



ADOPTION OF SOCIAL MEDIA BY TRAVEL
AGENCIES IN MALAYSIA

BY

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A dissertation submitted in fulfilment of the requirement for
the degree of Master of Science (Marketing)

Kulliyyah of Economics and Management Science
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SEPTEMBER 2019

ABSTRACT

Social media has become a trend for youngster and business partner today. Therefore, this research had been carried out to encourage travel agencies to adoption of social media as new business platform to further improve their business. This is because 92% of marketers declared that social media marketing is important to increase growth for businesses. Some of the entrepreneur still prefer offline business because they think that traditional marketing still remain as rival for social media marketing. To determine why travel agents can influence to adopt social media, several factors like relative advantage, compatibility, complexity, trialability and observability has been adoption to become a framework. Data has been collected through convenience sampling method where printed questionnaire distributed to travel agents in Klang Valley area, in Malaysia. About 220 questionnaires were distributed in the selected area and received 210 questionnaires. After screening all 210 questionnaires only 200 respondents are eligible to analysis. The results of this study indicated that four Hypothesis namely relative advantage, compatibility, trialability and observability was supported, and the only complexity was not supported.

This research provides further information for researcher when they want to conduct similar research in the future. The identified constructs in this paper are inspired from the Roger diffusion of innovation theory.

خلاصة البحث

أصبحت وسائل التواصل الاجتماعي اتجاهًا لشريك الأعمال والشباب اليوم. لذلك، تم إجراء هذا البحث لتشجيع وكالات السفر على اعتماد وسائل التواصل الاجتماعي كمنصة أعمال جديدة لزيادة تحسين أعمالهم. وذلك لأن 92٪ من المسوقين أعلنوا أن التسويق عبر وسائل التواصل الاجتماعي مهم لزيادة نمو الشركات. ومع ذلك، لا يزال بعض رواد الأعمال يفضلون العمل دون اتصال بالإنترنت لأنهم يعتقدون أن التسويق التقليدي لا يزال منافسًا لتسويق وسائل التواصل الاجتماعي. لتحديد سبب تأثير وكلاء السفر على تبني وسائل التواصل الاجتماعي، تم اعتماد عدة عوامل مثل الميزة النسبية والتوافق والتعقيد وقابلية التجربة والقدرة على الملاحظة. وتم جمع البيانات من خلال طريقة أخذ العينات المريحة حيث تم توزيعها الاستبيان المطبوع على وكلاء السفر في منطقة في ماليزيا. وتم توزيع حوالي 220 استبيانًا في المنطقة المحددة من مناطق كلانج حيث تلقي 210 استبيانًا منها. بعد فحص جميع الاستبيانات، هناك 200 استبيانًا فقط مؤهل للتحليل. لقد أشارت نتائج هذه الدراسة إلى أنه تم دعم أربعة فرضيات وهي الميزة النسبية والتوافق والقدرة على التجريب والملاحظة ولم يتم دعم التعقيد الوحيد.

يوفر هذا البحث مزيدًا من المعلومات للباحث عندما يرغبون في إجراء أبحاث مماثلة في المستقبل. وتستوحي البنى المحددة في هذه الورقة من نظرية روجر لنشر الابتكار.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science (Marketing).

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DECLARATION

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ACKNOWLEDGEMENTS

In the name of Allah, The most Gracious, The most merciful.

All praise be to the Creator, Allah (S.W.T) for his abundance blessing upon us, with His Mercy on me the completion of this study is achieved. In the first place my special thanks go to Dr. Ahasanul Haque, who has kindly accepted to supervise this study. His kind guidance, patience and encouragement were the greatest inspiration toward the completion of this work. May Allah reward him abundantly and be with his entire household.

I really appreciate of all my lecturers who for their wonderful world of academia and revealed to me the meaning of intellect par excellence. I am also thankful to the staff at our faculty who always assists me at the post graduate unit especially regarding the dissertation procedure. I really appreciate for the help and guidance from our coordinator Dr Nurita Binti Juhdi.

Not forgetting my course-mates and close-friends for peaceful and coordinate relationship throughout the course of study. Last but not least, I wish to acknowledgement my appreciation to all those who have assisted me in any way in the completion of this work.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

The online revolution is viewed with the aid of customers from a new point of view for businesses. Day by day the online store is increasing dramatically over the world. Amazon and Alibaba now are selling almost everything in online over the world. Also, social media has changed the way of communication for customers and marketers (Gwinner & Gremler, 2004). According to (Hays & Buhalis, 2013) the line of verbal exchange opened by Facebook in the tourism industry is not only producing new customer but also increase the sales. Social media helps marketers to communicate easily with their existing customers also a new customer at a very low cost. This is not possible in traditional marketing because traditional marketing only promotes products and services. Promoting products and services on social media is very cheap and easy to use. The popularity of online tour groups is in particular attributed to the potential to advantage trustworthy critiques from visiting the websites.

However, social media is criticized by (Howison, Hauschka, & Chelsea, 2015) who said that businesses cannot be controlled by uploading photos and videos on social media and the comments, suggestions and reviewed you are getting from the customers. The interchange of conventional adverting techniques into the arena of virtual marketplaces is not confident to work. As early as in 2006 it was argued that social media started replacing traditional sources of information (Jepsen, 2006). The evolution of internet technology has been created some big opportunities for

entrepreneurs and organizations and all of which can be involved in a social environment and market to hold on to their businesses based on social media marketing advertisements.

Nowadays, the fast growth of the companies around the globe have been accepted and adopted the new technologies for information and communication with their customers, they can perform their activities as well as present their products or services in social media. This technique will support their conventional activities as they did before such as newspapers, TV, and another media as well. It also creates new opportunities for their business from the Internet. Presently, the maximum opportunities are online advertisements because many people are connected via online and social media. Most of the companies already created their website, web pages, official Instagram pages, and Facebook pages as a new way for transactions, services, and marketing in their business, where customers can purchase online through the Web or application.

At the same time, an organization or company that has a website or application they can get right of entry to the worldwide market at a low working and advertising cost. For example, the companies promote or do advertisements only their website to social media such as Facebook, to find new promotions and offers. Additionally, social media provided by the agencies generally promote at depth when consumers search any products or services via social media or online communities, which has served a good competition among all agencies (Griffiths & Griffiths, 1972).

For this reason, many concepts have been created, such as customer satisfaction, customer loyalty, customer experiences, customer buying behavior, customer ability to pay and others. By this time, the increasing number of online

users' day by day companies have to change their business strategies to consider their both online and traditional customers. They understood that the way they have marketed before it is not only the simplest way to reach their online purchaser; consequently, they have incorporated online marketing and advertisement through social media as well as their company website or Facebook pages to introduce their product and offerings. As a result, the desire for suitable marketing for their specific carrier and product has appeared, accordingly, make it necessary for them to pick appropriate marketing base on their target population. It is miles crucial to know how clients understand or react to Facebook marketing and what supplement affect their behaviors, characteristics, and attitudes in the direction of services and products as advertised online.

The facilities and development on the internet in current years have made new strategies available in business: which include online communities and social media is a very good instance (Lu, 2010). Generally, the internet available in this modern era has allowed people to apply social media such as email, Facebook, Twitter, Instagram, and weblogs to engage with their clients without physical meetings (Gruzd, 2011). This facility available with Web 2.0 applications and this is a new advancement, which has transferred the internet to social surroundings with the aid of introducing social media, where individuals can have interaction and generate content material online (Turban & Lai, 2008). With the upward push of social media and online communities, individuals can effortlessly share and access information (Chen, 2011). Social network and online communities are a powerful web technology for sharing information, interest and social interchange (Lu & Hsiao, 2011). These days' customers search to get information and experiences in many different sources of

social media and many other traditional media. This has been facilitated through different clients' information and suggestions (Senecal & Nantel, 2004).

This is a crucial point as clients' involvement through social media is a key factor in advertising and promotion (Do-Hyung, 2007). Furthermore, it could be treasured to recognize the usefulness of Facebook marketing and advertising results in purchases of the advertised products or services. The Internet is turning into the main platform for verbal exchange that connects the world through the interrelationship of personal networks. The customer behavior which is received by the internet is a great source to get knowledge on products and services. This has been swiftly established because it is the most useful communications tool that demands conventional mediums, such as radio, newspaper, and TV. The Internet shopping experience is a great idea because of customer no need to go physically in the shopping mall or stores while offline or traditional shopping customer has to go physically.

The Nielsen Company's conducted a Mobile Insights Survey that (Lai & Eze, 2013;2015) Malaysians getting access to the Internet in 2010 is 41 percent while it increases 15 % over the last 12 months. The very best utilization turned into recorded amongst human beings age between 20-24; nearly 6 out of 10 (57%) using the Internet regularly, spending their time average 22.3 hours active online every week, while 10.6 watching Television. Therefore, the rapid growth of internet user is to motivate some behavioral adjustments in consumer's consumer buying behavior (UNICEF, 2014). Therefore, the social network plays a significant role to attract new potential customers and has turned out to be the fashion for businesses to interact with their online consumers. (Malaysia digital landscape, 2016) mentioned that 47% of Internet users all over the world visiting social networking websites like Facebook, Instagram, Twitter, Myspace, LinkedIn, and many others. In Malaysia, social media

marketing and advertising industriously are developing day by day. Moreover, people are spending their time on social media to get more knowledge and information from the sites via cellular phones, such as iPhone, iPad, Android phone, smartphone, and so on. In the future, the rapid growth of online purchasing, and identify negative components related to such buying tendencies becomes a critical problem to discover for marketers.

Expose the new technique of e-shopping information and transactions are overloaded to deliver multiplied unpredictability for internet users who are new and experienced (Kailani & Kumar, 2011) recommend that clients in Malaysia understand a great level of risk while consumers making online shopping in comparison with traditional shopping. These levels of risks associated with online shopping have a vital impact on the consumer decision-making process. (Haque, 2011) stated that perceived risk is a piece of strong evidence for explaining customer buying behavior, considering that clients are extra frequently inspired to limit capacity collapse than to chase shopping achievement. (Kaplan & Haenlein, 2010) suggest that adopting social media has so many advantages for both customers and marketers as it enables in connecting customers to the business, resource in growing relationships, and those relationships have low impact and well-timed manner. (Loreche, 2012) added that the social media is involved influencing behavior, attitudes, and perceptions, at the same time as bringing collectively special like-minded human beings.

(Cusick, 2103) explain that adopting social media has a great impact and very low cost worldwide marketing and advertising strategies. For this reason, social media is the most applicable tool for promoting tourism due to the fact tourism is a carrier that has to be marketed over the world. (Loreche, 2012) find out that people are fashionable just like they love creating something new, virtually contributing, and

want to join the online communities to satisfy their needs those are recognized, socially engaged with their family and friends, communicating with others, and receiving a perception of belongingness. Social media specifically Facebook allows probable site for visitors to know from their previous visitors via its capacity to expand E-word-of-mouth at rapid growth. The shared stories from preceding visitors to the destination can affect the purpose of ability traffic to visit the region in the future.

Usually, people will see the videos and photos via Facebook from their friends and family then they are happy to visit the same place in their next travel. According to (Leung, 2013) the better diploma of “use democracy” tradition and the capability to share facts through Facebook have made big modifications to the bargaining power of clients and records asymmetry. This indicates, the significance of adopting social media with the aid of tourism advertising and marketing organizations. The adoption of a huge variety of social media structures on which individuals and agencies can put it on the market and sell their services and products has certainly revolutionized the advertising communications function globally. The main purpose is the tremendous adoption of social media as vehicles for advertising and promotion. This chapter explores the social media, tourism organizations in Malaysia and the benefit of adopting Facebook in the tourism industry.

The purpose of this study is to identify the usefulness of the adoption of social media towards travel agencies in Klang Valley, Malaysia. This is very important for us to determine the perception and behavior of consumers toward social media and its relationship to the successfulness of marketing and advertisement which goes to grow to be with consumer buying intention. In this research, a framework has been followed to check out the adoption of social media and it's a benefit to promote the

products and services also to get knowledge of how customers react and respond to Facebook-advertisement.

1.2 BACKGROUND OF THE STUDY

Travelling is the most popular way of spending our leisure time and refreshing our mind among other activities. Nowadays, it is developed all over the world because it earning a lot of money for the country. Travelling also gives the opportunity for people to see the world, different people, other culture and new traditions. From an economic point of view, it plays a significant role to grow the local economy. There are so many people working in the tourism sector to survive their life. Some countries like, in Malta tourism is the main sector for their economy.

So many people are dependent on tourists who are coming every year to spend their holidays. Therefore, travelling has an impact on visiting spiritual historical palaces. People love to travel some religious palaces over the world such as Saudi Arabia, Turkey, Palestine, India, Egypt and so on. Many countries are developing their historical and attracting palaces and making it easier for communication to get to many tourists. Travel and tourism organization contribute to global economy directly, indirectly or somehow induced and this is one of the world's biggest industries. It brought over 7.6 trillion U.S. dollars in 2016 and it has a lot of money to comparing other industries. Direct monetary in this sector, which includes lodging, transport, entertainment activities, and point of interest turned into roughly 2.3 trillion USD in the same year. There are few countries such as France and the United States of America are always famous for a tourist location. On the other hand, less famous international locations are developing their attraction rapidly due to their economic growth and advantages. Travel organizations all over the world experienced speedy growth every year (Portal, 2016). The travel and tourism industry might be

categorized in the service sector and this sector becomes one of the most valuable sectors. This industry just behind the biggest industry automobiles and oil in terms of sales (Hanafiah & Harun, 2010).

In the previews study conducted by WTO, the number of global travelers' arrivals all over the world increased from 803m in 2005 to 1,184m in 2015, it was a rapid growth in the last 10 years about 47%. Additionally, the total receipts from international vacationers in 2015 counted 1,260 billion US dollars. This one considers 86% growth compared to 2005 reported by (UNWTO, 2016). This amount shows an amazing contribution to the global travel industry for worldwide revenue. Moreover, many countries over the world attended seriously to develop this sector and providing many kinds of activities. They also doing promotions to attract new travelers around the globe and earn for their country (Kusni, 2013). During the previous years, travel and tourism industry marketers have been amazed by the rapid visitor's boom in social media over time particularly in Facebook. The most popular social media (Cheung, 2010), Facebook explained after a survey that an explanatory increase in the total time spent by clients online from 3.1 billion minutes 205 billion minutes within the year 2007-2008 (Nielsen, 2009). That was estimated that the clients spent time online dramatically increases to about 566%.

The billions of clients and entrepreneurs clicking social media to find their needs and desires. People are adopting online activities in their daily life as a part of their social life and entertainment (Bhagat, 2009). Entrepreneurs may attend in social media to promote their business as well (Radwanick, 2010). It is great fun and entertainment for the consumers also they feel independent to make their decision-making process. People who are in travel industries have to know better the capability and real value of adopting social media as a promoting tool for their agencies.

Presently, in this modern era, technology has amazingly changed business policies and ways people are habituated to communicate. It interchanges with every different, communication between the clients and agencies also changed. (Moran, 2014). The exposure of social media gives a super trade possibility for many businesses and organizations (DeMers, 2015). The revolution of social media also a cause for commercial spirits, and we can observe that so many companies being influenced by social media (Minei, 2014). The previous study conducted by Hubs pot in 2014, reported that 92% businessmen agreed that promoting in social media is very effective and it helps the company's economic growth. The social media is not only a medium or supply information about people but also record the clients' attitude, buying behavior, demographics or characteristic groups, and trade material as well (Burke, 2013). Well, this is a web-based service provider and its focus on building a relationship between people in the same area or characteristic (Khan, 2012).

Last year in 2018, a survey reveals that Malaysia internet user was around 21.93 million people and there are active Facebook users about 12.75 million people (statistics, 2018). The ability and performance should be increased for business by adopting social media. It also helps to build a very good relationship with their existing clients, manage the quality customer service activities and record the business elements properly (Parveen & Ainin, 2014). In Malaysia, many well-developed business groups and organizations promote their businesses via social media. They do advertising and marketing to reach the maximum number of clients (Shahizan, Norshuhada, Norlaily, Sobihatun, & Samsu, 2012). Previous research conducted by (Dholakia & Durham, 2010), companies' own Facebook fan pages are strong communications tool in this modern era. Many companies use fan pages to increase sales, word-of-mouth marketing, and client loyalty substantially amongst a

subset of their customers. The output shows that Facebook fan pages are very successful and cheap advertising on social media (RICE, 2010). Doing business by using social media have huge and countless opportunity for marketers.

Every day number of people who are using the Internet, company, and organizations web sites, advertising, and overall shopping via online is on the increase. Companies determined to present their products and services online to get new clients. They also want to increase public awareness and their merchandise. By this time, many agencies already know that benefits are coming from social media including saving money and time, increasing quality, verbal exchange development, improve their strategic development, and attain worldwide market so far (Troshani & Ngai, 2007;2006). Social media adoption should be explained the circumstance wherein an agency is happy to accept modern technological innovation. They want to transform their business in modern-day like commercial enterprises operate their business and direct the right way (Mudimigh, 2007). (Peng & Trappey, 2005) Explain that social media adoption is related to the dramatic use of internet innovation and the internet already become a very good commercial way to attract businesses and inspire organizations. It is the new experiment and way to serve their existing clients as well as new consumers. Many research conducted previously about the adoption of social media issues and researcher highlighted some issues those are effective for business such as vital achievement, readiness, profitable, economic growth and so on (Archer, Jeon, & Khatibi, 2008;2006;2003).

But, researchers also explained some crucial obstacles to adopt social media, for example, lack of money, lack of practical understanding, short of expertise, country's legal issues, local culture, etc. (Ranganathan, 2004). E-businesses on social media requires management expertise and a commitment to succeed. Many

companies' social media such as Facebook home pages and customer handling are poor and do not get the benefit from feedback, communication and customize. This is the reason for the failure of social media business because they cannot use it properly. The breadth and depth of customized product records help consumers buy selections. However, this was realized that some agencies did not recognize this problem. Consequently, the purpose of this study is to determine the adoption of social media in the Malaysian tourism industry. (Banks, 2004) states that many companies implementing their social media marketing solutions are also increasing in Malaysia day by day. Adopting social media is a new and emerging appearance in this modern era. Therefore, we will see the relationship between relevant factors and social media adoption especially Facebook.

1.3 STATEMENT OF THE RESEARCH PROBLEM

Many companies are still struggling in their business, for the utilization of social media advertising (Chan & Guillet, 2011) for this reason this research is necessary to prove the understanding of the advantages and capacity to adopt social media for travel organizations. This research should be more important for Malaysia's big city's travel organization for the adoption of a social media approach can also help to attract local travelers. For travel entrepreneurs, social media plays a significant role in speech and have interaction with local and global tourists.

It means that social media ought to be incorporated inside the online advertising strategies for travel agencies. Tourism companies need to elevate their degree of online dedication and remodel their advertising policies to the online territory. The use of social media and adoption in the tourism industry,(Leung, 2013) highlighted the strategic significance of the social media in travel agency competitiveness. In this modern era, social media has been developed the Internet

from a broadcasting way to the participatory platform which lets in the travelers to emerge as the “media” themselves for taking part and sharing statistics (Leung, 2013). (Hays, 2013) argue that social media has notably altered the manner of making and dissemination of records.

This technology does now allow people to easily contribute their opinions, creations and thought to the Internet. There are changes in the way in which society consumes and contributes to the creation of information. Adoption of social media lets in possibilities and consumers to communicate directly with their friends and family or with a brand representative. Similarly, (Safko, 2010) shows that social media became more effective than traditional marketing that becomes performed within the last 6000 years because it allows for two-way communication. Moreover, the outstanding possibilities in the tourism industry in Malaysia are not but completely exploited and the city has gone through numerous modifications and improvements which need to be delivered to the eye of the world. But, there are some arguable issues to adopt social media advertising (Fuchs-kitowski, 2009) Consistent with (Duhan & Singh, 2014), businessmen are not so into using social media advertising and marketing due to the fact most of them already got a mindset of social media might fail to gain the entrepreneurial goals or desires.

Primarily based on (Shankman, 2013)’s study, he said that the mindset is fixed by people who simply think and make assumption that social media marketing is similar to traditional strategies. For this reason, they do not want to adopt a new trend in their business. These scenarios showcase that the tourism organizations in Malaysia has lack of confidence and trust in social media advertising and marketing. Consequently, it is far crucial to pick out the elements which are prohibiting organizations from adopting social media advertising so that the usage of social media