CHAPTER 4

DATA COLLECTION, ANALYSIS AND FINDINGS

4.1 Introduction

This chapter is focused on the data analysis and findings from the first questionnaire that has been distributed to the seller before developing an integrated web-based directory and e-commerce system for agriculture-based food cottage industry. The data analysis used SPSS software to analyze the data and get the findings of the survey. There are three phases in analyzing the data using SPSS software. The first phase is data processing, the second phase is the data organizing, the third and the final is the result discovery. The results would be in the form of graphic to compare the differences of the data results.

4.2 Data Analysis and Findings Data Collection

(a) Instrument

The questionnaire was divided into four (4) sections, where in each section intended to gather information about specific information. In section one (1), the question gathered information about the respondent background and problem in running the industry; section two (2) the information gathered was about the experience on selling the product; and in section three (3), the information gathered was about the experience on the internet usage and marketing online system; and the final section, which is section four (4), gathered information about the respondent suggestion for the development of the integrated web-based directory and e-commerce system for agriculture-based food cottage industry.
(b) Distribution

Thirty (30) copies of survey questionnaires were distributed personally by the researcher to respondents who are in the agriculture-based food cottage industry business around Bangi, Banting, Sepang, Sungai Besar and Sabak Bernam in the state of Selangor in Malaysia.

The method used in distributing the questionnaire was a purposive sampling. This method was chosen intently and purposely purposed that the samples selected were based on the assessment that the individual had rich information in the subject area. Thirty (30) questionnaires were distributed to the respondents, who are owners of the business.

4.2.1 Analysis of Data Collected

The questionnaire was collected and analyzed by using SPSS. The following is the analysis of the data collected.

4.2.1.1 Choice to be an entrepreneur

Based on question number one, twenty eight (28) respondents (93%) become entrepreneur as their own choice. Many reasons were given, why they become an entrepreneur such as to earn side income, to improve the household income, and mostly because to run a family business. Two (2) respondents (7%) responded that being an entrepreneur is not of their own choice, but because they were retired and had to do something to get on with life. The percentage of the background for being an entrepreneur can be seen in Figure 4.1.

4.2.1.2 Duration running the business

Question number two was asked pertaining to how many years they have run the business. Three (3) respondents or (10%) answered they have run the business less than
5 years, six (6) respondents or (20%) have run the business for 5 to 10 years, ten (10) respondents or (33%) have run it for 10 to 15 years and the rest (37%) answered they have run this business for more than 15 years, (see Figure 4.2)

![Figure 4.1 Choices for Being an Entrepreneur](image1)

**Figure 4.1 Choices for Being an Entrepreneur**

![Figure 4.2 Years Running the Business](image2)

**Figure 4.2 Years Running the Business**

4.2.1.3 Problems in running the company

In question number 3, the respondents were also asked about their problems in running the company. In this question, correspondent could answer more than one answer. Based on Figure 4.3, the biggest problem encountered is competition. 38%
respondents said there are too many competitors producing the similar products in one area. Another 35% respondents answered marketing has become a big problem, not knowing how to market their product, hard in finding a distributor who can be trusted, the location of the cottage company is far from the city, and difficult in expanding the market into big retailers especially non Malaysia companies; such as Giant and Carrefour. Furthermore, 11% respondents answered that capital also becomes a problem. The respondents said the product demand is high but they have low capital. These entrepreneurs government support such as mixers, ovens, stoves, etc, but not venture capital. 9% of respondents stated that support is important for them. 7% respondents stated they do not have any problem in running the cottage company, because they believe every entrepreneurs has their own way in managing their business, such as, having their own land to produce agricultural products as the main raw material in the production of snack food, having a high skills employees, having a good communication skills and build a sales network to promote the products to domestic and foreign markets, and gaining sustenance in a different way.

![Figure 4.3 Problems in Running the Agriculture-based Food Cottage Industry Company](chart)

4.2.1.4 Numbers of company branches

Based on Figured 4.4, only five (5) respondents or 17% have 1 to 2 branches of their business, the rest twenty five (25) or (83%) respondents said that they do not have any branches for their company. From the five (5) respondents who have branch for
their agriculture cottage industry company, all of them run the same service for each branches.

![Figure 4.4 Numbers of Branches](image)

### 4.2.1.5 The existing marketing strategy

The following analysis discusses the second section from the questionnaire, which is the experience in selling the product. The most effective marketing strategy in selling products is from mouth to mouth as stated by 29% of the respondents. Beside to mouth to mouth strategy, 22% respondents promote their product using banners and 22% attending trade shows/industry events. Another marketing strategy used is advertisement 13% and flyers 12%. 2.1% respondents employ marketing strategy to promote their products, such as giving free samples or by online marketing via internet. The percentage comparison can be seen in Figure 4.5.

### 4.2.1.6 Business risks

The risks related in running the agriculture food based cottage industry was also asked to the respondents. In general, the biggest risks they faced is due to location. 28% respondents said their company location is far from the city; 26% respondents said it is
difficult to reach to their company location, and 19% respondents mentioned only few people know the company location because they are staying in the same village. Moreover, less advertisement (14%) and limited production (7%) also become a problem to the entrepreneurs. The other 3% respondents stated another risk doing their business is because industries start claiming their product.

4.2.1.7 Distribution of the product

Product distribution is important in this cottage industry business. Based on the survey, ten (10) respondents (33%) have their own shop and do not distribute their products to retailer/shop. The fifteen (15) respondents (50%) said they do not have own shop, they just simply distribute their product to the retailer/shop. Another twenty five (25) respondents above, five (5) respondents or 17% mentioned they have their own shop but they also distribute the products to retailer/shop.

The reasons why entrepreneur distributes their products to retailer/shop are because the customer can easily find them (42%); many customers know and often encounter with the retailer/shop (35%) respondents, 14% respondents choosed by
distributing no need to make advertisement (14%), they do not have to bother in promoting their products (7%) and retailers know better how to promote the products (2%). The Figure 4.6 provides graphical representation of these reasons.

Figure 4.6 Reasons to Distribute Product Through Retailer

### 4.2.1.8 Experience on the internet usage

Based on the survey, most of the respondents have an internet access at their premise. Twenty six (26) out of thirty (30) of respondents claimed they do not have an internet access. Twenty six (26) respondents claimed that they have internet access, 27% of them use internet for email purpose and 21% of respondents used for bank transaction. In addition, internet is used for retrieving general information by 20% of respondents, searching for specific information 12% and the remaining respondent (20%) use the internet for marketing, shopping online and other purposes.

### 4.2.1.9 Information searching

Question number eleven refers to the experience in searching specific information. Based on Figure 4.7, 63% or nineteen (19) respondents stated that they
search information specifically based on when information is need, and the 37% or eleven (11) of respondents stated that if they have never search for specific information.

![Searching Specific Information](image)

**Figure 4.7 Searching Specific Information**

### 4.2.1.10 Experience on the online marketing system

Online marketing system is one of marketing strategy that can be used to promote products or to promote the agriculture cottage industry itself. In question number twelve questionnaire, respondents were asked whether they have ever heard about online marketing system. Based on the responses, seven (7) respondents (23.3%) stated they have never heard about online marketing system while the other twenty three (23) respondents (76.6%) said they have heard about online marketing system before. Out of these twenty three (23) respondents who have heard about online marketing system before, only 30.4% or seven (7) respondents have used the online marketing system while 69.6% or sixteen (16) respondents stated that they have never use the online marketing system. Most reason given by the sixteen (16) respondents who stated that they have never use the online marketing system, is because the online marketing system is not user friendly and there is only limited information to share through internet. Other than that, they also mentioned others reason, such as the internet...
connection is poor in some areas and there is no online marketing system which is specific to agriculture-based food cottage industry. Other reasons are lack of security, lack of trust to the marketing website user and a high cost of the system.

4.2.1.11 Problems using online marketing system

The next questions discusses about problems that the entrepreneurs faced using the online marketing system. Seven (13) out of twenty three (23) respondents mentioned that buyers’ inability to see the real product personally can be the biggest problem. The second problem is not everyone has access to the internet. Difficult to manage online transaction is the third problem that faced by the entrepreneurs. The fourth problem identified is that online marketing does not save time, energy and money. However, seven (7) respondents agreed that promotion cost for products can be reduce using online promotion to promote the product. Moreover, doing marketing using online system allows entrepreneurs to promote their product with detail information that might be useful to buyers. In addition, the online marketing system allows entrepreneurs to be connected directly to their potential buyers.

4.2.1.12 Assessment of the online marketing system

Seven (7) respondents have experienced using the online marketing system and they were asked to evaluate the online marketing system currently used. The respondents’ were asked to assess the services of the existing marketing online system, cost-effective, reliable information, whether the website is informative and whether the online marketing system is user friendly. Figure 4.8 summarized the assessment of online marketing system.

Refering to Figure 4.8, six (6) out of seven (7) respondents agreed that online marketing system is more efficient and time effective compared to attending trade
shows or industry business events. Only one (1) respondent did not agree that online marketing system is more efficient and time effective. Instead, this one (1) respondent stated that attending trade shows and industry business events are more effective since seller and buyer can meet directly and can receive payment on the spot. Four (4) out of seven (7) respondents agreed that the online marketing system is user friendly and informative.

The supremacy of the online marketing system is the service can be provided in 24 hours in 7 days. Six (6) out of seven (7) correspondents agreed with this statement. Moreover, five (5) out of seven (7) respondents also agreed that online marketing system provides updated information for most of their time.

Figure 4.8 The Existing Online Marketing System Assessment
4.2.1.13 Existing online marketing system satisfaction

Only 28% or two (2) out of seven (7) respondents were satisfied with services that are provided in existing website, while 72% or five (5) out of seven (7) respondents were not satisfied with the services (see Figure 4.9).

![Existing Online Marketing System Satisfaction](image)

**Figure 4.9 Existing Online Marketing System Satisfaction**

4.2.1.14 The contribution of the proposed system in selling

Section IV of the questionnaire seeks suggestion from the respondents about online marketing system. The question is if a new website is proposed and it contains information of all cottage industry companies into a single system, would it improve the current method of selling their products. 90% of the respondents answered yes it will be better in helping to promote the products. The other one (1) respondent (10%) answered it will not be better from the current method since most of the owners of agriculture cottage company are inheritance business from older generation, and they do not know and understand how to use the internet. Out of thirty (30) respondents, twenty four (24) respondents (80%) stated that they will use the proposed online marketing system. Six (6) out of thirty (30) respondents (20%) claimed they will not use the system due to
reasons, for instance, no internet access around their business area and some of them think the proposed system will be complicated.

4.2.1.15 Payment Method

Question number twenty one investigates the preferred payment option for the proposed system when buyer purchased products from sellers. Referring to Figure 4.10, (45%) of the respondents suggested that bank transfer or direct banking is the most preferred choice, followed by credit card with (29%) of respondents and cash upon delivery with (26%).

![Figure 4.10 Payment Method](image)

4.2.1.16 Proposed system features

The last question from this questionnaire asked about the features that the respondents think should be available in the proposed system. The respondents are allowed to choose more than one answer. Referring to Figure 4.11, it can be noted that the highest request for detail is product information and company information, followed by product pricing, company location map, online payment and print out reservation. Other favorable features are attractive web page design, online registration, online
reservation, Frequent Answer and Question (FAQ), other website link and user interactivity. Search engine and product image feature should be available in the proposed system followed by privacy policy. The system should be user friendly as well, and finally the design should be attractive.

<table>
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<tr>
<th>System Features</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>others</td>
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</tr>
<tr>
<td>other web site link page</td>
<td>3%</td>
</tr>
<tr>
<td>FAQ</td>
<td>5%</td>
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<td>company location map</td>
<td>11%</td>
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<tr>
<td>company information</td>
<td>12%</td>
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<tr>
<td>print out reservation</td>
<td>9%</td>
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<tr>
<td>online reservation/purchasing</td>
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<td>online payment</td>
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<td>product information</td>
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<td>online registration</td>
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<td>user interactivity</td>
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<td>attractive web page design</td>
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**Figure 4.11 Respondent System Features**

Finally, the respondents were asked about the information that they would like to see in the proposed system. Majority of them want to have information about cottage industry, about us and finally contact us.

After analyzed the survey responses the questionnaire and found the findings, the need for a comprehensive and integrated online marketing system was identified. The proposed online marketing system must be provided with a fully integrated system to be used by both sellers and buyers.

Online marketing system must be user-friendly to fulfill users requirement in future system. It is suggested if marketing online system must be informative. System should be provided with detail information about the product and the seller. This system
can build trust between seller and buyer. Besides, the information system provided should be attractive, interactive, written and illustrated in such a manner and they should be easy to use.

### 4.3 Summary

Based on the first questionnaire, which was distributed to thirty-owner of an agriculture-based food cottage industry companies that has been taken and have been analyzed, it was found that the biggest problems faced by agriculture-based food cottage industry entrepreneurs is competition among entrepreneurs and followed by marketing strategies problems in marketing their products. Furthermore, it was known that the marketing strategy is the mostly used and has been done by the agriculture-based food cottage industry entrepreneurs by mouth to mouth, by banners and by attending trade shows/industry events. While only one out of thirty respondents who has already promoted their products by using online marketing system. Moreover, another marketing strategy used by agriculture-based food cottage industry entrepreneurs is distributing their products to distributors, because the distributors will be more easily found by buyers rather than the location of their company.

From the survey, it was known only seven respondents who had conducted the marketing online system. The majority reasons why agriculture-based food cottage industry entrepreneurs never use online marketing system because the existing online marketing system is not user friendly, besides there is only limited space to describe the product detail information. Furthermore, the researcher found that most respondents were not satisfied with the existing online marketing system. Therefore, researcher proposed integrated web-based directory and e-commerce system for agriculture-based food cottage industry where agriculture-based food cottage industry entrepreneurs can promote their company, accompanied by detailed information about companies and also
can promote their products that are accompanied by detailed information of each product, and buyers can conduct an online transactions to purchase products offered by the sellers.