The Usage of TikTok as A Marketing Tool among Small Business Entrepreneurs in Malaysia

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ABSTRACT

This study investigates the usage of TikTok as a marketing tool among small business entrepreneurs in Malaysia, focusing on the factors that influence its adoption and its effect on perceived business performance. Grounded in the Technology Acceptance Model (TAM), the research examines the roles of Perceived Usefulness (PU), Perceived Ease of Use (PEOU), and Interactivity (INT) in predicting TikTok Usage (TU). A quantitative research design was employed using a structured questionnaire distributed to small business owners, and the data were analyzed using Structural Equation Modeling (SEM) via AMOS. The model demonstrated an acceptable fit, with RMSEA = 0.077, CFI = 0.933, and Chi-square/df = 1.589. Of the three hypotheses tested, only the relationship between PEOU and TU was statistically significant (p = 0.012), indicating that ease of use is a key driver for entrepreneurs adopting TikTok. In contrast, PU and INT did not significantly influence TU.These findings suggest that while small business owners find TikTok easy to use, it may not yet be viewed as a performance-driven platform without strategic content planning and engagement. This study contributes to TAM literature by contextualizing it within a modern social media environment and offers practical insights for entrepreneurs, digital trainers, and policy-makers. It also highlights the needs for future research to include moderating variables, qualitative approaches, and platform comparisons to further understand TikTok's role in SME digital marketing.

Keywords: marketing tool; perceived usefulness; perceived ease of use; interactivity; TikTok usage

INTRODUCTION

The global shift towards digital marketing has increased the importance of social media platforms in business strategies. According to Datareportal (2025), digital ad spending worldwide exceeded $500 billion in 2024. The share of social media advertising in the global marketing mix has also risen significantly, with platforms like TikTok, Facebook, and Instagram becoming key players in marketing campaigns. Social media has transformed traditional marketing strategies, enabling businesses to directly engage with consumers in a more interactive and cost-effective manner accordingly. In addition, the digital adoption in Malaysia has a high internet penetration rate of around 90% (Malaysia Digital Economy Corporation, 2023). The social media usage among Malaysians being one of the highest in Southeast Asia has increased the number of small businesses that adopting digital marketing tools to expand their reach and improve sales.

The popularity of TikTok in Malaysia was over 15 million active users as of 2023 (Datareportal, 2025). TikTok's usage in Malaysia is growing rapidly, especially among younger demographics (18-34 years old), making it as a key target for businesses. The introduction of TikTok as marketing tools towards small businesses to reach wide audiences has been rapidly growing globally and it has transformed into a powerful marketing tool effectively. TikTok in digital marketing also has been widely utilized by marketers and advertisers to sell their products and services because of its unique feature and viral potential. For instance, direct customer engagement through video content that allows small businesses to showcase products or services creatively.

TikTok has increased the demand towards small businesses which provides more engagement on small business entrepreneur accordingly. This is due to the importance of TikTok for small business entrepreneurs to promote their products and reach customers widely without investing too much for marketing costs (Omar & Dequan, 2020). For example, a low-cost entry and viral potential has providing small businesses with an affordable yet impactful means to reach wide audiences. However, there are challenges and barriers to use TikTok as a marketing tool. This is due to a challenge on navigating the platform's evolving algorithm and content trends (Zulli & Zulli, 2020). The time and creativity needed to produce engaging and authentic content also is one of the challenges. Limited marketing budgets and resources make traditional marketing avenues difficult for many small businesses. Hence, TikTok platform provides a cost-effective platform for advertising and community engagement that will help the small business entrepreneurs to engage with customer respectively (Ferri et al., 2023).

The purpose of this study is to examine the effects of the usage of TikTok as a marketing tool among small business entrepreneurs in Malaysia. The sample of this research only covers the small business entrepreneurs in Melaka, Malaysia that use the TikTok social media platform as their business marketing tools regardless of their business type. The reliability and validity of this study are fully dependent on the answers from each respondent. The study is beneficial to small and medium-sized entrepreneurs (SMEs) by highlighting the key factors that influence successful usage of TikTok such as ease of use, perceived usefulness, and interactivity. Academicians and future researchers can also benefit from the conceptual framework developed in this study, which adds the knowledge on digital marketing especially within Malaysia entrepreneurial context. Hence, this research highlights the scope of study specifically to TikTok in providing more relevant and timely contribution accordingly.

LITERATURE REVIEW

Ng (2022) investigated the factors that affect the adoption of social media in business among young entrepreneurs using the technology acceptance model (TAM). The TAM model in this research was used to study the relationship between the perceived usefulness, perceived ease of use, trust, and behavioral intention in order to adopt social media in business (Ng, 2022). This study was to determine which factor will affect the behavioral intention of young Malaysia entrepreneur to adopt the social media in business. The research is focus on factors that affecting the adoption of social media among young entrepreneurs at Klang Valley. The previous study used the quantitative research and the data obtained were analyzed using the statistical package for social science (SPSS). All findings showed a significant positive relationship between all independent variables which are perceived of use, perceived ease of use, and trust, and the dependent variable which are the behavioral intention towards adoption of social media in business in this study accordingly.

The influence of perceived usefulness on the usage of TikTok.

Perceived usefulness (PU) comes from the Technology Acceptance Model (TAM) introduced by Davis (1989), which explains that people are more likely to use a system if they believe it will improve their performance. For small business owners, PU means that using TikTok helps them boost their marketing results like gaining more customers, increasing visibility, and improving sales. When entrepreneurs feel that TikTok can help them grow their business, they are more motivated to use it (Venkatesh & Davis, 2000). Zhang and Zhou (2021) also found that PU plays a big role in encouraging small business owners to choose TikTok as a low-cost yet powerful marketing tool.

The influence of perceived ease of use on the usage of TikTok.

Perceived ease of use (PEOU) refers to how simple a system is to operate (Davis, 1989). In TAM, PEOU is one of the key elements that affects whether someone will accept new technology. Venkatesh and Davis (2000) explained that the easier a system is to be used, the more people will see it as useful. TikTok is designed to be user-friendly with easy-to-use features such as video recording, editing tools, and an intuitive layout, making it attractive for small business owners. Chong et al. (2022) found that PEOU strongly affects social media use, especially for small businesses that have limited time and resources. So, if entrepreneurs think TikTok is easy to use, they're more likely to use it in their marketing.

The influence of interactivity on the usage of TikTok.

TikTok allows small business owners to connect with their audience in real time, making it easier to engage with customers and build trust. According to Lee and Kim (2021), interactivity helps increase customer satisfaction and strengthens the relationship between the business and its followers. For entrepreneurs, this kind of engagement is useful to maintain long-term relationships and attract more attention to their products or services (Weng and Tareq,2022).

METHOD

Data was collected from the response given by the respondents through the questionnaire using simple random sampling. Hence, the questionnaires are well organized and understandable. As such, the primary data for this study are based on the data collection of the survey through the questionnaire that was distributed to the small business entrepreneur in Melaka, Malaysia. 101 respondents involved in this study based on Hair et. al (2010) sample size table. The criteria of the respondents for this study are the small business entrepreneurs in Melaka regardless of their nature of business. The age range of respondents are 18 years old and above.

A self-administered survey was conducted in this study to collect data and relevant information from the respondent in the sample population. Furthermore, this survey utilizes a set of questionnaires that are constructed and adopted from several related journals and distributed via Google document. The questionnaire survey was conducted using Google Forms where the respondents will have to complete the survey via google form. The data then was analyzed based on the hypothesis and the objective of the research. The questionnaire uses the Likert scale and each of the questions to be answered according to the scale listed below:1- Strongly Disagree; 2- Disagree; 3- Neutral; 4- Agree and 5- Strongly Agree.

The measurement method for the questionnaire was summated scale approach. The 5-point Likert scale was used to determine the attitude, where the respondents reacted to each item with a different range of strength. Each variable was measured by series of questions in this topic. Thus, respondents were required by circling one of these respective scales based on the strength to indicate consent and disagreement. Besides, it is simple questions, quick to answer, saves time, and straightforward to analyze. It is also a closes-ended questions which provide more standardized answer and easier for the researcher to analyze the results. As for the secondary data, this study will generate the secondary data sources from a journal, articles, internet websites, newspaper, and others sources from the secondary data accordingly necessary. In this research study, the quantitative research methodology that will be used is in terms of its questionnaire in order to obtain the primary data. Generally, the questionnaire is a tool that gathers data and will provide answers as well as responses from respondents via printed and online questions. In this study a set of questionnaires distributed consist of four part which are Section A, Section B, Section C, and Section D.

Section A: Demographic Data

In section A, several demographic items were included in order to facilitate the analysis of the framework. The personal data that include was age, gender, business type, estimate time using TikTok, and monthly income generated.

Section B: The factors that influence the usage of TikTok as their marketing tools which consist of perceived usefulness (PU), perceived ease of use (PEOU), and interactivity (INT).

In section B, the questionnaire was designed to measure the factors that influence entrepreneur to choose TikTok as their platform towards their marketing tools based on the given related question. This section has three sub sections which are perceived usefulness (PU), perceived ease of use (PEOU), and interactivity (INT).

Section C: The usage of TikTok (TU)

In section C, the questionnaire was designated to measure the effects of the factors on usage of TikTok.

The researcher used the quantitative data analysis method to examine the data in order to testify towards the hypothesis. Consequently, there were several statistical techniques that were used in this study to analyze the data collection. For instance, the descriptive analysis and multiple linear regression. The researcher used both the Statistical Package for Social Science (SPSS) as the statistical tool for analyzing the collected data and the Analysis of Moments Structure (AMOS) as the statistical tool for analyzing the collected data and explore the statistical relationship among the items of each construct and between the construct (Bipul, Debobrota, Shompa, Deepongkor, Saurav, 2024).

RESULTS AND DISCUSSION

To test the hypotheses of the study, the independent variable (perceived usefulness, perceived ease of use, and interactivity) and dependent variable (the usage of TikTok) was analyzed in this section. The multiple regression analysis using structural equation modelling were conducted to test H1, H2, and H3. Hence the analysis is shown below. The goodness of fit indices for the structural model were evaluated to determine the adequacy of the model in representing the observed data. The results are as follows:

- CHI-SQUARE/DF = 1.477 (ACCEPTABLE < 3)
- RMSEA = 0.069 (ACCEPTABLE < 0.08)
- CFI = 0.947 (ACCEPTABLE > 0.90)
- TLI = 0.937 (ACCEPTABLE > 0.90)
- P-VALUE = 0.000 (STATISTICALLY SIGNIFICANT)

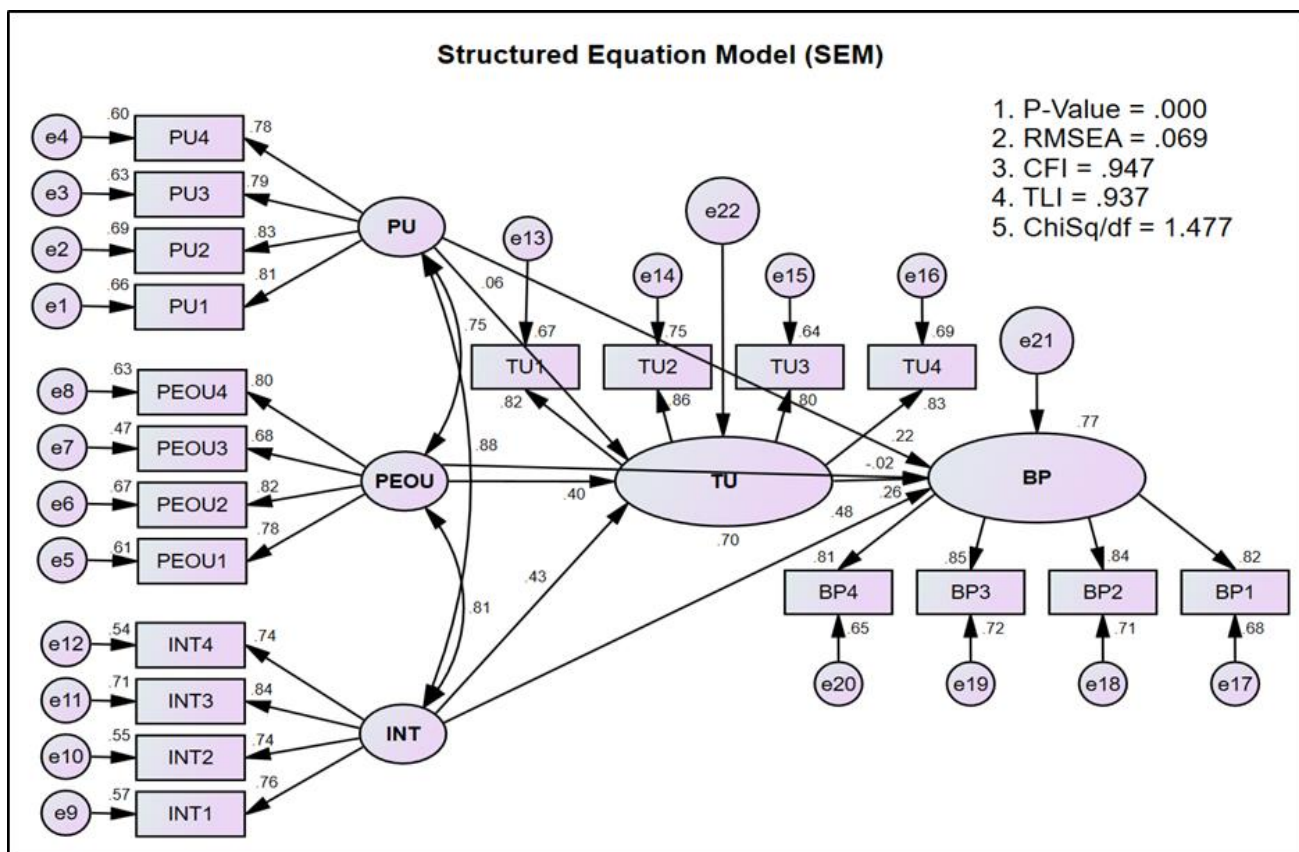**Figure 4.1:** Results of the Model Fit Indices of The Sem

Figure 4.1 shows the model fit indices of SEM results that demonstrate an acceptable and satisfactory model fit with the empirical data. This indicate that the hypothesized model adequately represents the relationships among the constructs accordingly.

Hypothesis Testing Results

The structural model was examined to access the significance of the direct relationship between the constructs.

The table below presents the standardized regression estimates, standard errors (S.E.), critical ratios (C.R.), p-values, and significant status for each path.

Table 4.1: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
TU	<---	PU	.072	.252	.287	.774	Not significant
TU	<---	INT	.561	.336	1.671	.095	Not significant
TU	<---	PEOU	.461	.183	2.512	.012	Significant

Table 4.2: Hypothesis formulated

H1:	The perceived usefulness (PU) has no significant effect on the usage of TikTok (TU)
H2:	The perceived ease of use (PEOU) **has significant** effect on the usage of TikTok.(TU)
H3:	The interactivity (INT) has no significant effect on the usage of TikTok (TU)

Summary of Findings

The result shows that only H2 was supported which are the perceived ease of use with a p-value of 0.012. H1 and H3 which tested the effect of perceived usefulness and interactivity on TikTok usage were found not significant.

CONCLUSION

The study reveals that TikTok ease of use has encourages the adoption and usage among small business entrepreneurs in Malaysia. Meanwhile, other variables like perceived usefulness and interactivity did not significantly influence the usage behaviour. TikTok usage does not directly enhance the business performance has made it a crucial part to highlight the gap between the platform adoption and the strategic digital marketing outcome accordingly. Hence, for entrepreneur, this study has outline that leveraging TikTok effectively requires not just by usage but also by a thoughtful content planning and customer engagement. Therefore, entrepreneurs need to provide interesting content that will attract viewers, which results in sales and boost business performance. Lastly, for researcher and policymakers, the study offers insights into how social media tools are being adopted and the things that need to improve in order to ensure the adoption leads to meaningful results respectively.

Based on the finding of this study, several directions are recommended for future research. Firstly, researcher may considerately moderate the variable such as content quality, time spent on TikTok, and digital literacy to explore whether these factors strengthen or weaken the relationship between the TikTok usage and business performance. For instance, entrepreneurs with higher digital skills may use the platform more strategically and can potentially influence the business performance indirectly. Besides, a longitudinal research design is also recommended as it can allow researchers to examine the long-term impact of TikTok consistency usage over time. This can be captured through a cross-sectional survey and help to determine the early adoption whether it leads to sustain the marketing benefit or otherwise.

Furthermore, future study also should adopt the qualitative methods such as in-depth interviews to gain the insights into the way entrepreneurs use TikTok in real business contexts. This would indirectly uncover the motivations, challenges, and content strategies that are not easily captured in quantitative method or survey. Lastly, future research should consider using the quantifiable performance indicators such as sales growth metrics and conversion rates to provide more reliable evidence of marketing effectiveness accordingly. These approach indirectly would strengthen the understanding of social media's role in SME marketing strategies and finding across the industries and regions.

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