

Empowering Rural Women Entrepreneurs Through Social Innovation Model

NORAIDA HAJI ALI ^{1*}, SURIYANI MUHAMAD ²,
MASITA MASILA ABDUL JALIL ³, MUSTAFA MAN ⁴

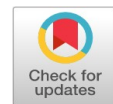
^{1,3,4} School of Informatics and Applied Mathematics, University of Malaysia,
Terengganu, Malaysia

² School of Social and Economic Development, University of Malaysia,
Terengganu, Malaysia

Abstract: This paper discusses how the social innovation model can help rural women, especially in the B40 group, develop their marketing skills to grow their business. The social innovation model provides better opportunities for entrepreneurs to improve their business strategy. The study began with selecting respondents based on purposive sampling in setiu wetland, then proceeding with the analysis phase to decide on the suitable module and technological solutions. The modules are designed to equip the participants with skills in doing e-business. Then proceed with the development phase, in which all participants are required to attend five training sessions to ensure they have their own Facebook page and manage it properly. The impact of this research could empower the targeted marginalized group with the knowledge of information engineering, increase their awareness and utilization of Information and Communication Technology (ICT) in their everyday actions.

Keywords: Empowering women, Social innovation, Entrepreneurship, E-business

Received: 19 October 2018 / Accepted: 9 November 2018 / Published: 28 December 2018



INTRODUCTION

Malaysians are categorised into three different income groups: Top 20% (T20), Middle 40% (M40), and Bottom 40% (B40). Over the years, the bar for each groups income level has increased, and this is one of the indicators of economic growth. Heres the latest definition for T20, M40, and B40 based on the findings from the Department of Statistics Malaysia in October 2017. To be in the T20 group, a household needs to earn at least RM13,148 while M40 and B40 groups have moved their bars up to MYR6,275 and MYR3,860 respectively.

To recap, the Department of Statistics Malaysia has released a report named Household Income And Basic Amenities Survey 2016. In the report, it stated that the median household income for T20, M40, and B40 had shown a Compound Annual Growth Rate (CAGR) of more than 6%. The B40 category refers to whose salary bracket is MYR3,860 and below. Majority of these households have single income earners and more than half of the households heads (52%) have no recognized education background (Bernama, 2016). With poor education background, low skills level and in certain cases, living in remote locations, the B40 households are limited in their economic mobility and ability to secure higher paying jobs as well as income opportunities (Gonçalves, Araújo, Benevenuto, & Cha, 2013; Glykeria, 2017). Studies have also shown that there is low ICT adoption among poor communities in Malaysia, which is

*Corresponding author: Noraida Haji Ali

†Email: aida@umt.edu.my

part of the B40 group (Arshad, Salleh, Aris, Janom, & Mastuki, 2013).

In Malaysia, women in rural areas, face an additional set of obstacles as many businesses are run and managed by a single mother. Single mothers in Malaysia face many challenges, but those living at poverty level face even more. In addition, to the financial challenges and the responsibilities of being the exclusive providers for their kids, the majority of single mothers particularly in rural areas lack education and specialized business skills. The Malaysian government has put significant efforts on the promotion of ICT as a strategic driver to support and contribute directly to the growth of SMMEs. Substantial investments were built to supply the communications infrastructure to increase accessibility, as easily as to enhance the level of ICT utilization in the various sectors of the economy, between urban and rural regions and among different segments of society. Among the measures taken to bridge the digital divide within the rural communities was the establishment of thousands of tele centers which comprising of Pusat Internet Desa, Medan InfoDesa, Community Access Centers and Computer Literacy Classes. Specific plans were also started to equip people with disabilities, older citizens, and micro enterprises, single mothers, young and urban poor to utilize ICT services (Razak, Ali, Noor, et al., 2010; Anggadwita, 2016).

Hence, the social innovation model is proposed as a mechanism to empower rural women in Setiu Wetland to become entrepreneurs. This research is proposed to improve the capabilities of a group of women to set up e-business enterprises. Women in these communities are being trained in using social media platform as e-business applications. The business size may be small; however, the impact on the lives of women in rural areas will be significant. Ultimately, their standard of living will be enhanced (Pato & Teixeira, 2016).

LITERATURE REVIEW

In Malaysia, women have played a significant role in the national economy since the early stages of the country's economic growth. As the country became industrialized in the 1970s, the participation of women became more intense. However, women's involvement in rural settings has not received adequate attention, although many would agree that women have contributed to Malaysia's economic growth. Women in rural areas are among those considered least potent in securing employment as compared to urban-dwelling women. Environmental conditions and limited facilities in rural areas prevent rural women from competing in the employment sector (Muhamad, Jalil, Man, & Kamarudin, n.d.; Glykeria, 2017).

The issue of women entrepreneurship in Malaysia is not new. Rural communities, especially women, are often associated with the problems of living in deprivation and isolation. The use of ICT in entrepreneurship is growing in Malaysia and should also be adopted by women. Several researchers have studied the participation of rural women in entrepreneurship through e-business. Razak et al. (2010) focused on e-business applications by single mothers. Moreover, Omar, Salman, and Rahim (2017) studied the empowerment of women entrepreneurs through online digital entrepreneurship. Use of the Internet in business has contributed to the success of women entrepreneurs.

The use of social media platforms and tools by women entrepreneurs globally has been seen as a very positive and progressive step for women to do what they like to do best, by chatting and interacting in a very positive way in terms of negotiating business activities.

For the moment, Malaysia government has given its full commitment and focus on economic progress, especially for women. The previous study indicates many technological developments have an impact and substantially increased the country's economy. ICT development, particularly in social media has more substance to increase the income of entrepreneurs. Business through social media has boosted the income of entrepreneurs and generate more online entrepreneurs. The Malaysian Government also gave broad backing to this growth by offering a number of initiatives for small entrepreneurs, especially in rural regions in order to grow their clientele to become more successful. Large investments have been formed to offer the communications infrastructure to better accessibility and to enhance the role of ICT in various economic sectors, between urban and rural regions and among different segments of society.

The growth of ICT, especially in social media, has diversified methods to increase the income of entrepreneurs. Business through social media entrepreneurs has done to increase tax income and generate

more online entrepreneurs. Malaysian Government also gave full support to this growth by providing a number of initiatives to small entrepreneurs, especially in rural areas, in order to further develop their businesses to be more successful. Substantial investments were built to supply the communications infrastructure to increase accessibility, as easily as to enhance the level of ICT utilization in the various sectors of the economy, between urban and rural regions and among different segments of society. Among the measures taken to bridge the digital divide within the rural communities was the establishment of thousands of telecentres which comprising of Pusat Internet Desa, Medan InfoDesa, Community Access Centers and Computer Literacy Classes. Specific programs were also initiated to equip people with disabilities, senior citizens, micro-enterprises, single mothers, youth and urban poor to use ICT services (Razak et al., 2010).

Manjunatha (2013) that the participation of rural women in economic activities is really determined. Lack of facilities and limited job opportunities cause women entrepreneurs in rural regions to rent in small scale subsistence economic activities only. Economic analyses now perceive that low levels of education and training, poor health and nutritional status, and limited access to resources not only repress women's quality of life but limit productivity and hinder economic efficiency and growth. Therefore, the development of opportunities for women is imperative, not only for reasons of equity but also because it makes economic sense and is "good development practice" (Shah & Saurabh, 2015; Xavier, Ahmad, Nor, & Yusof, 2012). ICT helps people to apply technologies to grow their commercial enterprises. Rural women should not miss the opportunity of conducting e-business. Meenakshi (2015) said that the 21st century is the best time for women to participate in business and entrepreneurship actively. They carry out various activities using an invention such as ICT and social media platform for producing a new commodity or producing a new way by bringing a new source of supply of material or new outlet for the product (Dangi, 2014; Xavier et al., 2012)

RESEARCH METHODOLOGY

This project involved four villages in Setiu Wetland (SW), namely Kg Mangkok, Kg Fikri, Kg Saujana and Kuala Setiu. SW is situated in the Northeast of Terengganu, a 1 hour 30-minute drive from the state capital, Kuala Terengganu. The SW begins in Kampung Penarik, about 300m from the shoreline, where Sungai Setiu flows northward, parallel to the beach and reaches a narrow river mouth at Kuala Setiu Baharu (Nakisah & Fauziah, 2003). The focus of this project was to produce successful entrepreneurs from rural women communities that can improve the living standards of their families. To archive the objectives of this research, we have proposed the social innovation model. There were three phases proposed for the development of the social innovation model to empower womens entrepreneurship in SW. There are three main phases as described below:

Phase 1: Requirement phase

This phase starts with raising awareness, which is about participants that can be collected through questionnaires and interviews. Participant data such as demographic profiles, skills, basic computer skills, including use of internet and factors that contribute to motivating them in doing business are considered as an input to the model. As a result from this activity, we define the requirements of this research. The requirement phase involves an assessment on the needs of the participants, and the skills set required. Then we study the method of doing business using ICT, type, and level of technological solution that suit the needs of participants in terms of their products, their services, and so on. e-Business requirements include appropriate methods, venues for the training and the suitability of the social media applications to be used for e-business.

Phase 2: Development phase

Then, the methods of delivery, handling and management of training sessions are identified for the particular target participants. Since the participants are rural women with low computer and internet technology exposure. Thus, a training module on ICT literacy is important to the participants as well as modules that prepare them with the basic knowledge of entrepreneurs and skills required to start the e-Business. From this analysis, the social innovation model developed that suited with the participants.

Phase 3: Implementation

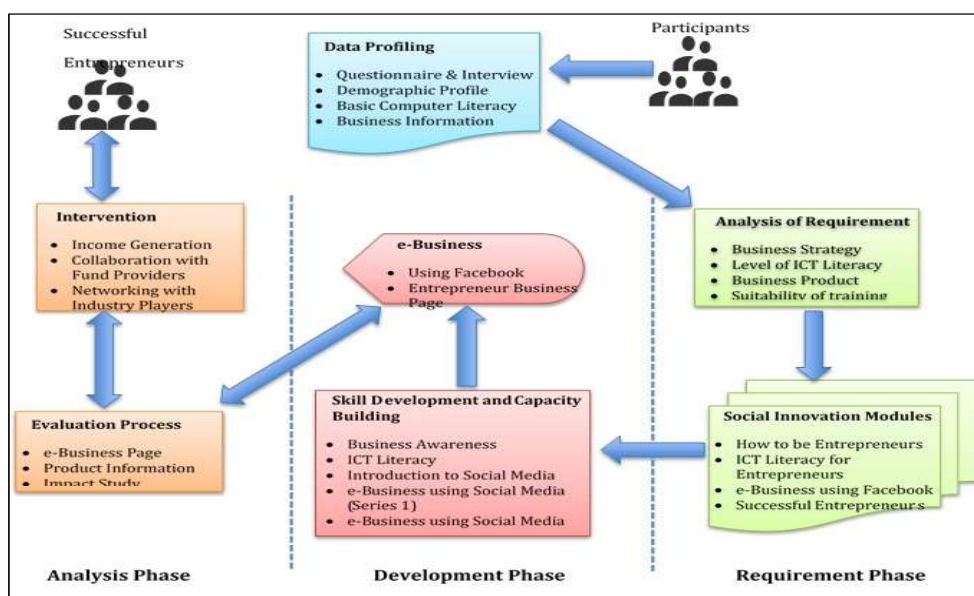
Generally, the implementation of social innovation model aims to increase the awareness of ICT usage in Setiu Wetland women entrepreneurship. The module and programs covered in this model, exposes the participants to transform their small home businesses into e-business. Based on the analysis of the generated income within the twelve months, it provides a positive indicator for the project and will ensure the sustainability of the proposed e-business modules. The study also believed that the findings could help supply a profile of women entrepreneurs to any related agencies that could provide them the needed supports. The impact study of the business strategy will be conducted during this phase, in which participants of this program are interviewed and have to answer a survey in order to obtain their data before the analysis is made. Some of the criteria to be analyzed include improvements in skills, income, business contacts and better life. The analysis provides an indicator of the progress of participants business; hence enable us to link them with the right funding agencies or industry players to ensure they can grow up their e-Business through the intervention process.

SOCIAL INNOVATION MODEL

Social Innovation model is developed as a mechanism to empower rural women especially B40 group, together with training modules for the capacity building. This model comprises of three main components/phases, namely requirements phase, process/development, and analysis.

For the model to work, it needs input from participants in terms of profiled data. Each component has its functions, respectively.

a) Input



This component will receive input for data profiles from participants. Participants who want to become internet entrepreneurs need to be interviewed and asked to fill out a questionnaire. Among the items are demographic profiles, skills, basic computer skills, including use of internet and factors that contribute to motivating them in doing business.

b) Requirement

With the input obtained, requirements associated with the development of e-business would be identified. This component includes the needs of the participant and the skills module. E-business requirements should be seen in terms of appropriate methods, venue for the trainings and the suitability of the social media applications to be used for e-business. These requirements can be identified by

analysing the data obtained from the first component. Next, appropriate methods including methods of delivery, handling, and management of training sessions, need to be determined for the specific target participants. This is because participants are made up of rural women who are not conversant with computer and internet technology. Hence, the need to provide a training module on ICT literacy is of great importance. In addition, three more training modules are identified and designed to equip the participants with the basic knowledge of entrepreneurs and skills required to start their own e-Business.

c) Process/Development Phase

In this phase, all participants are required to attend five training sessions in order to achieve the objectives of this social innovation model.

The first session introduces participants to business fundamentals, aiming to expose and educate participants on the importance of e-Business. The second session, on the other hand, is on ICT literacy, the training on the use of computers, emails and basic social media applications. Once they completed the first two pieces of training, the third training, Social Media for e-Business, provides a more tailored training on the types of social media applications that can be used to introduce their products, improve their business strategy and helps in generating higher business incomes. Finding from previous research stated that social media is primarily a tool for staying connected (Bizon, 2016; Murray & Waller, 2007; Nugraha, 2017). Kotler and Armstrong (2010) said that social media is a proactive way for women entrepreneurs to market their goods and expand their businesses with online shopping in many ways. Entrepreneurs who have successfully built their e-Business are invited to tell their respective success stories. The sharing session covers their personal experiences and challenges in running an e-Business, the marketing strategies they employed, all aimed to inspire and motivate participants to become successful entrepreneurs. The fourth and fifth session provides practical trainings on how to create an e-business using suitable social media applications. These trainings are concentrated more on Facebook and Instagram applications in the development of e-business page.

Participants will be guided on how to create their own accounts and social media page through the Facebook application. Participants will be taught to evolve their own pages for the purpose of promoting their products. Participants will also be exposed to marketing strategies and management of e-business. The expected output of this training is the participant that has an own Facebook page and be able to manage it properly. With the collaboration of ICT and social media applications, an e-business could grow more than 100% if the right strategy and business model are used (Salemink, Strijker, & Bosworth, 2017; Luczak, 2018).

d) Analysis

Participants that have successfully completed the previous phase of the model should readily start their online business. The individual Facebook page may include the latest updates on product information and images. New products can be added and aggressive promotional strategies can be introduced to attract new and returning buyers for their products. Participants will continue to be monitored on their progress and assisted from time to time to ensure that they continue to successfully market their products online and keep updating their respective pages. The impact study of the business strategy will be conducted during this phase, in which participants of this program will be interviewed and have to answer a survey in order to obtain their data before the analysis is made. Some of the criteria to be analyzed include improvements in skills, income, business contacts and a better life. The analysis provides an indicator of the progress of participants business; hence enable us to link them with the right funding agencies or industry players to ensure they can grow up their e-Business through the intervention process.

e) Output

With the implementation of this social innovation model in Setiu Wetlands for the B40 group, the findings reveal that all participants that involved starting from the beginning are still actively involved in this model with Facebook as the dominant marketing strategy used. This group becomes like a pilot study

to see the impact of the research. They reported an increased income from three to four figures monthly. Hence, it is hoped that through this social innovation model, participants can improve their economies, the standard of livings, be consistent with their online businesses and become successful entrepreneurs.

CONCLUSION AND RECOMMENDATIONS

The main finding from this research is the Social Innovation Model. Implementation of this model among Rural Women Communities is challenging indeed as the majority of them are first timers in using the computers. However, this challenge can be overcome with effort through a framework that has been developed. This is because many studies have shown that online businesses can bring many benefits, social, economic and can be started with low capital. With the implementation of the e-business model in Setiu Wetlands, the findings found that the participants are still actively involved in the model with Facebook as the main marketing strategy used. They reported an increased income from three to four figures monthly. Hence, it is hoped that through this e-business model, participants can increase their economies, standard of livings, be consistent with their online businesses and become successful entrepreneurs. The model developed is expected to produce successful entrepreneurs from rural women communities. This effort also is expected to help rural women community can improve the living standards of their families. The main limitation to implement this model is to maintain the number of participants, the ICT facilities for the training phase and to collaborate with the funding agency. Right efforts from all institutions such as government agencies, private or non-government organization (NGO) are required in the development of rural women entrepreneurs and their higher participation in the business activities. The efforts should be a continuous attempt to motivate, encourage, and cooperate with Setiu Wetland women entrepreneur. The programs of enhancing the use of social media in e-business are also important in supporting a rural woman to expand business areas, grow the number of buyers and increase sales and revenue directly. Academic institutes should collaborate with various government and non-government agencies to support women entrepreneur development especially to develop business projects.

ACKNOWLEDGMENTS

Thanks are due to the Ministry of Higher Education for providing the financial support for this study through "Niche Research Grant Scheme (NRGS), Vot 53131.

REFERENCES

- Anggadwita, . D. W., G. (2016). Womens entrepreneurial intentions in Micro and Small enterprises (MSEs) in Indonesia: The influence of environmental factors on perceived behavioral control. *Journal of Administrative and Business Studies*,, 1(1), 1-7.
- Arshad, N. H., Salleh, S. S., Aris, S. R. S., Janom, N., & Mastuki, N. (2013). Strategic analysis towards the formulation of micro sourcing strategic trusts. In *International Journal of Advanced Computer Science and Applications, 2013, Special Issue on Extended Papers from Science and Information Conference 2013* (pp. 43–52).
- Bernama. (2016). *SMEs, M40 and B40 expected to benefit from 2017 budget-New straits times -Malaysia general business sports and lifestyle news*. Retrieved from <https://bit.ly/20s0YYd>
- Bizon, W. (2016). Stimulating entrepreneurship by introducing behavioural incentives, propensity to use financial instruments in the context of decision makers' personal characteristics and their financial knowledge in polish smes. *Journal of Administrative and Business Studies*, 2(6), 270-279.
- Dangi, N. (2014). Women entrepreneurship and growth and performance of MSMEs in India. *International Journal*, 2(4), 174–182.
- Glykeria, M. T. I. P. . D. M., K. (2017). Rural entrepreneurship in mountainous regions within the severe crisis in Greece. *Journal of Advanced Research in Social Sciences and Humanities*, 2(2), 78-86.
- Gonçalves, P., Araújo, M., Benevenuto, F., & Cha, M. (2013). Comparing and combining sentiment analysis methods. In *Proceedings of the First ACM Conference on Online Social Networks* (p. 27-38). Boston, Massachusetts, USA. doi:10.1145/2512938.2512951

- Kotler, P., & Armstrong, G. (2010). *Principles of marketing*. England, UK: Pearson education.
- Luczak, P. (2018). Social media as a tool for the development of young employees. *International Journal of Business and Administrative Studies*, 4(1), 31-36.
- Manjunatha, K. (2013). The rural women entrepreneurial problems. *IOSR Journal of Business and Management*, 14(4), 18-21.
- Meenakshi. (2015). Factors influencing the women in E-Entrepreneurship. *International Journal of Business Management and Scientific Research*, 12-December, 2015, 53-63.
- Muhamad, N. H., Suriyani Ali, Jalil, A., Man, M., & Kamarudin, S. (n.d.). A sustainable e-business model for rural women:A case study. Retrieved from <https://bit.ly/2GHea5h>
- Murray, K. E., & Waller, R. (2007). Social networking goes abroad. *International Educator*, 16(3), 56.
- Nakisah, M., & Fauziah, A. (2003). Setiu wetlands: Tranquility amidst plenty Kolej Universiti Sains dan Teknologi Malaysia-KUSTEM. *Kuala Terengganu, Malaysia*.
- Nugraha, . I., P. A. (2017). The effect of social media experiential marketing towards customers satisfaction (A study in Chingu Korean fan cafe Bandung Indonesia). *International Journal of Business and Administrative Studies*, 3(2), 56-63.
- Omar, F. I., Salman, A., & Rahim, S. A. (2017). The relationship between digital inclusion and support system towards the empowerment of women online entrepreneurs. *Journal of Education and Social Sciences*, 7(1), 52-57.
- Pato, M. L., & Teixeira, A. A. (2016). Twenty years of rural entrepreneurship: A bibliometric survey. *Sociologia Ruralis*, 56(1), 3-28. doi:<https://doi.org/10.1111/soru.12058>
- Razak, N. A., Ali, N. H., Noor, N. M. M., et al. (2010). Development of e-commerce skill among terengganu single mothers. In *6th WSEAS International Conference on Applied and Theoretical Mechanics, MECHANICS'10, International Conference on Automotive and Transportation Systems, ICAT'10, International Conference on Arts and Culture, ICAC'10* (pp. 75-81).
- Salemink, K., Strijker, D., & Bosworth, G. (2017). Rural development in the digital age: A systematic literature review on unequal ICT availability, adoption, and use in rural areas. *Journal of Rural Studies*, 54, 360-371. doi:<https://doi.org/10.1016/j.jrurstud.2015.09.001>
- Shah, H., & Saurabh, P. (2015). Women entrepreneurs in developing nations: Growth and replication strategies and their impact on poverty alleviation. *Technology Innovation Management Review*, 5(8), 34.
- Xavier, S. R., Ahmad, S. Z., Nor, L. M., & Yusof, M. (2012). Women entrepreneurs: Making a change from employment to small and medium business ownership. *Procedia Economics and Finance*, 4, 321-334. doi:[https://doi.org/10.1016/S2212-5671\(12\)00347-4](https://doi.org/10.1016/S2212-5671(12)00347-4)