

The Sources of Information of The Government Sponsored Business Assistances Among Micro-sized Entrepreneurs in Kelantan, Malaysia

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Abstract

This study seeks to investigate the sources of information pertaining the government sponsored business assistances among micro-sized SMEs in Kelantan, Malaysia. Despite the numerous business assistances offered by a number of agencies that are accessible to the micro-sized SMEs, the present study shows that majority of the respondents have acquired the information from friends rather than the government agencies. Trustworthiness and timeliness are the factors cited for choosing friends as information provider. However, information obtained from friends sometimes inaccurate and incomprehensive. As a result, many of these business support programmes are not fully understood therefore not utilised. The study also shows majority of respondents perceived financial assistance is the only type of business support available. Thus, majority of the respondents used financial services (loan) from the government agencies without taking much heed of the other support programmes. These findings indicate an inadequate knowledge among micro-sized SMEs on the various type of the government support programmes. It is recommended that a more pro-active measure should be undertaken by the government agencies concerned to aggressively disseminate information of the various business support programmes. The failure to efficiently propagate the availability of these services has a great impact on the performance of the micro-sized SMEs.

Keywords: Business assistance, Government, Information, micro enterprise, Malaysia

1. Background of the Study

Globalisation demands a more liberal business policy practices by the local government. The open door policy attracts global players to operate businesses outside their home countries, Malaysia is one of the attractive location for the big players of all kind of businesses to expand their operation. This situation exposes a more competitive and dynamic business environment chiefly to the small business owners. Apparently, small businesses becoming highly vulnerable as they are unable to compete at the same term due to a number of disadvantages. Most of the small business operators who involve in small scale activities are affected with the operation of multi-national companies in their locality. Without interference from external parties to support their businesses, the failure risk of small businesses become considerably high. The business may possibly force to cease operation over short period of time as the businesses are no longer viable due to lack of competency. The problems compounded for the micro-sized SMEs as they are more vulnerable and possess more disadvantages due to their size compares to other classes of SMEs. Over the years the government has provided numerous business assistances via various agencies to address the issues.

Billions of money was spent under the programmes with the aim to support the business growth of SMEs. The provision of the business assistance services reflects the commitment of the government to ensure SMEs able to compete and remain competitive in the market. However, the usage of the business assistance services provided by government is considered poor among micro-sized SMEs. One of reason is that the micro-sized SMEs unaware of the existence of the such services (Khairudin, 2007: Oc and Tiesdell, 1999: Ram and Jones, 1998 cited in Emslie and Bent, 2007, Foziah, Aziz and Sudin, 2006, Hakimin, 2009). Firstly, the significance of the present study to provide information for the business assistances providers to further improve the information delivery system to the targeted group. Secondly, the findings can be used by service providers to develop suitable programmes to effectively disseminate the business assistance information among micro sized SMEs.

Finally, by further expand the programmes it will improve the utilisation of the services, thus it will increase the efficiency and avoid unnecessary waste of scarce resources. The study was conducted in Kelantan. Kelantan is the northernmost state in the East Peninsular Malaysia, It has an area of 15,099 square kilometers with 1.59 Millions population (Statistic Department, Jun 2009). Kelantan is known as agrarian state with majority of the people involves in agriculture activities such as rice, rubber and tobacco. Fishing is one of the economic activities along the untouched beaches on the coastline. Batik, woodcarving and songket are less important cottage industries in the state of Kelantan. In recent years, tourism, especially to offshore islands, has increased in importance. A few reputable hotels have been established and more modern shopping malls have been opened to cater for urban folks. Kelantan was ranked as one of the poorest state in Malaysia with Gross Domestic Product (GDP) per capita in 2006 at RM6,012, contributed 1.7% to the national GDP (<http://www.statistics.gov.my>). Nevertheless, the GDP does not reflect the life-style of the people. The people of Kelantan are well-known in the business with most of them are involved in small size businesses and enjoy good income.

However, the figures are not reported and miss out from calculation of GDP (<http://en.wikipedia.org/wiki/Kelantan>)

2. Literature review

Micro-sized SMEs in Malaysia

As far as Malaysia is concerned, micro-sized SMEs is defined as the businesses with turnover of less than RM250 thousands a year and employ not more than 5 full time workers. As for administrative purposes, micro-sized business is categorised as the third section under SMEs after small and medium businesses. Generally, the business is classified as SMEs when the full time employees less than 250 and turnover is less than RM25 million a year (National SME Development Council, 2005). They play vital roles in country's economic development - providing employment and major contributors to gross domestic product (National SME Development Council, 2005). However, due to the size and limitations, micro-sized entrepreneurs face great challenges in operating their businesses against the dynamic and volatile business environment (Berry *et al*, 2005). The government, in supporting growth of the businesses has provided substantive types of assistance programmes to ensure a stable growth and the survival of SMEs. Facing with a great number of advantages, SMEs are vulnerable to the economic changes. Due to their size and limitations of resources in particular capital, the operations are not efficient and low in productivity. Hence, micro-sized SMEs need assistances from various parties from the government and private sector. The government has provided numerous support and channeled through 15 ministries and more than 60 government agencies (SME Annual Report 2008).

Business assistance

One of the external supports available is from the government. The business assistance services provided by numerous agencies, statutory bodies and government-link corporations (GLC), ranging from business start-up programmes to business expansion programmes. Under the start-up programs, the focus is on the requirement of capital, marketing, technical and management advice. Usually, the soft loan and grant are provided under the program with flexible terms and repayment period. The purpose of the scheme to enable the entrepreneurs to put the businesses in operation. The SME Start-up programs conducted by one of the GLCs offered financing facilities and business development advisory services across SMEs classifications. The programs comes from capital funding to market identification, management competency and network development. For the expansion programs, the support comes in form of financial support which is more complex financial instruments and various advices from industrial experts for sustainability and competitiveness of the businesses. The support programs was designed in a way to fulfill diverse needs of different classes of SMEs. As a general rule, SMEs are facing difficulties to access the resources from private support providers as limitations they have (Mendoza and Gilberto, 2004). For instance, most of them are facing problems to obtain loan from financial institutions due to a stringent pre-requisite terms and conditions and lack of documentation.

The existence of the government sponsored programmes offers are more flexible funding as the government at certain level act as a risk taker by participating in start up business which consider a risky stage in the business cycle. The support programmes by the government has established a foundation for SMEs to access the resource for supporting their business. The effects of government support to micro-sized SMEs is paramount important. Previous studies found a positive relationship between the usage of business assistance by SMEs with the growth of the businesses (Berry and Sweating, 2005). Shepherd and Wiklund (2005) argue that a regular contact with government support agencies has resulted a favourable influences on the growth of the small business. Businesses owners frequently seek for business assistance services experienced positive growth compare to other who did not (Berry and Sweating, 2006). In contrast, the current situation in Malaysia show the business assistance services provided by the government is under utilised. It leaves many assistance services unattended.

According to Foziah, Aziz and Sudin (2006), to obtain financial support SMEs prefer to deal with commercial bank over the government agencies. Besides the bureaucracy and stringent terms and conditions, one of good reason is the unawareness of the SMEs on the services (Pilgrim and Meier, 1994 cited in Khairudin, *et al*, 2007, Oc and Tiesdell, 1999; Foziah *et al*, 2006, Ram and Jones, 1998 cited in Emslie and Bent, 2007, Emslie and Bent, 2007, 2006, Hakimin *et al*, 2009). As previously mentioned in the early part of this paper, micro-sized SMEs are known facing a great challenges in managing their daily activities. The limitations of capital, less skilled workers and work as single owner/manager are the disadvantages among others. Supposedly, the need for the assistance services from the relevant government agencies are essential among micro sized SMEs as they can not afford to pay for private service providers. Sadly, beside the various programmes ready in the market, the government support programmes are unpopular among SMEs (Berry & Sweating, 2006; Jay & Schaper, 2005, Foziah *et al*, 2006). One good reason for the scenario is the lack of awareness about the business assistance provided by the government. Khairudin *et al*, (2009) in their study found that that only 10.1% of the respondents are aware of the services provided by one of the credit guarantee in Malaysia. It is also found that most of the SMEs are unaware of the existence of the credit guarantee services sponsored by the government in their locality. This study supported a study by Oc and Tiesdell cited in Emslie and Bent, 2007; Pilgrim and Meier, 1994 cited in Khairudin, *et al*, 2007, Foziah *et al*, 2006, which stated that lack of awareness of the existence of business assistance services provided by the government agencies is among the reasons on the poor take up rate.

As the consequences, the government sponsored programs are not fully utilised by SMEs and poor take up rate (Boter and Lundstrom, 2005; Berry and Sweating, 2006; Ramsden & Bennet, 2005; Matton, 1999 cited in Devin *et al*, 2005). It is recognised that lack of awareness is one of the factor of poor utilisation of government sponsored business assistance. Previous study also shows that the low level of awareness has affected the utilisation of government sponsored programmes in turn unpopular and less preferred by SMEs (Berry and Sweating, 2006; Foziah *et al*, 2006, Lewis *et al*, 2009). At present, most of the government agencies are physically accessible to the SMEs. Surprisingly, most of them fail to turn at the agencies for advice albeit, near their places. The government over the years has spent a great amount of money for provision of the business assistance services. In the year 2007 and 2008, the government of Malaysia through various agencies has spent RM4.9 Billions and RM3.0 Billions respectively for various assistance programs. Its involve 189 programs in 2007 and 202 programs in 2008 (SME Annual Report 2008). The assistance services will remain unproductive and a waste of the public money if the phenomenon continuously occur.

The essential of information

In the era of information, communication and technology (ICT), it goes without saying that information is essential to put the business on the right track. Information and knowledge are the primary drivers of an accelerating pace of change in the global business environment (Mc Kinsey, 2006 cited in Hughes *et al*, 2009). Insufficient information delivered by service providers to the micro-sized SMEs is believed to be the reason of the low level of awareness among them. Oc and Tiesdell, (1999) stated that lack of awareness of the business assistance services shows the failure of the service providers to disseminate the information to the targeted group. In addition, the selection of source of communication by service providers also fail to alert micro-sized SMEs. In a study conducted by Hakimin *et al*, (2009) in Kelantan, Malaysia also found that most of the micro-sized SMEs are not aware of the existence of the business assistance programmes. The study proposed to enhance the marketing programmes to efficiently disseminate the information pertaining the services. Foziah *et al*, 2006 also found that the lack of understanding about the services offered by the government agencies is one of the contributing factors of the low take up rate on financial support services among SMEs. As proposed in literature, the marketing communication by service providers play essential role to ensure it efficiently delivered to micro-sized SMEs. The failure has resulted lack of awareness and understanding of product type, thus resulted low take-up rate of business assistance (Linehan and Sosna, 2003; Ram and Smallbone, 2001). It is evident in the literature that micro-sized SMEs is complex and behave indifference to large business (Mendoza and Gilberto, 2004). With reference on the marketing to this group, service providers must account for special characteristic of this group. The marketing aim merely to satisfy the unique need and want of this group.

Source of information

Notwithstanding with the importance of business assistance to micro-sized SMEs, this section discusses the literatures concerning the source of information used by micro-sized businesses to gather information on business assistance. There are dearth literatures on the source of information used by micro-sized businesses in particular in Malaysia. Numbers of source of information surrounds the micro businesses. The information is disseminated via formal establishment and non-formal establishment (Devins *et al*, 2005). Generally, SMEs also establish contact with their network and advisors such as accountants, consultants and universities in order to gain the information (Hughes *et al*, 2009). Nevertheless, with number of disadvantages its do not occur among micro-sized SMEs as it costly and some of the information and assistance are not at the best interest of SMEs (Burke and Jarrat, 2004). A study by Emslie and Bent (2007) shows that micro-sized firms tend rely more on informal source to gather the information. The informal source refers to family members, friends and personal contact (Chaudry and Crick, 2004; Ram and Smallbone, 2001). The own networking and informal source remain the preferred source of information instead of business advisory providers (Emslie and Bent, 2007). Informal source of information are more preferred over formal source as its provide specific and relevant information in the context of SMEs' operations. In addition, the selection is influenced by personal relationship between SMEs and informal sources as it was founded on trust (Burke and Jarrat, 2004).

With reference to the above literature discussed, the present study seeks to investigate in quantitative context:

1. The most preferred and popular source of information used by micro-sized SMEs in state of Kelantan to acquire information about the business assistance services.
2. The selected demographic factors influence the selection of source of information.
3. The relationship between the sources of information and the propensity to use the loan facilities.

Research Methodology

This study use survey closed ended questionnaires to measure the selection of source of information pertaining the government sponsored business assistance. The constructs of the questionnaires were designed based on the results of the interviews conducted by one of the researchers with two officers from one of development financial institutions in Kelantan. Further information from literature was also used (Hughes *et al*, 2009, Emslie and Bent, 2007, Chaudry and Crick, 2004, Ram and Smallbone, 2001). By late July and August 2009, 95 set of self-administered questions were distributed among micro-sized SMEs who attended motivation a course conducted by one of the researchers.

Figure 1 shows type of businesses run by respondents. The course was sponsored by the federal government agencies with primary objectives to eradicate poverty.

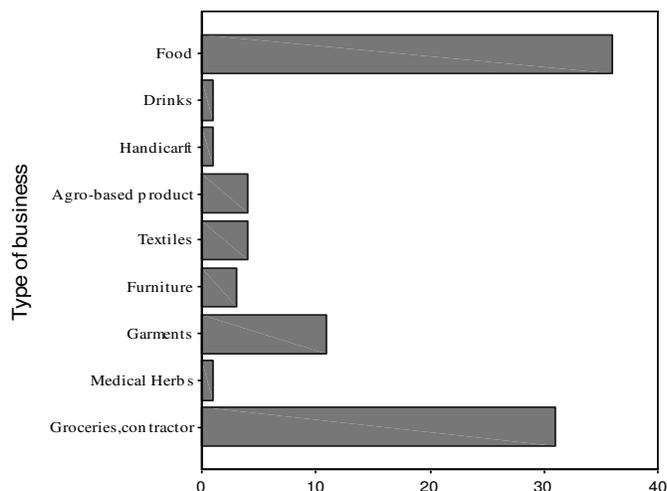


Fig. 1 Respondents' Type of Business

As far as types of businesses are concerned, 36% of respondents involve in food based business, 33.7% carry out groceries store, small contractors and petty traders. Others are those involve in trading of textile (11.6%), garments (4.6%), furniture (3%) and agro-based product (1.1%). Most of business activities operate in small scale of capital, and some of them run their business at home. The reliability test was performed using Cronbach Alpha, cutting point of 60% (Nunnally, 1994). The result of reliability test shows that, the level of reliability of all constructs of sources of information were more than 90%. The reliability tests were performed after all the data were cleaned and edited to increase the validity of the data. In addition, the result of K-S test indicated that all data are normal at $p > 0.05$.

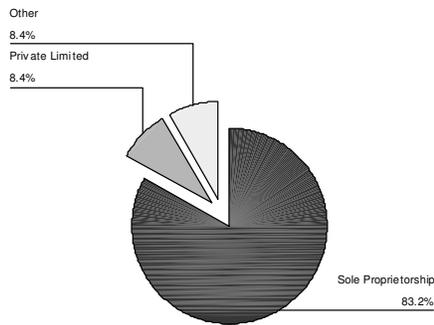
Demographic information

Of 95 respondents, 44.6% aged between 41 to 50 which represent the largest proportion, and 29.3% aged between 31 to 40 years old, 15.2% more than 50 years old and the least less than 30 years (10.9%). 77.9% respondents obtained only secondary school qualifications, 4% with diploma, 1.1% master and 8.4% primary school. A total of 70.5% of the respondents operated businesses on full-time basis and the rest 27.5% operated on part-time basis. This indicates that some of the businesses are run along with other economic activities, thus, entrepreneurs were not fully committed on the business activities. The demographic information is shown in Table 1.

Table1: Respondents' Demographic Information

Demographic	Frequency	%
Age		
< 30	10	10.9
31 – 40	27	29.3
41 – 50	42	44.6
> 50	16	17.2
Education level		
Master	1	1.1
Degree	0	0
Diploma	7	7.4
Certificate	4	4.2
Secondary School	74	77.9
Primary School	8	8.4
Involvement		
Full time	67	70.5
Part time	26	27.4
Form of business		
Sole proprietorship	79	83.2
Private limited company	8	8.4
Partnership	3	3.2
Registration process	2	2.1
Capital		
<RM10,000	75	78.9
RM11,000 – RM50,000	8	8.4
RM51,000 – RM100,000	5	5.3
RM101,000 – RM200,000	2	2.1
RM201,000 – RM500,000	1	1.1
Revenue		
<RM10,000	42	47.7
RM11,000 – RM50,000	35	39.8
RM51,000 – RM200,000	8	9.1
RM201,000 – RM500,000	3	3.4

In terms of business registration, 83.2% of respondents run the businesses as sole-proprietorship, 8.4% as private limited company, 3.2% partnership and 2.1% in the process of registering the business as sole proprietorship (Figure 2).



The results indicate that majority of respondents operating simple small scale business having low entry barrier. This is in line with the selection of respondents who fall under micro-sized SMEs. All respondents operate with low amount of capital where 78.9% hold capital of less than RM10,000 and only 1.1% holds capital of more than RM200,000. Looking at the sales revenue shown in Figure 3, 47.7% of the respondents' business earned less than RM10 thousand a year, 39.8% more than RM11 thousand but less than RM50 thousand. Only 3.4% enjoyed the revenue of more than RM250 thousand a year but less than RM500 thousand. This finding indicates that majority of respondents earned a tiny amount of revenue on average of RM800 a month.

Figure 2: Respondents' Form of Business

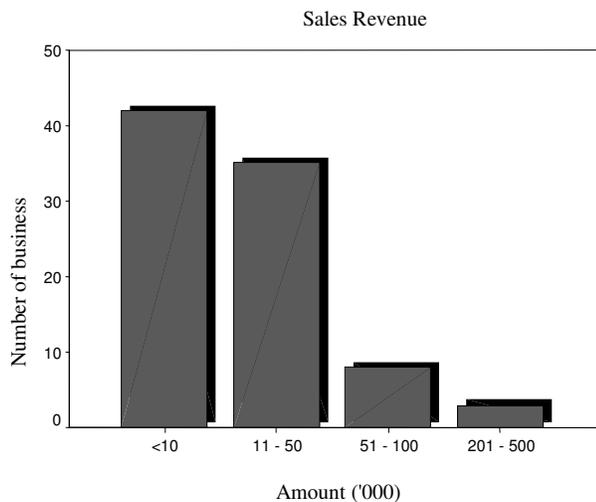


Figure 3: Yearly income

Findings

Sources of Infomation used :

Table 2 depicts the sources of information of the business assistance services used by the respondents. Most of the respondents acquire the information pertaining business assistance services provided by government through friends (57%), followed by related agencies officials (15.8%), newspapers (9.5%), television (6.1%) and radio (1.1%). In spite of a numbers of the government agencies operate in their locality and highly accessible, most of the respondents were agreed that the information on the government assistance services came from friends. Only 15.8% of the respondents agreed that the information about government assistance services were acquired from agencies' official. The table also shows the differences of information sources used by micro-sized SMEs. Comparatively, the usage of 'friends' as source of information is substantive than government agencies. Apparently, the governments agencies are not the popular source for the respondents to get the information whilst, electronic and printed media are the least effective sources to dessiminate the business assistance information. The results tend to confirm that the government agencies' marketing programmes are not effectively function to promote the services among the targetted group (Oc and Tiesdell, 1999).

Table 2: Sources of Information

Sources	n	Yes (%)	n	No (%)
Newspaper	9	9.5	86	90.5
Television	6	6.3	89	93.7
Radio	1	1.1	94	98.9
Friends	53	57	40	43
Agencies' Official	15	15.8	80	84.2
Seminar	40	42.1	55	57.9
124				

Friends as source of information: To support the finding on the effectiveness of friends as source of information, interview was conducted with two officers from one of the development financial institutions about utilisation of friends in dessiminating information among SMEs.

The institution has formed an informal group which is called ‘Rakan SMEs (SMEs Buddy/Friends)’ where a group of 10 borrowers with good track records were selected. Among objectives of the group is to establish a conducive relationship between the institution and clients through informal gathering and discussion. The group discuss the current development of the bank, giving feedback and the most important is to help institutions to disseminate the information pertaining the bank products and policy to the local SMEs. The discussion is organised over tea, lunch and dinner on casual and unofficial manner. Since all the Rakan SMEs members are entrepreneurs and they are recognised as good paymaster, reputable and have a stable businesses, the words from them are perceived reliable and trustworthy. Here is the feedback and perceptions of the officials interviewed:

Officer I : This programmes help us a lot in terms of gathering feedback for betterment of our services. As all of us understand, SMEs in particular micro-sized SMEs are reluctance to come forward to give feedback due to their constraints and afraid of adverse reaction from us. Feedback from Rakan is valuable since most of the members are ‘senior entrepreneurs’ well known in the market. In addition, they have long experience with our bank. We are so grateful for their effort to help us disseminate the information about our products and services to public. It helps in our marketing programs....

Officer II : So far so good, most of the members are happy every time we meet. They freely express their views and make suggestions to my boss and my big boss from HQ. They effectively use the opportunity to have direct discussions with my bosses. It helps me a lot in delivering my duties. A tremendous way of maintaining good relationship with clients, i think so....

Utilisation of Business Assistance Services

The present study shows that 85.3% of the respondents have experienced financial assistance in term of loan from related government agencies. Other business assistance are not fully utilised as shown in the Table 3.

Table 3: Usage of Advisory Services (n=95)

	<i>Finance (Loan)</i>	<i>Technical</i>	<i>Marketing</i>	<i>Management</i>
Use (%)	85.3	0.0	0.0	8.4
Not Use (%)	14.7	100.0	100.0	91.6

Table 3 indicates that, technical and marketing assistances are not utilise by all respondents. Furthermore, only 8.4% of the respondents utilised the management assistance offered by government sponsored business assistance. No singles respondents has experienced technical and marketing support services from the government agencies. To measure the relationship between the sources of information and the propensity to use the loan facilities, a cross tabulation analysis was performed. By referring to Table 4, observations from the six chi-square indicate that no significant difference – $p > 0.05$, except for 1 source of information which show a significant relationship with utilisation of loan facilities; friends ($p = 0.006, p < 0.05$). Out of 53 repondents who use friends as source of information 50 respondents have obtained loan facilities which represents 61.7% of the total utilisation of loan facilities ($n = 81$). The result indicates that no significant difference with the loan facilities utilisation with other sources of information except friends.

Table 4: Utilisation of Information Sources and Loan Facilities

Sources of Information	Loan				Pearson Chi Square		
	<i>n</i>	<i>Not taken</i>	<i>n</i>	<i>Taken</i>	<i>Value λ²</i>	<i>Df</i>	<i>Exact Sig. (1 sided)</i>
Newspaper	2	14.3%	7	8.6%	0.443	1	0.395
Television	0	0.00%	6	7.4%	1.107	1	0.373
Radio	0	0.00%	1	100%	0.175	1	0.853
Friends	3	21.4%	50	61.7%	7.860	1	0.006**
Agencies Official	2	14.3%	13	16.0	0.28	1	0.615
Seminar	6	42.9%	34	42.0%	0.04	1	0.951

** Significant at 0.01.

Length of the business

The present study shows the most popular sources of information is friends. Out of 120 usage of the information sources, friends represents 41.6%. Table 5 shows a decreasing trend on the propensity to seek information pertaining business support with the length of business. The respondents that have been in business for longer periods is less likely to seek information than the respondents whose firms are younger. 34.1% the respondents seek the information are in the business for less than 5 years and 35.8% are those in the business between 6-10 years.

The frequency is decreasing as the business in longer period. The results shows that only 1.6% respondents who seek the information are in the business for more than 26 years. Based on the finding, there is evidence the propensity to age of the business has significant influence on the tendency to seek information via various sources of information. However, observations of chi-square shows that no significant difference – $p > 0.05$.

Table 5: Length Of Business And Uses Of Information Channel

Source of Information	< 5 years	6 – 10 years	11 – 15 years	15 – 20 years	26 – 30 years	Total	Pearson Chi Square		
							Value λ^2	Df	Asymp (2 sided)
Newspaper	2	6	0	1	0	9	3.213	4	0.523
Television	5	1	0	0	0	6	7.682	4	0.104
Radio	1	0	0	0	0	1	2.089	4	0.719
Friends	14	23	5	7	1	50	1.910	4	0.752
Agencies officials	4	7	1	3	0	15	1.746	4	0.782
Seminar	17	12	4	5	1	39	4.441	4	0.350
Total	41	43	10	15	2	120			
	34.1%	35.8%	8.3%	12.5%	1.6%				

Age of respondents and selection of information channel

The results in the Table 6 shows that the tendency to seek information is in increasing trend as the age of the owner become older. This is contrary to the age of the business. The younger the owner, the less likely to seek for the information pertaining advisory and support programmes than the older. Of the 120 responses on the usage of sources of information only 15% from age of less than 30. The percentage step up to double for age of 31- 40 (31.7%) and further improve to 38.3% for 41-50 years old. Nevertheless, the inclination to use the channel of information drop to 14.2% among respondents age of more than 50. The respondents age of 41-50 is the most frequent to seek information through various information channels.

Table 6: Owner Age and selection of information channels

Source of Information	<30 years	31–40 years	41 – 50 years	>50 years	Total
Newspaper	1	3	3	2	9
Television	3	1	1	0	5
Radio	0	0	1	0	1
Friends	7	17	21	6	51
Agencies officials	3	4	5	3	15
Seminar	5	13	15	6	39
Total	19	38	46	17	120
	15.8%	31.7%	38.3%	14.2%	

Discussions

One of the research questions raised in this study is to explore the most popular source of information pertaining business assistance services use by micro-sized SMEs. This dimensions is used as a basis to identify a more effective channel to disseminate the information among micro-sized SMEs. The most popular source of information among respondents is friends. Surprisingly, 57% (more than half) of the respondents acquire the information pertaining business assistance from their friends which is informal source of information – business network, family, rather than from formal sources. This finding also revealed that the mode of communication among friends; word-of-mouth has effectively disseminated the information to micro-sized SMEs. With limited times to search, the informal source effectively work. In addition, the trust and reliability on friends is higher compares to business assistance officials as personal relationship was established over time (Burke and Jarrat, 2004). As trust established they are more credible, moreover, the information from friends become trustworthy when they bring together tangible evidence.

For example, friends as source of information works very well in disseminating the information on 'quick-rich' schemes. Despite the schemes is against the law and does not work in longer term, it does attract public to enrol as they are convinced by friends who came along with tangible evidence, such as cheques and physical money earned from the schemes. Most of the 'quick-rich' scheme sporadic among public with low education background which is similar to the respondents under study. The same approach may be applied to enhance the information delivery to the micro-sized SMEs. Friends as source of information is also well exploited by one of the development institutions where a group of borrower with good track records was selected to form an informal group called 'SME Friends/Buddy (Rakan SME)'. Informal gathering has creates close relationship and able the exchange of ideas and feedback.

The information pertaining new development pertaining the services and products is discuss during the gathering among the members. With the wide networking the members of 'SMEs Friends' further dessiminate the information to other SMEs. The second highest chosen source is business assistance providers. 15% of the respondents agreed that the information are acquired from bussiness assistance officials. Nevertheless, how the process works is not cover under this study. Do they go to the official or vice versa? To identify the fact, another future study is suggested. But nevertheless, this finding demand explanation of why the bussiness assistance is not the choices among respondents? Despite the fact that business assistance was ranked as a second choice, the percentage rate is far low than first priority source of information among micro-sized SMEs. Only 15.8% respondents gained the information from business assistance providers compares to 57% who make use friends as source to obtain the information. According to interviews conducted, it is found that they do not know the existence of the services and some of them responded that they are reluctance because feeling inferiority to see the officials. This is due to their education background and other demographic factors. Moreover, some of the respondents perceived the services are not fit to their requirements and informed on the requirements of complete documentation for processing.

The results of this study also indicate newspaper is not a source of information to the 90% of the respondents. Perhaps, most of the respondents are not daily newspaper reader or, possibly they read on news which is unrelated to their businesses. Being a single owner/manager, time is an essence and hinders the entrepreneurs from spend much time on other than operational matters (Shepherd and Wiklund, 2005). Another possible reason is, they are not aware that there is always information with regards their businesses in the newspaper. Other source of information selected in the present study is television. The results of the television as source of information is similar to the newspaper. Only 6.3% of the respondents acquire the information pertaining business assistance via this source. Again, probably the limited time is a factor impede the respondents from watching television. Or else, the selection of the unrelated TV programmes to their business activities explain the reason of the failure of this source to dessiminate information to micro-sized SMEs. There are numbers of programmes speak about support facilities for micro-sized SMEs such as Agro-Tani and IKS. The programmes broadcast various programs for supporting the growth of SMEs. Seminar is one the sources use by the SMEs to acquire information related to business assistance services. The result shows that 42.1% of the respondents acquire the information through seminar. However, the rsult tend to be bias as all the respondents are among the seminar participants. The frequency of attending seminars was not included in the questionnaire. Suppose, the marketing through seminar would cover to limited group and the dispersion is limited to the participants.

Thus, the finding do not represent a true and fair view of the seminar as effective source of information to micro-sized SMEs under study. As the information gathered from friends, it is believed that, the information pertaining business assistance is limited. Sadly, the study shows that the business assistance is perceived to provide only the financial services to entrepreneurs. 85.3% of the respondents use only financial services (loan) from the government agencies. Other support programmes such as technical and marketing services are not utilised. Unexpectedly, all respondents do not have experience on the marketing and technical support programs, while only 8.4% have used management support programs. This findings indicates n inadequate knowledge among SMEs on the various type of government support programes. Obviously, they do not know and aware about the availability of the services and it's contain. As a result, the business assistance works merely on the financial services and ingnoring other imperative services. The decreasing trend of seeking information also shown in this study among longer established businesses. One possible reason is age of the business. According to longitudinal study conducted in Australia (DEWRSB, 1998 in Jay and Schaper, 2003), suggest that the usage of the business advice is become lesser as the age increase. With reference to the desire in seeking information, do the same reason turn out in the present study? The finding indicate that, the propensity to seek information about business support is low among long establish business. It is may caused by the owners who have sound knowledge about the services after years in the business.

However, the data in the previous section revealed that the usage of the business advisory is very poor among respondents who have access to the information. Its shows that despite the knowledge of the services they are other factors that influence respondents from taking up the business support services provided by the government. The usage are concentrated on the financial assistance, while other services was ignored. Furthermore, the other finding in also revealed that the predisposition to seek information is higher as the age of the owner increase. However, it reduce when the the owner grow older at the age of more than 50 years old. This finding is in contrast to the finding in Jay and Schaper (2003) which suggested that the younger firms are likely to make more use of business advice as they are at the learning stage. With the unconsitent findings about the relationship between age of the owner and length of the business, other factors which did not cover in the present study might have influence the desire to seek information through various sources. This is the limitation of the present study which do not cover the reason behind the selection of channel or in other word the factors that have influenced on the selection of information channel. To further investigate its need other study that may take into considerationt the entrepreneurial orientation among respondents.

Conclusions

Considering the significant role of SMEs to the economic development, the government of Malaysia have spent a huge amount of money by providing a numbers of support programmes via various agencies. However, with the poor take up rate it would leave the program uneffectively utilised. The information about the services must be effectively disseminate to the targetted group especially micro-sized SMEs through proper channels. To conclude, the present study revealed that micro-sized SMEs are rely more on their friends as source of information. The trustworthy and timeliness is the factor to choose friends as advisor . However, the information obtained from friends some time is inaccurate and incomprehensive. The consequence is the business support programmes are not fully utilised. Considering the fact, a more pro-active measure shall be taken by the government agencies concern to improve the marketing activities. The failure to efficiently market the services has give a great impact on the utilisation of said services. Some of the services as shown in the present study were not even use by a single respondents. The wastage of tax payers money become huge if no drastic action taken to address the issues. To address the issues it is suggested that to undertake a thorough study on the present service marketing practices by government sponsored agencies. The study purposely to evaluate the current marketing practices and to give suggestions for improvement. The ignorance of the issues shall leave the business assistance programs ineffectively works and disrupt the government objectives to develop competitive and resilient entrepreneurs.

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