

5. CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Results

In general, the findings were in line with most of the studies and surveys discussed in chapter two. The organizations were found to use Internet more for communication and sharing of information as well as marketing and advertising. In contrast, there were few applications of e-commerce, especially in the electronic credit transaction.

In terms of managing the web site, the organizations shows high commitment as majority of them assigned staff to manage the Internet applications. In contrast, few organizations provide any training to staff on Internet and this may be due to most of them perceived Internet as easy to learn and use.

The findings also suggest that the business in Malaysia generally have high positive perception towards the use of Internet. In particular, they agreed that the use of Internet could enhance their corporate image and expand their business in the local market as well as export. In addition, Internet was perceived to be compatible with their business needs and was supported by both the management and the staff.

The summary of the hypothesis testing is as shown in Table 5-1. The results shows that the perception towards Internet is the most important factor as it affects both the adoption and extent usage of Internet. In addition, it has provided support to Rogers (1995) innovation theory that organizations with more positive perception towards the innovation (Internet) are more likely to adopt and use more of it. The main attributes of the perception - relative advantage, compatibility, complexity, trialability and observability can affect the formation of the perception. When the organizations perceive the use of Internet as : beneficial to them, is compatible to their needs, is easy to learn and use, allows for experimentation, and results are easily demonstrable, they would more likely to use Internet.

Table 5-1 Summary of Hypothesis Testing

	Hypothesis	Reject/Accept
1a.	H ₀ : There is no relationship between perception and the likelihood of using Internet	Reject
	H ₁ : The more positive the perception towards the Internet, the greater the likelihood of using it	Accept
1b.	H ₀ : There is no relationship between perception and the extent of using Internet	Reject
	H ₁ : The more positive the perception towards the Internet, the greater the extent of using it	Accept
2a.	H ₀ : There is no relationship between firm size and the likelihood of using Internet	Reject
	H ₁ : There is a significant relationship between firm size and the likelihood of using Internet	Accept
2b.	H ₀ : There is no relationship between firm size and the extent of using Internet	Accept
	H ₁ : There is significant relationship between firm size and the extent of using Internet	Reject
3a.	H ₀ : There is no relationship between information need and the likelihood of using Internet	Accept
	H ₁ : The greater the information need, the greater the likelihood of using Internet	Reject
3b.	H ₀ : There is no relationship between the information need and the extent of using Internet	Accept
	H ₁ : The greater the information need, the greater the extent of using Internet	Reject
4a.	H ₀ : There is no relationship between competition and the likelihood of using Internet	Accept
	H ₁ : The greater the competition, the greater the likelihood of using Internet	Reject
4b.	H ₀ : There is no relationship between competition and the extent of using Internet	Accept
	H ₁ : The greater the competition, the greater the extent of using Internet	Reject
5a.	H ₀ : There is no relationship between staff Internet knowledge and the extent of using Internet	Not tested
	H ₁ : The greater the staff Internet knowledge, the greater the extent of using Internet	Not tested

The empirical results also suggested large business were more likely to adopt Internet than the small and medium sized business. This indicates that the SME in Malaysia have not yet understood the potential and the importance of Internet to their business even though anecdotal evidence has suggested that small business would feel greater need to adopt Internet and are in better position to exploit the benefits. The findings also suggested that the lower adoption rate shown by the SME could be due to their lack of internal expert which was usually the source of expertise for strategy and planning of Internet usage.

Apart from that, the findings also found that organizations which were more export orientated and which trade primarily with organizations were more likely to adopt Internet.

In terms of the extent usage of Internet, organizations which were from manufacturing industry, foreign owned companies and had in-house development team were more likely to use more of the Internet in their businesses.

Contrary to the hypotheses, information need and competition did not have any direct significant effects on either the adoption or the usage of Internet. As they both were significantly correlated with the perception towards Internet we can speculate that the information need and competition may influence the organizations' perception, resulting in the decision to use Internet.

In regards to the barriers of using Internet, the findings provide evidence to the anecdotal evidence discussed in chapter two in which five main reasons - Potential of Internet for business purposes, security, inadequate infrastructure and support, difficulties in application and the cost were identified as the barriers to the use of Internet. On the other hand, the problems experienced by the current users are marketing and service and support required for Internet applications.

Despite of these barriers, majority of the organizations reported that they would use or use more of Internet in the near future.

5.2 Conclusions

The Internet as a commercial medium provides many opportunities to the business. In particular, organisations can create a virtual value chain parallel to the existing value chain in the Internet. Towards this end, the Malaysia business have yet to fully capitalise on the potential of Internet as they mainly involving in using the Internet for communication and marketing, rather than the e-commerce.

However, the business community is beginning to understand the importance of Internet as they generally have high positive perception towards Internet. They were aware of the benefits and what Internet can do for their business and how they affect the company's relationship with its customers, suppliers and competitors. Because of that, the positive perception has been instrumental in encouraging the business to adopt and use more of the Internet. Despite of the positive perception, the SME appeared to be less interested than the large business in adoption of Internet.

On the other hand, there are hindrance to the use of Internet. The business were unsure of usefulness and effectiveness of the Internet in creating new market and replacing existing marketing distribution channels. They also reported that lack of knowledge in applying Internet and inadequate infrastructure and ISPs support which have prevented them from adopting and extending usage of Internet. And of course, the two most cited obstacles - cost and security are still the main obstacles to the use of Internet.

Nevertheless, there is indication of growing interest in the use of Internet. This may be the results of the Malaysian government's commitments to create a pro-IT culture in the country and its strong support for IT education. In addition, the Government is trying to reduce cost and improve infrastructure by introducing more players into providing services for Internet. The competition, together with the new technology

developments, will help to resolve the barriers still lingering around the business community. As a result, we would see more organisations using Internet to conduct their businesses in the near future.

5.3 Suggestions for Additional Research

The use of Internet for business in a relatively new phenomena in Malaysia which offers many avenues for research. As this study is an exploratory type, aiming to identify the general business Internet usage among business of different size, the primary organizational factors that influence the decision to adopt and extend usage of Internet and the concerns and problems faced by the business in Malaysia, future research should further examine each of these three aspects so that more specific implications can be drawn. For example, additional research can investigate not only the usage pattern of electronic commerce, either by business size or type of industry, but also the competitive impact of those usage decisions.

In addition, there are many other factors which can affect the decisions of using Internet, such as vendors (change agent in Rogers (1995) innovation theory), technological - infrastructure and service providers, environmental - accessibility and so on. Each of these factors can be a research topic by itself.

Also, the effectiveness of Internet as a business tool for entering into international market can also be studied to provide some lights on using Internet as a platform to create competitive edge in the export markets.

5.4 Implications of the Research

The objectives of this study is to identify the usage pattern, the influencing factors and barriers and the problems faced in relations to the use of Internet by the business in Malaysia. The insights provided by this study is particular useful to the business community, those providing service and solutions and the government.

For the business community, the study can create awareness and assist the business in the decision to adopt and extend the usage of Internet. In addition, the problems identified can help these business to make better decision and take precaution to overcome these problems.

For the service and solution providers, the factors that influence the use of Internet can provide guideline on how to improve and customize their service and solutions to meet the business needs.

Finally, the government can base on the findings such as the problems and concerns faced by the business community, to plan and facilitate the development of Internet and its commerce in Malaysia.