Factors Affecting Business Performance among Night Market Traders in Kedah, Malaysia

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Abstract

Night market nowadays not only sell basic goods, even many traders currently producing and selling goods more appealing to buyer in terms of the uniqueness of each product sales. This is due to competitiveness in achieving the desired sales return. This study is to identify the factors that influence the business performance among night market traders in Merbok, Kedah. The factors analyzed based on the personality characteristics identified which are locus control, commitment, achievement, innovativeness and skills that stimulate to the business performance among night market traders. A total of 94 night market trades were chosen from two areas of night market in Merbok for the purpose of this study. As a result, commitment is found to have greatest impact to the business performance of night market traders. Therefore, being as a night market trader, they needs to show high level of commitment to their business operations and activities. Eventually it can contribute to the high level of performance for their business at night market. This shows, regardless of sales any products sold, in the absence of commitment to high enthusiasm in business, the success of business can be hard to reach. However, this study did not rule out other factors that directly and indirectly lead to business success. For future studies, it is proposed to expand traders to sample other areas for more in-depth look at the significant factor towards the success factors for night market in Malaysia.

Key Words: Night market traders, Business performance, locus control, achievement, innovativeness, commitment, skills.

INTRODUCTION

Malaysian SMEs play an important role in sustaining the nation's economic move toward a developed country status by 2020. Since the 1970s, Malaysian SMEs have been playing a remarkable role in contributing to the national economy. (Bashar Bhuiyan, Said, Daud Ismail, Fauzi Mohd Jani, & Yong Gun Fie, 2016). The Productivity (GDP per Employee) of SMEs and Annual Growth SME Productivity had increased by 0.4% for year 2015 from 2014 (SME Corp Malaysia, 2016). In Malaysia, small business estimated to make up a total of more than 75% of the total number of business establishments (Moha Asri et al., 2000). The SMEs is considered as rapidly expanding and stimulating towards achieving the objectives of developing countries. The Small and Medium Industries Development Corporation (SMIDEC) defined SMEs as any micro company which have a total sales less than RM200 000 and full-time employees less than five persons. Based on the definitions, the industry which has been identified under this category is; pedlars which includes public and private markets, the stalls and night market traders.

The night market trader plays a vital role towards the economic upturn (Salleh, Yaakub, Mohamad, Ghani, & Sulong, 2012). Night market can be classified as a place where retail business like a market / moving stalls, are arrange extends down the road and makes use of public or private sites (Ibrahim & Leng, 2003). The government has recognized the hawkers and night markets as one of the important economic activities carried out in many places in Malaysia. It is because it can provides retail services to the users and channeling the supply of goods and customer services (Salleh, Yaakub, Yunus, Abd Ghani, & Wan Sulong, 2012).

The concept of Malaysian night market is based open-air shopping (Ishak et al., 2012), as thestreet hawkers occupy a designated part of the streets or parking lots to set up their stalls. Like any traditional market, the night market allows customers to enjoy wide varieties and choices of fresh fruits and vegetables, freshly cooked food and even non-agricultural products at affordable prices. Night markets provide people with opportunities for dining, shopping, entertainment, performances, and strolling at night. In many Asian countries, such as Hong Kong, Macau, China, Singapore, Indonesia, Thailand, Malaysia, and Taiwan, night markets are ubiquitous (Latif & Barua, 2012). Night market generally operates once or twice a week from 3 pm until 10 pm at a particular location. The size of a night market depends on the number of the stalls (Gindi, Abdullah, Ismail, & Nawi, 2016). Ishak et al. (2012), stated that large night markets have between 400 and 700 stall lots and medium night markets between 241 and 399 stall lots, while the small night markets could have fewer than 50 or up to 240 stall lots.

There are only a few studies related to night market conducted at Malaysia. These includes (Aziz & Yeng, 2011), (Ishak, Aziz, & Ahmad, 2012), (Chin & Harun, 2015), (Gindi et al., 2016), (Aziz, n.d.) (Salleh, Yaakub, Mohamad, et al., 2012), and (Salleh, Yaakub, Yunus, et al., 2012). Huang et al. (2009) indicated that past studies on night markets mainly focused on visitor preferences, motivations, and improvements to service quality. Based on the previous studies conducted there are still lacking of studies conducted to look on performance of night market traders. Among the past research related to night market are; characteristic of the night market trader (Salleh, Yaakub, Mohamad, et al., 2012); dynamism of night market trader (Ishak et al., 2012), night market as a new opportunities (Aziz, n.d.; Chin & Harun, 2015) and shopping habit comparison (Gindi et al., 2016). Therefore, the attempts of this study are to identify the factor/s that influenced the business performance among night market traders in Merbok, Kedah.

LITERATURE REVIEW

Sometimes it is very hard for people to have a clear picture how to give a good definition of night market traders. Often, the term traders is equated with small business and the concepts of owner-management and self-employment. According to Timmons, (as cited in Kirby, 2004, p. 511) entrepreneurship is the ability to create and build something from practically nothing. It is initiating, doing, achieving, and building an enterprise or organization, rather than just watching, analyzing or describing one. It is the knack for sensing an opportunity where others see chaos, contradiction and confusion. This term is really close to the concept of night market traders which is they did the same activities and characteristics. Chee's study (as cited in Mohd Shukor, 2006) discovered that the early success of Chinese entrepreneurs most of from the night market traders in Malaysia was determined by skills they possessed. The Chinese traders able to use skills to help them improve business performance and gain profit in their business. Skills include innovative, opportunistic, strategic skills and risk taking abilities:

I.) Innovative skill – ability to introduce physical, technological and systems changes in order to remain competitive, relevant and acceptable. An enterprise will seek a new ways of doing business. Gaynor (as cited in Lin & Chen, 2007) has been highlighted that innovation contributes organizational growth, drives future success, and is the engine that allows businesses to sustain in a global economy.
II.) Opportunistic skill – ability to see and seize opportunity.
III.) Strategic skill – ability to think with flexibility and realistic in adapting to challenges and to come up with the best solution to a problem in question
IV.) Risk–taking skill – enables the entrepreneur to assess the risk elements of his venture.

A study conducted by Chee (as cited in Mohd Shukor, 2006) mentioned about Chinese had greater business acumen and technical competence compared to the Malays. It

showed that technical competence will influence the business performance. Furthermore, according to the Minister of Entrepreneur and Co-operative Development Ministry, most of Malay traders not possess technical competence especially about information technology that affect them not able to survive in the market. (Utusan Malaysia, 30 May 2006).

In Cunningham study (as cited in Mohd Shukor, 2006), discovered that attitude of night market traders contribute to the success of the business. His study identifies the need to do a good job, desired to succeed, self-motivated, self-confident, committed and patient were the important aspect to run business successfully. But in the study conducted by Backman (as cited in Mohd Shukor, 2006) found that one of the factor that determine the success of Chinese business was their attitude as a hard working factor. The result of study from Chee (as cited in Mohd Shukor, 2006) again showed one of the keys to Chinese business success was focus on hard work which consistent with Cunningham and Backman's study. However Chee found that Malay traders were lacked risk-taking attributes, which were important aspect to the success of business.

RESEARCH METHODOLOGY

Data collected by using structured questionnaires completed by night traders in Merbok area, Sungai Petani, Kedah state. The questionnaire was developed and translated into Malay language version in order to cater the needs of respondents based on the race and educational background consideration. For the fulfillment of construct validity, the content of the questionnaire was checked by language expert from MARA University of Technology to avoid the problem of linguistic. The questionnaire had been divided into 3 sections. The first section consists of items related to personal and demographic data of night market traders and the questions in section 2 are related to business performance of traders. The last section in the questionnaire focused on independent variables used in the study.

FINDING AND DISCUSSION

A total of 94 night market trades were chosen from two areas of night market in Merbok for the purpose of this study. Table 1 indicates demographic analysis based on the background and personal profile of the traders. Majority of traders were males with 71.3% while only 28.7% were females. Based on the age characteristics, 35.1% of the traders were below than 31 years old. While those in the range of 31-40 years was recorded at 39.4%, followed by 18.1% for the category of 41 to 50 years. Only 5.3% of traders were reported for the age group more than 50 years.

The findings of data analysis also indicated that 69.1% of traders were married. The source of income from night market business is very important to support the life of traders together with their families. Only 27.7% of traders were single and 2.1 % were divorced. Further demographic analysis demonstrated that 79.7 percent finished school at primary and secondary level. Only 18.1% of traders completed education at the level

of certificate or diploma. Only one respondent was discovered with no formal education background. The data collected also showed that 38.3% of night market traders were preferred to work within 21 – 30 hours weekly. 15.9% of traders were recorded with less than 21 working hours per week. Those traders with weekly working hours more than 50 hours only accounted at 6.4%. The survey from this study also reported that only limited number of full time employees was recruited for night market business due to small scale of business operation. 14.9% of traders were reported to operate their business activity at night market without any full time employees. The highest number of employees required by night market traders was 7.

Table 1. Demographic Analysis

	Frequency	%
Gender		
Male	67	71.3
Female	27	28.7
Age		
<31	33	35.1
31-40	37	39.4
41-50	17	18.1
>50	5	5.3
Missing data	2	2.1
Marital Status		
Single	26	27.7
Married	65	69.1
Divorced	2	2.1
Missing data	1	1.1
Race		
Malay	91	96.7
Chinese	1	1.1
Other	1	1.1
Missing data	1	1.1
Business Experience		
< 6 years	44	46.8
6 – 10 years	26	27.7
11 – 15 years	6	6.4
16 – 20 years	6	6.4
>20 years	5	5.3
Missing data	7	7.4
Education Level		
Primary School	11	11.7
Secondary School	64	68.0
Certificate / Diploma	17	18.1

No Formal Education	1	1.1
Missing data	1	1.1
Working Hours per week		
<21 hours	15	15.9
21 – 30 hours	36	38.3
31 – 40 hours	25	26.6
41 – 50 hours	11	11.7
>50 hours	6	6.4
Missing data	1	1.1
Number of Full Time Workers		
None	14	14.9
1	23	24.5
2	38	40.4
3	10	10.6
4	1	1.1
5	3	3.2
6	0	0
7	2	2.1
Missing data	3	3.2

The reliability of the questionnaire was examined through computing Cronbach's alpha in this study. Cronbach's coefficient alpha is the most popular test for inter-item consistency reliability which is applied for multipoint-scaled items (Cavana et al., 2001; Hair et al., 2006). Based on the reliability analysis, the findings indicated the reliability value obtained by dependent and independent variables is between 0.666 and 0.876 (Table 2). There is no item deleted from any variable used in the study. The reliability test showed that the cronbach's coefficient alpha for business performance is 0.876 and this is the highest alpha value among all variables used in the study. The instrument is acceptable for further analysis as alpha values for all variables in the study are more than 0.6 (Nunally, 1978).

Table 2. Reliability Analysis

Variables	Number of Items	Item Deleted	Alpha
Business Performance (BP)	6	-	0.876
Locus of Control (LC)	10	-	0.819
Achievement (A)	12	-	0.716
Innovativeness(I)	3	-	0.666
Commitment (C)	7	-	0.716
Skills (S)	11	-	0.830

In this study, the relationships between locus of control, achievement, innovativeness, commitment, skills and business performance were examined. The table below shows the results of Correlation Analysis.

Table 3. Correlation Analysis

	BP	LC (Internal)	LC (External)	A	I	C	S
BP	1						
LC (Internal)	.240*	1					
LC (External)	.259*	.412**	1				
A	.191	.419**	.280**	1			
I	.256*	.135	.205*	.136	1		
C	.335**	.169	-.084	.322**	.127	1	
S	.341**	.334**	.047	.283**	.289**	.445**	1

In Table 3, the results showed that there were significant positive correlations between internal locus of control, external locus of control, innovativeness, commitment, skills and business performance. All the independent variables except for achievement showed a weak relationship with business performance. Only achievement didn't show any significant relationship with business performance of night market traders.

Results from regression analysis (Table 4) indicated that the value of R^2 is 24.5%. This value can be interpreted as the changes of 24.5% in the dependent variables can be explained by the independent variables specifically refer to locus of control, achievement, innovativeness, commitment and skills. Only two variables namely external locus of control and commitment showed significant influence to the business performance among night market traders indicated by the significant p value of each relationship is less than 0.05. However internal locus of control, achievement, innovativeness and skills were discovered that did not have any significant influence on business performance. Further regression analysis also demonstrated that the most critical factor is commitment (β =.323) and followed by external locus of control (β=.200).

Table 4. Regression Analysis

Model	(%)	Beta	t-test	Significance
Constant		.808	1.099	.275
Locus of Control (Internal)		.040	.337	.737
Locus of Control (External)		.200	2.277	.025
Achievement		-.071	-.430	.668
Innovativeness		.109	1.212	.229
Commitment		.323	2.485	.015
Skills		.193	1.548	.125
R Square	24.5			
F Value	4.695			
Significance	0.000			

Dependent variable: Business Performance

CONCLUSION AND RECOMENDATION

The main purpose of this study was to identify the factor/s that influenced the business performance among night market traders in Merbok, Kedah. Commitment is found to have greatest impact to the business performance of night market traders. Therefore, being as a night market trader, he or she needs to show high level of commitment to their business operations and activities. Eventually it can contribute to the high level of performance for their business at night market. On the other hand, the findings showed that the night market traders believed the performance of business also determined by external locus of control whereby Emmons and Diener (1989) commented that individuals who are low in self-esteem are more likely to have high level of external locus of control.

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