011) and background factors are presented in Figure 2.1. Attitude towards Behavior measures the degree to which a person has a negative or positive evaluation of his or her performance from a behavior. Subjective Norms refer to what individuals believe other important people in their lives think about whether that individual should perform a behavior.

16

2.3   MSME Digitalization and Funding Methods

Funding method for digitalization is a digital transformation to secure financial resources and improve consumer engagement, boost productivity, and simplify operations by using digital technology (Yip and T, 2023). Because of the current financial and health issues, many MSMEs are undergoing a huge change that is characterized by instability and uncertainties. In this global climate, MSMEs need to become more competitive to survive greater levels of volatility and unpredictability. To address undercapitalization issues brought on by knowledge asymmetry, inadequate assurances, and resource availability limits, new finance strategies and financial innovations are required. Previous studies have shown that funding was more challenging for innovative enterprises before the financial crisis. But no research has examined how the crisis has impacted creative enterprises in a new way. Due to a lack of funding, microbusiness owners nevertheless have major challenges, much as those of small and medium-sized businesses. That is, an organization's ability to identify and seize fresh, untapped possibilities is diminished in the absence of information. Funding method for digitalization is a digital transformation to secure financial resources and improve consumer engagement, boost productivity, and simplify operations by using digital technology.

2.3.1 Attitude

Ajzen (1991) defined attitude as an individual's feelings about engaging in a particular action, regardless of their personal preferences. This reveals the thoughts and feelings of the individual regarding the conduct in issue. In the other definition, attitude is conceptualized as the extent to which an individual has a positive or negative tendency towards exhibiting a behavior (Kolvereid, 1996). According to Devi (2023), this theory also explains factors that influence individual decisions and actions, including in the context of Micro, Small and Medium Enterprises (MSMEs). According to Karimi & Walter (2021), entrepreneurs who possess a strong sense of entrepreneurship are typically more receptive to new ideas and technological advancements. The conclusions drawn from Devi's (2023) observation reveal that certain MSMEs have recently embraced digital banking services. This acceptance might be ascribed to the fact that banks and microfinance organizations have given these businesses financial support. They discovered that a sizable percentage of MSMEs in Aceh had partnered with financial institutions that adhered to Sharia law, such as Bank Aceh and BSI (Bank Syariah Indonesia). MSMEs are taught how to use QR code services for payment transactions in addition to getting loans. It means the company uses the funding method offered to develop their businesses. According to Fahmi & Savira (2021), every entrepreneur value digital technology differently and sees distinct advantages in it, such as more market potential, fresh ideas for businesses, and diversity. Entrepreneurs who view digital technology as a useful tool for growing their companies are more interested in learning more about its advantages. It has been demonstrated that

18

attitudes have an impact on MSMEs' intentions to use certain finance strategies for digitization.

H1: Attitude has a positive impact on intention to adopt certain funding method of digitalization.

2.3.2   Subjective Norm

Because humans are social beings, the social norms in their environment have a significant impact on their daily life (Hardi, 2022). Subjective norms demonstrate the appropriateness of the reference group's influence and the actions of an individual who abides by it. Subjective norms are opinions that people value and that urge someone to do or not do specific behaviors. They also refer to motivation and the readiness to do or not do something that is deemed significant (Ham et al., 2015) defines subjective norms as a person's views about how and what to think about others who are significant to them and who inspire them to think the way they do. Individual opinions in business are influenced by the support and conviction of friends, family, or other persons who hold special meaning for them (Utami, 2017). The impact of subjective standards on SMEs' decisions about financing access has been covered in earlier research. Researchers Din and Nuh (2019), (Muthmainah & Cholil, 2015), and Turyahikayo (2015) have all looked at the connection between subjective norms and the intention of entrepreneurs to look for funding. The views of MSME owners on the usage of internal capital and private equity influence financial decisions, according to these writers. The decision to choose self-funding is influenced by

social factors as well. According to Brettel et al. (2009), small and medium-sized business owners will be in favor of private financing activities if they believe that their friends, family, and other significant entities concur and support the use of private equity. One primary means of funding small and medium-sized businesses (MSMEs) is through bank loans. Banks, however, could need collateral as a guarantee before offering financing due to firm-size constraints. Using private financing instead of the conventional method is linked to some business owners' behavioral tendencies. Hence, this demonstrates how the intention of MSMEs to embrace finance methods for digitization is tied to subjective norms.

H2: Subjective norms has a positive impact on intention to adopt certain funding method of digitalization.

2.3.3   Perceived Behaviour Control

Perceived behaviour control is a person's view of how simple or difficult it is to carry out a given behavior depending on their background, resources, talents and plays an important role in the theory of Planned Behaviour (TPB) (Ajzen, 1991). Based on the Theory of Planned Behaviour (TPB), perceived behavioral control is referred to as people's perception of the ease or difficulty of performing the behaviour of interest (Ajzen, 1991). In the other context, the definition of behaviour in general is the conduct of individuals who can see and evaluate business possibilities, acquire the resources required to seize them, and take the necessary steps to guarantee success is referred to as entrepreneurial

20

behavior (Uddin et al, 2023). In this study, despite the convenience and ease of internal funds, MSME owners believe in their own ability to maintain a certain amount each month for savings as well as to gain profits for adopting digitalization implementation. This might involve careful budgeting, cutting back on non-essential expenses; for instance, some owners could send staff training this month and the next month might improve online databases which consider implement and adopt the digitalization one by one slowly. Siddiqui and Khan (2019), find a consistent positive relation between perceived behavior that has influence on their intention towards use and adoption of digital financial services in South Punjab, Pakistan.

Several studies shed light on the factors that influence the adoption of digitalization among MSMEs. There is evidence which controls beliefs and perceived power have greater effects on intention towards adoption of digitalization (Siddiqui & Khan, 2019). Berakon et al. (2021), outlines how the cash-waqf transactions are made up of individual internet proficiency, simple website access, and institutional assistance for the provision of support resources such computers, internet networks, technicians, and training courses. These three aspects indicate individual control in the use of information technology or digital systems. According to Rabaa'i et al. (2024), if people think they have the necessary opportunities and resources, they will sense better control over their conduct and hence have a stronger inclination to utilize mobile payments in MSMEs. It might be difficult for MSME to accept and utilize bank loans, particularly for microbusiness owners. When capital from other sources, such as bank loans or mentorship, proves to be advantageous in terms of

knowledge from angel investors or mentor assistance, MSMEs' owners are free to pursue private equity finance. In general, MSMEs' owners may be encouraged to employ private equity funds if they are able to resolve issues that arise between them, such as miscommunications about contracts, and if they are able to gain control over private equity investors (Kijkasiwat, 2021). Hence, this is shown that the perceived behaviour control influences the intention to adopt certain funding methods of digitalization among MSMEs.

H3: Perceived behavioral control has a positive impact on intention to adopt certain funding method of digitalization.

2.3.4 Funding Structure

Crowdfunding or funding structure is a new avenue for entrepreneurial and project finance that has grown rapidly in recent years, reaching a total of EUR 262 billion in 2016, a 208% rise from EUR 130 billion in 2015. Crowdfunding is the capacity to get money from several supporters, each of whom contributes a relatively little amount, rather than obtaining big sums from a few backers. This procedure is often carried out online and without the use of traditional financial intermediaries (Shneor & Munim, 2019). According to several studies, crowdfunding is the process of using a website platform to gather small sums of money from contributors or investors for a particular project, business venture, or charitable cause (Sulaeman, 2020). Sulaeman 2020 reports that the present study's results indicate an R^2 value of 0.396 for behavioural intention to utilise the model of the zakat-based crowdfunding platform. This indicates that performance expectation, effort

22

expectation, social influence, and facilitating conditions account for 39.6% of the variance in behavioural intention to utilise the zakat-based crowdfunding platform model. For this research study, the behavioural intention Q2 to utilise the zakat-based crowdfunding platform model is 0.273 (higher than zero). As a result, it is possible to conclude that the research model has good predictive relevance. This is shown that crowdfunding influences the intention to adopt certain funding methods of digitalization among MSMEs.

H4: Funding structure has a positive impact on intention to adopt certain funding method of digitalization.

2.3.5 Source of funding

According to Fahmi & Savira (2021), every entrepreneur value digital technology differently and sees distinct advantages in it, such as more market potential, fresh ideas for businesses, and diversity. Entrepreneurs who view digital technology as a useful tool for growing their companies are more interested in learning more about its advantages. It has been demonstrated that attitudes have an impact on MSMEs' intentions to use certain finance strategies for digitization. SMEs may receive funding from outside sources or from inside, per Abbasi et al. (2018b). Longer payment periods reduced working capital, asset sales, investment gains, and accounts receivable are examples of internally produced cash. External sources of funding include friends, family, banks, financial institutions, suppliers, merchants, government agencies, and non-government organizations. Ou and Haynes (2006) claim that equity financing benefits small and medium-sized businesses (SMEs) by

proving to them that they have seasoned financial specialists and by providing long-term capital with low interest payments. Equity finance is suitable for SMEs seeking long-term business investment for growth, sustainable innovation, and value creation since it offers a high risk and return portfolio.

Funds or money borrowed with interest and due within a given time frame are referred to as debt (Abbasi et al., 2018b). Different funding strategies, such as debt and equity, are employed by SMEs from original internal sources. Examples of informal external sources include trade credit, venture capital, angel investors, personal savings and retained earnings of the owner-manager; these sources can also be accessed through the securities market and finance intermediaries, which in turn can be accessed through banks and other official external sources (AbdulSaleh and Worthington, 2013).

H5: Source of funding has a positive impact on intention to adopt certain funding method of digitalization.

2.4 Conceptual Framework

Conceptual framework refers to the assumed relationship between the variables depicted in a conceptual framework. It outlines the pertinent goals for the study of methodology and shows how they fit together to provide logical findings (Swaen, 2022). There are studies that highlight the benefits of the funding method on the digitalization system and the effects on MSMEs. The literature review highlighted that attitude, subjective norms, perceived behavioural control, funding structure and source of funding have a positive relationship on funding methods adopted for digitalization in Malaysia. The suggested Conceptual Framework briefly specifies the form of the study, the direction of the investigation, the format of the study, and the reminder or phase in the study. Hence, based on the conceptual literature review, we constructed the conceptual framework that shows the diagram below a brief concept of the study we conducted which is regarding the relationship between independent variables and dependent variables.

INDEPENDENT VARIABLES   **DEPENDENT VARIABLES**
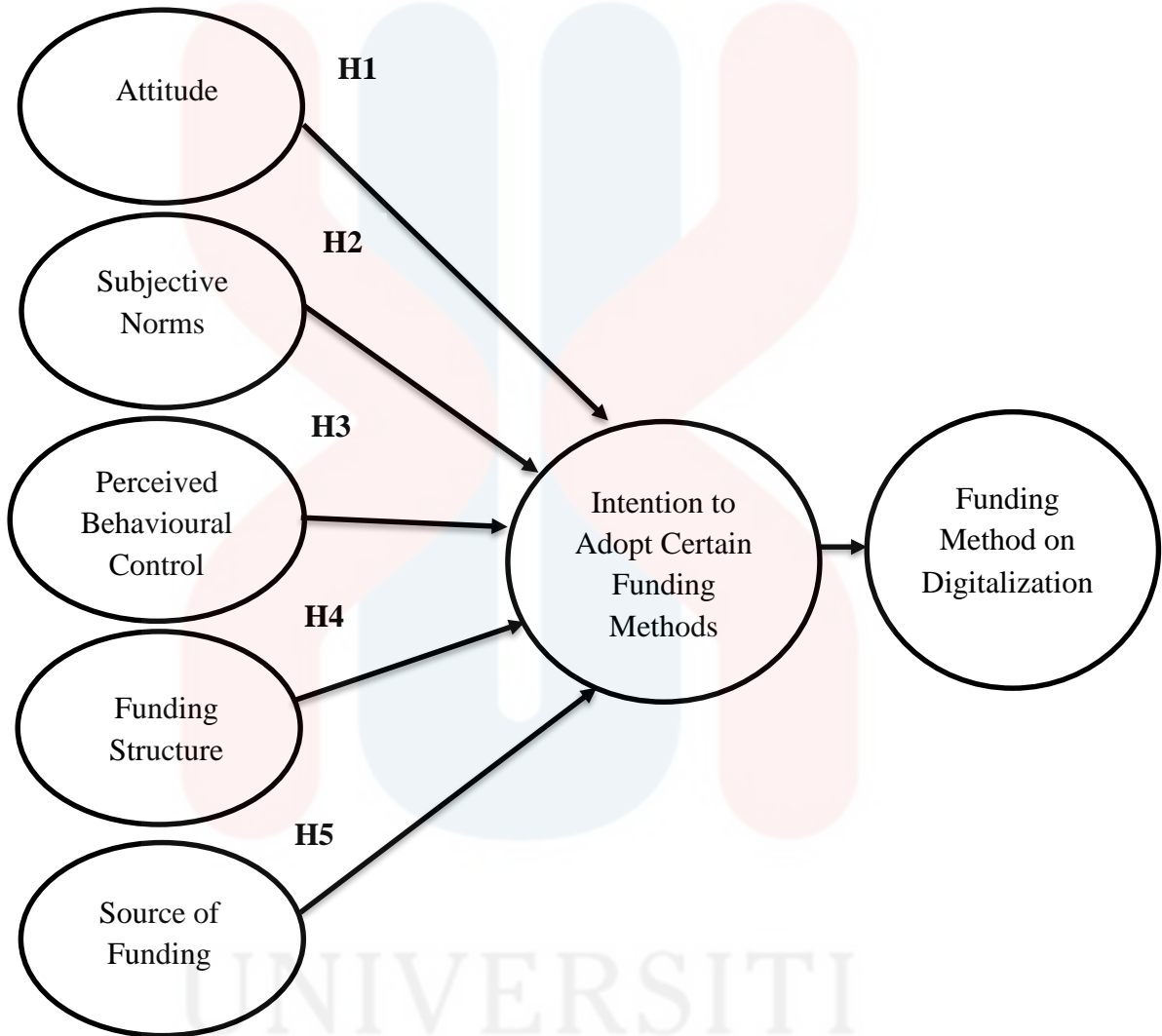
Figure 2.2: Conceptual framework

2.5 Conclusion

MSMEs are particularly vulnerable to external threats due to the "liability of smallness," which indicates that their likelihood of failing is significantly higher than that of bigger, more established companies, especially for the younger, "smaller" MSMEs. For small enterprises, this is much more valid. Small firms are frequently in a less stable position, whereas most bigger organizations have adequate cash flow to cover payroll and keep the lights on. Startups of small businesses have obstacles in gaining the exposure they want due to a lack of funding or cash flow. In addition to differences in size, micro, small and medium-sized businesses also differ in terms of organizational design and methods of conducting business. It follows that the variety and complexity of MSME performance and its determinants are not unexpected. the idea that MSMEs' performance should be understood to be influenced by outside sources. Indeed, the macroeconomic environment and internal considerations both play a big part in MSMEs' success.

CHAPTER 3

METHODOLOGY

3.1 Introduction

A questionnaire will be employed as a quantitative method of data collection in this study. The goal of this study is to talk about the methodological approach used in research on how funding strategies affect digitalization in micro, small, and medium-sized businesses. The research design, data collecting strategies, study population, sample size, sampling procedures, construction of research instruments, measurement of the variables, and data analysis procedure are all covered in detail in this chapter. To ensure that the data gathering method utilized can obtain the necessary information from the insightful replies, research methodology is crucial.

3.2   Research design

This study employs a quantitative research design that places a strong emphasis on objective measurement and the statistical, mathematical, and numerical analysis of information obtained through survey and questionnaire administration. This approach was selected because it guarantees that the information gathered from fieldwork is suitable for addressing issues. A series of inquiries will be turned into a questionnaire in order to gather information from the intended responders. Representatives from the business community will be selected to examine how funding characteristics influence the digitization implementation of micro, small, and medium-sized enterprises. Primary was used in this

study. To bolster primary data collected via an online survey, which is a questionnaire. By examining earlier research publications, researchers may determine the financing strategies for digitization and comprehend appropriate procedures for collecting data. In the meanwhile, questionnaires serve as our main source of data for our study.

3.3   Data Collection Methods

The sampling method and sample size describe the process of selecting participants for the study. According to Kabir (2016), the process of acquiring and assessing the data on correct variables in a scheduled, orderly method to investigate research questions, test Hypothesis, and evaluate results is known as data collecting. The data collection methods describe how data will be collected from the participants. The purpose of data collection must be correct and usable as well very important for the research proposal to complete a task successfully. If a data collection method and ideas are not correct or have some errors, it could not make an achievement for the purposes of the research. Nevertheless, choosing the better data collection tools can reduce the risks of making errors. In this study, researchers collect the data using primary data methods since it is discovered by questionnaire survey. The sampling method that we use for our research is a non-probability method. This method is the easiest and no cost method. For this research, we will be blasted and distributed the google form almost 384 respondents on social media of funding method on digitalization among 1,173,601 MSMEs consumers in Malaysia based

on the data that taken from SMECorp Malaysia official website with selected age group within 18 to 50 above and with sales turnover those who run the MSMEs (Nobody,2020).

3.4   Study Population

Population or universal is the same term that refers to a sustainable group or group that belongs to it such as individuals or objects that meet the criteria and data to generalize the results of the study or it can be refers to the target population that the study aims to investigate, or treat is known as the population of interest (Majid, 2018b). The population of this study is to get about the effect of Funding Method on Digitization Among MSMEs. The population of this study also consists of the whole of Malaysia from all aspects of age. In line with Barnsbee et al (2018), the target population is the group of people who will serve as the foundation for the findings of the intervention research and the participants of the study. A population is all the individuals, objects, or events that the researcher is interested in because they exhibit behaviors or have characteristics (Elfil & Negida, 2016b). The total number of MSMEs in Malaysia is 1,173.601 million, which is 97.4% of total businesses. This population was chosen because as it is known the scope of the study is more extensive, where it helps the researcher with different opinions from various respondents.

3.5   Sample Size

According to Kaur (2021c), finding the appropriate number of samples or data to include in a statistical sample is known as sample size determination. The goal for this study is to learn about the effect of funding methods on digitalization among MSMEs. As the study's population, all MSMEs in Malaysia randomly will be included. The population is symbolized by the letter 'N' and for the sample size the population is symbolized by the letter 'S'. Based on Nizah (2014) the table Krejcie and Morgan, (1970) below shows that respondents for this study will be selected using a sample size of 384 according to the population size of almost 1,173,601 among MSMEs in Malaysia.

31

Table 3.1: Table for identifying the sample by population (Krejcie and Morgan, 1970).

TABLE 1
Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

3.6   Sampling Techniques

According to Sekaran and Bougie (2016), there are two different kinds of sampling procedures used in research: probability sampling and non-probability sampling A non-probability sampling method called convenience sampling selects units for the sample based on which they are easiest for the researcher to get. Choosing respondents according to how well-suited they are for the researcher is known as convenience sampling. There isn't a clear pattern in how these respondents are located; for instance, they might be identified by merely approaching individuals in public places, on the street, or at work. The phrase "random sampling" is frequently confused with it since it is thought that people are being stopped "at random" or awkwardly. In qualitative research investigations, a convenient sample strategy is employed whereby participants are selected based on the ease and convenience of reaching them by the researcher. In this method, participants are selected based on their direct path to the researcher rather than being chosen at random from a wider population (Edgar, 2017).

Convenience sampling is a common technique in industrial user research. Rather than choosing a sample of the population that is representative, when used, the sample of the population that is utilized represents those who were accessible (or those you had access to) at a particular moment in time (Baxter, 2015). Through non-random selection based on convenience or other factors, non-probability sampling enables the researcher to gather data with ease (Combes, 2019). A questionnaire can be created and distributed to the

intended respondents to carry out this kind of sampling. Because the local available target group population is easily selected, the researcher employed this sampling approach.

Apart from that, convenience, purposive, snowball, and quota sampling are the four non-probability sampling methods (Fleetwood, 2023). Convenience sampling is a technique that depends on how easy it is to reach individuals, such as surveying shoppers at a mall or people crossing the street. Because it's so easy for the researcher to conduct and get in touch with the subjects, it's frequently called convenience sampling. For this reason, non-probability sampling approaches are being used by researchers in this study. These are the advantages of convenience sampling:

i. Convenience sampling is often inexpensive, simple, and available topics.

ii. Convenience sampling enables researchers to collect data that would not have been possible without a sample frame.

iii. Convenience sampling can assist in obtaining information that can help formulate a compelling research topic or hypothesis.

3.7   Research Instrument Development

To get a lot of information from a lot of responders, a questionnaire is a useful tool. In the early 1870s, Sir Francis Galton created the questionnaire. With its well-organized sets of questions, it may be used to compare attitudes across various groups, assess Hypothesis, and look at the overall makeup of a population (Horvat, 2011). According to

(Roopa & Rani, 2012), a questionnaire is any written document that asks respondents a series of questions or statements and requests that they either write down their responses or choose from pre-prepared responses. In order to get data from a lot of individuals quickly, a questionnaire is a highly practical tool. To guarantee that correct data is gathered and that the results can be understood and used generally, the questionnaire's design is crucial. Building a conceptual framework is the initial stage in creating a quality questionnaire. The study must be quite explicit about its objectives and the "dependent" and "independent" elements it plans to look at. This framework is crucial since it makes sure all pertinent factors are covered in the research and allows for the exclusion of any extraneous ones.

To make the questions more comprehensible and obvious for all our target respondents of MSMEs owners in Malaysia and we have made the surveys available in both English and Malay. Three components made up the questionnaire. Section A included questions about demographics such as gender, age, race, service industry, educational attainment, average monthly turnover, and financing source for digitization. All the independent variables which are attitude, subjective norms, perceived behaviour control, funding structure, and source of funding that are covered in section B. In section C, the funding method for digitalization among MSMEs is covered as a dependent variable. The following table contains a questionnaire for section A, a questionnaire for section B, and a questionnaire for section C:

35

Table 3.2: Questionnaire Section A- Demographic profile.

Attributes	Distribution
Gender	Male
	Female
Age	18-29 years old
	30 -39 years old
	40-49 years old
	50 years old above
Race	Malay
	Chinese
	Indian
	Others
Educational level	Malaysian Certificate of Education
	Malaysian Higher School Certificate
	Diploma
	Degree
	Master
	PHD

Average monthly turnover of my business	Less than RM 200,000
	Less than RM 250,000
	Between RM200,000 - less than RM1 million
	Between RM250,000 - less than RM 10 million
	Between RM 1 million - RM 5 million
	Between RM 10 million - RM 25 million
Number of employees	Less than 5 employees
	Between 5 - 19 employees
	Between 5 - 50 employees
	Between 20 - 50 employees
	Between 51 - 150 employees
Sector of Business Operated	Primary Agriculture
	Manufacturing (including Agro Based) and Manufacturing -Related Services (MRS)
	Services store (including ICT)
My company already using technology for our business operation.	Yes No

If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.	Limited adoption Moderate adoption Substantial Adoption Advanced Adoption Leading- edge Adoption
My company have been using funding to develop my business digitally in terms of digital payments, infrastructure development, online database and others from: (tick more than one)	Business internal sources Funds from family, friends and relatives Crowdfunding Loan from Bank and other agencies. Other

Table 3.3: Questionnaire Section B – The questionnaire's construct and items.

	IV	
	Attitude	
A1	I think I would like to contribute to adopting funding methods for digitalization in my company	
A2	I have a positive opinion about contributing to funding methods of digitalization	Shneor and Munim (2019)
A3	I think contributing to funding methods of digitalization is beneficial for me.	
A4	Participating in funding methods on digitalization is the right and wise choice	Maulina et al. (2023)

A5	I am happy to participate in the funding method of the digitalization campaign	
	Subjective Norms	
SN1	Failure to establish good contact with the right people resulted in loss of opportunity.	Ahmad and Seet (2009)
SN2	Failure to pick appropriate professionals to support in decision-making	
SN3	Financial decision-making is driven by MSMEs' owners' beliefs about the use of private equity and internal funds	
SN4	MSMEs' owners will be positive toward private financing activities if they feel their family, friends and other important entities agree and support the use of private equity	Kijkasiwat, P. (2021)
SN5	Moving from a traditional approach to using private finance is associated with some behavioral dispositions of business owners.	
	Perceived Behaviour Control	
PBC1	The required resources for digital transformation are available to businesses.	
PBC2	I think enterprises have the requisite knowledge for digital transformation.	Nguyen et al. (2023)
PBC3	Enterprises have the ability to transform digitally.	
PBC4	Enterprises' business strategies include digital transformation.	
PBC5	I believe enterprises are prepared for the ongoing evolution of digital technology.	

		Funding Structure	
FS1	Crowdfunding platform services fulfill the users' expectations.		
FS2	Crowdfunding provides the freedom to use a suitable payment method with minimum costs.		
FS3	Crowdfunding leads to payment efficiency.		Abu Amuna (2019)
FS4	Crowdfunding is suitable for financing small startup projects like MSMEs.		
FS5	Crowdfunding increases the efficiency of financing channels.		
		Source of Funding	
SOF1	Financing from financial institutions is the best source for SMEs.		
SOF2	Subsidies from the government are important for SMEs.		
SOF3	High innovation cost is the main obstacle for SMEs.		Abdul Saleh and Worthington. (2013)
SOF4	Government policies are key elements that influence the success and performance of SMEs.		
SOF5	Warrants are important for SMEs for long-term financing of their businesses.		

Table 3.4: Questionnaire Section C – The questionnaire's construct and items.

	DV	
	Funding method for digitalization	
FMFD1	Financing becomes a major problem in improving MSMEs' competitiveness and financing.	Yoshino, N. and F. Taghizadeh-Hesary. (2016)
FMFD2	Online Financing requirement is easy to fulfill	Karambut, F. (2021)
FMFD3	Without financial support, many MSMEs may not be able to make investments, continue their operations, or even set up a business.	Kijkasiwat, P. (2021)
FMFD4	The digital payment method is something I would be glad to use in my business.	Najib and Fahma. (2020)
FMFD5	Digital payments for business are something that interests me.	

3.8   Measurement of the Variables

Many details about the data may be gleaned via variability, some of which are enumerated here. Among other things, it displays the distance from the distribution's center and the distance between data points. Measure of variation is a way to extract meaningful information from a set of provided data (Patil, 2023). According to Kabir (2016), measurement refers to the relationship among the values that are assigned to the attributes for a variable. External and internal validity are the two major forms of validity (Ursachi et al., 2015). Scientific research typically uses it. Nominal and interval scales (Likert scales) are the measuring levels utilized in this investigation. Section A uses a nominal scale to measure the following: average monthly turnover, gender, age, race, educational attainment, sector services, and financing source for the start-up company. In parts B and C, the interval scale is utilized. The unique qualities of each measuring scale dictate the investigation strategy for the data. I will go into detail on the many scales that were utilized in this survey.

3.8.1   Nominal Scale

In the scale part of this study, the researcher can use the nominal scale technique to facilitate the respondents. As a result, it will make it easier for respondents to choose the right option from the alternative group which has certain attributes. In this nominal scale, it uses labels such as gender, age, race, sector services, educational level, average monthly

turnover, and funding source for digitalization for the startup business. Therefore, respondents have an easy time choosing answers between different groups or classes.

3.8.2 Interval Scale

In this part of the scale, it refers to ideas and not to mathematics such as frequency, satisfaction, happiness. This research scale is a widely used scale that asks the respondent to know everything about the stimulus object. The scale shown here represents seven alternative answers such as 1 means "Strongly Disagree", 2 means "Disagree", 3 means "Somewhat Disagree", 4 indicates "Neutral", 5 indicates "Somewhat Agree", 6 indicates "Agree" and 7 means "Strongly Agree".

Table 3.5: Table of Likert scale

Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

3.9 **Procedure for Data Analysis**

In the research to be done in this study, the data series is a very important thing because it can be an influence on how the data is interpreted. Respondents who will answer this question will receive a set of surveys sent through the application as well as a link related to the questionnaire. The information that has been obtained will then be carried out data cleaning methods and that is very important. This is because the data obtained is not all useful. It is necessary before causing the data to be turned on for analysis.

The data in this study were analyzed by the researcher using SPSS software. IBM SPSS Statistics is a complex and powerful statistical tool by all criteria Reliability analysis, descriptive analysis, Pearson Correlation Method, and Multiplier Linear Regression are the four types of data analysis. Descriptive analysis and inferential analysis are the only two methods the researcher employs while using the SPSS technique.

Using a quantitative technique, the gathered statistics may be altered. The accessible SPSS software was then used to enter all the quantitative statistics that were gathered to do statistical analysis. When analyzing the results of this observation, the interpretation of the responses that were given might be extremely beneficial. Scientists have been actively involved in refining the recently acquired data to offer study results while assessing the material. This is usually used to describe qualitative data that may be gathered from any source that doesn't use a numerical format, such as semi-structured interviews or open-ended questions (Thorne, 2000).

44

3.9.1 Descriptive Analysis

According to Kaur et al. (2018), descriptive statistical variables numerically is that when analyzing these variables, they give special emphasis to two characteristics namely central tendency and variability. The direction of these central trends will all be reversed by the mode, median and mean. Descriptive analysis is a topic where it describes quantitatively the main elements of the collection of information. In this study as well, descriptive statistics are used to reveal common response patterns, summarize, and identify the characteristics of the respondents. In addition, the difference between the highest and lowest values will also be determined by using the dispersion measure. In this study, the classification and explanation of demographic respondent data can be ensured by using this descriptive analysis such as gender, age, race, services sector, educational level, average monthly turnover, and funding source for digitalization for the startup business. Using the variance of the mean table, it is possible to ascertain whether the respondent is likely to agree or disagree with the argument presented in the questionnaire.

45

Table 3.6: Variance of mean score for determine respondent opinion.

Mean	Standard of Agree
7	Strongly Agree
6	Agree
5	Somewhat Agree
4	Neutral
3	Somewhat Disagree
2	Disagree
1	Strongly Disagree

Conversely, inferential analysis looked at the relationship between the independent and dependent variables. The research would use the Pearson Correlation in inferential analysis to determine the strength of the link between the independent variable which are attitude, subjective norms, perceived behaviour control, funding structure, and source of funding of digitalization among MSMEs.

3.9.2 Reliability Test

According to Sekaran and Bougie (2009), states that the reliability test evaluates the consistency of the questionnaire's items. Every questionnaire has been scrutinized and researched, and the results will demonstrate consistency and reliability using an analysis of Cronbach's alpha. The degree of consistency of the measurement tool used to determine

the existence of something and the scale's dependability might be deemed excessive if the alpha cost rises to a value that is closer to +1 (Taber, 2018). Furthermore, according to Taber (2018), the alpha cost for research purposes needs to be at least 0.70, if not higher. This statistical technique is linked to a level devoid of random error, yielding evaluation findings that are consistent.

Table 3.7: Rules of Thumb Cronbach's Alpha (Miremadi et al., 2013)

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to 0.69	Moderate
0.7 to 0.79	Good
0.8 to 0.89	Very Good
0.9	Excellent

3.9.3 Multiple Linear Regression Analysis

Regression analysis uses the relationship between two or more variables to predict a subject by finding adjustments between the variables that have cause-and-effect relationships (Uyanık & Güler, 2013). Multiple linear regression can be used whenever there is a strong relationship between two or more independent variables and one dependent variable and predict the value of the dependent variable when the independent variable has a known value. In this research study researchers are going to predict dependent variables and independent variables. For instance, this study will use Multiplier linear regression to look out attitude, subjective norms, perceived behaviour control, funding structure, and

type of funding that influence the intention of implementing digitization among MSME. Below shows the Multiple regression model of this study as follows:

$$y = \beta_0 + \beta_1 x_1 + \cdots + B_h x_n + \epsilon \tag{3.1}$$

where y is value for estimated dependent variable, βo is estimated regression intercept, $\beta 1$ is coefficient for regression, and $x1$ is value for observation. Lastly, ϵ it refers to error.

3.10   Conclusion

In conclusion, this chapter has explained in detail what was done in this study. The quantitative method to be carried out in this study was also touched upon and explained how it was carried out. The collected data is very important because it will further facilitate the main purpose of the methodology implemented, which is to discuss the research approach in the effect of financing methods on digitization among Micro, Small and Medium Enterprises (MSMEs). An important purpose behind the diversity of knowledge through quantitative or qualitative techniques is to ensure that the honesty of the analytical question is preserved beyond doubt. Data analysis is very important in this research because it makes the burden of the collected learning data less complicated and additionally accurate. To ensure that all objectives are achieved, analysis methodology must play a large role in the research of this study.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1   Introduction

This chapter focuses on the findings and analysis of the information obtained from the questionnaire collecting. In this chapter, the data gathered from 384 respondents who completed the online distribution questionnaire will be examined. The preliminary analysis and the responder demographic profile will be covered in this part. From the frequencies and percentages, one may determine the demographic profile. In the second stage, the descriptive analysis will proceed. The tests for validity and reliability, normalcy, and hypothesis testing will come next. Statistical analysis, which makes use of the Statistics Package for Social Science (SPSS) programme, is used to describe the findings. Every analysis will understand and address the research questions. The parametric approach will be used for further analysis if the samples pass the normality test and are normally distributed. The non-parametric method will be used if not. Since reliability and validity are essential for figuring out whether the samples that were gathered are consistent and legitimate, Cronbach's alpha approach will be employed for the reliability test. Factor analysis will be performed to evaluate the validity of the samples. The correlation test will be used to investigate and analyse the relationship between two variables in more detail.

49

4.2 Preliminary Analysis

A pilot test was carried out for this study to find any questions that might have prospective respondents and to find any issues that could arise throughout the data gathering procedure. Out of 384 responses, the researchers selected 10 to take part in the pilot test poll. The results of the pilot test study are as follows:

Table 4.1: The Results of reliability Cronbach's Alpha Coefficient for the Independent Variables and Dependent Variables

Variable	Dimension	Cronbach Alpha Result	Results	Items
Independent variable	Attitude	0.853	Good	5
Independent variable	Subjective norms	0.925	Excellent	5
Independent variable	Perceived behavioral control	0.918	Excellent	5
Independent variable	Funding structure	0.903	Excellent	5
Independent variable	Source of funding	0.717	Acceptable	5
Dependent variable	Funding method for digitalization	0.812	Good	5
Overall variable				30

The Cronbach's Alpha Coefficient results for the Independent and Dependent Variables in this study are displayed in the table above. Every variable was higher than the figure of 0.6, according to the table above. The questionnaire was therefore deemed legitimate and approved.

There are five questions that have been measure, the first variables are dependent variable used in measuring the funding method for digitalization among MSMEs in Malaysia. The result of Cronbach's Alpha Coefficient in this section's question was 0.813 which is excellent in terms of internal consistency. While, for the independent variable, the source of funding's Cronbach alpha coefficients 0.717, suggesting that the items have acceptable internal consistency. Besides that, attitude (0.853) suggesting that the items have good internal consistency. Other than that, subjective norms (0.925), perceived behaviour control (0.918), and funding structure (0.903) suggest that the items have an excellent internal consistency.

4.3   Demographic Profile of Respondents

Three hundred and eighty-four Malaysian citizens participated in this study. The material and survey questions were given via an electronic form that was generated willingly and without force, and all respondents have completed it. Since the researchers had pre-filled 10 respondents during the pilot-test phase, there were no problems from the respondents during the 2 weeks and 3 days when the data was being collected. Each respondent provided a very thorough response to the questions posed. Since the

51

demographic profile of respondents focuses on the impact of funding method on digitalization among Micro, Small, and Medium Enterprises (MSMEs), some information on the respondent's personal information may be obtained from the profile. To determine how adopting the funding method affects MSMEs' digitization, each respondent must fill out this area with information about their gender, age, race, educational attainment, yearly sales turnover, number of workers, and industry of operation. The demographic characteristics of the respondents were displayed as a pie chart and table.

4.3.1 Gender

Table 4.2: Gender

Gender	Frequency	Percentage (%)
Male	161	41.9
Female	223	58.1
Total	**384**	**100**
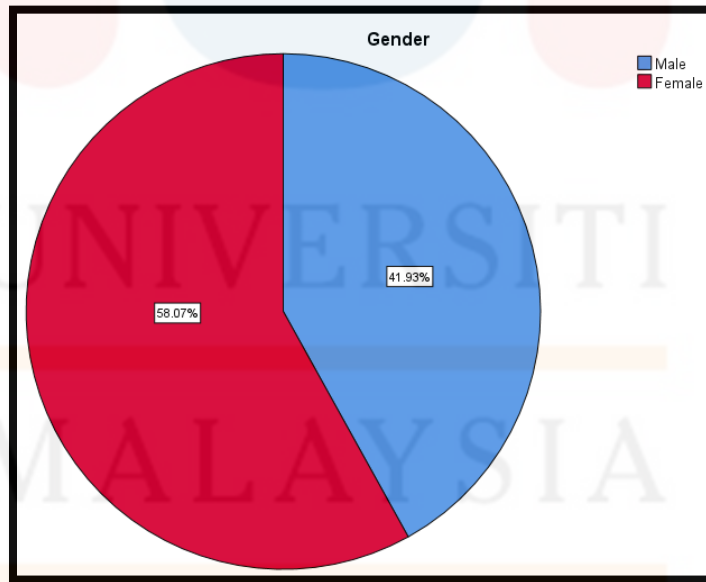
Figure 4.1: Pie chart of respondent's gender

52

It can be seen from table 4.2 and figure 4.1 that 384 responders in total have been gathered. There were 223 responders, and 58.1% of those are female. With 161 responses, or 41.9%, male respondents make up the remaining group. Based on this finding, it may be inferred that there were around twice as many female respondents to this study as male respondents.

4.3.2 Age

Table 4.3: Age

Age	Frequency	Percentage (%)
18 - 29 Years Old	130	33.9
30 – 39 Years Old	149	38.9
40 – 49 Years Old	82	21.4
50 Years Old and above	23	6.0
Total	**384**	**100**
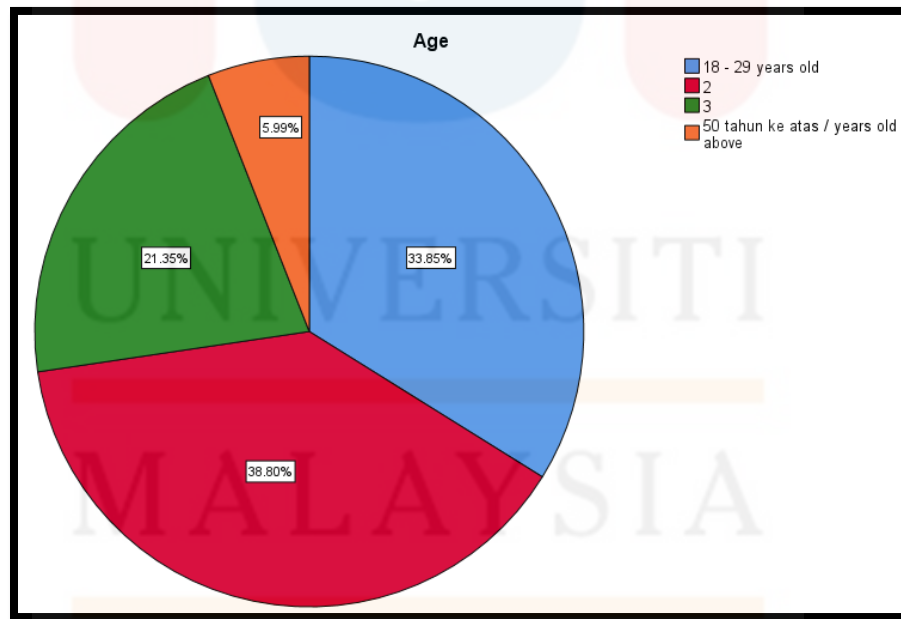
Figure 4.2: Pie chart of respondent's age

Based on table 4.3 and figure 4.2, the total number of respondents that have been collected is 384 respondents. Through the data collection that has been done, the age of the respondents has been divided into 4 groups, namely 18 – 29 years old, 30 – 39 years old, 40 – 49 years old and 50 years old and above. Through the results that have been obtained, the majority of respondents for this research come from the age group 30 – 39 years old, which is 149 respondents or 38.9%. Next came 130 respondents, or about 33.9% of the sample, who were between the ages of 18 and 29; 82 respondents, or 21.4% of the sample, were between the ages of 40 and 49; and the remaining 23 respondents, or 23.4% of the sample, who were 50 years of age and over and who completed the questionnaire, yielded a percentage figure of just 6%.

4.3.3   Race

Table 4.4: Race

Race	Frequency	Percentage (%)
Malay	174	45.3
Chinese	91	23.7
Indian	118	30.7
Others	1	0.3
Total	**384**	**100**
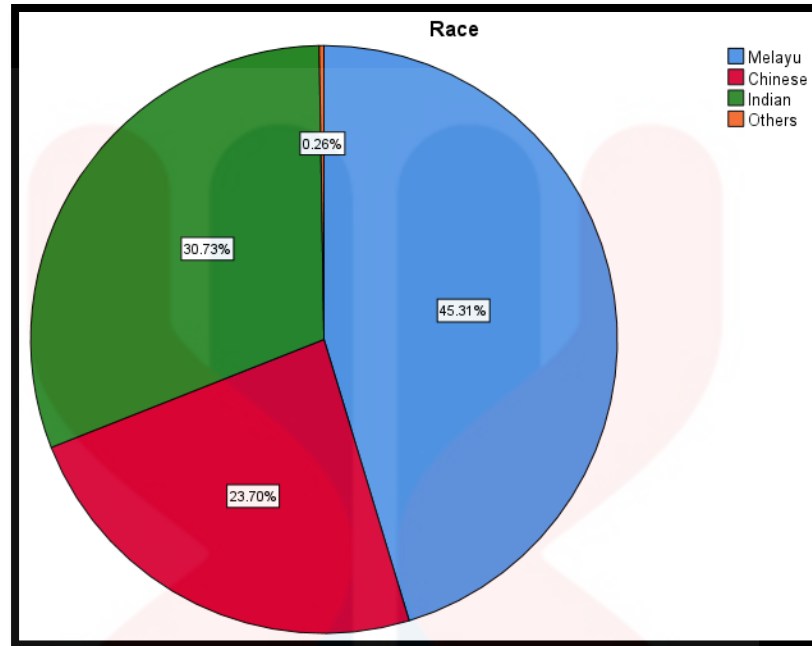
Figure 4.3: Pie chart of respondent's race

Table 4.4 and figure 4.3 show the data collection about respondent's race. Of the 384 respondents that have been collected, 174 respondents or 45.3% of the total number are Malay. Then followed by Indian which 118 respondents or 30.7% and 91 respondents or 23.7% are from Chinese. The rest are others which Iban only 1 respondent who have filled out this questionnaire which has recorded a percentage figure of only 0.3%.

55

4.3.4 Educational Level

Table 4.5: Educational Level

Educational Level	Frequency	Percentage (%)
Malaysian Certificate of Education	12	3.1
Malaysian Higher School Certificate	54	14.1
Diploma	103	26.8
Degree	184	47.9
Master	31	8.1
Total	**384**	**100**
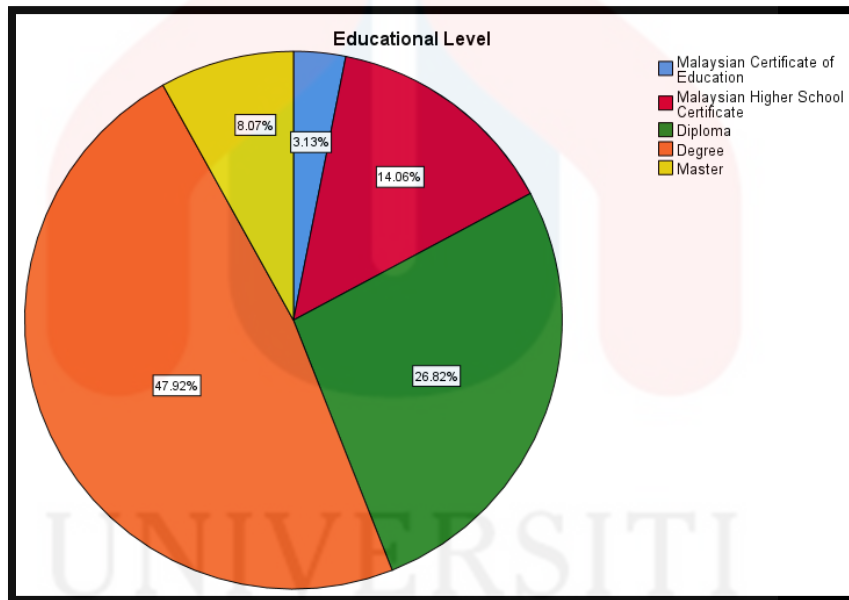
Figure 4.4: Pie chart of respondent's educational level

Based on table 4.5 and figure 4.4, showing the educational level of respondent. Most of the respondents' educational level are Degree which 184 respondents or 47.9%. After that, Diploma has recorded 103 respondents or 26.8%. Then followed by 54

respondents or 14.1% are Malaysian Higher School Certificate and for Master has recorded

31 respondents or approximately 8.1%. The rest are Malaysian Certificate of Education

who have recorded 12 respondents or 3.1%.

4.3.5 Annual Sales Turnover of my business

Table 4.6: Annual Sales Turnover of my business

Annual Sales Turnover of my business	Frequency	Percentage (%)
Less than RM 200,000	160	41.7
Less than RM 250,000	115	29.9
Between RM 200,000 – Less than RM 1 million	72	18.8
Between RM 250,000 – Less than RM 10 million	29	7.6
Between RM1 million – RM5 million	6	1.6
Between RM10 million – RM25 million	2	0.5
Total	**384**	**100**
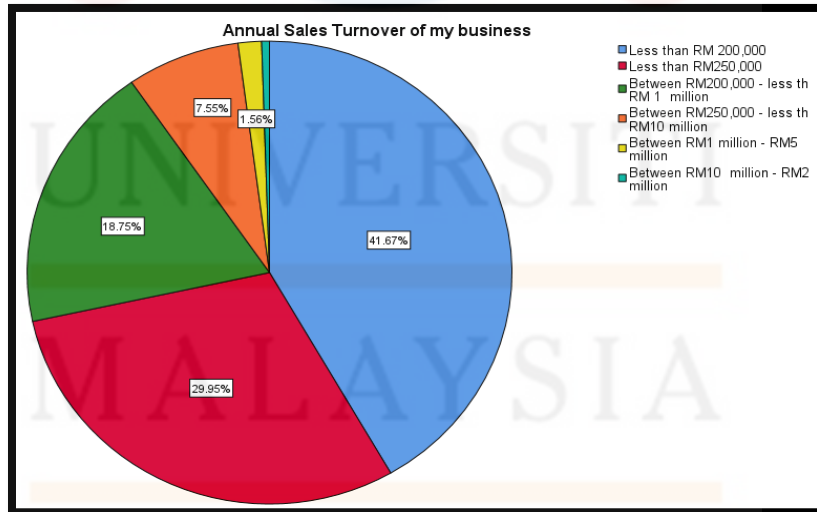
Figure 4.5: Pie chart of respondent's annual sales turnover of my business

57

Based on table 4.6 and figure 4.5, the total number of respondents that have been collected is 384 respondents. Through the data collection that has been done, the annual sales turnover has been divided into 6 groups, namely less than RM 200,000, less than RM 250,000, between RM 200,000 – less than RM1 million, between RM 250,000 – Less than RM 10 million, between RM1 million – RM5 million and between RM10 million – RM25 million. Through the results that have been obtained, most respondents for this research come from a group of less than RM 200,000, which is 160 respondents or 41.7%. Then followed by 115 respondents or approximately 29.9% of the group less than RM 250,000. After that, the third group which between RM 200,000 – less than RM1 million have recorded 72 respondents or 18.8%, the fourth group which between RM 250,000 – less than RM10 million have recorded 29 respondents or approximately 7.6% and the fifth group which between RM1 million – RM5 million have recorded 6 respondents or 1.6%. Lastly, the sixth group, which between RM10 million – RM25 million have recorded 2 respondents who filled out this questionnaire which has recorded a percentage figure of only 0.5%.

4.3.6   Number of Employees

Table 4.7: Number of Employees

Number of Employees	Frequency	Percentage (%)
Less than 5 employees	174	45.3
Between 5 – 19 employees	139	36.2
Between 20 – 50 employees	53	13.8
Between 51 – 150 employees	18	4.7
Total	**384**	**100**
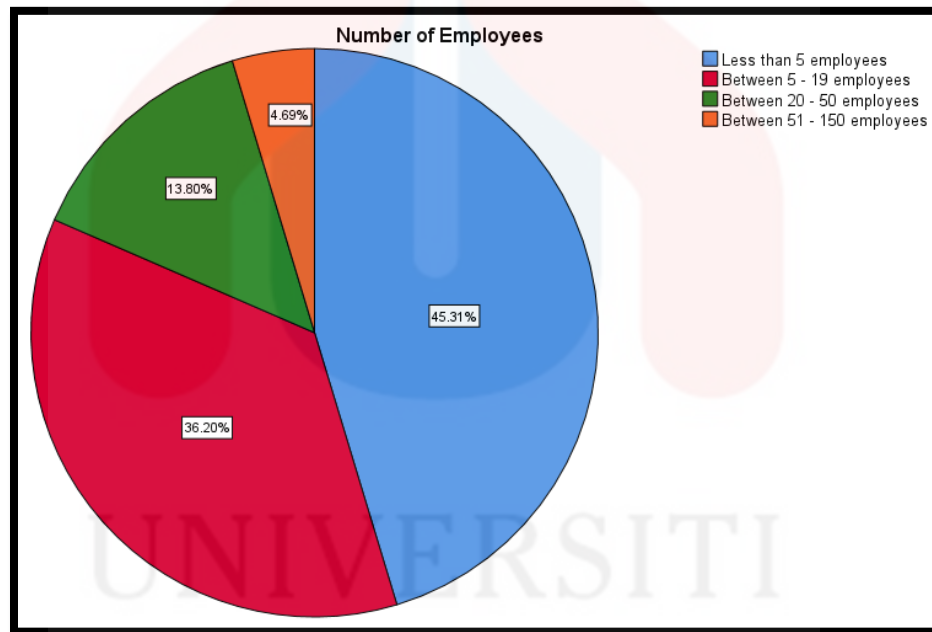
Figure 4.6: Pie chart of number employees

Based on table 4.7 and figure 4.6, that show about number of employees that respondents hire in their business. Through the data collection that has been done, the number of employees has been divided into 4 groups, namely less than 5 employees,

between 5 – 19 employees, between 20 – 50 employees and between 51 – 150 employees. Through the results recorded and obtained, the highest, 174 respondents or 45.3%, is from a group with less than 5 employees. Next, followed by groups between 5 – 19 employees, getting 139 respondents or 36.2%. After that, followed by groups between 20 – 50 employees getting 53 respondents or 13.8%. Lastly, the lowest number of respondents recorded is 18 respondents or 4.7% from the group between 51 – 150 employees.

4.3.7 Sector of Business Operated

Table 4.8: Sector of Business Operated

Sector of Business Operated	Frequency	Percentage (%)
Primary Agriculture	62	16.1
Manufacturing (including Agro Based) and Manufacturing-Related Services (MRS)	235	61.2
Services Sector (including ICT)	87	22.7
Total	**384**	**100**

Sector of Business Operated

- Primary Agriculture
- Manufacturing (including Agro Based) and Manufacturing-Related Services (MRS)
- Services Sector (including ICT)

16.15%

22.66%

61.20%
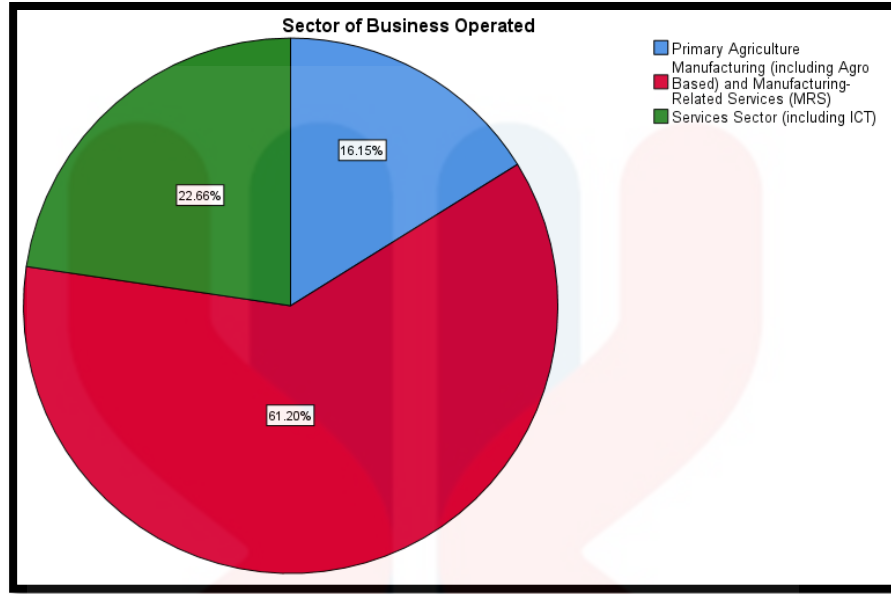
Figure 4.7: Pie chart of Sector of Business Operated

Based on table 4.8 and figure 4.7, there are shown about the sector of business operated. 235 respondents or approximately 61.2% are from sector manufacturing (including Agro Based) and Manufacturing-Related Services (MRS). Next, 87 respondents or 22.7% are from the Services Sector (including ICT). Lastly, 62 respondents or 16.1% are from sector primary agriculture.

4.3.8   My company already has technology for our business operation.

Table 4.9: My company already has using technology for our business operation.

My company already has using technology for our business operation.	Frequency	Percentage (%)
Yes	372	96.9
No	12	3.1
Total	**384**	**100**

61

My company already has using technology for our business operation.

- Yes
- No

3.13%

96.88%
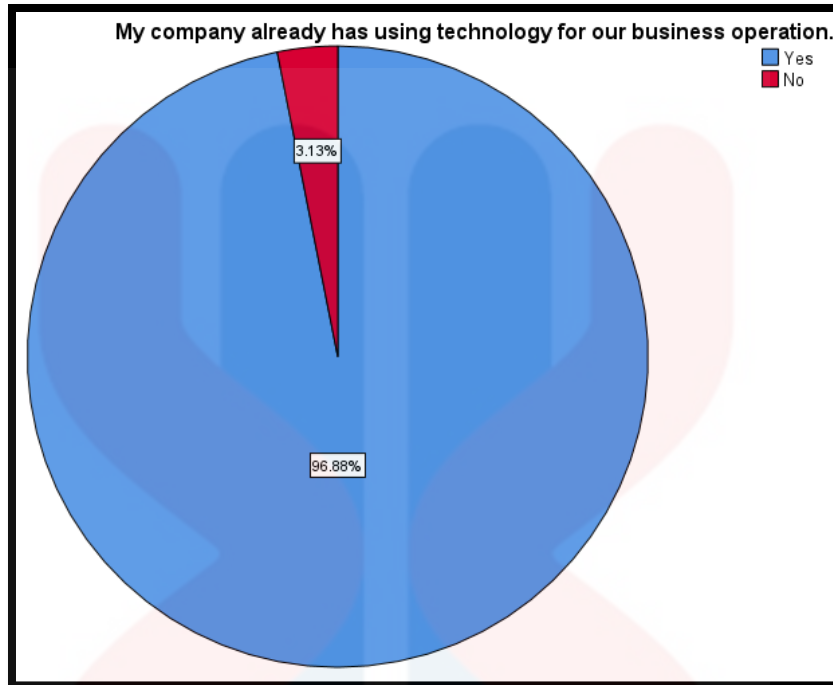
Figure 4.8: Pie chart of company using technology in business operation.

Based on table 4.9 and figure 4.8, shown that mostly the owner of a business is using technology in their company. That is shown in the table and pie chart that 372 respondents or 96.9% are choosing Yes that they are using technology in their company. Only 12 respondents or approximately 3.1% showed that the owner of the business is not using technology in their business.

4.3.9   If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.

Table 4.10: If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.

If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.	Frequency	Percentage (%)
Limited Adoption	111	28.9
Moderate Adoption	71	18.5
Substantial Adoption	123	32.0
Advanced Adoption	57	14.8
Leading-edge Adoption	22	5.7
Total	**384**	**100**

Figure 4.9: Pie Chart of If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.

63

Based on table 4.10 and figure 4.9, from 384 respondents that have been collected, 123 respondents or 32.0% are using substantial adoption technology in their company. The second level of technology that the majority of respondents use in their company is limited adoption which 111 respondents or 28.9%. The third level of technology that most respondents use in their company is moderate adoption which 71 respondents or 18.5%. The fourth level of technology that the majority of respondents use in their company is advanced adoption which 57 respondents or 14.8%. The fifth level of technology that most respondents use in their company is leading-edge adoption which 22 respondents or 5.7%.

4.3.10 My company have been using funding to develop my business digitally in terms of digital payments, infrastructure development, online database, and others from: (tick more than one)

Table 4.11: My company have been using funding to develop my business digitally in terms of digital payments, infrastructure development, online database, and others from: (tick more than one)

My company have been using funding to develop my business digitally in terms of digital payments, infrastructure development, online database, and others from: (tick more than one)	Frequency	Percentage (%)
Business Internal Sources	87	22.7
1;2	22	5.7
1;2;3	5	1.3
1;2;3;4	32	8.3
1;2;4	12	3.1
1;3	10	2.6
1;3;4	17	4.4
1;4	3	0.8
Fund from family, friends, and relatives	45	11.7
2;3	3	0.8
2;3;4	26	6.8
2;4	58	15.1
Crowdfunding	28	7.3
3;4	14	3.6
Loan from bank and other agencies	22	5.7
Total	**384**	**100**
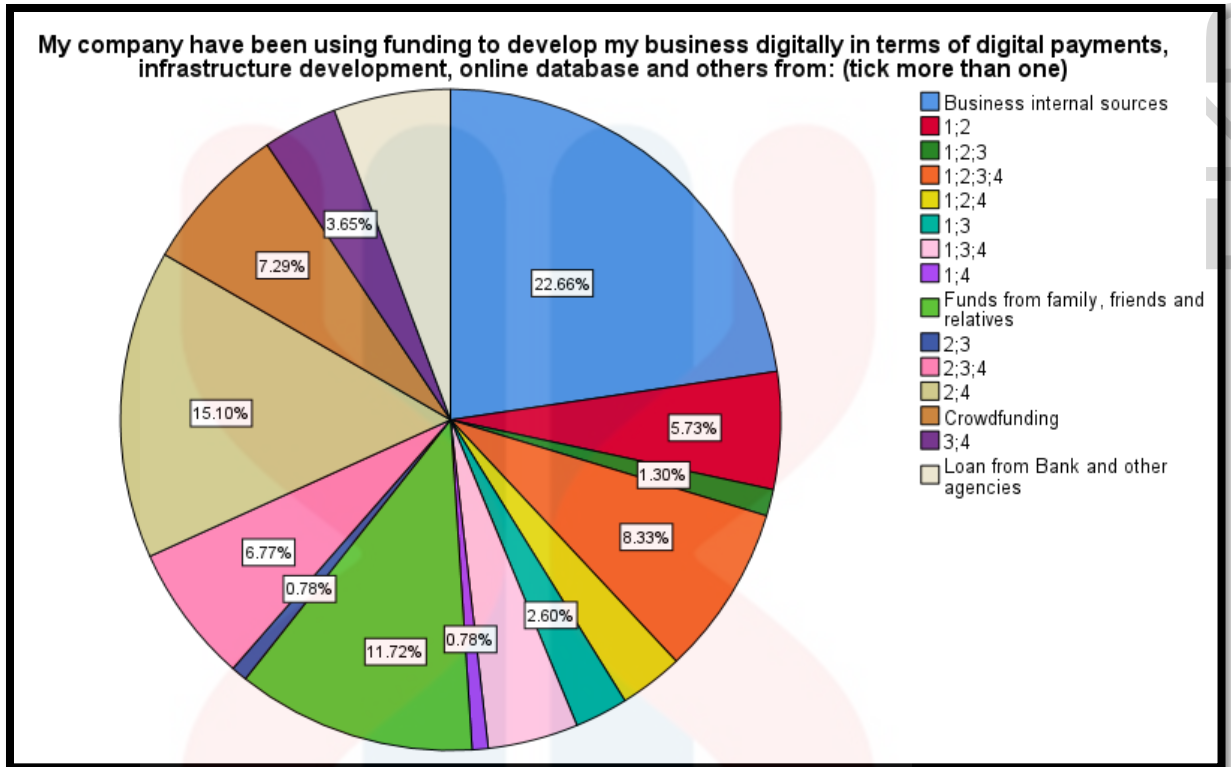
Figure 4.10: Pie Chart of My company have been using funding to develop my business
digitally in terms of digital payments, infrastructure development, online database, and
others from: (tick more than one)

Based on table 4.11 and figure 4.10, through the data collection, 87 respondents or
22.7% develop the business using funding from business internal sources, 22 respondents
or 5.7% develop the business using funding from business internal sources and funds from
family, friends and relatives, 5 respondents or 1.3% develop the business using funding
from business internal sources, funds from family, friends and relatives and crowdfunding,
32 respondents or 8.3% develop the business using funding from business internal sources,
funds from family, friends and relatives, crowdfunding and loan from bank and other

66

agencies, 12 respondents or 3.1% develop the business using funding from business internal sources, funds from family, friends and relatives and loan from bank and other agencies, 10 respondents or 2.6% develop the business using funding from business internal sources and crowdfunding, 17 respondents or 4.4% develop the business using funding from business internal sources, crowdfunding and loan from bank and other agencies, 3 respondents or 0.8% develop the business using funding from business internal sources and loan from bank and other agencies. After that, 45 respondents or 11.7% develop the business using funding from family, friends and relatives, 3 respondents or 0.8% develop the business using funding from funds from family, friends and relatives and crowdfunding, 26 respondents or 6.8% develop the business using funding from funds from family, friends and relatives, crowdfunding and loan from bank and other agencies, 58 respondents or 15.1% develop the business using funding from family, friends and relatives and loan from bank and other agencies. Next, 28 respondents or 7.3% develop the business using funding from crowdfunding, 14 respondents or 3.6% develop the business using funding from crowdfunding and loan from bank and other agencies. Lastly, 22 respondents, or 5.7% developed the business using funding from loans from bank and other agencies.

Table 4.12: Summary demographic profile of respondents

Variables	Frequency	Percentage (%)
Gender		
Male	161	41.9
Female	223	58.1
Total	**384**	**100**
Age		
18 - 29 Years Old	130	33.9

67

30 – 39 Years Old	149	38.9
40 – 49 Years Old	82	21.4
50 Years Old and above	23	6.0
Total	**384**	**100**
Race		
Malay	174	45.3
Chinese	91	23.7
Indian	118	30.7
Others	1	0.3
Total	**384**	**100**
Educational Level		
Malaysian Certificate of Education	12	3.1
Malaysian Higher School Certificate	54	14.1
Diploma	103	26.8
Degree	184	47.9
Master	31	8.1
Total	**384**	**100**
Annual Sales Turnover of my business		
Less than RM 200,000	160	41.7
Less than RM 250,000	115	29.9
Between RM 200,000 – Less than RM 1 million	72	18.8
Between RM 250,000 – Less than RM 10 million	29	7.6
Between RM1 million – RM5 million	6	1.6
Between RM10 million – RM25 million	2	0.5
Total	**384**	**100**
Number of Employees		
Less than 5 employees	174	45.3
Between 5 – 19 employees	139	36.2
Between 20 – 50 employees	53	13.8
Between 51 – 150 employees	18	4.7
Total	**384**	**100**
Sector of Business Operated		
Primary Agriculture	62	16.1
Manufacturing (including Agro Based) and Manufacturing-Related Services (MRS)	235	61.2
Services Sector (including ICT)	87	22.7
Total	**384**	**100**
My company already has using technology for our business operation.		

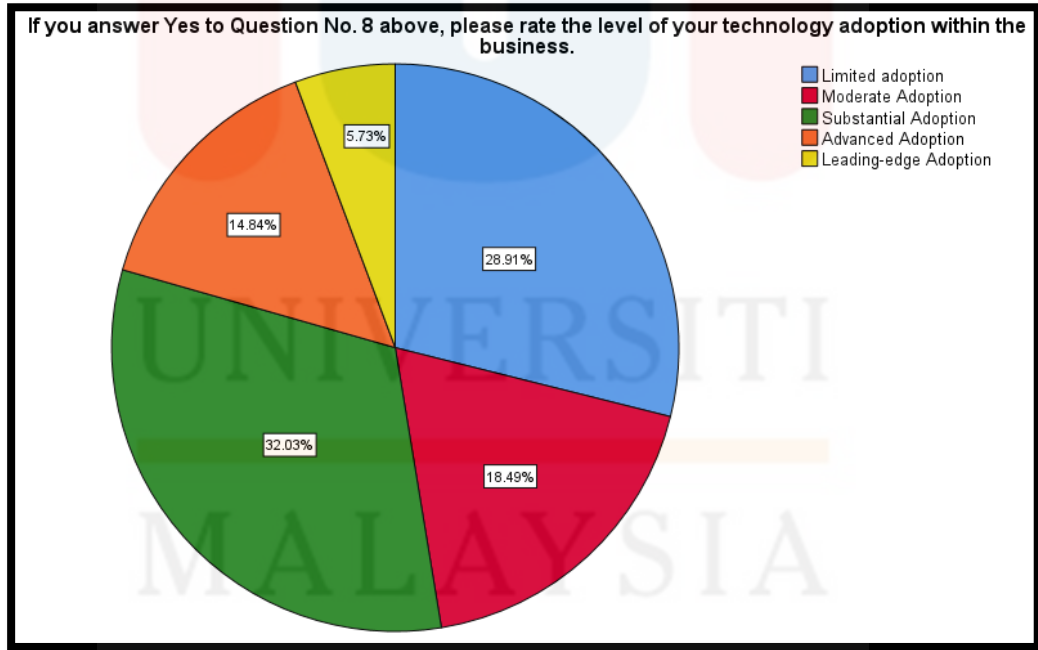|		
Yes	372	96.9
No	12	3.1
Total	**384**	**100**
If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.	111	28.9
	71	18.5
	123	32.0
Limited Adoption	57	14.8
Moderate Adoption	22	5.7
Substantial Adoption		
Advanced Adoption		
Leading-edge Adoption		
Total	**384**	**100**
My company have been using funding to develop my business digitally in terms of digital payments, infrastructure development, online database and others from: (tick more than one)		
	87	22.7
Business Internal Sources	22	5.7
1;2	5	1.3
1;2;3	32	8.3
1;2;3;4	12	3.1
1;2;4	10	2.6
1;3	17	4.4
1;3;4	3	0.8
1;4	45	11.7
Fund from family, friends and relatives	3	0.8
2;3	26	6.8
2;3;4	58	15.1
2;4	28	7.3
Crowdfunding	14	3.6
3;4	22	5.7
Loan from bank and other agencies		
Total	**384**	**100**

69

4.4   Descriptive Analysis

The present study uses descriptive statistics to reveal the typical response pattern and to enumerate and characterize the attributes of the participants. This section will delve into a thorough discussion of the frequency of respondents' demographic questions as well as some questions on attitude, subjective norms, perceived behaviour control, financing structure and source, as well as the mean and standard deviation for independent and dependent studies.

In this section, descriptive statics were tested about 30 items based on their variable with the mean and standard deviation. Typically, the mean score is used to record respondents' opinions on the variable of attitude, subjective norms, perceived behavioural control, funding structure and source of funding while the dependent variable of study (MSME Digitalization and Funding Methods). Table 4.13 shows the summary of descriptive statistics:

Table 4.13: Summary of descriptive statistics

Variables	Mean	Std. Deviation
Attitude (IV1)	5.4342	0.76395
Subjective norms (IV2)	5.3464	0.68519
Perceived behavioural control (IV3)	5.4911	0.71575
Funding structure (IV4)	5.4500	0.75070
Source of funding (IV5)	5.4557	0.71924
Funding Methods for Digitalization (DV)	5.4448	0.70112

70

The standard deviation is also used to calculate the measurement's difference from the mean. Because of the low standard deviation, most of the measurements are near to average. In addition, a high standard deviation score indicates that the data collection is further from the research mean. The mean and standard deviation of the independent and dependent variables used in the study are then displayed in the section that follows. For the independent variable, the average mean is almost 5.44. This demonstrates that respondents' concerns included attitude, perceived behavioural control, subjective standards, financial structure, and funding source.

4.4.1 Attitude

Table 4.14: Mean and Standard Deviation of Attitude (IV1)

	Mean	Std. Deviation
(A1) I think I would like to contribute by adopting a funding method on digitalization in my company.	5.30	0.948
(A2) I have a positive opinion about contributing to funding methods of digitalization.	5.47	1.021
(A3) I think contributing to funding methods of digitalization is beneficial for me.	5.50	1.064
(A4) Participating in funding method on digitalization is the right and wise choice.	5.47	1.096
(A5) I am happy to participate in funding method of digitalization campaign.	5.38	1.013
Valid N (listwise)	5.42	

The descriptive statistics for answers on the independent variable, attitude, are shown in Table 4.14. In A3, attitude had the highest mean of 5.50. This may serve as a summary of the respondents' significant agreement with the assertion that "funding

71

methods for digitalization are beneficial." A1 has the lowest mean score, 5.30, in the meanwhile. Following that, A2 and A4 record the second-highest mean score of 5.47, sharing the same position. The fact that the responder firmly agreed with these two statements indicates that they have a good attitude and that contributing to the financing strategy for digitization is the proper and prudent decision. With the statement "I am happy to participate in funding method of digitalization campaign," A5 received a mean score of 5.42. The average mean for attitude is 5.42, which is at the highest level. Due to the mean score of all statement is less than 4.0 and referring to the Likert scale of the study, it can show that the statement mentioned above was strongly agreed with by all respondents. This means that the community also depends on attitude.

4.4.2 Subjective norms

Table 4.15: Mean and Standard Deviation of Subjective Norms (IV2)

	Mean	Std. Deviation
(SN1) Failure to establish good contact with the right people resulted in loss of opportunity.	5.42	0.953
(SN2) Failure to pick appropriate professionals to support in decision-making.	5.38	0.970
(SN3) Financial decision-making is driven by me as a MSME owner in my company beliefs about the use of private equity and internal funds.	5.34	1.075
(SN4) I will be positive toward private financing activities if I feel my family, friends and other important entities agree and support the use of private equity.	5.31	1.077
(SN5) Moving from a traditional approach to using private finance is associated with some behavioural dispositions of business owners.	5.27	1.012
Valid N (listwise)	5.34	

Table 4.15 illustrates the descriptive statistics for responses on the independent variable which is subjective norms. Subjective norms recorded the highest mean in SN1 which is 5.42. This could be summaries that the respondents are strongly with the statement of "Failure to establish good contact with the right people resulted in loss of opportunity". Meanwhile, SN5 records the lowest mean score, which is 5.27. After that, SN2 records the second highest with mean score which 5.38, then followed by SN3 with mean score 5.34. SN4 getting 5.31 mean score with the statement "I will be positive toward private financing activities if I feel my family, friends and other important entities agree and support the use of private equity". Attitude has an average mean of 5.34, the highest possible value. According to the study's Likert scale, which is based on the mean score of all statements being less than 4.0, all respondents strongly agreed with the assertion. This implies that the community is reliant on arbitrary standards as well.

4.4.3 Perceived behavioural control

Table 4.16: Mean and Standard Deviation of Perceived Behavioural Control (IV3)

	Mean	Std. Deviation
(PBC1) The required resources for digital transformation are available to my businesses.	5.44	0.984
(PBC2) I think enterprises have the requisite knowledge for digital transformation.	5.51	1.014
(PBC3) I believe my enterprises have the ability to transform digitally.	5.55	0.989
(PBC4) Enterprises' business strategies include digital transformation.	5.57	1.042
(PBC5) I believe my enterprises are prepared for the ongoing evolution of digital technology.	5.37	1.028
Valid N (listwise)	5.49	

Table 4.16 illustrates the descriptive statistics for responses on the independent variable which is Perceived Behavioural Control. Perceived Behavioural Control recorded the highest mean in PBC4 which is 5.57. This could be summaries that the respondents are strongly with the statement of "Enterprises' business strategies include digital transformation". Meanwhile, PBC5 records the lowest mean score, which is 5.37. After that, PBC3 records the second highest with mean score which 5.55, then followed by PBC2 with mean score 5.51. PBC1 getting 5.44 mean score with the statement "The required resources for digital transformation are available to my businesses.". Attitude has an average mean of 5.49, the highest possible value. According to the study's Likert scale, which is based on the mean score of all statements being less than 4.0, all respondents strongly agreed with the statement. This implies that the perception of behavioural control is equally important to the community.

74

4.4.4 Funding structure

Table 4.17: Mean and Standard Deviation of Funding Structure (IV4)

	Mean	Std. Deviation
(FS1) Crowdfunding platform services fulfill my expectations.	5.37	1.000
(FS2) Crowdfunding provides freedom of using the suitable payment method with minimum costs.	5.43	1.040
(FS3) Crowdfunding leads to payment efficiency in my company.	5.56	1.038
(FS4) Crowdfunding is suitable for financing small startup projects like my company as a MSMEs.	5.51	1.074
(FS5) Crowdfunding increases the efficiency of financing channels in my company.	5.39	1.026
Valid N (listwise)	5.45	

Table 4.17 illustrates the descriptive statistics for responses on the independent variable which is Funding Structure. Funding Structure recorded the highest mean in FS3 which is 5.56. This could be summaries that the respondents are strongly with the statement of "Crowdfunding leads to payment efficiency in my company.". Meanwhile, FS1 records the lowest mean score, which is 5.37. After that, FS4 records the second highest with mean score which 5.51, then followed by FS2 with mean score 5.43. FS5 getting 5.39 mean score with the statement "Crowdfunding increases the efficiency of financing channels in my company.". Attitude has an average mean of 5.45, the highest possible value. According to the study's Likert scale, which is based on the mean score of all statements being less than 4.0, all respondents strongly agreed with the assertion. This implies that the financial system affects the community as well.

4.4.5 Source of funding

Table 4.18: Mean and Standard Deviation of Source of Funding (IV5)

	Mean	Std. Deviation
(SOF1) I believe Financing from financial institutions is the best source for my company.	5.38	0.959
(SOF2) Subsidies from the government are important for my company.	5.59	1.030
(SOF3) High innovation cost is the main obstacle for my company.	5.52	1.076
(SOF4) Government policies are key elements that influence the success and performance of SMEs in my business.	5.38	1.010
(SOF5) Warrants are important for long-term financing of my business.	5.40	1.050
Valid N (listwise)	5.45	

Table 4.18 illustrates the descriptive statistics for responses on the independent variable which is Source of Funding. Source of Funding recorded the highest mean in SOF2 which is 5.59. This could be summaries that the respondents are strongly with the statement of "Subsidies from the government are important for my company.". Meanwhile, SOF1 and SOF4 record the lowest mean score, which is 5.38. This shows that the respondent strongly agreed with these two statements "They believe Financing from financial institutions is the best source and government policies are key elements that influence the success and performance of SMEs in funding method on digitalization". After that, SOF3 records the second highest with mean score which 5.52, then followed by SOF5 with mean score 5.40. Attitude has an average mean of 5.45, the highest possible value. According to the study's Likert scale, which is based on the mean score of all statements

being less than 4.0, all respondents strongly agreed with the assertion. This implies that a financial source is also necessary for the community.

4.4.6 Funding Methods for Digitalization

Table 4.19: Mean and Standard Deviation of Funding Method for Digitalization (DV)

	Mean	Std. Deviation
(FMFD1) Financing has become a major problem in the efforts to improve my company's competitiveness and financing.	5.31	1.001
(FMFD2) Online Financing requirements are easy to fulfil for my business.	5.53	1.034
(FMFD3) Without financial support, many MSMEs may not be able to make investments, continue their operations, or even set up a business.	5.41	1.015
(FMFD4) The digital payment method is something I would be glad to use in my business.	5.48	1.024
(FMFD5) Digital payments for business are something that interests me.	5.50	1.040
Valid N (listwise)	5.45	

For the dependent variable of the study "Funding Method for Digitalization," The respondent in Malaysia was satisfied with the characteristics of funding method. It shows an average mean 5.45 by 5 elements asked in the questionnaire in part of the dependent variable. Among these 5 items, FMFD2 records the highest mean score, which is 5.53 and FMFD1 records the lowest mean score which is 5.31. Meanwhile, FMFD5 is the second highest with a mean score of 5.50, then followed by FMFD4 with the mean score 5.48. After that, FMFD3 records the mean score with 5.41. In a nutshell, this research could

summarize that the respondents were strongly agreed with all the statement that asked in the section of DV in which the funding method for digitalization was satisfied with attitude, subjective norms, perceived behavioural control, funding structure and source of funding.
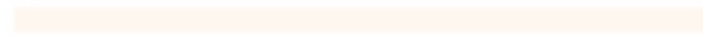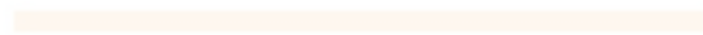
4.5   Validity and Reliability test.

Validity pertains to a measure's correctness, whereas reliability is associated with a measure's consistency regarding the standardisation of studies or trials. There are two categories of reliability: internal and external. The trial's internal validity and efficiency were assessed using the general correlation element and alpha index. To confirm the validity and reproducibility of the study's overall findings, measurements were again made using Cronbach's Alpha. Using SPSS validity and reliability analysis, the Cronbach's alpha coefficient values for each variable are displayed in Table 4.20:

Table 4.20: Actual reliability test of 384 respondents

Variables	Cronbach's Alpha Result	Items	Result
Attitude	0.758	5	Good and Acceptable
Subjective Norms	0.697	5	Acceptable
Perceived Behavioural Control	0.751	5	Good and Acceptable
Funding Structure	0.774	5	Good and Acceptable
Source of Funding	0.741	5	Good and Acceptable
Funding Methods for Digitalization	0.718	5	Good and Acceptable

Based on table 4.20, there are shown the variable analysis of the study which is from 384 respondents of each scale. These tables also show the Cronbach's alpha result from the variables which include attitude, subjective norms, perceived behavioural control, funding structure, source of funding and funding methods for digitalization. Firstly, the

79

result of Cronbach's Alpha for attitudes is 0.758. Cronbach's Alpha result for subjective norms is 0.697, perceived behaviour control is 0.751, funding structure is 0.774 and source of funding is 0.741. Lastly, for the dependent variable, which is funding methods for digitalization, the Cronbach's alpha result is 0.718. The result showed that the actual questionnaire for 384 respondents is reliable, good, and acceptable in this study.

4.6   Normality Test

The assumptions of many parametric tests are based on data with a normal distribution. Skewness and kurtosis are the two ways that one can obtain normalcy. Kurtosis indicates how pawed the distribution is, and skewness is utilized to provide information about symmetry. The sample size has a significant impact on the skewness and kurtosis readings. Reporting non-parametric descriptive statistics that do not presume a normal distribution is appropriate when dealing with skewed data. Hair states that data is deemed normally distributed if the skewness value falls between -2 and +2 and the kurtosis value falls between -7 and +7 (Hair,2010). The purpose of a normality test is to ascertain whether a sample is normally distributed.

Table 4.21: Results of Normality test

Variable	Skewness	Kurtosis	Result
Funding method for digitalization	-0.396	0.348	Normal Distributed
Source of funding	-0.409	0.349	Normal Distributed
Funding Structure	-0.664	0.386	Normal Distributed
Perceived Behaviour Control	-0.495	-0.137	Normal Distributed
Subjective Norms	-0.240	-0.210	Normal Distributed
Attitude	-0.374	0.406	Normal Distributed

Based on table 4.21 above, it is shown that the data was normally distributed because the skewness value of each variable is between -2 to 2 and the kurtosis value of each variable is between -7 to 7. Since the data was normally distributed, this study will be used a Pearson's Correlation Coefficient and multiple linear regression to examine the hypothesis between attitude, subjective norms, perceived behaviour control, funding structure, and source of funding.

4.7   Pearson Correlation Coefficient

Pearson correlation is one of the correlation measures used to measure the strength of a linear relationship of two variables and to test whether this study's relationships are significant or not. Pearson Correlation Coefficient have been used by the researcher to identify the significant relationship between the dependent variable (Funding method of digitalization among MSMEs) independent variables (Attitude, Subjective Norms, Perceived Behavioural Control, Funding structure, Source of funding). Table 4.22 shows the result of Pearson's Correlation Coefficient that is used to identify the Hypothesis.

Table 4.22: The Pearson Correlation Result

		Attitude	Subjective Norms	Perceived Behavioral Control	Funding Structure	Source of Funding	Funding Method for Digitalization
Attitude	**Pearson Correlation**	1	0.635	0.649	0.638	0.640	0.614
	Sig. (2-tailed)		<0.001	<0.001	<0.001	<0.001	<0.001
	N	384	384	384	384	384	384
Subjective Norms	**Pearson Correlation**	0.635	1	0.700	0.686	0.673	0.646
	Sig. (2-tailed)	<0.001		<0.001	<0.001	<0.001	<0.001
	N	384	384	384	384	384	384
Perceived Behavioral Control	**Pearson Correlation**	0.649	0.700	1	0.678	0.705	0.680
	Sig. (2-tailed)	<0.001	<0.001		<0.001	<0.001	<0.001
	N	384	384	384	384	384	384
Funding Structure	**Pearson Correlation**	0.638	0.686	0.678	1	0.718	0.671
	Sig. (2-tailed)	<0.001	<0.001	<0.001		<0.001	<0.001
	N	384	384	384	384	384	384
Source of Funding	**Pearson Correlation**	0.640	0.673	0.705	0.718	1	0.722
	Sig. (2-tailed)	<0.001	<0.001	<0.001	<0.001		<0.001
	N	384	384	384	384	384	384
Funding Method for Digitalization	**Pearson Correlation**	0.614	0.646	0.680	0.671	0.722	1
	Sig. (2-tailed)	<0.001	<0.001	<0.001	<0.001	<0.001	
	N	384	384	384	384	384	384

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

The hypothesis testing is to determine the relationship between independent and dependent variables that are accepted.

From the analysis, there was a moderate positive relationship between attitudes on intention to adopt certain funding method of digitalization among MSME. From the result of the correlation coefficient, the value is r= 0.614. p < 0.01. Therefore, an alternative hypothesis H1 is accepted.

Besides that, there was a moderate positive relationship between subjective norms on intention to adopt certain funding method among MSME. From the result of the correlation coefficient, the value is r= 0.646, p < 0.01. Therefore, an alternative hypothesis H2 is accepted.

Moreover, there was a moderate positive relationship between perceived behaviour on intention to adopt certain funding method among MSME. From the result of the correlation coefficient, the value is r= 0.680, p < 0.01. Therefore, an alternative hypothesis H3 is accepted.

Looking at the next hypothesis analysis, it can be concluded that there is a positive effect shown if this funding structure is used in the funding method for digitization purposes. From the Pearson correlation results above, the value of R=0.671 is acceptable.

From the last analysis, the result shows that this funding source has a positive effect on intention to adopt certain funding method of digitalization among MSMEs. This is because from the results of P < 0.001, the correlation above is extraordinarily strong which is R=0.722 and it has a positive effect.

4.8   Multiple Linear Regression

The variables can be examined by using regression analysis. In multiple linear regression relationships, more than two variables are under study. This was in line with the objectives of this research study. Multiple regression analysis is used to measure the effect between two or more independent variables on a dependent variable. This study forecasts the outcome of characteristics of funding method on digitalization among MSMEs based on the independent variables which are attitude, subjective norms, perceived behaviour control, funding structure, and source of funding.

Table 4.23: Model Summary

Model	R	R Square	Adjusted R square	Std. Error of the Estimate
1	0.783	0.613	0.608	0.43916

a. Predictors: (Constant), MEAN SOF, MEAN A, MEAN SN, MEAN FS
b. Dependent Variable: MEAN FMFD

Table 4.24 demonstrates how strongly the model correlates with the MSMEs' funding source for digitalization. A significant link between the variables is indicated by a big value, as indicated by the multiple coefficient (R) of 0.783. The coefficient of determination, R square, demonstrates that 59.9% of using funding method on digitalization can be explained through the intentions from attitude, subjective norms, perceived behaviour control, funding structure, and source of funding.

85

Table 4.24: ANOVA

Model	Sum of Square	df	Mean Square	F	Sig.
1 Regression	115.367	5	23.073	119.636	<0.001
Residual	72.902	378	0.193		
Total	188.270	383			

a. Dependent Variable: MEAN FMFD

b. Predictors: (Constant), MEAN SOF, MEAN A, MEAN SN, MEAN FS

Table 4.25 shows that the significance level is less than 0.005 with a p-value of 0.000 and a value of F of 119.636. It indicates that the differences between the independent and dependent variables are statistically significant. Thus, the proportion of financing methods for digitalization implementation among MSMEs is predicted by attitude, subjective norms, perceived behavioural control, funding structure, and source of funding.

Table 4.25: Multiple Regression (Coefficient)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.685	0.200		3.439	<0.001
Mean Attitude	0.100	0.044	0.140	2.230	0.026
Mean Subjective Norms	0.118	0.052	0.115	2.262	0.024
Mean Perceived Behaviour Control	0.189	0.051	0.193	3.691	<0.001
Mean Funding Structure	0.150	0.049	0.161	3.088	0.002
Mean Source of Funding	0.317	0.051	0.325	6.167	<0.001

a. Dependent Variable: MEAN FMFD

86

Besides that, the table 4.67 above shows that the p value for attitude (0.026), subjective norms (0.001), perceived behaviour control (0.001), funding structure (0.002), and source of funding (0.001) indicates a significant level below the 0.005 alpha value level. Thus, attitude, subjective norms, perceived behavioural control, funding structure, and funding source are influencing the MSMEs implementation on digital by the funding method.

4.9   Hypothesis Testing

The hypothesis testing is to determine the relationship between independent and dependent variables that accepted. However, researchers used SPSS software to find out the hypothesis test for both independent and dependent variables in this study.

HI: Attitude has a positive impact on intention to adopt certain funding method of digitalization.

According to Table 4.25, it is showed that there is a significant relationship between attitude impact on Funding methods adopted for digitalization because the p-value for H1 is 0.026 (p>0.05), while Pearson Correlation Coefficient value is 0.614 which shows positive. The relationship between attitude and funding methods adopted for digitalization was supported at 95% confidence interval. Thus, hypothesis 1 is accepted.

H2: Subjective norms has a positive impact on intention to adopt certain funding method of digitalization.

According to Table 4.25, it is shown that there is a significant relationship between subjective norms impact on funding methods adopted for digitalization because the p-value for H1 is 0.024 (p>0.05), while Pearson Correlation Coefficient value is 0.646 which shows positive. The relationship between subjective norms and funding methods adopted for digitalization was supported at 95% confidence interval. Thus, hypothesis 1 is accepted.

H3: Perceived behavioral control has a positive impact on intention to adopt certain funding method of digitalization.

According to Table 4.25, it is shown that there is a significant relationship between perceived behaviour control impact on funding methods adopted for digitalization because the p-value for H1 is 0.001 (p>0.05), while Pearson Correlation Coefficient value is 0.680 which shows positive. The relationship between perceived behaviour control and funding methods adopted for digitalization was supported at 95% confidence interval. Thus, hypothesis 1 is accepted.

H4: Funding structure has a positive impact on intention to adopt certain funding method of digitalization.

According to Table 4.25, it is shown that there is a significant relationship between funding structure impact on funding methods adopted for digitalization because the p-value for H1 is 0.002 (p>0.05), while Pearson Correlation Coefficient value is 0.671 which shows

positive. The relationship between funding structure and funding methods adopted for digitalization was supported at 95% confidence interval. Thus, hypothesis 1 is accepted.

H5: Source of funding has a positive impact on intention to adopt certain funding method of digitalization.

According to Table 4.25, it is shown that there is a significant relationship between source of funding that impact on funding methods adopted for digitalization because the p-value for H1 is 0.001 (p>0.05), while Pearson Correlation Coefficient value is 0.722 which shows positive. The relationship between source of funding and funding methods adopted for digitalization was supported at 95% confidence interval. Thus, hypothesis 1 is accepted.

Table 4.26: Hypothesis Result

Hypothesis	Result
H1: Attitude has a positive impact on intention to adopt certain funding method of digitalization.	Accepted
H2: Subjective norms has a positive impact on intention to adopt certain funding method of digitalization.	Accepted
H3: Perceived behavioral control has a positive impact on intention to adopt certain funding method of digitalization.	Accepted
H4: Funding structure has a positive impact on intention to adopt certain funding method of digitalization.	Accepted
H5: Source of funding has a positive impact on intention to adopt certain funding method of digitalization.	Accepted

4.10   Conclusion

A review of the results of the data analysis using the Statistical Package of Social Science (SPSS) brought this chapter to a close. Descriptive analysis, reliability analysis, and Pearson correlation analysis were among the measuring techniques used. Based on data analysis and statistical testing, the whole measuring instrument used by the survey questionnaire in this study was correct throughout the overall analysis section of this chapter. The study's analysis to determine the frequency and percentage of respondents' backgrounds, the findings from the descriptive analysis, and the conclusion were the main points of attention in this section's illustration.

In addition, the researcher measured the Cronbach's alpha coefficient accuracy data using the SPSS programme. The correlation coefficient obtained from the Pearson correlation data set defines the link between each independent and dependent variable based on the results of the normalcy test, which show a non-normal outcome. Based on such analyses, Chapter 5 will give a more thorough explanation.

CHAPTER 5

DISCUSSION AND CONCLUSION

5. I   Introduction

In this last chapter, a summary of the hypothesis will be carefully discussed in each available variable. In addition, contained in this chapter are the Implications of the study, Limitations of the study, Recommendations for future research, and Conclusions of the whole study.

5.2   Key Findings

In this framework, all results will be written in more depth. This will help the researcher of this study get more explanations related to the results of the study conducted. To collect the data required for this research, a questionnaire was distributed as a survey with an online questionnaire. in addition, in this study as well, it has successfully found the effect of financing on SMEs. Meanwhile, there is a strong correlation between the influence of respondents in terms of perception of relevance and quantity of information.

All the results that have been done have been expressed through SPSS software which has increased the number of respondents who answered the questionnaire. In addition, this study will explain a little about the demographics of the 384 respondents who answered the questionnaire. For females, it is the highest number of 223 respondents

(58.1%) compared to males. As for age, the highest number of people who fill is between 30-39 years old which is 149 (38.9%). The number of nationalities that answered the questionnaire the most was Malay followed by Indian at (43.5%) and (30.7%) respectively. In terms of education level, it was seen in this study that the highest percentage owned by the respondents was a degree, which is 184 respondents equivalent to (47.9%).

As for the overall results involving five variables, it shows that strongly agree is the most chosen by 384 respondents. For the first variable, which is attitude, the overall mean is 5.42 while for the subjective norm, it is 5.34. Other variables such as perceived behavior control are 5.49 and the mean for the financing structure is 5.45 which is the result of the same decision as the financing source.

Table 5.1: Findings of the result

OBJECTIVE	HYPOTHESIS	RESULTS	FINDINGS
to determine the influence of the attitude of MSME owners on intention to adopt certain funding method of digitalization.	**H1**: Attitude has a positive impact on intention to adopt certain funding method of digitalization.	r= 0.614 P = <0.001 Moderate	H1 is accepted
to examine the influence of the subjective norms of MSME owners on intention to adopt certain funding method of digitalization.	**H2**: Subjective norms has a positive impact on intention to adopt certain funding method of digitalization.	r= 0.646 P = <0.001 Moderate	H2 is accepted
to examine the influence of the perceived behavioral control of MSME owners on intention to adopt certain funding method of digitalization.	**H3**: Perceived behavioral control has a positive impact on intention to adopt certain funding method of digitalization.	r= 0.680 P = < 0.001 Moderate	H3 is accepted
to examine the influence of the funding structure of MSME owners on intention to adopt certain funding method of digitalization.	**H4**: Funding structure has a positive impact on intention to adopt certain funding method of digitalization.	r= 0.671 P = < 0.001 Moderate	H4 is accepted
to examine the influence of the source of funding of MSME owners on intention to adopt certain funding method of digitalization.	**H5**: Source of funding has a positive impact on intention to adopt certain funding method of digitalization.	r= 0.722 P = < 0.001 Good	H5 is accepted

5.3 Discussion

5.3.1 Hypothesis 1

Attitude has a positive impact on intention to adopt certain funding method of digitalization.

From table 5.1, there was a moderate positive relationship between attitudes on funding methods adopted for digitalization among MSME. From the result of the correlation coefficient, the value is $p < 0.001$ which is less than the alpha value (0.05) while the table coefficient of multiple linear regressions in 0.026 which it is less than 0.05. It indicates that there is a positive relationship between attitude impact on funding methods adopted for digitalization among MSMEs. Therefore, an alternative hypothesis H1 is accepted.

Based on the first research question, the study can conclude that there is a positive impact between attitudes on funding methods adopted for digitalization. Khasanah (2022) deciphered financial attitude is one of the main factors that along with financial literacy—that affect how MSMEs' business players handle their finances. The majority of small and medium-sized business owners have poor financial management practices, as seen by their low desire to continually improve their financial management skills. The mindset of MSMEs businesspeople who are easily satisfied with their current performance, do not intend to improve their financial management skills without budget planning or financial audits, and do not record financial transactions is another indicator of their poor financial attitude.

95

5.3.2 Hypothesis 2

Subjective norms has a positive impact on intention to adopt certain funding method of digitalization.

From table 5.1, there was a moderate positive relationship between subjective norms on funding methods adopted for digitalization among MSME. From the result of the correlation coefficient, the value is $p < 0.001$ which is less than the alpha value (0.05) while the table coefficient of multiple linear regressions in 0.024 which it is less than 0.05. It indicates that there is a positive relationship between attitude impact on funding methods adopted for digitalization among MSMEs. Therefore, an alternative hypothesis H1 is accepted.

Based on the first research question, the study can conclude that there is a positive impact between subjective norm on funding methods adopted for digitalization. On the other hand, MSMEs do better when they adhere to the subjective standard. This shows that MSMEs' performance in Malaysia is influenced by their goals as determined by a subjective standard. Put another way, even in cases when MSME actors' intentions are not influenced by a subjective norm, financial literacy can have a direct impact on the performance of MSMEs in Malaysia (Rahman, 2021).

5.3.3 Hypothesis 3

Perceived behavioral control has a positive impact on intention to adopt certain funding method of digitalization.

96

From table 5.1, there was a moderate positive relationship between perceived behaviour control on funding methods adopted for digitalization among MSME. From the result of the correlation coefficient, the value is $p < 0.001$ which is less than the alpha value (0.05) while the table coefficient of multiple linear regressions in 0.001 which it is less than 0.05. It indicates that there is a positive relationship between attitude impact on funding methods adopted for digitalization among MSMEs. Therefore, an alternative hypothesis H1 is accepted.

Based on the first research question, the study can conclude that there is a positive impact between perceived behavior on funding methods adopted for digitalization. Purwidianti (2022) demonstrates that when MSME owners possess strong financial literacy, their financial behaviour improves. The financial performance of the business can also be enhanced by financial knowledge. Thus, to maintain and enhance the behaviour and financial performance of SMEs, it is imperative that financial literacy training be continued for their owners.

5.3.4 Hypothesis 4

Funding structure has a positive impact on intention to adopt certain funding method of digitalization.

From table 5.1, there was a moderate positive relationship between funding structure on funding methods adopted for digitalization among MSME. From the result of the correlation coefficient, the value is $p < 0.001$ which is less than the alpha value (0.05) while the table coefficient of multiple linear regressions in 0.002 which it is less than 0.05.

It indicates that there is a positive relationship between attitude impact on funding methods adopted for digitalization among MSMEs. Therefore, an alternative hypothesis H1 is accepted.

This positive result can be seen in more detail about the research questions that have been done. With crowdfunding, you can get funds from several supporters, who each contribute a small amount, as opposed to receiving a large amount from a select few. According to Shneor and Munim (2019), this process is often completed online without the help of conventional financial intermediaries.

5.3.5 Hypothesis 5

Source of funding has a positive impact on intention to adopt certain funding method of digitalization.

From table 5.1, there was a moderate positive relationship between funding structure on funding methods adopted for digitalization among MSME. From the result of the correlation coefficient, the value is $p < 0.001$ which is less than the alpha value (0.05) while the table coefficient of multiple linear regressions in 0.001 which it is less than 0.05. It indicates that there is a positive relationship between attitude impact on funding methods adopted for digitalization among MSMEs. Therefore, an alternative hypothesis H1 is accepted.

For SMEs and certain visionary businessmen, bank credit or loans are the most popular source of external financing; these entities rely heavily on conventional debt to meet their startup, income, and investment demands. Equity financing helps SMEs by

98

offering long-term loans with the lowest possible interest payments and by helping startups establish credibility by showing that they have experienced financial professionals on staff. (Hayes and Ou, 2006).

5.4   Implication of The Study

This study aims to determine and examine the extent of the impact of financing methods on digitization among MSMEs. This study also revealed that the investigation was carried out in more depth to further analyze the influence such as attitude, perceived behaviour control, subjective norms, source of funding, and funding structure against the funding method for digitalization. This study has been implemented by giving a link to the questionnaire and a total of 384 respondents have taken the opportunity to fill in the questionnaire.

From a financial point of view, this study can indeed provide information on the capabilities and availability of these MSMEs where they can digitize their business operations. A more conducive method translated in this study can also identify and support digital transformation among MSMEs. The information obtained in this study can also help improve appropriate business mechanisms in financing.

In this study, it can be seen through the number of positive respondents also showing that the implementation that they want to do can have a good effect on the rate of technology use among these SMEs. This is what can help and understand whether these methods can help in promoting their business. In addition, this can also explore the

relationship between financing methods and business performance and competitiveness of SMEs after digitization. It can assess whether certain financing methods produce better results, such as improved productivity, increased sales, improved customer reach, and enhanced competitiveness. These insights can guide SMEs in choosing the most effective financing methods to maximize the benefits of digitization.

Kurniasari (2023) discovered that performance expectation is strongly tied to an individual's assumption that implementing new technology would improve performance. The study discovered that performance expectations had a favorable impact on digital payment usage among young graduates in both Indonesia and Malaysia. Furthermore, performance expectation was tied to the new digital platform's potential to create a method to swiftly complete operations required to build the firm. Furthermore, that performance expectation influences the use of e-crowdfunding platforms as a source of corporate financial resources.

Overall, a study on the impact of financing methods on digitization among SMEs can contribute valuable insights to various stakeholders involved in supporting and promoting digital transformation. It can inform the development of strategies, policies, and financing mechanisms that facilitate the digitization of SMEs and increase their competitiveness in the digital economy.

5.5   Limitations of the study

The research study has been completed effectively. Nevertheless, we still have some obstacles to overcome to complete our study endeavors. Due to the interference, it will cause in obtaining results after the project, the constraint will have an indirect effect on our ability to finish it.

This study's scope is limited to MSME entrepreneurs based in Malaysia by employing a quantitative research strategy that prioritizes objective measurement and the statistical, mathematical, and numerical analysis of data collected through the distribution of surveys and questionnaires. Expanding the regional reach is crucial for further research. Only Malaysian MSMEs make up the research sample. To represent more comprehensive findings, future studies can broaden the sample to include MSMEs throughout Asia like any other developing country such as Thailand and the Philippines. Besides that, this study makes use of convenience sampling. Additional sampling approaches can be used in future studies.

More research in this area is strongly advised, especially considering the limited sample size of this study. It may be able to deduce success elements for MSMEs by comprehending potential causes of failure. But the challenge is that, for a variety of reasons, entrepreneurs are reluctant to talk about unpleasant experiences throughout their business journey. However, investigating inefficient practices might benefit business owners by pointing out the sort of training that could be required to boost operations, especially financial performance, and sustainability. This line of research is also pertinent

101

practically, as it may provide policymakers and educators with some helpful recommendations on how to enhance educational initiatives to promote the growth and success of MSMEs.

According to Azevedo (2021), to meet the digital transformation problems of industrial SMEs, the education science subject must adapt. It is critical to investigate new channels and techniques for providing advanced training to businesses, as well as to choose topics that are more relevant to the trainees' aims and demands. It is widely acknowledged that, in general, fewer activities to maximize training effectiveness are performed following training sessions. Typically, at the end of a training programme, experience suggests that the great majority of firms obtained significant information when assessing participants' training satisfaction and learning achievement.

5.6   Recommendations for future research

MSMEs contribute to innovation, create jobs, provide value, and are vital to national economies all over the world. To achieve more equitable growth and environmental sustainability, MSMEs are essential. Nevertheless, their contributions differ greatly throughout businesses, nations, and industries. MSMEs are falling behind in the digital transformation, even though digitalization presents new potential to engage in the global economy.

More research in this area is strongly advised, especially considering the limited sample size of this study. It may be able to deduce success elements for MSMEs by

102

comprehending potential causes of failure. But the challenge is that, for a variety of reasons, entrepreneurs are reluctant to talk about unpleasant experiences. All the same, examining inefficient behaviours could help entrepreneurs by pointing out the sort of training that would be required to boost their company's productivity. This research area may also be important practically, as it might offer policymakers and educators helpful recommendations on how to enhance educational initiatives to promote the growth and success of MSMEs.

It was supported by prior researchers, that international digital entrepreneurial features boost internationalization development and are thus critical to managers. For example, digital product development and new digital opportunity development are extremely successful in boosting the intensity of internationalization in current country markets. Creative low-cost digital marketing and social media customer interactions are ideal for expanding the SME's geographical footprint. Managers should be aware that the social networks of entrepreneurs might support the development of a certain international digital entrepreneurial marketing component (Anderson, 2023).

More research in this area is needed to identify the extent to which Malaysian MSME entrepreneurs are prepared in different aspects, particularly financing and digitization innovation, by satisfying the appropriate criteria. Furthermore, studies examining the impact of literacy rates and awareness of MSMEs entrepreneurs' environments on the digitalization of financial techniques for MSMEs are necessary to support this industry. Internal and environmental factors that influence entrepreneurial

desires and other approaches should be researched in the future to be used as a reference and benchmark for MSME entrepreneurs more broadly.

It is advised that MSMEs make use of the benefits and resources provided by accounting information systems, but first, they need to learn how to utilize them. This will guarantee the seamless flow of information and commercial transactions necessary for the operations of the organization. An additional recommendation pertains to the requirement for direction and training initiatives about technological advancements. MSMEs will benefit from the information provided on recent technological advancements in their business operations. With the help of this handbook, MSMEs will be more aware of and inclined to use accounting information systems.

5.7   Overall Conclusion of This Study

It is challenging for management to make quick changes as innovation requires adaptation. The owner's characteristics appear to influence improving MSME performance, even if many other factors promote innovation, according to the profile of respondents in Malaysia, which is predominantly made up of micro-enterprises. Numerous supply-side and demand-side barriers make it difficult for many MSMEs to obtain the right kind of financing for their start-ups.

It can be inferred from the study that the five independent variables which are attitude, subjective norms, perceived behaviour control, financing structure, and source of

funding all simultaneously had a favorable and noteworthy influence on the funding method of digitization among Malaysian MSMEs. Responses to the questionnaire were recorded for 384 respondents. With the use of the statistical package for the social sciences (SPSS) program, the data was collected and examined. The results showed a substantial relationship between the factors; the multiple coefficient (R) of 0.774 indicates that the aim of the five variables stated may account for 59.9% of the funding technique used in digitization. Consequently, the outcome was seen as credible. According to Purwidianti (2022), SME owners who possess strong financial literacy exhibit improved financial behaviour and performance. It implies that having financial expertise, such as having made investments in a range of financial markets, may also improve a company's success.

These would increase MSME access to and utilization of financing, enhancing the sector's development and sustainability. Consequently, this will have a good impact on job growth and the country's economic development. However, as a backup plan, enhancing the MSME financing ecosystem should continue to be a goal.

REFERENCES

Abbasi, W. A., Wang, Z., & Abbasi, D. A. (2018). Potential sources of financing for small and medium enterprises (SMEs) and role of government in supporting SMEs. Journal of Small Business and Entrepreneurship Development, 6(1). https://doi.org/10.15640/jsbed.v5n2a4

Abdulsaleh, A. M., & Worthington, A. C. (2013). Small and Medium-Sized Enterprises Financing: A Review of Literature. *International Journal of Business and Management*, *8*(14). https://doi.org/10.5539/ijbm.v8n14p36

Ajzen, I. (1985). From Intentions to Actions: A theory of planned behavior. In *Springer eBooks* (pp. 11–39). https://doi.org/10.1007/978-3-642-69746-3_2

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, *50*(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-t

Ajzen, I. (1998). Models of human social behavior and their application to health psychology. *Psychology & Health, 13*(4), 735-739. https://doi.org/10.1080/08870449808407426

Andersson, S., Evers, N., & Gliga, G. (2018). Entrepreneurial marketing and born global internationalisation in China. *Qualitative Market Research: An International Journal*, *21*(2), 202–231. https://doi.org/10.1108/qmr-11-2016-0115

Azevedo, A., & Almeida, A. (2021). Grasp the Challenge of Digital Transition in SMEs—A Training Course Geared towards Decision-Makers. Education Sciences, 11(4), 151. https://doi.org/10.3390/educsci11040151

Barnsbee, L., Barnett, A., Halton, K., & Nghiem, S. (2018). Cost-effectiveness. In *Elsevier eBooks* (pp. 749–772). https://doi.org/10.1016/b978-0-12-810491-0.00024-2

Baxter, K., Courage, C., & Caine, K. (2015). Choosing a user experience research activity. In *Elsevier eBooks* (pp. 96–112). https://doi.org/10.1016/b978-0-12-800232-2.00005-5

Beck, T., Demirgüç-Kunt, A., Laeven, L., & Maksimovic, V. (2006). The determinants of financing obstacles. *Journal of International Money and Finance, 25*(6), 932–952. https://doi.org/10.1016/j.jimonfin.2006.07.005

Bhattacharya, S., & Londhe, B. R. (2014). Micro Entrepreneurship: Sources of Finance & Related Constraints. *Procedia Economics and Finance, 11*, 775-783. https://doi.org/https://doi.org/10.1016/S2212-5671(14)00241-X

Brettel, M., Heinemann, F., Espel, P., & Winkenbach, B. (2009a). Private Equity for SME: A Behavioural Model of the Demand-Side Perspective. *Social Science Research Network.* https://doi.org/10.2139/ssrn.1141068

Combes, S. M. (2019). How to Write a Discussion Section | Tips & Examples. Retrieved from January 17, 2023, https://www.scribbr.com/author/shona/page/2/

Devi, A. (2023, August 15). Determinant Factor Analysis of financial technology adoption among halal sector microenterprises in Indonesia. Devi | Amwaluna: *Jurnal

Ekonomi   Dan   Keuangan   Syariah.
https://ejournal.unisba.ac.id/index.php/amwaluna/article/view/12456/4915

Din, N. M., Ismail, M., & Nuh, R. (2019). CONSUMER'S SATISFACTION AND BEHAVIOUR TOWARDS PERSONAL FINANCING. *International Journal of Entrepreneurship and Management Practices,* *2*(7), 61–79. https://doi.org/10.35631/ijemp.27008

Edgar, T. W., & Manz, D. O. (2017). Exploratory study. In *Elsevier eBooks* (pp. 95–130). https://doi.org/10.1016/b978-0-12-805349-2.00004-2

Elfil, M., & Negida, A. (2016b). Sampling methods in clinical research; An educational review. ResearchGate. https://doi.org/10.22037/emergency.v5i1.15215

Fahmi, F. Z., & Savira, M. (2021). Digitalization and rural entrepreneurial attitude in Indonesia: a capability approach. *Journal of Enterprising Communities*. https://doi.org/10.1108/jec-06-2021-0082

Figure 2. Table for Determining Sample Size from a Given Population. . .. (n.d.). ResearchGate. https://www.researchgate.net/figure/Table-for-Determining-Sample-Size-from-a-Given-Population-Reprinted-with-permission-from_fig1_350049087

Fishbein, M., & Ajzen, I. (2011). *Predicting and changing behavior.* https://doi.org/10.4324/9780203838020

Fleetwood, D. (2023, November 27). *Sampling Methods: Guide To All Types with Examples*. QuestionPro. https://www.questionpro.com/blog/types-of-sampling-for-social-research/

Hair, J., Black, W. C., Babin, B. J. & Andersovariable. (2010) Multivariate data analysis (7th ed.). Upper Saddle River, New Jersey: Pearson Educational International. https://www.academia.edu/41115354/Multivariate_Data_Analysis_7th_Edition

Ham, M., Jeger, M., & Ivković, A. F. (2015). The role of subjective norms in forming the intention to purchase green food. *Ekonomska Istrazivanja-economic Research*, *28*(1), 738–748. https://doi.org/10.1080/1331677x.2015.1083875

Hardi, H. (2022b, April 11). *THE MEDIATION ROLE OF TRUST AND AWARENESS IN INFLUENCING SUBJECTIVE NORMS ON INTENTION IN USING SHARIA FINANCING*. https://debian.stiesia.ac.id/index.php/icobuss1st/article/view/316

Horvat, J. (2011b). Questionnaire. In *Springer eBooks* (pp. 1154–1156). https://doi.org/10.1007/978-3-642-04898-2_55

Kabir, S. M. S. (2016). MEASUREMENT CONCEPTS: VARIABLE, RELIABILITY, VALIDITY, AND NORM. *ResearchGate*. https://www.researchgate.net/publication/325846760_MEASUREMENT_CONCEPTS_VARIABLE_RELIABILITY_VALIDITY_AND_NORM

Kabir, S. M. S. (2016a). METHODS OF DATA COLLECTION. *ResearchGate*. https://www.researchgate.net/publication/325846997_METHODS_OF_DATA_COLLECTION

Karimi, J., & Walter, Z. (2021c). The role of entrepreneurial agility in digital entrepreneurship and creating value in response to digital disruption in the

newspaper industry. *Sustainability, 13*(5), 2741. https://doi.org/10.3390/su13052741

Kaur, P., Stoltzfus, J., & Yellapu, V. (2018f). Descriptive statistics. *International Journal of Academic Medicine*, *4*(1), 60. https://doi.org/10.4103/ijam.ijam_7_18

Kaur, S. (2021c). SAMPLE SIZE DETERMINATION. ResearchGate. https://www.researchgate.net/publication/349862047_SAMPLE_SIZE_DET ERMINATION

Kayanula, D., & Quartey, P. (2000b). The policy environment for promoting small and medium-sized enterprises in Ghana and Malawi. (Vol. 15). Institute for Development Policy and Management, University of Manchester, Crawford House, Precinct Centre, Oxford Road, MANCHESTER M13 9GH. https://hummedia.manchester.ac.uk/institutes/gdi/publications/workingpapers/arc hive/fd/fdwp15.pdf

Kijkasiwat, P. (2021). The influence of behavioral factors on SMES' owners intention to adopt private finance. *Journal of Behavioral and Experimental Finance*, *30,* 100476. https://doi.org/10.1016/j.jbef.2021.100476

Kolvereid, L. (1996). Prediction of Employment Status Choice Intentions. Entrepreneurship Theory and Practice, 21(1), 47-58. https://doi.org/10.1177/104225879602100104

Kotha, R., & George, G. (2012b). Friends, family, or fools: Entrepreneur experience and its implications for equity distribution and resource mobilization. *Journal of Business Venturing*, *27*(5), 525–543. https://doi.org/10.1016/j.jbusvent.2012.02.001

Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. Educational and psychological measurement, 30(3), 607-610.

Lasheen, A. (2021, June 14). *Crowdfunding to democratize financing for MSME*. https://www.linkedin.com/pulse/crowdfunding-democratize-financing-msme- alaa-lasheen

Majid, U. (2018). Research fundamentals: study design, population, and sample size. *Undergraduate Research in Natural and Clinical Science and Technology (URNCST) Journal*, *2*(1), 1–7. https://doi.org/10.26685/urncst.16

Marican, S., & Sabil, S. (2017). Family-friendly policies as an organizational support to overcome work-family conflict. *The Malaysian Journal of Social Administration*, *9*(1), 1–18. https://doi.org/10.22452/mjsa.vol9no1.1

Maru, V. (2023, July 3). Digitization: The empowering factor for MSME growth in India. *Times of India Blog*. https://timesofindia.indiatimes.com/blogs/voices/digitization-the

Mathieson, K. (1991). Predicting User Intentions: Comparing the Technology Acceptance Model with the Theory of Planned Behavior. *Information Systems Research*, *2*(3), 173–191. https://doi.org/10.1287/isre.2.3.173

Miremadi, A., Toutoue, S. R., & Oghani, R. M. (2013). An Empirical Investigation among Iranian Consumers with Variety Consumption Habits in Cosmetic Sector.

International Journal of Marketing Studies, *5*(3). https://doi.org/10.5539/ijms.v5n3p133

Muthmainah, & Cholil, M. (2015). Analysis of Attitude, Experience, Subjective Norm and Behavioral Control on The Entrepreneurial Intention and Behavior: A Case Study toward The Pawners of Sharia Pawnshop of Surakarta Branch Office, Central Java, Indonesia. *International Journal of Information, Business and Management, 7*(2), 63-76. https://www.proquest.com/scholarly-journals/analysis-attitude-experience-subjective-norm/docview/1657418808/se-2?accountid=51152

Nizah, M. a. M. (2014b). DETERMINING SAMPLE SIZE FOR RESEARCH ACTIVITIES. Author: Krejcie, Robert V Morgan, Daryle W In Educational and Psychological Measurement. *Usim*. https://www.academia.edu/8276400/DETERMINING_SAMPLE_SIZE_FOR_RESEARCH_ACTIVITIES_Author_Krejcie_Robert_V_Morgan_Daryle_W_in_Educational_and_Psychological_Measurement

Nobody. (2015). SME Corp CEO urges Malaysian MSMEs to embrace digitalisation, close gap in upgrading business operations. https://www.smecorp.gov.my/index.php/en/resources/2015-12-21-10-55-22/news/4884-sme-corp-ceo-urges-malaysian-msmes-to-embrace-digitalisation-close-gap-in-upgrading-business-operations

Nobody. (2017). *International Research Journal of Business Studies.* https://doi.org/10.21632/irjbs

Nobody. (2020) Msme Transformation for Inclusive Economic Growth. Economic Report on Indonesia. https://www.bi.go.id/en/publikasi/laporan/Pages/LPI_2020.aspx

Nobody. (2020). MSME Statistics. https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-statistics

Nobody. (2020). Profile of MSMEs in 2016-2022. https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/profile-and-importance-to-the-economy

Nobody. (2020). SME Definitions. https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-definition

Ou, C., & Haynes, G. W. (2006). Acquisition of Additional Equity Capital by Small Firms – Findings from the National Survey of Small Business Finances. *Small Business Economics*, *27*(2–3), 157–168. https://doi.org/10.1007/s11187-006-0009-8

Patil, M. (2023, November 6). #3 | Measures of Variability | 7-Days of Statistics for Data Science. *Medium*. https://medium.com/@madhuri15/day-03-measures-of-variability-7-days-of-statistics-for-data-science-6bb7168b9300

Purwidianti, W., Tubastuvi, N., Darmawan, A., & Rahmawati, I. Y. (2022). Does financial behavior mediate the relationship between financial literacy and financial experience towards financial performance of small businesses? *Advances in Economics, Business and Management Research.* https://doi.org/10.2991/aebmr.k.211225.033

Rabaa'i, A. A., Maati, S. a. A., Muhammad, N. B., & Eljamal, E. M. (2024). Understanding mobile payments through the lens of innovation resistance and planned behavior theories. *Uncertain Supply Chain Management,* 12(1), 45–64. https://doi.org/10.5267/j.uscm.2023.10.018

Rachinger, M., Rauter, R., Müller, C., Vorraber, W., & Eva, S. (2019). Digitalization and its influence on business model innovation. *Journal of Manufacturing Technology Management, 30*(8), 1143–1160. https://doi.org/10.1108/jmtm-01-2018-0020

Roopa, S., & Rani, R. R. R. (2012). Questionnaire designing for a survey. *Journal of Indian Orthodontic Society*, *46*, 273–277. https://doi.org/10.5005/jp-journals-10021-1104

Rule of thumb for Cronbach's Alpha (Coefficient value). (n.d.). ResearchGate. https://www.researchgate.net/figure/Rule-of-Thumb-for-Cronbachs-Alpha-Coefficient-Value_tbl8_341412081

San, K. G. (2023, October 15). SMEs want easier loan applications. *The Star*. https://www.thestar.com.my/news/nation/2023/10/15/smes-want-easier-loan-applications

Saunders, M. N., Lewis, P., Thornhill, A., & Bristow, A. (2019b). "Research Methods for Business Students" Chapter 4: Understanding research philosophy and approaches to. . . *ResearchGate*. https://www.researchgate.net/publication/330760964_Research_Methods_for_Business_Students_Chapter_4_Understanding_research_philosophy_and_approaches_to_theory_development

Sekaran, U., & Bougie, J. R. G. (2009). Research Methods for Business: A Skill Building Approach (5th Edition). *ResearchGate*. https://www.researchgate.net/publication/254789319_Research_Methods_for_Business_A_Skill_Building_Approach_5th_Edition.

Sekaran, U., & Bougie, R. (2016). Research Methods for Business: A Skill Building Approach (5th edition). New Jersey: John Wiley and Sons. https://books.google.com.my/books?hl=en&lr=&id=Ko6bCgAAQBAJ&oi=fnd&pg=PA19&dq=info:jGmAUw-p9_sJ:scholar.google.com/&ots=2DZL-7L_iU&sig=98PRfpDfGiiwvralqlFzQdebozI&redir_esc=y#v=onepage&q&f=false

Shneor, R., & Munim, Z. H. (2019). Reward crowdfunding contribution as planned behaviour: An extended framework. *Journal of Business Research*, *103*, 56–70. https://doi.org/10.1016/j.jbusres.2019.06.013

Siddiqui, S. H., & Khan, M. S. (2019). SMEs Intention towards Use and Adoption of Digital Financial Services. *Sustainable Business and Society in Emerging Economies, 1*(2), 65–80. https://doi.org/10.26710/sbsee.v1i1.1007

Sommer, L. (2011c). The theory of planned behaviour and the impact of past behaviour. *International Business & Economics Research Journal*, *10*(1). https://doi.org/10.19030/iber.v10i1.930

Sulaeman, S. Y. N. (2020). Analysing the Behavioral Intention Factors in Using Zakat-Based Crowdfunding Platform in Indonesia: A Quantitative Study.

https://repo.iainbatusangkar.ac.id/xmlui/bitstream/handle/123456789/19807/1613376888252_2020%203.pdf?sequence=1

Swaen, B. (2022, November 15). *What is a conceptual framework? | Tips & examples*. Scribbr. https://www.scribbr.com/methodology/conceptual-framework/#:~:text=A%20conceptual%20framework%20is%20a,existing%20studies%20about%20your%20topic

Taber, K. S. (2017). The use of Cronbach's Alpha when developing and reporting research instruments in science education. *Research in Science Education*, *48*(6), 1273–1296. https://doi.org/10.1007/s11165-016-9602-2

Taing, H. B., & Chang, Y. (2020). Determinants of tax Compliance intention: Focus on the theory of planned behavior. *International Journal of Public Administration*, *44*(1), 62–73. https://doi.org/10.1080/01900692.2020.1728313

Thorne, S. (2000). Data analysis in qualitative research. *Evidence-Based Nursing*, *3*(3), 68–70. https://doi.org/10.1136/ebn.3.3.68

Turyahikayo, E. (2015b). Challenges faced by small and medium enterprises in raising finance in Uganda. *International Journal of Public Administration and Management Research,* *3*(2), 21-33. https://www.journals.rcmss.com/index.php/ijpamr/article/view/439

Uddin, M. N., Nahar, L., Kassim, S., & Saad, N. B. M. (2023). Factors affecting financial literacy among Micro small and medium-sized enterprises (MSMEs) in Bangladesh. . . *ResearchGate*. https://www.researchgate.net/publication/371379509_Factors_affecting_financial_literacy_among_Micro_small_and_medium-sized_enterprises_MSMEs_in_Bangladesh_and_Malaysia

Ursachi, G., Horodnic, I. A., & Zaiţ, A. (2015). How Reliable are Measurement Scales? External Factors with Indirect Influence on Reliability Estimators. *Procedia. Economics and Finance*, *20*, 679–686. https://doi.org/10.1016/s2212-5671(15)00123-9

Utami, C. W. (2017e). Attitude, Subjective Norms, Perceived behavior, Entrepreneurship education and Self-efficacy toward. . . ResearchGate. https://www.researchgate.net/publication/317214147_Attitude_Subjective_Norms_Perceived_behavior_Entrepreneurship_education_and_Self-efficacy_toward_entrepreneurial_intention_University_student_in_Indonesia

Uyanık, G. K., & Güler, N. (2013). A study on multiple linear regression analysis. *Procedia - Social and Behavioral Sciences*, *106*, 234–240. https://doi.org/10.1016/j.sbspro.2013.12.027

Yang, M., Gabrielsson, P., & Andersson, S. (2023). Entrepreneurs' social Ties and International Digital Entrepreneurial Marketing in Small and Medium-Sized Enterprise Internationalization. *Journal of International Marketing*, *31*(4), 1–22. https://doi.org/10.1177/1069031x231178220

Yeong, Yen Nee & Hanifah, Haniruzila & Halim, Hasliza & Dewi, Yuli. (2023). Sales Performance and Efficiency of E-Business Adoption Among Women-Owned Micro, Small, and Medium Enterprises (MSMEs) in Malaysia. International

111

Journal of Business and Technology Management. https://doi.org/10.55057/ijbtm.2023.5.3.18

Yip, T. (2023, September 5). *Benefits of Digital Transformation for SMEs: How to stay ahead of the competition*. https://www.linkedin.com/pulse/benefits-digital-transformation-smes-how-stay-ahead-competition-yip#:~:text=New%20Market%20Opportunities%3A%20Digital%20transformation,build%20relationships%20through%20social%20media

APPENDIX A- QUESTIONNAIRE DRAFT

UNIVERSITI MALAYSIA KELANTAN

KESAN KAEDAH PEMBIAYAAN TERHADAP DIGITALISASI DALAM KALANGAN PERUSAHAAN MIKRO, KECIL DAN SEDERHANA (PMKS)
THE EFFECT OF FUNDING METHOD ON DIGITALIZATION AMONG MSMES

Responden yang dihormati,

Kami merupakan pelajar Ijazah Sarjana Muda Keusahawanan (Perdagangan) dengan Kepujian dari Universiti Malaysia Kelantan (UMK). Kami sedang menjalankan tinjauan penyelidikan sebagai sebahagian daripada Projek Tahun Akhir kami. Tujuan soal selidik ini adalah untuk mengumpul maklumat tentang perspektif, pengalaman dan aspirasi anda berkenaan "**Kesan Kaedah Pembiayaan Terhadap Digitalisasi Dalam Kalangan Perusahaan Mikro, Kecil Dan Sederhana (PMKS)**". Dengan meneroka bidang ini, kami menyasarkan untuk mengenal pasti ciri-ciri kaedah pembiayaan dalam membentuk pelaksanaan pendigitalan dalam kalangan PMKS. Kami memohon agar Tuan/Puan dapat memberikan jawapan atau respon yang jujur dan bernas kepada semua soalan berikut kerana input anda akan menyumbang kepada peningkatan pengetahuan kami dan menyokong bakal usahawan seperti anda di dalam proses pembuatan keputusan yang melibatkan hasil kajian ini. Soal kaji selidik ini akan mengambil masa kira-kira 10-15 minit. Untuk memberi respon, kami amat berbesar hati sekiranya Tuan/Puan dapat menjawab soal selidik ini yang dibuat secara atas dalam talian. Penyelidikan ini adalah untuk tujuan akademik sahaja dan maklumat anda akan dirahsiakan dan dijaga dengan baik. Borang kaji selidik ini mengandungi Tiga (3) bahagian. Tuan/Puan dimohon untuk memberi respon kepada semua bahagian. Terima kasih di atas masa dan sumbangan berharga anda.

Disediakan oleh:
Muhammad Fahmi Adli Bin Mohd Fazli (A20A2175)
Nur Anis Aqilah Binti Rozaidi (A20A2310)
Nurwazani Binti Johari (A20A1903)

113

Togeswari A/P Ganeson (A20A2045)

Dear Respective Respondent,

*We are Bachelor of Entrepreneurship (Commerce) students with Honour from University Malaysia Kelantan (UMK). We are conducting a research survey as part of our Final Year Project. The purpose of this questionnaire is to gather information about your perspectives, experiences, and aspirations regarding "**The Effect of Funding Method on Digitalization among Micro, Small and Medium Enterprises (MSMEs)**". By exploring these topics, we aim to identify the characteristics of funding methods in the forming digitalization implementation among MSMEs. We hope you may please provide honest and thoughtful answers or response to the following questions, as your input will be greatly contributed to advance our knowledge and supporting aspiring entrepreneurs like yourself in their decision making. This survey will take approximately 10-15 minutes. To complete the response, we would be most grateful if you could answer the online questionnaire. This research is for academic purposes only and your information will be kept confidential and care.*

This survey contains Three (3) sections. Thank you for your time and valuable contribution.

Prepared by:
Muhammad Fahmi Adli Bin Mohd Fazli (A20A2175)
Nur Anis Aqilah Binti Rozaidi (A20A2310)
Nurwazani Binti Johari (A20A1903)
Togeswari A/P Ganeson (A20A2045)

Participant Consent/ Persetujuan Peserta

This is to certify that the researcher of this above-mentioned study or project, from Universiti Malaysia Kelantan, Malaysia have informed me, and I confirm on the following:

1. I voluntarily agree to participate in the research study.
2. I know the purpose of the study.
3. I am aware of the nature of my involvement, and it has been fully explained to me.
4. I understand I have the right to withdraw at any time.
5. I understand that all information that I provided, will be treated confidentially.
6. I FULLY UNDERSTAND THE ABOVE TERMS.

114

Ini adalah untuk mengesahakan bahawa penyelidik kajian atau projek yang dinyatakan d atas, dari Universiti Malaysia Kelantan, Malaysia telah memaklumkan kepada saya dan saya mengesahkan perkara berikut:

1. Saya secara sukarela bersetuju untuk mengambil bahagian dalam kajian penyelidikan.
2. Saya tahu tujuan kajian.
3. Saya sedar tentang sifat penglibatan saya dan ia telah diterangkan sepenuhnya kepada saya.
4. Saya faham saya mempunyai hak untuk menarik diri pada bila-bila masa.
5. Saya faham bahawa semua maklumat yang saya berikan, akan dirahsiakan.
6. SAYA MEMAHAMI TERMA-TERMA YANG DINYATAKAN DI ATAS.

Choose only one option.
Setuju*/Agree*   ( )
Tidak setuju/ *Disagree*   ( )

BAHAGIAN A: PROFIL DEMOGRAFI/ *SECTION A: DEMOGRAPHIC PROFILE*

Arahan: Sila pilih jawapan anda untuk setiap soalan di bawah.

Instruction: Please choose your answers for each question below.

1. Jantina/ *Gender:*

   Lelaki/*Male*

   Perempuan/*Female*

2. Umur/*Age*:

   18-29 tahun/ *years old*

   30 -39 tahun/ *years old*

   40 -49 tahun/ *years old*

   50 tahun/ *years old above*

3. Bangsa/*Race*:

   Melayu/*Malay*

   Cina/*Chinese*

   India/*Indian*

   Lain-lain/*Others*: _____

4. Tahap pendidikan/*Educational level*:

   Malaysian Certificate of Education

   Malaysian Higher School Certificate

   Diploma

   Degree

   Master

   PHD

5.   Jualan tahunan perniagaan saya:/ *Average monthly turnover of my business:*

Kurang daripada RM 200,000/ *Less than RM 200,000*

Kurang daripada RM 250,000/ *Less than RM 250,000*

Antara RM 200,000 - kurang daripada RM 1 juta/ *Between RM200,000 - less than RM1 million*

Antara RM 250,000 - kurang daripada RM 10 juta/ *Between RM250,000 - less than RM 10 million*

Antara RM 1 juta - RM 5 juta/ *Between RM 1 million - RM 5 million*

Antarar RM 10 juta - RM 25 juta/ *Between RM 10 million - RM 25 million*

6.   Bilangan pekerja/ *Number of employees*:

Kurang daripada 5 pekerja/ *Less than 5 employees*

Antara 5- 19 pekerja/ *Between 5 - 19 employees*

Antara 5- 50 pekerja/ *Between 5 - 50 employees*

Antara 20 - 50 pekerja/ *Between 20 - 50 employees*

Antara 51 - 150 pekerja/ *Between 51 - 150 employees*

7.   Sektor perniagaan saya/ *Sector of Business Operated:*

Pertanian Utama/ *Primary Agriculture*

Pembuatan (termasuk Asas Tani) dan Perkhidmatan Berkaitan Pembuatan (MRS) / *Manufacturing (including Agro Based) and Manufacturing -Related Services (MRS)*

Sektor Perkhidmatan (termasuk ICT)/ *Services store (including ICT)*

8.   Syarikat saya sudah menggunakan teknologi untuk operasi perniagaan kami. / *My company already using technology for our business operation.*

Ya/*Yes*

Tidak/*No*

9.   Jika anda menjawab Ya kepada soalan No. 8 di atas, sila nilaikan tahap penggunaan teknologi anda dalam perniagaan. / *If you answer Yes to Question No. 8 above, please rate the level of your technology adoption within the business.*

Penerima terhad/ *Limited adoption*

Angkat Sederhana/ *Moderate adoption*

Penerimaan Besar/ *Substantial Adoption*

Angkat Lanjutan/ *Advanced Adoption*

Penerimaan Terunggul/ *Leading- edge Adoption*

10.   Syarikat saya telah menggunakan pembiayaan untuk membangunkan perniagaan saya secara digital dari segi pembayaran digital, pembangunan infrastruktur, pangkalan data dalam talian dan lain-lain daripada : (tandakan lebih daripada satu)/ *My company have been using funding to develop my business digitally in terms of digital payments, infrastructure development, online database and others from : (tick more than one)*

i. Sumber dalaman perniagaan/ *Business internal sources*

ii. Dana dari keluarga, kawan dan saudara mara/ *Funds from family, friends and relatives*

iii. Pembiayaan ramai/ *Crowdfunding*

iv. Pinjaman daripada Bank dan agensi lain/ *Loan from Bank and other agencies.*

Lain-lain*/Other*: _____

BAHAGIAN B: PEMBOLEHUBAH BEBAS/ *SECTION B: INDEPENDENT VARIABLES*

Arahan: Sila jawab setiap soalan dengan memilih ukuran anda menggunakan skala jenis Likert 7 mata, yang disediakan tentang kesan kaedah pembiayaan terhadap pendigitalan dalam kalangan PMKS di Malaysia.

Instruction: Please respond to each question by choosing your measurement using the 7-point Likert-type scales provided about the effect of funding methods on digitalization among MSMEs in Malaysia.

1. Sangat tidak setuju/ Strongly Disagree (SD)

2. Tidak setuju/ Disagree(D)

3. Sederhana Tidak Setuju/ Somewhat Disagree (SWD)

4. Netral/ Neutral (N)

5. Sederhana Setuju/ Somewhat Agree (SWA)

6. Setuju/ Agree (A)

7. Sangat setuju/ Strongly Agree (SA)

SIKAP/*ATTITUDE*

Pernyataan/ Statement	Sangat tidak setuju/ Strongly Disagree (SD)	Tidak setuju/ Disagree (D)	Sederhana Tidak Setuju/ Somewhat Disagree (SWD)	Netral/ Neutral (N)	Sederhana Setuju/ Somewhat Agree (SWA)	Setuju / Agree (A)	Sangat setuju/ Strongly Agree (SA)

Saya rasa saya ingin menyumbang dengan menggunakan kaedah pembiayaan untuk pendigitalan dalam syarikat saya. / *I think I would like to contribute by adopting a funding method on digitalization in my company.*						
Saya mempunyai pendapat yang positif tentang menyumbang kepada kaedah pembiayaan pendigitalan. */I have a positive opinion about contributing to funding methods of*						

digitalization.							
Saya fikir menyumbang kepada kaedah pembiayaan pendigitalan adalah bermanfaat untuk saya. */ I think contributing to funding methods of digitalization is beneficial for me*							

Mengambil bahagian dalam kaedah pembiayaan bagi pendigitalan adalah pilihan yang tepat dan bijak. / *Participating in funding method on digitalization is the right and wise choice.*						
Saya gembira untuk mengambil bahagian dalam kaedah pembiayaan kempen pendigitalan. / *I am happy to participate in the funding method of the digitalization campaign.*						

NORMA SUBJEKTIF/*SUBJECTIVE NORMS*

Pernyataan/ Statement	Sangat tidak setuju/ Strongly Disagree (SD)	Tidak setuju/ Disagree (D)	Sederhana Tidak Setuju/ Somewhat Disagree (SWD)	Netral/ Neutral (N)	Sederhana Setuju/ Somewhat Agree (SWA)	Setuju / Agree (A)	Sangat setuju/ Strongly Agree (SA)
Kegagalan untuk menjalin hubungan baik dengan orang yang betul mengakibatkan kehilangan peluang. / *Failure to establish good contact with the right people resulted in loss of opportunity.*							
Kegagalan untuk memilih profesional yang sesuai untuk disokong membuat keputusan. / *Failure to pick appropriate professionals to*							

support in decision-making.						
Pembuatan keputusan kewangan didorong oleh saya sebagai pemilik MSME dalam kepercayaan syarikat saya tentang penggunaan ekuiti persendirian dan dana dalaman. / *Financial decision-making is driven by me as a MSME owner in my company beliefs about the use of private equity and internal funds.*						

124

Saya akan bersikap positif terhadap aktiviti pembiayaan swasta jika saya merasakan keluarga, rakan dan entiti penting yang lain bersetuju dan menyokong penggunaan ekuiti persendirian. / *I will be positive toward private financing activities if I feel my family, friends and other important entities agree and support the use of private equity.*							

Beralih daripada pendekatan tradisional untuk menggunakan kewangan swasta dikaitkan dengan beberapa kecenderungan tingkah laku pemilik perniagaan. / *Moving from a traditional approach to using private finance is associated with some behavioral dispositions of business owners.*							

KAWALAN PERCEIVED TINGKAH LAKU/*PERCEIVED BEHAVIOUR CONTROL*

Pernyataan/ Statement	Sangat tidak setuju/ Strongly Disagree (SD)	Tidak setuju/ Disagree (D)	Sederhana Tidak Setuju/ Somewhat Disagree (SWD)	Netral/ Neutral (N)	Sederhana Setuju/ Somewhat Agree (SWA)	Setuju / Agree (A)	Sangat setuju/ Strongly Agree (SA)
Sumber yang diperlukan untuk transformasi digital tersedia untuk perniagaan saya. / *The required resources for digital transformation are available to my businesses.*							
Saya fikir perusahaan mempunyai pengetahuan yang diperlukan untuk transformasi digital. / *I think enterprises have the*							

127

requisite knowledge for digital transformation.						
Saya percaya perusahaan saya mempunyai keupayaan untuk mengubah secara digital. / *I believe my enterprises have the ability to transform digitally.*						
Strategi perniagaan perusahaan termasuk dalam transformasi digital. / *Enterprises' business strategies include in digital transformation.*						

Saya percaya perusahaan bersedia untuk evolusi teknologi digital yang berterusan. / *I believe enterprises are prepared for the ongoing evolution of digital technology.*							

STRUKTUR PEMBIAYAAN/*FUNDING STRUCTURE*

Pernyataan/ Statement	Sangat tidak setuju/ Strongly Disagree (SD)	Tidak setuju/ Disagree (D)	Sederhana Tidak Setuju/ Somewhat Disagree (SWD)	Netral/ Neutral (N)	Sederhana Setuju/ Somewhat Agree (SWA)	Setuju / Agree (A)	Sangat setuju/ Strongly Agree (SA)
Perkhidmatan platform crowdfunding memenuhi jangkaan saya. / *Crowdfunding platform services fulfill my expectations.*							
Crowdfunding menyediakan kebebasan menggunakan kaedah pembayaran yang sesuai dengan kos minimum. / *Crowdfunding provides freedom of using the suitable payment method with*							

130

minimum costs.						
Crowdfundin g membawa kepada kecekapan pembayaran dalam syarikat saya. / *Crowdfundin g leads to payment efficiency in my company.*						
Crowdfundin g sesuai untuk membiayai projek permulaan kecil seperti syarikat saya MSME. / *Crowdfundin g is suitable for financing small startup*						

projects like my company as a MSMEs.							
Crowdfunding meningkatkan kecekapan saluran pembiayaan di dalam syarikat saya. / *Crowdfunding increases the efficiency of financing channels in my company.*							

SUMBER PEMBIAYAAN/*SOURCE OF FUNDING*

Pernyataan/ Statement	Sangat tidak setuju/ Strongly Disagree (SD)	Tidak setuju/ Disagree (D)	Sederhana Tidak Setuju/ Somewhat Disagree (SWD)	Netral/ Neutral (N)	Sederhana Setuju/ Somewhat Agree (SWA)	Setuju / Agree (A)	Sangat setuju/ Strongly Agree (SA)
Saya percaya Pembiayaan daripada institusi kewangan adalah sumber terbaik untuk syarikat saya. */ I believe Financing from financial institutions is the best source for my company.*							
Subsidi daripada kerajaan adalah penting untuk syarikat saya. / *Subsidies from the government are important for my company.*							

Kos inovasi yang tinggi merupakan halangan utama bagi syarikat saya. / *High innovation cost is the main obstacle for my company.*							
Dasar kerajaan ialah elemen utama yang mempengaruh i kejayaan dan prestasi dalam perniagaan saya. / *Government policies are key elements that influence the success and performance of SMEs in my business.*							

Waran penting untuk pembiayaan jangka panjang dalam perniagaan saya. / *Warrants are important for long-term financing of my business.*							

BAHAGIAN C: PEMBOLEHUBAH BERSANDAR/*SECTION C: DEPENDENT VARIABLE*

Arahan: Sila jawab setiap soalan dengan memilih ukuran anda menggunakan skala jenis Likert 7 mata, yang disediakan tentang kesan kaedah pembiayaan terhadap pendigitalan dalam kalangan PMKS di Malaysia.

Instruction: Please respond to each question by choosing your measurement using the 7-point Likert-type scales provided about the effect of funding methods on digitalization among MSMEs in Malaysia.

1. Sangat tidak setuju/ Strongly Disagree (SD)

2. Tidak setuju/ Disagree(D)

3. Sederhana Tidak Setuju/ Somewhat Disagree (SWD)

4. Netral/ Neutral (N)

5. Sederhana Setuju/ Somewhat Agree (SWA)

6. Setuju/ Agree (A)

7. Sangat setuju/ Strongly Agree (SA)

KAEDAH PEMBIAYAAN BAGI DIGITALISASI DALAM KALANGAN PMKS/*FUNDING METHOD FOR DIGITALIZATION AMONG MSMEs*

Pernyataan/ Statement	Sangat tidak setuju/ Strongly Disagree (SD)	Tidak setuju/ Disagree (D)	Sederhana Tidak Setuju/ Somewhat Disagree (SWD)	Netral/ Neutral (N)	Sederhana Setuju/ Somewhat Agree (SWA)	Setuju / Agree (A)	Sangat setuju/ Strongly Agree (SA)

Pembiayaan telah menjadi masalah utama dalam usaha meningkatkan daya saing dan pembiayaan syarikat saya./ *Financing has become a major problem in the efforts to improve my company's competitiveness and financing.*							
Keperluan Pembiayaan Dalam Talian mudah dipenuhi bagi syarikat saya./ *Online Financing requirements are easy to fulfill for my business.*							

Tanpa sokongan kewangan, banyak PKS mungkin tidak dapat membuat pelaburan, meneruskan operasi mereka, atau menubuhkan perniagaan. / *Without financial support, many MSMEs may not be able to make investments, continue their operations, or even set up a business.*						
Kaedah pembayaran digital adalah sesuatu yang saya suka gunakan dalam perniagaan saya. / *The digital payment method is something I would be glad*						

to use in my business.							
Pembayaran digital untuk perniagaan adalah sesuatu yang menarik minat saya. / *Digital payments for business are something that interests me.*							

Terima kasih atas penyertaan anda! Respons anda akan berguna dalam mengenal pasti ciri kaedah pembiayaan untuk pendigitalan dalam kalangan perniagaan Mikro.

Thank you for your participation! Your responses will be useful in identifying the characteristics of funding methods for digitalization among Micro businesses.

Contact Person:
Name: Togeswari A/P Ganeson

Phone:010-4563001

Email: a20a2045@siswa.umk.edu.my

APPENDIX B- GANTT CHART

No	Monthly & week / Activities	OCTOBER				NOVEMBER			DECEMBER				JANUARY			
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15
1.	First briefing of PPTA 1 with coordinator and group division along with supervisor and group members.	■														
2.	First meeting with supervisor of PPTA 1 and get know the research proposal title.	■														
3.	Bibliometric analysis and SLR article.	■														
4.	Submission of bibliometric and SLR analysis article.	■														
5.	Start to discuss chapter 1.	■														
	Problem statement, research question, research objective.	■	■													
6.	Start to discuss chapter 2.			■												

140

	Underpinning theory, previous studies, conceptual framework.			█															
7.	Basic report writing & endnote workshop.			█															
8.	Start to discuss chapter 3.				█														
	Research design, data collection methods, study population, sample size, sample techniques, research instrument development, measurement of the variables, procedure for data analysis.				█														
9.	Seminar Plagiarism.				█														
10.	Correction for chapter 1 until chapter 3.				█														
11.	Submission of Research proposal and Turnitin check.					█													
12.	Presentation of PPTA 1.					█													
13.	Submission of PPTA 1 mark.						█												
14.	Mid-sem break							█											

141

No.	Task																
15.	Data Analysis workshop							■	■								
16.	Questionnaire Develop questionnaire, Correction of questionnaire, and distribute Google Form.									■	■						
17.	Discussion Chapter 4 Preliminary analysis, Demographic profile, Normality tests, Hypothesis test.											■					
18.	Discussion Chapter 5 Key findings, discussions of IV and DV, implication of the study, limitation of the study, recommendations, overall conclusion.												■				
19.	Correction for Chapter 4 & 5.												■				
20.	Submission of Final Year Project with Turnitin check.													■			
21.	Presentation Final Year Project.													■			

22.	Submission of mark PPTA 1&2.																		
23.	Study Week.																		

143