

Social Network and Market Orientation as the Key Factors in Determining the Success of Small and Medium Enterprises (SMEs) in Malaysia

Abstract

This study aims at investigating the key determinants towards SMEs success in Malaysia. Nowadays, SMEs are considered as the main driver for the industrial development in Malaysia. Economic Census of Malaysia (2011) reported that there were around 97.3% of total SMEs establishments in Malaysia. Although there are a lot of supports given by the government, most SMEs in Malaysia are still struggling in terms of establishing themselves in the market. Only half of the SMEs in Malaysia managed to survive after three years of business operation. This study is very important as it helps to determine the key success factor for SMEs success particularly in Malaysia. The respondents for this study were SMEs from various industries in Sabah, Malaysia. The total number of questionnaires distributed to SMEs was 170. Based on the results and findings of this study, it was found that market orientation has a significant relationship with SMEs success. This study, therefore, through its research and findings has contributed significantly to both theoretical and practical implications. This study can help to provide the information related to the factors that contribute to the SMEs success and can benefit the government in an effort to promote more SMEs success in Malaysia.