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**IDENTIFYING FACTOR OF E-BUSINESS ADOPTION BY
HOMESTAY OPERATORS IN KUCHING SARAWAK**

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ABSTRACT

The purpose of this study is to describe the factors of e-business adoption by homes-stay operators in Kuching Sarawak. Homestay is known as a private home that tourist need to pay as they stayed as their own house and they can interact with community as well. Homestay is one of tourism product and a programme that conducted by tourism ministry that contributes in country income. Entrepreneurs in Malaysia nowadays joining this programme as it can be a second job for them to get extra income. Entrepreneur practices e-business in their business management. E-business is the administration of conducting business via internet. This would include the buying and selling of goods and services, along with providing technical or customer support through the internet (Vangei, 2015). However, not all entrepreneurs know how to take advantages from e-business. E-business still not fully utilized among homestay operators. This research involves 10 homestay operators as respondents by using semi-structured interview to get the result. All respondents need to be qualifying with participant's background. The data then analyse, and the results were recorded. The results show that some of homestay operators are not fully utilized e-business. The result also shows the factors of e-business adoption by homestay entrepreneurs. There are four factors that influence entrepreneurs to apply e-business. The four factors are the gaps of age homestay operators on their communication style, the knowledge and experience of homestay operators, homestay operators about e-business awareness, and business location about their internet accessibility.

Keyword: Homestay, Entrepreneurs, Kuching, E-business

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This study is about the e-business adoption among homestay entrepreneurs in Sarawak where the focus will be on Kuching area. This first chapter will covers the introduction of the study, background of the study, research problem, and specifies its research question objective. This will be followed by the scope, significance, limitation, research terminologies and outlines of research report.

In this century many entrepreneur adopted e-business in their business management. E-business practices help much in business world. E-business is the way to improve existing business practices. Lee and Kalakota, (2001) mentioned that e-business is a 'disruptive' innovation that is radically changing the traditional way of doing business. According to Straub and Watson, (2001) it enables entrepreneurs to perform any electronics transactions along with value chain activities. A study done by Oliver and Weber (1982), in early 1980s have discussed a potential of E-business adoption to give many benefits in internal business functions of purchasing, manufacturing, sales and distributions. This paper will discuss about the factor of e-business adoption among Homestay entrepreneurs.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter covers all relevant literature on studying e-business among homestay management in Kuching. By review on all variables regarding the study is essential in order to address the most comprehensively factor and to get whole picture of relationship between those variable regarding the e-business adoption.

2.2 Homestay Business In Malaysia And Sarawak

Malaysia has two types of homestay offerings (Carihomestay, 2015). One type of homestay is a comfortable house rented to guest by house owner for daily, weekly and monthly rate. Homestay businesses are new in Malaysia. Homestay owner converted their home and rent it to tourists. The numbers of homestay are increase rapidly as the numbers of tourist also increase. It is not only foreign tourists who need these kinds of facilities. Local tourists also become a part of customers. Homestay can easily reach by tourists as it is located in town. Second type of homestay is normally builds in village and it will manage by the villagers. This type of homestay is most popular among foreign tourists. Tourists still pay for the accommodation and bills. The things that make it difference is the tourist can join any villagers activities such as fishing, go to paddy field, and they can experience any kinds of activities and enjoying foods prepared by the villagers.

Homestay provide good accommodation and unique opportunity to experience the way of life of local people, also can learn about the culture with comfortable homely setting (Boonratana, 2010; Kamisan, 2004; Kamisan *et.al*, 2007). Amran, 2010 define that homestay as a form of holiday itinerary which tourist coming to stay with the