

# THE ADOPTION OF E-GOVERNMENT: CHEAP SALE NOTICE SYSTEM AMONG SMEs IN MALAYSIA

S. Nursyairalia<sup>1, a</sup>, and H. Musa<sup>2, b</sup>

\*Corresponding author :  
syairadamar@gmail.com

<sup>a, b</sup>Faculty of Technology Management & Technopreneurship,  
Universiti Teknikal Malaysia Melaka, Hang Tuah Jaya 76100  
Durian Tunggal, Melaka, Malaysia.

<sup>a</sup>syairadamar@gmail.com, <sup>b</sup>haslindamusa@utem.edu.my

## Abstract

This paper aims to examine the relationship between the characteristics of innovation, users and external factors toward adopting the Electronic Government (EG) innovation. These relations were found highly correlated in intention to adopt this innovation in administration structures which act as the catalyst for innovation opportunities. This is especially the case for a significant number of the new applications and portals that designed are believed will improve the quality of public services more effectively and efficiently. Despite of the indication provided by numerous empirical studies, the agencies that adopting the EG will gain more competitive advantage based on the improvement in administrative management that connect Government and Citizens. As this paper is designed to identify factors towards adoption of EG, it is strongly believed that this attempt would contribute both to knowledge of the diffusion of innovation and to implications for practice by assisting whether the Government or citizens to understand more about the important factors when adopting innovation in general and EG in particular towards achieving Vision 2020 invention. Rich data will be collected using online questionnaire, administering the survey among managers from SMEs in Malaysia.

**Keywords:** E-government; Cheap sale notice system; Adoption; Innovation; Characteristics of user; Organizational factor; External factors;

## 1.0 INTRODUCTION

Recently, Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK) has also been implementing e-government concept with providing e-services to facilitate its administration. There are several of them that frequently mentioned and applied which is 'e-Aduan' and 'Cheap Sale Notice; Regulations of Cheap Sale Notice has been enforced on 11 August 2010 and these papers focus to the Cheap Sale Notice System (CSNS) which

implemented on 8 August 2014 [1], [2]. CSNS is an innovation which dealers no longer need to come to the reception office to apply for cheap sales notice and has seen an improvement in terms of services delivery [3]. On the other hand, KPDNKK is also promoting CSNS as part of their E-Government initiative so as the users can apply for Cheap Sale Notice and manage the transaction more effectively via the enabling technologies. Business premises in

Malaysia that intends to doing sales promotion during the year are requested to apply for these permits to avoid legal action. Dealers are not allowed to hold a sale that begins or ends outside the dates and time-frames. Traders who want to conduct sales promotion are compulsory send the notice to the ministry within 14 days before the date of the offer for sale is held and the permit will be issued on the same day. Dispatch of the notice was necessary because the ministry wanted to examine the nature and content of the original price and the price to be reduced to ensure that consumers are not deceived and their rights continue to be safeguarded. In addition, this has been enshrined in the act; "if the dealer's sales held in any part of the period's sales are in a period set by the Controller of Trade Descriptions and partly outside the prescribed period, the dealer shall submit two separate notice "(subject to regulation 5 (3A), Regulations (Cheap Sale Price) - 1997. The adoption of the traders to gain the benefits by this system provided by the government to manage their 'notice of sales' is an important issue that needs to be explored and identified. With the matter of that, there are several of them still continuing to submit their application manually instead of using notice of sales' system, which was introduced to the traders and readily to utilize by them.

## 2.0 RESEARCH OBJECTIVE

The purpose of this exploratory study is to focus specifically on the adoption on the innovation (E-Government) in an organization which is among SMEs. The research attempts to answer the question "what are the key determinants of the adoption of E-government in an organization among SMEs?" This question will be addressed by addressing the following sub-questions:

1. Do the characteristics of E-government itself and the characteristics of the users influence its adoption?
2. Do the organizational factors significantly influence the organization's adoption of these innovation?
3. Do the characteristics of external factors, influence the organization's adoption of e-government Services?

The research objectives below are the major topics of investigation of this study following the above research questions:

1. To explore the characteristics of innovation that influence the adoption of CSNS among SME in Malaysia.

2. To determine the characteristic of user and organizational factor that influence the organization's adoption of CSNS.
3. To figure out the external factors that influence the SME adoption of CSNS.

To pursue the research summarized above, a generalized model is developed, that includes factors that expected to influence the adoption of the innovation in the organization among SMEs in the context of developing country. Previous study which more focusing on government servant and this paper will focus to customer that might have different opinions especially SME in Malaysia. The findings of this studies can facilitate the government department to formulate strategies and design a system to encourage and facilitate usage of E-government which this paper focus on Cheap Sale Notice System effectively.

## 3.0 OVERVIEW OF E-GOVERNMENT

The requirement of services that significantly simple, reasonable and efficient are the factors that blending towards a developed country. To meet the challenges towards transforming public services, the Government has implemented various initiatives and projects through the utilization and strengthening information and communication technology (ICT) which serves as a "strategic enabler" towards service beyond the expectations of the people [4], [5], [6]. All this can be realized with a mechanism of electronic government. All matters are carried out daily in context more effectively with the concept of information at your fingertips. Generally, an electronic government offers a variety of services to address the global challenges without borders or also called the globalized world. The electronic government in the context of Malaysia is one of the flagships in the development of the Multimedia Super Corridor (MSC) which is inspired by the 4th Prime Minister of Malaysia, Tun Dr. Mahathir bin Mohamad [7], [8], [9]. MSC has been authorized to accelerate the achievement of Vision 2020 and was a stepping stone for realizing the dream of having a state and a society that is informative. With the government's proactive action for the enhancement of public delivery system, several websites have been developed to deliver a variety of services [10], [11]. The Vision of Electronic Government is to leveraging the utilization of IT and multimedia as administrative process and service delivery [1].

## 3.1 DEFINITION OF CHEAP SALE PRICE

According to KPDNKK [12] have described the 'Cheap Sale Price' was any usage of language

stating that the price of goods is lower than the original price includes using an expression of "sale", "discount", "reduction", "best buy", "best price", "special price", "price collapse", "everyday low price" or "offer half price". Controller of Trade Descriptions authorizes the limitation for dealers to hold sales that can be implemented per year by 8 times, that is 3 times dates officially designated by Controller of Trade Descriptions, and 5 times dates required by dealer. Date of cheap sales for 2016 which was gazette by the Controller of Trade Descriptions are: (i) Sales Early Years - March 1, 2016 as of March 30, 2016, (ii) 1 Malaysia Mega Sale Carnival - June 15, 2016 until August 31, 2016, and (iii) 1 Malaysia Year End Sale (M-YES) - 1 November 2016 to 31 December 2016. Therefore, the dealers are also required to comply with the conditions set by the ministry as in the table:

---

#### Conditions for Holding Cheap Sale

---

1. Goods sold with the "sale price" shall exceed 70% of the total number of items displayed in the same premises.
  2. Notice of sale shall be displayed and posted in a conspicuous place. While the details of the items and the prices may be displayed in any electronic display screen/ saved in the folder/ file or placed in a conspicuous position and available to users.
  3. If the dealer's sales will run more than one place of business, a copy of the notice of sale shall be in any of the participating merchants. Details of the price of goods on display as in paragraph 2.
  4. Traders must maintain complete records of the cost of goods for the 6 months preceding offered at the same premises.
  5. Traders must indicate on each item " the price offered in advance " and "sale price". "The price offered in advance" is the lowest sale price for 28 consecutive days within 6 months before the date of commencement of sales.
  6. Registration number of cheap sales and date of sales and KPDNKK's logo must be stated in any advertising.
  7. Logo of KPDNKK is in the national language and can be translated in any other language expression. It should be handwritten or printed with the letters' height of not less than 5 mm.
- 

- 
8. Traders must continuously maintain a reasonable stock of goods for sale.
  9. Every sale that is held must not exceed 30 days unless the dates are gazettes.
  10. Sales that done by dealers' choice cannot be held continuously which they need to take the break for 14 days, before initiating the next sale.
- 

### 3.2 THE SIGNIFICANCE OF STUDY

This paper is to study the adoption of electronic government, especially CSNS among traders in Malaysia. The capability of assistance towards the policy maker gains fruitful of information primarily regarding the influencing factors that affect traders' in the utilization of e-Government services in Malaysia. Hence, the government will aware and could identify the deficiency of certain part of the services to ensure there always an enhancement of the quality that continuously compatible and user-friendly. Eventually, the most basic result that we would expect out of this study is to gain an enhancement of users' confidence in adopting e-Government.

Previous studies have mentioned external and internal factors that clout the adoption of EG. Accordingly, figures that impact the dissemination of e-government have turned into a fundamental examination subject in the writing. Taking into account a technology-organization-environment structure, [13], [14] the recognized components have arranged into three classifications and environmental. Determination of the strategy in the process of strengthening EG adoption and diffusion can be helped by understanding the promoting factors in the adoption of EG. In order to study of citizens' adoption of EG, the combination of technological factors and users' characteristics (perceived usefulness & perceived ease and use) which are mostly factor that effect the adoption is the attitude of user [12]. The affecting factors are proposed for the adoption of e-commerce using Diffusion of innovation theory (Relative advantage, Compatibility, Trialability and Observability) and declared that relative advantage & compatibility are mainly influencing the adoption of EG [15]. The current study by framework used in this paper reveal a clear understanding towards ease of use, observability, and the relative advantage is the significance factors that influencing the adoption of E-licensing [16], [17]. Following it, relative advantage,

and perceived usefulness show a positive relationship to the adoption meanwhile complexity is negatively relationship towards its adoption [18]. With these compilations of factors from previous studies capable encouraging the government that is responsible for creating related policy and execute better systems in their e-government entry and site. This study conceptualizes EG include Cheap Sale Notice System as innovation in an organization within its management and administrative context, and investigates the crucial factors which affect the adoption of the innovations. This is achieved by developing a conceptual model that takes into consideration the findings of prior research on EG; on the nature of management innovations and on the adoption of innovations.

### **Relative Advantage**

Rogers [19] interpreted relative advantage as the degree of which an innovation is perceived as better than the idea supersedes. Relative advantage is an important factor influencing the rate of adopting the innovation with numbers of sub-dimensions including time save, low initial cost the decrease in discomfort. At the organizational level, the capability of an organization to adopt innovations depends on the skills of its members, its ability to provide training for developing these skills, or the hiring of experienced [20], [19]. As a result, some innovation benefits can be identified as administrative efficiency, staff well-being, personal growth, increased satisfaction, and improved group cohesiveness [21]. Most empirical studies report a positive relationship between perceived relative advantage and the adoption of innovation and agreed that relative advantage is one of the most important factors influencing the adoption of the innovation [22], [23].

### **Compatibility**

Rogers [22], [24] defined an innovation's compatibility as the degree to which it is being perceived as being consistent with the existing values, past experiences and needs of the potential adopter. An organization seeks to adopt innovations, which are compatible with the nature of its work, processes and activities. Zaltman [25] concluded that compatibility is about relationship between innovation and other elements and how it can be perceived in a particular context which will influence the adoption of the innovation. It is important that changes resulting from innovation adoption are compatible with the values and the belief systems of the organization [26], [15]. Once the compatibility is correlated between e-government system with existing work practices and beliefs, there will be an enhancement toward the assimilation [27].

### **Observability**

Observability as the degree to which the results of an innovation are visible to others [28]. It is notable that an organization may will enhance their assessment toward the innovation through the observation of the results by adopting it rather than observing the innovation itself. There was a significant positive relationship between innovation adoption and observability [22]. Observability gives the adopter an opportunity to learn about and assess the innovation, which may facilitate its adoption [15].

### **Top Management Support**

Many studies consider leadership as the key determinant to the adoption of innovation [18], [20], [29]. This is because the top management possesses power and authority to make decisions in the organization. Top management is the key to the decision-making process within the organization. The top management play important roles in innovation as they will choose whether or not the innovation is accepted [30], [31]. Responsibility at the top administration level is fundamentally critical to control the modernization process. The attitude of awareness ought to be installed inside the leaders, and officials, about the significance of their initiative, direction, and choice of public policies, which will straightforwardly influence the project's delivery [32], [33]. At the point when endeavoring to guarantee achievement of the adoption innovation, the top management are prepared and furnished with information and technique, the top administration is included in all exercises relating to IT/IS use and execution widespread throughout the organization. It is crucial that appropriate management policy for an organization was capable diminish cultural resistance and create awareness towards e-government adoption [12].

### **Technological Opportunities**

To meet the challenges towards transforming public services, the Government has implemented various initiatives and projects through the utilization and strengthening information and communication technology (ICT) which serves as a "strategic enabler" towards service beyond the expectations of the people [6], [34], [35]. The definition of E-government is the utilization of innovation, especially with the internet, as the alternative services to be delivered to the relevant parties [36]. It is important that this study will look at the contextual factors that influence the effective adoption of E-government that linkage with ICT within the organization. In E-government, ICT plays an important role to facilitate collaboration between government servants and citizens and achieve better information visibility and decision making [37]. According to the view of expertise, to

achieve the end goal for nations in the utilization of ICT, they should fully be prepared with the IT foundation and its infrastructure, the related framework and explores the angles of accessibility from the point of view of the population [24], [38]. The positive sensuality towards government modernization as the imperative agenda, the ensuring attitude needed by the government with the allocation of user-friendly ICT infrastructure, wider accessibility to users, and necessarily preparing fundamental training to utilize it [38].

### Government regulations & policy

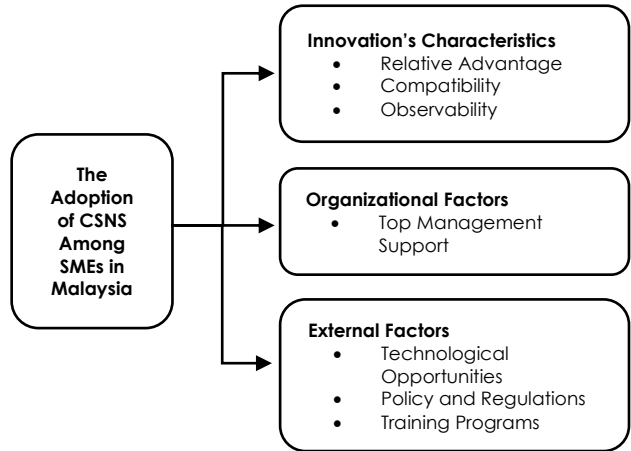
Electronic government categorized as the innovation of technological for developing countries and the requirement of regulation and policy are crucial to ascertain its effectiveness [39], [40], [41]. The establishment of a democratic country, the government formation togetherness with the alliance of citizens through a constitution, acts, enactments, policy, and regulations, which characterize the way of management within the government. The reduction of transaction costs is the basis of the government's incentive and accordingly able intensify the percentage of administration in the form of online services [42]. Furthermore, the study regarding of regulations been stressed in order to analyze the relation of users with the utilization of electronic government [38]. Regulations and policies made by the government is to ensure the transformation of governance through information systems are achieved [43]. The existence of rules and regulation which been enforced closely interlinked as the pressure to adopt e-government across the government administration in which the users have no option to reject but accept the system that has been introduced. From a legal standpoint, the resistance to the regulation and policy is an offense and is liable to the punishment [44].

### Training Program

The importance of organizational adoption of technological innovation can be influenced by the facilitator, which represents the internal factors of an organization that is influenced to adopt the innovation. The study by scholars regarding of rural users and their awareness towards e-government revealed with the negative result [45]. In that case, the requirement for citizens and experts to be consistently prepared with e-government knowledge and keeping in mind the establishment of the electronic administrations for their convenience [31], [45]. Strategies to enhance the basic skills of employees and management might involve training programs or manuals handbook related to e-government system to increase productivity and development of officials and at the same time strengthening the financial stability of an organization

[20], [46]. Therefore, the Ministry of KPDNKK has provided the efficient manual handbook to give exposure to traders about the CSNS through their portal and training to their servants [1], [38].

## 4.0 RESEARCH MODEL



## References

- [1] MAMPU, (2016) retrieved 12 January 2016 Official Website MAMPU, Pelan Transformasi 2015-2017
- [2] Mynewshub (21 June 2016), KPDNKK N.Sembilan Keluar 8 Kompaun Kepada Peniaga Bazar
- [3] Kuo, Y. K., Kuo, T. H., & Ho, L. A. (2014). Enabling innovative ability: knowledge sharing as a mediator. *Industrial Management & Data Systems*, 114(5), 696-710.
- [4] UNPAN (2014a), Retrieved 10 December 2015, Malaysia Government Prioritises E-Government, E-Learning and Healthcare IT in 2020 Vision
- [5] UNPAN (2014b), Retrieved 11 October 2015, Malaysian Government Drops Overall, but Strong for Digital Inclusion, Online Service Delivery : UN E-Government Rankings 2014
- [6] UNPAN (2015), 83% of Government Services Online Since June, Says Ali Hamsa
- [7] MSC (2016) Retrieved 12 January 2016, Multimedia Super Corridor (MSC) Malaysia from
- [8] MSC, (2015) retrieved, 5 March 2015 from Multimedia Super Corridor (MSC) Malaysia
- [9] IKLIK (2016b), Retrieved 13 January 2016 PENCAPAIAN PROJEK KERAJAAN ELEKTRONIK SEJAK DILANCARKAN PADA 1996

- [10] MAMPU, (2013) retrieved 12 January 2016, Official Website MAMPU, Electronic Government (EG) 2013
- [11] MAMPU, (2015, 26 December 2015). Official Website MAMPU, PELAN STRATEGIK MAMPU 2013-2015
- [12] Al-Hujran, O., Al-Debei, M. M., Chatfield, A., & Migdadi, M. (2015). The imperative of influencing citizen attitude toward e-government adoption and use. *Computers in Human Behavior*, 53, 189-203.
- [13] Yahya, M., Nadzar, F., & Rahman, B. A. (2012). Examining user Acceptance of E-Syariah Portal Among Syariah users in Malaysia. *Procedia-Social and Behavioral Sciences*, 67, 349-359.
- [14] Zhang, H., Xu, X., & Xiao, J. (2014). Diffusion of e-government: A literature review and directions for future directions. *Government Information Quarterly*, 31(4), 631-636.
- [15] Shah Alam, S., Khatibi, A., Ismail Sayyed Ahmad, M., & Bin Ismail, H. (2008). Factors affecting e-commerce adoption in the electronic manufacturing companies in Malaysia. *International Journal of Commerce and Management*, 17(1/2), 125-139.
- [16] Lean, O. K., Zailani, S., Ramayah, T., & Fernando, Y. (2009). Factors influencing intention to use e-government services among citizens in Malaysia. *International Journal of Information Management*, 29(6), 458-475.
- [17] Vella, J. (2011). Organizational commitment and users' perception of ease of use: a study among bank managers. *Emerald insight*, 13.
- [18] Pasetti, E., & Tenucci, A. (2016). Eco-efficiency measurement and the influence of organisational factors: evidence from large Italian companies. *Journal of Cleaner Production*, 122, 228-239.
- [19] Rogers, E. M. (2003). *Diffusion of Innovations* 5th edition.
- [20] Kaliannan, M., & Awang, H. (2010). Adoption and use of e-government services: a case study on e-procurement in Malaysia. *WSEAS Transactions on Business and Economics*, 7(1), 1-10.
- [21] Dobre, O. I. (2013). Employee motivation and organizational performance. *Review of Applied Socio-Economic Research*, 5(1), 53-60.
- [22] Rogers, E. M. (1995). Diffusion of Innovations: modifications of a model for telecommunications. In *Die Diffusion von Innovationen in der Telekommunikation* (pp. 25-38). Springer Berlin Heidelberg.
- [23] Shareef, M. A., Kumar, V., Kumar, U., & Dwivedi, Y. K. (2011). eGovernment Adoption Model (GAM): Differing service maturity levels. *Government Information Quarterly*, 28(1), 17-35.
- [24] Warkentin, M., Gefen, D., Pavlou, P. A., & Rose, G. M. (2002). Encouraging citizen adoption of e-government by building trust. *Electronic markets*, 12(3), 157-162.
- [25] Zaltman, G., Duncan, R., & Holbek, J. (1973). *Innovations and organizations*. John Wiley & Sons.
- [26] Grandon, E. E., & Pearson, J. M. (2004). Electronic commerce adoption: an empirical study of small and medium US businesses. *Information & management*, 42(1), 197-216.
- [27] Pudjianto, B., Zo, H., Ciganek, A. P., & Rho, J. J. (2011). Determinants of e-government assimilation in Indonesia: An empirical investigation using a TOE framework. *Asia Pacific Journal of Information Systems*, 21(1), 49-80.
- [28] Rogers, E. M., & Shoemaker, F. F. (1971). *Communication of Innovations; A Cross-Cultural Approach*.
- [29] Pondeville, S., Swaen, V., & De Rongé, Y. (2013). Environmental management control systems: The role of contextual and strategic factors. *Management accounting research*, 24(4), 317-332.
- [30] Huai, J. (2012). Apply TQM to E-Government Outsourcing Management. *Physics Procedia*, 24, 1159-1165.
- [31] Stefanovic, D., Marjanovic, U., Delić, M., Culibrk, D., & Lalic, B. (2016). Assessing the Success of E-Government Systems: An Employee Perspective. *Information & Management*.
- [32] Kauser, S., & Shaw, V. (2004). The influence of behavioural and organisational characteristics on the success of international strategic alliances. *International Marketing Review*, 21(1), 17-52.
- [33] Khadaroo, I., Wong, M. S., & Abdullah, A. (2013). Barriers in local e-government partnership: evidence from Malaysia. *Electronic Government, An International Journal*, 10(1), 19-33.
- [34] Ferreira, J. J., Raposo, M. L., & Fernandes, C. I. (2013). Does innovativeness of knowledge-intensive business services differ from other industries? *The Service Industries Journal*, 33(7-8), 734-748.
- [35] Ko, H. T., & Lu, H. P. (2010). Measuring innovation competencies for integrated services in the communications industry. *Journal of Service Management*, 21(2), 162-190.
- [36] Cordella, A., & Tempini, N. (2015). E-government and organizational change: Reappraising the role of ICT and bureaucracy in public service delivery. *Government Information Quarterly*, 32(3), 279-286.
- [37] Van der Wee, M., Verbrugge, S., Sadowski, B., Driesse, M., & Pickavet, M. (2015). Identifying and quantifying the indirect benefits of broadband

networks for e-government and e-business: A bottom-up approach. *Telecommunications Policy*, 39(3), 176-191.

[38] Mohammed, F., & Ibrahim, O. (2013). Refining E-government Readiness Index by Cloud Computing. *Jurnal Teknologi*, 65(1).

[39] Alshehri, M., & Drew, S. (2010). Challenges of e-government services adoption in Saudi Arabia from an e-ready citizen perspective. *Education*, 29(5.1).

[40] Gil-García, J. R., & Pardo, T. A. (2005). E-government success factors: Mapping practical tools to theoretical foundations. *Government information quarterly*, 22(2), 187-216.

[41] Witell, L., Snyder, H., Gustafsson, A., Fombelle, P., & Kristensson, P. (2016). Defining service innovation: A review and synthesis. *Journal of Business Research*, 69(8), 2863-2872.

[42] Stamati, T., & Martakos, D. (2012). Electronic transformation of local government: An exploratory study. *International Journal of Electronic Government Research*, 20-37.

[43] Grönlund, Å., & Horan, T. A. (2005). Introducing e-gov: history, definitions, and issues. *Communications of the association for information systems*, 15(1), 39.

[44] Nurdin, N., Stockdale, R., & Scheepers, H. (2012, September). The influence of external institutional pressures on local E-government adoption and implementation: A coercive perspective within an Indonesian Local E-Government Context. In *International Conference on Electronic Government* (pp. 13-26). Springer Berlin Heidelberg.

[45] Bose, R. (2004). E-government: infrastructure and technologies for education and training. *Electronic Government, an International Journal*, 1(4), 349-361.

[46] Renliang, J. (2012). The idea to promote the development of e-government in the civil aviation system. *Physics Procedia*, 24, 1488-1492.