THE IMPACT OF SOCIAL MEDIA MARKETING ON SALES PERFORMANCE OF SMALL ONLINE BUSINESS

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Abstract: This research discusses the factors impacting the use of social media marketing on sales of the online small businesses in Malacca. The primary data was collected by using explanatory survey. The sample consists of 150 respondents who are online small business owners and who had experiences or non-experiences by implementing the social media marketing on their business in Malacca. The requirement analysis test used are pilot test, Reliability Analysis, Validity Analysis, Descriptive Statistic Analysis, Pearson’s Correlation Analysis, Multiple Regression Analysis and Hypothesis Test Analysis. The data analysis technique is used Statistical Package for Social Sciences (SPSS) Version 25.0 software. There are four independent variables such as customers’ feedbacks, communication, content sharing and customers’ relationships will be measured to examine their influence on sales performance of the online small businesses. The research results show that customers’ feedbacks has no direct influence on sales performance, communication has directly influence on sales performance, content sharing has no direct influence on sales performance and customers’ relationships has directly influence on sales performance of online small businesses in Malacca. In overall, the customers’ relationships has been proved to be the most significant factor that impacting the use of social media marketing on sales of the online small businesses because fostering relationships helps the online small businesses to build a positive rapport with customers within the community. The good customers’ relationships will make customers to have a good impression for the business owners and willing to repurchase the products. The achievement of this results could be a reference which offered the knowledge of sales performance on online small businesses for academic purpose, business study or other fields.

Keywords: small online business; sales performance; social media marketing

1. INTRODUCTION

The E-business adoption, through e-marketing, is crucial in small online businesses or micro-entrepreneurship [1]. One of the methods of e-marketing is Social Media Marketing (SMM). The world of marketing has dramatically changed by a new medium namely Social
Media Marketing (SMM) which has created major challenge for both the public and private sectors [2]. SMM is considered an important part of social business operations [3] and includes various instruments such as customer reviews, ratings, suggestions, referrals, social media sites, discussion forum and group purchases or online purchasing [4].

One of the SMM’s goals is to strengthen interactivity of customers on these channels by enabling them to share information [5]. These include identifying the new revenue streams, delivering trade and organizational information, gathering consumer reviews and building societies [6] [7].

Companies have more choices to decide on marketing strategies like build relationship with customers, communications, online content distribution platforms, low cost operation and advertising flexibility [8]. Therefore, this is very valuable for marketers who want to influence or guide customers at different stages throughout the buying process.

Small and medium enterprises (SMEs) are the backbone of the economy in Malaysia. They play a vital role in the economy although they are often characterized by limited resources and capital acquisition. SMEs are an important factor for job creation and resolution of unemployment crisis [9]. According to Get Malaysian Business Online (2015), it shows that the Internet contributes 41.7% to the domestic economy for every year and it will continue to grow in the next three years [10]. Due to the era of technological, many small businesses must change their ways of doing business.

SMEs are expected to be the driving force in reaching the status of developed nation and high income countries [11]. Referred to Department of Statistic Malaysia, the GDP contribution of SMEs increased from 37.8% (2017) to 38.3% (2018) and Malaysia’s GDP which registered recorded a strong growth at 6.2% in 2019 compared with year 2018 just only 4.7% [12]. Therefore, many governments have introduced policies to support and facilitate the business sectors because small businesses are an important category of entrepreneurs in almost every country and contribute to the development of entrepreneurship [13].

Moreover, the development of SMEs can be seen in terms of their performance that can be determined by level of employment, scale of organizational and productivity [14]. The organizational performance can be measured via the financial assessments, including sales growth, return on equity and return on assets [15]. Therefore, it is important to note that implementing SMM in an organization which could have a significant contribution to the profits, especially in terms of sales performance. Moreover, the successful of small businesses in social media marketing depends on their use of overall strategic goals, their ability of communicate information effectively to target audiences and their ability to build meaningful relationships with them [16]. Therefore, this research will examine the impact of social media marketing on sales performance of the online small businesses.

1.1 Problem Statement

Some small business retailers fail to adopt social media marketing strategies for advertising, workforce training and interaction for increased sales [17]. SMEs refuse to implement application for e-commerce due to lack of resources and awareness, poor employee qualifications, security concerns and preparedness of the small business [18]. Besides, small business owners have been late in adopting social media marketing strategies [19], partially due to insufficient of resources such as capitals, manpower, energy and time [20]. These ineffectively and lack strategies to implement innovative SMM on business have
resulted in decreased business viability. All of these problems will lead to business losing its competitiveness. Moreover, many companies do not take into account the lack of budget and their ability to promote and increase sales [21]. Furthermore, when adopting social media, it is characterized by the unplanned behaviours of the businessmen and/or managers involved, who are not fully aware of the associated advantages [22] [23] [24]. Thus, it is necessary to understand the impact of social media marketing on sales of the online small businesses and find out how the social media marketing strategy affects the sales of the online small businesses. This study will also explore the most important factors attracting online small business owners to choose social media marketing for their businesses.

1.2 Scope of Study

The research that is being discussed here is about the Impact of Social Media Marketing on Sales of the Online Small Businesses in Malacca. The population for the research was the online small business owners who stay in Malacca and who are 18 years old until 65 years old will be categorised as respondents. Business owners who conduct their business through online social media marketing and who had registered their account through social media in Malacca were chosen as the research subject, regardless of male and female, age limit, culture and urban customers, also many of them are active users in social media.

1.3 Research Objectives

i. To identify the relationship between the independent variables (customers’ feedbacks, communication, content sharing and customers’ relationships) and dependent variable (sales performance) of the online small businesses.

ii. To examine the most significant factors that impacting the use of social media marketing on sales of the online small businesses.

2. LITERATURE REVIEW

2.1 General Overview of Social Media

Social media is crucial for both customers and businesses. The advancement of social media makes it possible for small retailers to create ideal opportunities and facilitate brand connection with potential customers [25]. From a business perspective, social media is viewed as effective tools and efficient channels to expand customer engagement and improve customers-business experiences [26]. Furthermore, the social media also offers an effective mechanism for marketers to promote their company and communicate with their customers [27]. Thus, social media has a powerful channel for connectivity in the digital world, hence, the online small business owners should go forward in this marketing strategy to collaborate with social media.

2.2 Social Media Marketing (SMM) and Online Small Business

Social Media Marketing (SMM) is described as “any form of direct or indirect marketing which can be used to raise awareness, popularity, recall and action for a brand, business, product, person or other organization utilizing the social networking tools such as blogging, micro blogging, social bookmarking, social networking and content sharing” (p. 59) [28]. Furthermore, Social Media Marketing (SMM) is basically a strategic innovation for achieving sustainable competitive advantages, opening chances for strategies and business
According to Dasar Keusahawanan Nasional 2030 (DKN 2030), the overall performance of small and medium enterprises (SMEs) in Malaysia is well on its way to meet the goal of 41% of GDP by 2020, as envisaged under the recently launched by the Ministry of Entrepreneur Development. Mentioned by Digital News Asia (2019), SMEs reported a higher contribution of RM521.7 billion with GDP of 38.3% in 2018 compared to RM491.2 billion with GDP of 37.8% in 2017 [31]. This showed that small businesses are the world’s leading forces of economic development [32] which helps to reduce the unemployment and contributed to Gross Domestic Product (GDP). As a result, small businesses have a global presence with social media that includes competitive exposure, product promotion, creating relationships of customers and suppliers, employee engagement and products and services marketing [33]. The adoption of SMM by SMEs is very critical due to the competitive and technological developments in the markets [34].

2.3 Social Media Marketing Strategy

Social media marketing strategy is “the scope of marketing activity, sales, customer service and public relations via social networking, online communities or any online collaborative media to achieve higher performance [35].” Besides, successful small businesses strategies include creativity, customer value acceleration and development [36]. The ultimate aims of marketing strategy is to understand the businesses achieve and maintain a competitive edge which can refer to all organizations participating in a challenging world [37].

2.4 Customers’ Feedbacks

Previous research has highlighted the significance of feedbacks and reviews from customers [38]. The existence of feedbacks from other customers has an effect on purchasing decisions. Electronic Word-of-Mouth (EWOM) encourages customers to use tweets, reviews and blog posts to provide information about services, brands and products to other customers through the Internet [39]. EWOM is a powerful marketing tool and offers a variety of interaction channels that enables customers to communicate via online rating discussions and reviews.

Besides, the more customers look at a product online, the higher the chances for other customers to being aware of the existence of the items [40]. The repetition of the message via EWOM get the attention from customers to the topic of interest and enhances customer engagement [41]. Furthermore, the conversations on EWOM channels have a reliable, meaningful, truthful and realistic effect on the purchasing experiences of customers [42]. Therefore, this study argues that high customers’ feedbacks and success stories of online small business through EWOM will strengthen the product quality, attract more customers and drives sales. It is also important to recognize the formation and change of the customers’ feedbacks that influence the sales of the online small businesses.

H1: There is significant impact of customers’ feedbacks on the sales performance of online small business.
2.5 Communication on Sales Performance

Communication via SMM is valuable because previous research has demonstrated that customer communication is extremely important to the activities of online small businesses. Social media offers a close relationship between company and its customers with direct communication, changing from one-to-many solutions and from many-to-many solutions [43]. In addition, SMM allows online small business owners to communicate with their customers very effectively. The use of SMM will boost open communications which build mutual value [44].

Moreover, friendly dimensions of interaction styles had the largest influence on loyalty, while professional displays had the lowest influence on loyalty [45]. As a result, communication is very important for online small business because it can lead towards a more open, trustworthy business community and society through communication. Hence, this study intent to examine if online small business can increase sales by using communication channels as a tactical method for building interpersonal relationships with customers.

H2: There is significant impact of communication on the sales performance of online small business.

2.6 Content Sharing

The content of social media messages from businesses could result in increased confidence between shareholders and increased purchase decision making [46]. Therefore, once companies post valuable content, then the consumers are more interested in sharing or re-tweet with their friends and increase their values [47]. However, in order to grow the brand, the online small business owners need to train employees on the appropriate social media content creation. This is because the attractive content that posted by the companies’ websites or social media sites can attract new customers and increased awareness.

In addition, mentions of product names with hashtags through social media helps facilitate customers to search relevant information about a product. The content must contain useful, appropriate and reliable information on company media sites which will help to attract customers. In view of the importance of content posted, this study attempts to investigate if posting strong online content is one of the factors that affect small online business sales performance.

H3: There is no significant impact of content sharing on the sales performance of online small business.

2.7 Customers’ Relationships

Marketing strategies of using social media to interact with customers and engage with target markets overlap with the field of customer relationship management [48]. With a focus on the relationship between customers, most of the online small business will adopt the social media such as Instagram, Facebook, WhatsApp or Blogging to interact with their customers in order to maintain a good customer relationship.

Small businesses are allowed to take into account a wider customer relationship management approach that has the potential to create value for customers through
collaborative experiences [49]. This is because fostering relationships helps the online small businesses to build a positive rapport with customers within the community. Therefore, this study examines if creating relationships is a crucial strategy for continued sales and growth of the online small business.

H4: There is significant impact of customers’ relationships on the sales performance of online small business.

2.8 Sales Performance

Sales performance is defined as the profit level of collections by comparing different periods [50]. Sales is an activity which involves the selling of goods and services in return for money or any other reward that the seller and owner of the products are initiated and completed [51]. Sales volume is every organization’s main focus and is based on revenues and profits. The organizational management is made easier when the volume and profits increase [50].

Sales lead directly to the development of an organization, the purpose is to expand the number of communications through advertising strategies among potential customers and companies. For instance, sales promotion, publicity and public relations, creating new channels of sales, or making new goods and advertisements. As a result, the sales can increase due to greater level of customer service and satisfaction based on these activities.

3. CONCEPTUAL FRAMEWORK

Theoretical framework illustrates the theory to understand the relevant research problem. The research investigates the impact of social media marketing on sales of the online small businesses in Malacca.

![Conceptual Framework Diagram]

Figure 1: Conceptual Framework
4. METHODOLOGY

A quantitative research method was used in this study to examine the impact of social media marketing on sales of the online small businesses in Malacca, Malaysia. Quantitative research is the best method for measuring, ranking, categorizing, identifying a pattern and making generalizations.

The researchers designed and developed a structured questionnaire survey design for this study in order to collect primary data or feedbacks and analysis from respondents. The language used in the questionnaires was English. The items in the questionnaire consists only close-ended questions for the ease of filling. The questionnaire consists of 3 sections, namely Section A which contains demographic background of the respondents while Section B and C contains questions related to the impact of social media marketing factors and sales performance of the online small businesses in Malacca. The Likert scale that was used to indicate respondents’ level of agreement or disagreement to the statements in the questionnaires is based on the following values of 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree.

Non-probability sampling was adopted as the sampling technique to collect the information for this study. This study utilised Hair et al. sampling method to determine a sample size from a general population. Data was collected from the online small business who had utilized social media marketing in their business. Therefore, the researcher had selected 150 respondents as the sample size for the source of investigation and evaluation to answer the questionnaires.

Descriptive and inferential analysis were used to analyze the data. Method of analysis such as Reliability Analysis, Validity Analysis, Descriptive Statistic Analysis, Pearson’s Correlation Coefficient, Multiple Regression Analysis and Hypothesis Test Analysis will be used in this research. The Statistical Package for Social Sciences (SPSS) Version 25 software was used to evaluate and analyze the data which was collected from the questionnaire. Descriptive statistic was used to get the frequency distribution of number, mean, standard deviation and percentage. The statistical analysis was used to test hypothesis and regression analysis to observe the relationship of impact of social media marketing and sales performance of online small businesses.

5. RESULTS

The questionnaire of this research consists of 20 questions and was distributed to 20 academic respondents for the reliability test. The value of Cronbach’s Alpha for all the variables that shown in the Table 1 are between 0.6 until 0.8, which consider as good and strong reliability. For the overall value of Cronbach’s Alpha is 0.934 which is greater than 0.600 for 20 questions. Hence, the reliability analysis for all the items are high reliable and acceptable in this research.

Table 1: Cronbach’s Alpha for Reliability Statistic

<table>
<thead>
<tr>
<th>Variables</th>
<th>No of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers’ Feedbacks</td>
<td>4</td>
<td>0.669</td>
</tr>
<tr>
<td>Communication</td>
<td>4</td>
<td>0.793</td>
</tr>
<tr>
<td>Content Sharing</td>
<td>4</td>
<td>0.827</td>
</tr>
</tbody>
</table>
Customers’’ Relationships 4 0.830
Sales Performance 4 0.856
Overall 20 0.934

5.1 Descriptive Analysis for Demographics

The data was collected from 150 respondents among online small business owners in the area of Malacca, Malaysia. The demographic background of the respondents in Section A of the questionnaires was analysed by using frequency and percentage analysis. The questions related to the demographic background of the respondents includes gender, age, race, educational level, income level, how long have you been using social media and which of the social media marketing that the most you use to increase sales of the business.

5.2 Descriptive Statistics for Variables

Table 2 below shows the overall results of descriptive statistics for four independent variables that consists of customers’ feedbacks, communication, content sharing and customers’’ relationships whereas the dependent variable is sales performance. Based on the results, the mean value for independent variables are greater than 3.00 in the overall of questions. This implies that most of the respondents agreed with the entire questions presented in this independent variables. The mean also reflects the average significance of respondents who agree with each of the statement in the questionnaire.

The customers’’ relationships variable shows the highest mean value among four independent variables with mean of 4.5983 (Std. Deviation = 0.47672). This result indicates that most of the respondents were agreed with the statement in the questionnaire. However, the mean for communication variable is 4.3133 (Std. Deviation = 0.65358) shows the lowest mean value compare to other variables. This results indicate that communication has the least impact on sales performance, but majority of the respondents were also agreed with the statement in the questionnaire. The content sharing variable shows the second highest mean value with 4.4967 (Std. Deviation = 0.54649) whereas the third highest mean value of independent variable is customers’ feedbacks with mean of 4.3850 (Std. Deviation = 0.52825). Both of these results indicate that majority of the respondents were agreed with the statement in the questionnaire respectively.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers’ Feedbacks</td>
<td>150</td>
<td>2.50</td>
<td>5.00</td>
<td>4.3850</td>
<td>.52825</td>
</tr>
<tr>
<td>Communication</td>
<td>150</td>
<td>2.00</td>
<td>5.00</td>
<td>4.3133</td>
<td>.65358</td>
</tr>
<tr>
<td>Content Sharing</td>
<td>150</td>
<td>2.50</td>
<td>5.00</td>
<td>4.4967</td>
<td>.54649</td>
</tr>
<tr>
<td>Customers’ Relationships</td>
<td>150</td>
<td>3.00</td>
<td>5.00</td>
<td>4.5983</td>
<td>.47672</td>
</tr>
<tr>
<td>Sales Performance</td>
<td>150</td>
<td>3.00</td>
<td>5.00</td>
<td>4.5067</td>
<td>.55483</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>150</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.3 Pearson’s Correlation Analysis

Table 3 shows that the correlation of each independent variable (customers’ feedbacks, communication, content sharing and customers’ relationships) is significant at the 0.01 level with 2-tailed towards dependent variable (sales performance). In addition, the significance value which is 0.000 or same as 0.05 shows that the relationships between the variables are clear and significant. Other than this, the results also show that all the independent variables and dependent variable have positive relationship (positive coefficient).

In addition, the significance value of correlations are range from 0.514 to 0.790. The value of correlations between customers’ feedbacks and sales performance is 0.514, whereas communication is 0.552, content sharing is 0.671 and customers’ relationships is 0.790. Among the four independent variables, the customers’ relationships has the highest significance correlation value, (r = 0.790**, p-value = 0.000, N = 150) which considered as a strong positive relationship with sales performance. On the other hand, content sharing has the second highest significance correlation value, (r = 0.671**, p-value = 0.000, N = 150) which also considered as a strong positive relationship with sales performance. Moreover, communication has the third highest significance correlation value, (r = 0.552**, p-value = 0.000, N = 150) which implies as a moderate positive relationship with sales performance. Apart from this, customers’ feedbacks has the lowest significance correlation value, (r = 0.514**, p-value = 0.000, N = 150) which signifies as a moderate positive relationship with sales performance.

Information of Correlation on Table 3

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

CF  = Customers’ Feedbacks
C  = Communication
CS  = Content Sharing
CR  = Customers’ Relationships
SP  = Sales Performance

<table>
<thead>
<tr>
<th></th>
<th>CF</th>
<th>C</th>
<th>CS</th>
<th>CR</th>
<th>SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>CF</td>
<td>Pearson Correlation 1</td>
<td>.603**</td>
<td>.474**</td>
<td>.470**</td>
<td>.514**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>C</td>
<td>Pearson Correlation .603**</td>
<td>1</td>
<td>.638**</td>
<td>.440**</td>
<td>.552**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>CS</td>
<td>Pearson Correlation .474**</td>
<td>.638**</td>
<td>1</td>
<td>.700**</td>
<td>.671**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
</tbody>
</table>
5.4 Multiple Regression Analysis

Multiple Regression Analysis is used to investigate the relationship between one dependent variable and two or more independent variables (or predictors). The value of 0.7 to 1.0 is a strong value which suggest that the value is significant and the variables had a strong relationship. Based on the Table 4 below, the results from Model Summary indicate that the correlation coefficient (R) value is 0.826 which means that there are strong relationship between the independent variables (customers’ feedbacks, communication, content sharing and customers’ relationships) and dependent variable (sales performance) in this research. The value of R square for this regression model was 0.683 which indicates that 68.3% of the variance in the sales performance were explained by customers' feedbacks, communication, content sharing and customers’ relationships. Then, the remaining of 31.7% were influenced by other variables which were not considered into this study.

Table 4: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.826(^a)</td>
<td>.683</td>
<td>.674</td>
<td>.31684</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Customers’ Feedbacks, Communication, Content Sharing, Customer Relationships

Based on the ANOVA analysis shown in Table 5, the value of F-test was 77.979 and the probability level of significant value, p-value = 0.000 < 0.05. Thus, this result suggests that the overall probability of the relationship between independent variables (customers' feedbacks, communication, content sharing and customers’ relationships) and dependent variable (sales performance) show a significant relationship with occurring by chance and the overall multiple regression model is confirmed.

Table 5: ANOVA\(^a\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>31.312</td>
<td>4</td>
<td>7.828</td>
<td>77.979</td>
<td>.000(^a)</td>
</tr>
<tr>
<td>Residual</td>
<td>14.556</td>
<td>145</td>
<td>.100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>45.868</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Sales Performance
5.5 Hypothesis Test Analysis

This study investigates the impact of SSM on sales performance of small online businesses. Based on Table 6, the significance value for customers’ feedbacks is 0.225 which is greater than 0.05 and it is considered as not significant to the sales performance. The significance value for communication is 0.011 which is lower than 0.05 and it is regarded as significant to the sales performance. On the other hand, the significance value for content sharing is 0.216 which is greater than 0.05 and it is considered as not significant to the sales performance. In addition, the significance value for customers’ relationships is 0.000 which is lower than 0.05 and this is interpreted as significant to the sales performance.

From the results below, only communication variable and customers’ relationships variable are significant and impacted the sales performance. The customers’ relationships is the highest variable with perfect significant value that effected the sales performances. The results of the hypothesis are shown in Table 6 and 7.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-.189 (Constant)</td>
<td>-.682 (Constant)</td>
<td>.496 (Constant)</td>
</tr>
<tr>
<td></td>
<td>Customers’ Feedbacks</td>
<td>.078 (Customers’ Feedbacks)</td>
<td>1.219 (Customers’ Feedbacks)</td>
<td>.225 (Customers’ Feedbacks)</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>.150 (Communication)</td>
<td>2.592 (Communication)</td>
<td>.011 (Communication)</td>
</tr>
<tr>
<td></td>
<td>Content Sharing</td>
<td>.096 (Content Sharing)</td>
<td>1.241 (Content Sharing)</td>
<td>.216 (Content Sharing)</td>
</tr>
<tr>
<td></td>
<td>Customers’ Relationships</td>
<td>.711 (Customers’ Relationships)</td>
<td>9.025 (Customers’ Relationships)</td>
<td>.000 (Customers’ Relationships)</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sales Performance

5.6 Hypothesis Testing

Based on the results from Table 6, the regression result for customers’ feedbacks indicates that the Beta value = 0.075 and t-value = 1.219 at significance level of p-value = 0.225 which is higher than 0.05. It means that there is no significant impact of customers’ feedbacks on the sales performance of online small business and its t-value is smaller than 1.96. Hence, the researcher accepted the null hypothesis (H0) and rejected the alternative hypothesis (H1).

The regression result for communication indicates that the Beta value = 0.177 and t-value = 2.592 at significance level of p-value = 0.011 which is lower than 0.05. It means that there is significant impact of communication on the sales performance of online small business and its t-value is larger than 1.96. Hence, the alternative hypothesis (H1) is accepted and the null hypothesis (H0) is rejected.
The regression result for content sharing indicates that the Beta value = 0.095 and t-value = 1.241 at significance level of p-value = 0.216 which is higher than 0.05. This shows that there is no significant impact of content sharing on the sales performance of online small business and its t-value is smaller than 1.96. Hence, this study accepted the null hypothesis (H) and rejected the alternative hypothesis (H).

Finally, the regression result for customers’ relationships indicates that the Beta value = 0.611 and t-value = 9.025 at significance level of p-value = 0.000 which is smaller than 0.05. This suggests that there is significant impact of customers’ relationships on the sales performance of online small business and its t-value is larger than 1.96. Hence, this study accepted the alternative hypothesis (H) and rejected the null hypothesis (H).

Table 7: Summary of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Content</th>
<th>Result Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>H1: There is significant impact of customers’ feedbacks on the sales performance of online small business.</td>
<td>Not supported</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>H2: There is significant impact of communication on the sales performance of online small business.</td>
<td>Supported</td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>H3: There is significant impact of content sharing on the sales performance of online small business.</td>
<td>Not supported</td>
</tr>
<tr>
<td>Hypothesis 4</td>
<td>H4: There is significant impact of customers’ relationships on the sales performance of online small business.</td>
<td>Supported</td>
</tr>
</tbody>
</table>

6. DISCUSSION

6.1 Objective 1:

To identify the relationship between the independent variables (customers’ feedbacks, communication, content sharing and customers’ relationships) and dependent variable (sales performance) of the online small businesses in Malacca

For the Objective 1, the results can be explained through the analysis of Pearson’s Correlation Analysis. This research objective was to identify the relationship between the independent variables (customers’ feedbacks, communication, content sharing and customers’ relationships) and dependent variable (sales performance) of the online small businesses in Malacca. It was surprising that all the results indicated that there had significant relationships between independent variables and dependent variable. Therefore, the research objective 1 in this research is achieved.

Firstly, the correlation relationship between customers’ feedbacks and sales performance were moderate positive relationship (r = 0.514**). This result can be proved by
previous research conducted by Steward, Narus and Roehm [38] expressed the significance of feedbacks and reviews from customers. Consumer-generated feedback such as Electronic Word-of-Mouth (EWOM) will increase online presence, increase interaction and increase sales [52]. This results are also consistent with previous studies that have been proved by Erkan and Evans [42], which stated that the conversations on EWOM channels have a reliable, meaningful, truthful and realistic effect on the purchasing experiences of customers. Besides, this finding has accepted from a previous study conducted by Ismail [53], which responding to customers' comments and posts can generate real interest in customers and obtain feedbacks, which is an effective activity for small business owners to increase customer loyalty and increase revenue. Therefore, this study states that strong customers’ feedbacks through EWOM will strengthen the product quality, attract more customers and drives sales.

The communication variable showed a moderate positive correlation relationship with sales performance (r = 0.552**). This is consistent with the findings from studies Jones et al. [54] which demonstrated that online communication is a crucial resource to help business owners succeed with online sales. This result can be proven by prior research such as Einwiller and Boenigk [55], there stated that it was necessary for small businesses to have a targeted communication strategy. This emphasize that customer communication channels provide more opportunities to control and make more decisions which the various content messages that can enable customers to exchange feedbacks for discussing the consumption experience of each product and service with others [56]. This finding is also consistent with previous study of Badea [57] said that the focus of customer communication channels refers to the company's ability to use social media platforms to deliver, inform, educate and communicate with their customers and potential customers, provide them with forums and conversations to share interests in order to improve customer relationships. Notably discussed, positive EWOM and electronic communication are vital elements in social media marketing which can contribute to substantial customer engagement [58]. Thus, communication is very important for online small business because it can make the people to exchange their information about a product or service and help business owners to build interpersonal relationships with customers.

The content sharing construct was significant to the sales performance which showed a strong positive relationship with correlation value, (r = 0.671**). This findings can be consistent with previous studies of Araujo, et al. [47], when businesses post useful materials, then customers are more likely to share or reply to comment with their friends and increase their interests. The contents delivered to customers must be innovative in order to reach market standards with consumer expectations such as words, videos, images, visuals and messages to gain customer insights. Humphreys and Wilken [59] also mentioned that the small business owners as both creators and consumers of social media content, focusing in particular attention to the business trend of buying and selling consumer information generated through social media. This finding can be supported by previous studies from Haigh, Brubaker and Whiteside [46] as indicated that the quality of corporate social media messaging may contribute to increased trust between stakeholders and increased buying decisions. In addition, this finding is also consistent with previous study of Wang, Lee and Hua [60] said that certain social media users tend to be addicted to the usage of social networking as a way of accessing knowledge, news and evaluating products and services. Therefore, in order to maintain sustainability, online small businesses must target specific audiences by using various types of content and present valuable contents to engage customers so that they will be more willing to share the content to others.
The customers' relationships on the other hand also showed that there was significant to the sales performance and indicated a strong positive correlation relationship between variables ($r = 0.790^{**}$). This findings can be consistent with previous studies of Popa [61], which mentioned that establishing relationships are an important strategy for fostering cooperation and trust in small businesses. Moreover, the results was also parallel with previous researches by Drummond, McGrath and O'Toole [62], which indicated the impact of social media platforms extend communication channels and provides resources to strengthen customers relationships and build business relationships. For sustainable growth, businesses need to maintain a good relationship with their existing customers and predict potential demands in future [63]. Based on this statement, the business owners need to use more than one social media platforms to develop relationships with customers and increase sales.

6.2 Objective II:

To examine the most significant factors that impacting the use of social media marketing on sales of the online small businesses in Malacca

Based on the Objective 2, the results can be explained through the analysis of Multiple Regression in Coefficient Analysis. The customers’ relationships was the most significant factor in this research because it gained the highest standardized coefficients beta value with 0.611 and the significant value with 0.000 which had effected to the sales performances. The following factors were communication with standardized coefficients beta value (0.177), content sharing with standardized coefficients beta value (0.095) and customers’ feedbacks with the lowest standardized coefficients beta value (0.075). This results proved that customers’ relationships had the strongest relationship influence towards sales performance of online small business but customers’ feedbacks indicated that the lowest relationship influence towards sales performance of online small business in this research. Therefore, the research objective 2 in this research is achieved.

7. IMPLICATION OF STUDY

The research had found that the customers’ feedbacks, communication, content sharing and customers’ relationships influence the sales performance of small online businesses. Therefore, this study could contribution to the body of knowledge and could be a theoretical reference on the related research. Furthermore, this study could assists online businesses in guiding them on the importance of utilising SMM in increasing sales performance. This study could also lead to higher institutions to introduce SSM as part of their syllabus in order to the students to keep up with current trends in marketing. This could help students to understand the importance of establishing positive relationship with customers and increase customer value.

8. RECOMMENDATIONS FOR FUTURE RESEARCH

There are several recommendations that could be suggested to ensure that future researchers could understand the impact of social media marketing on sales of online small businesses. The first recommendation is that future researchers could examine other variables which could have more impact and increase the validity and reliability. This can improve the depth of comprehension about the research topic and provide broader viewpoints.
The second recommendation is that future researchers could utilize qualitative research method for collecting the data and analyzing data. This is because qualitative research method involves deeper insights into a topic. Furthermore, this method also involves open-ended questions and the respondents are expected to elaborate on the particular subject matters raised so that the future researchers can obtain more insightful opinions from respondents. This provide them a chance to develop and get more details of explanation and have a deeper understanding about the research that carried out.

The third recommendation is that future researchers can conduct similar research at other geographical regions or to all online business populations within Malaysia. As there were only 150 questionnaires distributed in this research, thus future researchers could increase the sample size to gain greater responses and wider perspectives from the respondents. This can allow the future researchers to get more precise findings and gain more comprehensive knowledge about the research topic.

9. CONCLUSION

As a conclusion, the use of social media marketing is one of the strategies that should be considered by online small business to improve their sales performance. To identify the impact of social media marketing on sales of the online small businesses, this research is carried out by four factors which are customers” feedbacks, communication, content sharing and customers” relationships. In Objective 1, the overall findings of this research indicated that four of the factors such as customers’ feedbacks, communication, content sharing and customers” relationships had a significant with the sales performance. For the Objective 2, the most influencing factor was customers” relationships, the following factors were communication, content sharing and customers” feedbacks. Hence, the research objectives 1 and 2 had been successful achieved and proved.

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10. REFERENCES


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