Strategic Business Planning and Social Media: A Comparative Study on SME Performance in Kuala Lumpur's Tourism Industry.

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ABSTRACT

This study aims to investigate the factors affecting the business performance of Small and Medium Enterprises (SMEs) in Kuala Lumpur, Malaysia's thriving tourism sector. Specifically, the research focuses on the impact of Government Support, Social Media, and Business Planning on SMEs. Using quantitative data collected through a structured questionnaire, the study seeks to provide actionable insights that can guide policy formulation and strategy development for SMEs in the tourism industry.

I. BACKGROUND OF STUDY

In 2020, Malaysia identified the tourism industry as a National Key Economic Area (NKEA), aiming to become a high-income nation by 2022 (Mosbah & Khuja, 2020). Tourism contributes to approximately 9% of the nation's GDP (Sivalingam, 2020). A survey of 133 countries revealed Malaysia to be the fourth most affordable vacation spot (Wong, 2019). Nearly 2 million people were employed in Malaysia's tourism and hospitality sectors in 2020 (MOT, 2020). A significant percentage of these jobs are provided by SMEs, which make up around 85% of the sector (Set, 2019; Teo & Lindsay, 2019).

Despite the importance of SMEs in the tourism industry, many struggle to survive, with more than half failing within the first five years (Yusoff & Yaacob, 2019). Earlier research has highlighted the role of financial capital, technological assistance, infrastructure, entrepreneurial orientation, and firm characteristics in SME performance (Fatoki, 2020; Olubenga, 2020; Amwele, 2020; Mahmood & Hanafi, 2019; Muzenda, 2019).

1.1 Problem Statement

Although the government has initiated several assistance programs, the impact of these programs on SMEs has been debated (Hung, Effendi, Talib & Rani, 2020; Mohamad, Ibrahim, Muda & Moklis, 2020). Many SMEs remain unaware of these support programs, thus not utilizing them to their full potential (Hashim, Ahmad, & Zakaria, 2021; Hashim, Ahmad, & Hassan, 2021).

Social media is another factor that remains underutilized by SMEs. Over half of small business owners recognize the benefits of social media but do not actively employ it (Holmes, 2019; Erdogmus & Cicek, 2020; Gilmore et al., 2020; Reijonen, 2020).

Furthermore, innovation remains a challenge for SMEs, impacting their ability to grow and compete (Claude, 2021; Yunoh & Ali, 2020).

Given these challenges, this study aims to investigate the factors influencing the business performance of SMEs in Kuala Lumpur's tourism industry.

II. LITERATURE REVIEW

2.1 Government Support

Government support in the context of Small and Medium-sized Enterprises (SMEs) refers to a range of initiatives aimed at fostering growth and sustainability. Such support comes in various forms, including financial grants, instructional aid, and marketing assistance ("Government support for business," 2020). According to Hashim (2021), these are broadly categorized under Government-Support Programs (GSPs).

Ismail and Othman (2021) have emphasized that GSPs provide the financial foundation required for the ongoing operations of SMEs. In addition to financial aid, the government often offers programs focusing on staff training,

recognizing its importance for business success and growth (Noe, 2019). Training programs are essential to adapt to various changes such as technological advancements and market dynamics (Ismail & Othman, 2021).

Furthermore, government agencies have been highlighted as a conduit for exploring untapped markets. For instance, FAMA and MARDI help Malaysian entrepreneurs find consumers through strategic marketing (Pech & Cameron, 2021). Collectively, these elements of government support aim to holistically improve SME performance.

2.1 Social Media

Social media is defined as a collection of internet-based platforms that facilitate user-generated content sharing and interaction (Kaplan and Haenlein, 2010). Fournier & Avery (2019) state that social media enables SMEs to directly engage with their customers, a view supported by Jones (2019) who notes the increasing utilization of platforms like Facebook, LinkedIn, and Twitter for business purposes.

Importantly, word-of-mouth marketing (WOM) through social media has proven to be an effective strategy for small businesses to attract new customers (Bresciani & Eppler, 2010; Stokes & Lomax, 2019). According to Straw (2020), 81% of small to medium-sized enterprises value WOM. Brands like Starbucks have leveraged social media platforms for customer feedback and service improvement (Starbucks, 2021). Parr (2021) suggests that social media is becoming an essential customer service channel, enhancing brand reputation while lowering operational costs.

2.2 Business Planning

Business planning is considered pivotal in transitioning an idea into a marketable entity. This concept is deeply rooted in strategic planning, which aims to provide a long-term blueprint for businesses (Fayol, 1988; Mambila, 2020). According to Reinhart and Rogoff (2019), a well-structured business plan serves as a guide that can significantly improve a company's success rate.

Studies by Gibson and Cassar (2020) and Schwenk and Shrader (1993) indicate the utility of business planning for SMEs, especially for assessing the feasibility of business ideas. Mambula (2019) found a positive relationship between business planning and business performance, suggesting that adequate planning increases the chances of market and financial success.

2.3 Review of Relevant Theoretical / Past Conceptual Frameworks
i. Government Support (Independent Variable)

Set (2014) proposes a conceptual framework emphasizing that government support positively impacts the internal environment of Tourism Small and Medium-sized Enterprises (TSMEs).

ii. Social Media

The conceptual framework from Paniagua and Sapena (2021) demonstrates how social media can translate various resources into competencies, which in turn positively influence different aspects of business performance.

iii. Business Planning

Brinckman, Grichnik, and Kapsa (2019) presented a framework suggesting that the effectiveness of business planning on performance is moderated by various factors including the stage of business development and cultural contexts.

2.4 Conceptual Framework

Based on the reviewed literature, this study proposes a theoretical framework that aims to examine the relationship between independent variables (government support, social media, and business planning) and the dependent variable (business performance).

III. METHOD

This section outlines the methodology employed for this study, encompassing the research methods, data collection techniques, and sampling design.

3.1 Research Methods

We use a quantitative approach to collect numerical data, which is then analyzed using mathematical and statistical techniques (Creswell, 1994). According to Sekaran & Bougie (2013), this approach allows for the organization and meaningful interpretation of numerical data, making it well-suited for our study on Business Performance.

3.2 Data Collection Methods

Primary Data: The primary data for this study is collected using a questionnaire designed to gather information about the respondent's social qualities, behavioral norms, or attitudes. This method allows us to reach a large number of target respondents at minimal cost, while minimizing bias and enhancing the reliability of responses (Phellas, Vloch & Seale, 2019; Bulmer, 2004).

Secondary Data: While not the main focus due to a lack of existing research connecting Government Support, Social Media, Business Strategy, and Innovation Practice to Business Performance, secondary sources like books, conference papers, and journal articles are also utilized (McCaston, 2005).

3.3 Sampling Design
Target Population: The study focuses on TSMEs in Kuala Lumpur, Malaysia. The Department of Statistics (2022) suggests there are 15,136 TSMEs in this region, making it a suitable sample for our study (Heldal & Jentoft, 2019).

Sampling Frame and Location: The sampling will take place in Kuala Lumpur, chosen due to its burgeoning tourism sector and the opportunities it presents for SMEs (Kharuddin, Ashhari, and Nassir, 2020).

Sampling Elements: The study will primarily consider the owners and managers of TSMEs in Kuala Lumpur as the sampling elements. These individuals are most familiar with the business procedures and objectives and are best placed to provide accurate responses to our survey (Sekaran & Bougie, 2009).

3.4 Data Analysis
Statistical methods will be employed to analyze the collected data, utilizing software like SAS for computational needs.

V. FINDINGS

4.1 Business Performance
Overview

Table 1 Influence of Various Factors on Business Performance

Factors	Percentage of Respondents
Government Support	36%
Business Planning	34%
Social Media	30%

The table shows that 36% of respondents feel government aid is essential for boosting business performance, followed by 34% for business planning and 30% for social media.

4.2 Business Performance
Overview

Table 1 summarizes respondents' opinions on the impact of government support, business planning, and social media on business performance.

Government Support
The majority of respondents indicate a high level of dependency on government support. This aligns with the World Bank report on SME support.
Business Planning
Around 34% consider business planning as essential, echoing the findings of Michael and Bill Tayler (2019).

Social Media
A lesser percentage (30%) finds social media to be impactful, which could vary based on industry and demographics.

Table 2: Awareness of Government Programs

Type of Program	Percentage of Respondents Aware
Business Advisory	60%
Seminars, Courses, etc.	80%

4.3 Government Support
Role of Government Programs
Table 2 shows that more respondents are aware of seminars and courses (80%) than business advisory services (60%).
Advisory Services

While effective according to Belay, Ravi.C (2021), accessibility remains a concern.
Seminars and Training
These are highly recognized and appreciated by 80% of respondents.

Table 3: Views on Social Media

Social Media Impact	Percentage Agreement
Effective for Engagement	Majority
Allows Product Access	Majority

4.4 Social Media
Role in Customer Engagement
Table 3 reveals that a majority find social media effective for customer engagement and product accessibility.

Consumer Communication
Platforms are valuable for immediate feedback and issue resolution.

Table 4: Significance of Business Planning

Planning Aspects	Percentage Agreement
Effective for Goal Setting	95%
Guides Performance and Profit	86%

4.5 Business Planning
Importance of Planning
Table 4 shows overwhelming agreement on the importance of business planning for setting goals and improving performance.

VI.   CONCLUSION
The study set out to investigate the relationship between various dependent variables (innovative practices, business planning, and social media) and the independent variable of Business Performance. The major findings suggest that among the various factors studied, government support and business planning have a significant positive correlation with Business Performance. Although social media did not show as strong a relationship, it still serves as a crucial tool for customer relationship building and brand awareness.

The study also contributes to Resource-Based View (RBV) Theory by suggesting that government support should be considered an additional resource that can provide firms with a competitive advantage. Our findings further highlight the critical role that business planning and innovation play in improving business performance for tourism-based SMEs (TSMEs) in Malaysia. We conclude that business planning, innovative practices, and an understanding of government support initiatives are essential factors for enhancing business performance among TSMEs.

5.1 Recommendations for Future Research
Extend Geographic Scope: Future research should aim to include more diverse geographical locations in Malaysia to provide a more holistic view of TSMEs in the country.

Employ Qualitative Techniques: The inclusion of qualitative data through interviews or case studies could provide more depth and context to the findings.
Bi-lingual Questionnaires: To ensure clarity and better understanding, future surveys should be available in multiple languages, such as Mandarin and Bahasa Malaysia.
Additional Factors: Researchers should also consider incorporating other independent variables that may impact business performance, like access to credit, technological adaptation, and human resource management practices.
Examine Government Support Programs: Further investigation is needed to understand why TSMEs are not taking full advantage of available government support initiatives.

5.2 Recommendations for Practitioners and Policy Makers
Promote Awareness of Government Support: The government should work on creating awareness about the various support initiatives available to improve TSMEs' business performance.
Education and Training: Government could facilitate seminars and training sessions aimed at helping TSMEs understand the importance of business planning and innovative practices.
Social Media Utilization: TSMEs should look to employ social media as a strategic tool in their marketing arsenal, despite its lower impact on business performance compared to other factors.
Resource Allocation: Based on the RBV Theory's implications, both government and business leaders should consider aligning resources like business planning expertise and innovation

strategies to areas that will maximally impact business performance.

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