

**WOMEN ENTREPRENEURSHIP IN MALAYSIA: AN EMPIRICAL EVIDENCE OF THE MANAGEMENT STRATEGIES USED BY MICRO AND SMALL BUSINESS OWNERS IN KUCHING-SARAWAK**

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**ABSTRACT**

This study examined the management strategies used by Malaysian women entrepreneurs, who own micro and small businesses in Kuching, Sarawak. It also analyzed the effects of these strategies on their businesses. Qualitative method was used to conduct this study. As such; interview and observation were used to collect data from 31 respondents, and non-probability sampling method, specifically purposive sampling method, was used to select the respondents, due to inadequate information about them. This study focused on two sectors, which include the retail and service sectors. The findings of this study showed that the strategies used by respondents in the retail and service sectors are the same (i.e. Differentiation, focus, product or service development, market development, and market penetration), but they apply them in different ways, due to the size and nature of their businesses. Those in the retail businesses use the aforementioned strategies to improve the perception of customers towards the quality of their products and to expand their businesses. On the other hand, those in the service businesses use the strategies to position themselves in the minds of customers as companies that offer high quality services and to also expand their businesses.

**Key Words:** *Women Entrepreneurship, Management Strategies, Micro and Small Business, and Service, Retail sectors*

**Introduction**

This study examined the management strategies practiced by Malaysian women entrepreneurs, specifically those who own micro and small businesses in Kuching, Sarawak. It also assessed the effects of these strategies on their businesses. Malaysian women account for almost half of the total population of the country<sup>1</sup> (Gardena, 2012). Women-owned

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<sup>1</sup> That is to say, out of Malaysia's total population of 28.3 million, women account for 13.77 million or 47% of the population (Gardena, 2012).

enterprises also account for 82,9112 of the total of 548,267 small and medium enterprises (SMEs) that operate in the three key economic sectors of Malaysia, which include; manufacturing, service, and agriculture (Shahid, 2010). In addition, women account for 47% of the total employment of the country's SMEs (Ibid.). Prior researches proved that women make significant contributions to the growth of Malaysia's economy by establishing unique businesses and developing outstanding products and services (see Ahmed, 2006 and Nauru, 2011).

In spite of this, most of the entrepreneurship researches conducted in Malaysia are focussed on men; very few researches have been done on women entrepreneurs (Hafiz, 2011). According to Musan (2011), the topic of women entrepreneurship has been largely neglected by researchers in Malaysia. Women do not only have high participation rates in entrepreneurship, they also generally choose to start and manage firms in different industries than men tend to do. The industries (which primarily includes; grocery, mini-mart, boutique, restaurant, and many others) mostly chosen by women are sometimes perceived as being less important to the economic development and growth of the country (Balarabe, 2009). Thus, mainstream researches, government policies, and entrepreneurship programs in Malaysia tend to be more focused on men and too often do not take into account the specific needs of women entrepreneurs and would-be women entrepreneurs. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality in Malaysia (Ibid.).

Moreover, in a study conducted in Indonesia, Wahid (2005) found that the business life cycles of women entrepreneurs, especially those who own micro and small enterprises often decline or remain stagnant, because they fail to implement some effective management strategies that will help to grow their businesses. For example, most of these women do not find advertisements<sup>3</sup>, sales promotions<sup>4</sup> and market development<sup>5</sup> important; instead, they perceive them as a waste of time and money. On the other hand, some of them do not have enough capital to implement these strategies.

As a result, their business life cycles tend to decline after a short period of time or remain stagnant. This is because; they mostly sell their products and services to the same old customers they began with; their customer base barely expands (Ibid.). In other words, they barely attract new customers to buy their products and services through advertisements, sales promotions or market development (Zakari, 2005). This makes them vulnerable to liquidation, because if any of their competitors is able to properly advertise its products and services or effectively implement its sales promotion strategy, it is likely to gain a larger market share in the industry, thereby putting some companies out of business. Consequently, in order to achieve the objectives of this study, this article assesses the management strategies

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<sup>2</sup> That is to say, women own 16% of the total of 548,267 SMEs in Malaysia (Shahid, 2010).

<sup>3</sup> Advertisement refers to a public promotion of some products or services (Krakue, 2012).

<sup>4</sup> Sales promotion is any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (Ibid.).

<sup>5</sup> Market development can be described as a process, whereby an organization expands its business into new areas or locations, in order to increase its market share and profit (Ibid.).

that women entrepreneurs in Kuching use in running their businesses, and critically evaluates the effects of these strategies on their businesses.

### **Theories of Management Strategies**

There are two major theories of management strategies, which are reviewed below- Theory of Sustainable Competitive Advantage Strategies and Theory of Growth Strategies.

#### **Theory of Sustainable Competitive Advantage Strategies**

In 1985, in his publication titled “Competitive Advantage: Creating and Sustaining Superior Performance”, Michael Porter outlined a set of sustainable competitive advantage strategies that could be applied to all products or services. Porter called these strategies “Cost Leadership, Differentiation, and Focus” (Porter, 1985:2).

#### **Cost Leadership Strategy**

This strategy involves the firm winning market share by appealing to cost-conscious or price-sensitive customers. This is achieved by having the lowest prices in the target market segment, or at least the lowest price to value ratio (i.e. price compared to what customers receive). To succeed at offering the lowest price while still achieving profitability and a high return on investment, the firm must be able to operate at a lower cost than its competitors (Porter, 1985). According to Jordan (2011), there are three main approaches to achieving cost leadership, which includes the following:

1. The first approach is to achieve a high asset turnover.
2. The second approach is to achieve low direct and indirect operating costs.
3. The third approach is to have control over the supply and procurement chain to ensure low costs.

#### **Differentiation Strategy**

Companies that pursue a differentiation strategy to try to create a product or service that is considered unique within their industry (Porter, 1985). They may attempt to differentiate their businesses on the basis of product design or features, brand image, technology, customer service, distribution, or several of these elements, which may incur high costs. The idea behind a differentiation strategy is to attract customers with unique products and services that meet their needs better than those of the competitors, and for which they will be willing to pay a premium price, in order to cover costs and maximize more profit. This strategy is intended to create brand loyalty among customers and thus provide solid profit margins for the company (Obed, 2012).

#### **Focus Strategy**

Porter initially presented ‘focus’ as one of the three sustainable competitive advantage strategies, but later identified it as a moderator of the other two strategies (i.e. cost leadership and differentiation). In adopting a focus strategy, the organization ideally focuses on a few

target markets (also called a market segmentation strategy or niche market strategy). The markets should be distinct groups with specialized needs. The choice of offering low prices or differentiated products or services should depend on the needs of the selected market segments and the resources and capabilities of the organization (Porter, 1985). By focusing marketing efforts on one or two narrow market segments and tailoring marketing mix to these specialized markets, the organization can better meet their needs. It is most suitable for relatively small organizations, but can be used by any company. A focused strategy targets market segments that are less vulnerable to substitutes or where a competition is weakest, to earn above-average return on investment (Drew, 2013).

### **Theory of Growth Strategies**

The growth strategies (also known as Ansoff Matrix) were developed in the year 1957 by Igor Ansoff, who is known as the father of modern strategic management. It was first published in the Harvard Business Review in an article titled “Strategies for Diversification” in 1957. The strategies comprise of “Market Penetration, Market Development, Product or Service Development, and Diversification” (Ansoff, 1957:5).

#### **Market Penetration Strategy**

An organization that seeks to achieve business growth uses market penetration strategy to increase the market share of its existing products and services in its existing markets. This can be achieved through aggressive, competitive pricing strategies, promotions and advertisements, loyalty clubs or bonuses encourage repeat purchase, and increased selling resources (Ansoff, 1957).

According to Donald (2011), focusing on existing products for existing markets means that the organization aims to increase sales within its present market place. Donald further argued that to be successful at market penetration, organizations must be aware of what has made the product a success in the first place. The organization’s marketing strategy should be based on this existing relationship (Ibid.).

#### **Market Development Strategy**

This strategy has to do with an organization increasing the growth of its business by marketing and selling its existing products in new markets. These new markets may be new market segments or new geographic areas (Ansoff, 1957).

The main objective of any organization that takes the option of market development is to find new markets for its existing products. There are two broad market development strategies. These include identifying users in different markets with similar needs to the existing customers, and identifying new customers, who would use a product in a different way. One method of achieving this is to find new geographical markets (Alpha, 2012).

### **Product or Service Development Strategy**

Organizations use this strategy to grow their businesses by offering new products or services in their existing markets. This strategy seeks to capitalize on the relationship with existing customers by extending the range of products or services sold to these customers. This can be seen as quite a common process, because for an organization to sustain its presence and growth in some industries, it cannot rely on a single product or service range (Ansoff, 1957).

For example, in the retail industry of consumable products like cosmetics and apparels, organizations constantly and competitively refresh their product lines, in order to keep in touch with their customers as well as to keep up with certain trends, market needs, or tastes. Therefore, organizations need good a grasp of the market knowledge and skills, in order to constantly come up with new products or services that will suit their customers' needs or else they will lose them to their competitors (Obrion, 2012).

### **Diversification Strategy**

This strategy involves developing new products for new markets. An organization diversifies when it sees a new opportunity and has investment funds available or alternatively the organization may be forced into this type of action, because of pressures in existing markets or on existing product ranges. This diversification option comes with the greatest level of risk as it is mostly not based on existing knowledge within the organization (Ansoff, 1957).

Diversification consists of related and unrelated. Related diversification has to do with an organization going into a business similar to its current business, while unrelated diversification has to do with an organization going into a completely different business (Phil, 2012).

### **Research Methodology**

Qualitative method was used to conduct this study. This method was chosen, because it provides researchers with the opportunity to ask more questions when necessary, thereby enabling them to gather a detailed and quality data. This is true, because the method enabled the researchers to ask the respondents more questions when they needed more information from them. This did not only help them to learn more about specific events concerning the respondents, it also helped them to gain insight into the respondents' interior experiences, especially how they perceived and interpreted their perceptions, and how different events affected their thoughts and feelings (William, 2010). As a result of this, the researchers were able to understand the process of each event, instead of what just happened and how the respondents reacted to them.

The research instruments that were used to conduct this study are interview<sup>6</sup> and observation. The greatest advantage of the interview and observation is that they help to gather a detailed

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<sup>6</sup> The interviews were conducted with the help of three local research assistants, who helped to translate the questions and responses from English Language to Bahasa Melayu and vice versa. This helped the respondents

and quality data from the respondents (Marley, 2013). This is factual as the interviews and observations conducted while carrying out this study enabled the respondents to clearly explain themselves in detail and also provide other relevant social cues. Social cues, such as voice, intonation, and body language of the respondents provided the researchers with a lot of extra information that was added to their verbal answers. This level of detailed description (both verbal and non-verbal) showed a hidden interrelatedness between the emotions of the respondents and events.

The population of this study is mainly Sarawak women entrepreneurs. However, purposive sampling method was used to select a sample in Kuching, which represents the entire population. Purposive sampling method, which is a form of non-random sampling, was used to select 31 respondents for this study. The reason behind this is that there is inadequate information on the population of this study, which is specifically Kuching women entrepreneurs, who own micro and small businesses. Another reason is that purposive sampling reduces the amount of time necessary to search for appropriate respondents that meet the selection criteria required for the sample of a study (Sadan, 2011).

Additionally, most of the micro and small businesses owned by the women that this study focused on are informal, because they are not formally registered with the Companies Commission of Malaysia (CCM)<sup>7</sup> (Companies Commission of Malaysia, 2014). As a result, there is no accurate record of the total number of these businesses (Ibid.). Specifically, this study is focused on women, who own micro and small businesses, in both the service and retail sectors. In terms of the service sector, it includes; beauty salon, spa, kindergarten, laundry, and the restaurant industries. In terms of the retail sector, it includes; stationary, grocery, boutique, minimart, and hand phone and laptop industries.

The research area of this study is specifically Kuching. Kuching is the capital and most populous city in Sarawak. The total population of the city is 325,132 (Andrew, 2013). One of the reasons for choosing Kuching is that women constitute almost half of its population and almost all the ethnic groups in the country are well represented in the city. This facilitated easy access to the respondents of this study without exposing their identity to the public. Another reason for choosing Kuching is that it is the center of Sarawak's economic activities, and as such; there are many female entrepreneurs from diverse ethnic groups that are operating their businesses in the city. As a result of this, the researchers were able to collect a data that reflects the opinions and issues faced by women entrepreneurs from different ethnic groups in the state.

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to clearly understand the questions they were asked before answering them. The research assistants were selected based on their strong command for both English Language and Bahasa Melayu, which is Malaysia's official language.

<sup>7</sup> The Companies Commission of Malaysia (CCM) is a statutory body formed under an Act of Parliament that regulates corporate and business affairs in Malaysia. It was formed in 2002 under the Companies Commission of Malaysia Act 2001, assuming the functions of the Registrar of Companies and Registry of Business. The main purpose of CCM is to serve as an agency to incorporate companies and register businesses as well as to provide company and business information to the public (Sheriff, 2013).

## Research Results

### Demographic Characteristics

The age distribution of the respondents showed that most of them were between 36-40 years (35.5%), followed by 16% who were between the ages of 46-50. Also, about 16% of the respondents were between 41-45 years, while 13% of them were between 31-35 years. In addition, 13% of the respondents were between 26-30 years, while 6.5% of them were between 20-25 years.

The marital status distribution of the respondents showed that most of them are married; 84% of them are married, while 16% of them are single. This is similar to the findings of the study conducted by Teslim (2008), which showed that most women entrepreneurs are married, while few of them are single. This is probably because; most married women are able to get financial support from their husbands when starting their own businesses.

The findings of this study also showed that most of the respondents are Chinese. Chinese women entrepreneurs accounted for 61.3% of the respondents that took part in this study, while the Bidayus, Ibans, Malays, Indians, and other ethnic groups accounted for the remaining 38.7% of the respondents. This is consistent with the findings of Innocent (2012), which showed that the Chinese enjoy being independent, and as such; they tend to engage in entrepreneurship more than other ethnic groups in Malaysia.

The academic qualifications of the respondents were quite well distributed across six categories. The findings of this study showed that most of the respondents (61.3%) only have primary education, while 16% of the respondents do not have any formal education. A similar trend was observed by Timothy (2007). In a study conducted in Malaysia, Timothy found that most women entrepreneurs, who own micro and small businesses, only have little formal education. Other respondents of this study have lower secondary education (6.5%), higher secondary education (6.5%), diploma education (6.5%), and only 3.2% of the respondents have a degree.

Aside from their need to become independent, the low educational qualifications found among the respondents may be another reason why they chose to engage in entrepreneurship, rather than working for other organizations. Hafiz (2012) found that one of the major reasons why women start-up micro and small businesses is that they do not have enough educational qualification to get a good job.

### Management Strategies Used by the Respondents and the Effects on their Businesses

The findings showed that some of the strategies reviewed in this study are not used by any of the respondents. For example, none of the respondents mentioned that she uses cost leadership strategy or diversification strategy. This is probably because of the nature and size of their businesses. As mentioned earlier, cost leadership strategy requires an organization to be able to produce high volume of products or services at lower cost compared to its competitors (i.e. economies of scale). This can easily be achieved by the medium and large

organizations, but can hardly be achieved by the respondents in this study, because they own micro and small businesses, and as such; they do not have the financial capability and market base to implement cost leadership strategy.

On the other hand, when the respondents were asked why they do not diversify into other businesses, some of them (19.3%) said that they did not have enough capital to do so, while others (80.7%) said that it was too risky, as they do not know much about other businesses. These respondents further stated that even if they had enough money to expand, they would prefer to open another branch of their businesses in different locations. This is consistent with the argument made by Ansoff (1957). Ansoff argued that “diversification option comes with the greatest level of risk, because most organizations that engage in it do not have enough experience in their new line of business, and as such; some of them tend to fail” (Ibid.:9).

It was also found that the respondents of this study only use five of the aforementioned strategies, but in different ways, because the types of businesses they operate vary. Out of the 31 respondents, 17 of them own retail businesses, such as; mini-mart, boutique, grocery store, stationary store, and hand phone and laptop shop, while 14 of them own service businesses, such as; beauty salon, spa, restaurant, kindergarten, laundry shop, and fitness centre. As a result of the differences in the ways that the respondents implement their management strategies, their responses were analyzed below based on the types of sectors they operate in. This includes service and retail sectors.

Findings also show that the respondents use more than one strategy to operate their businesses. After the interview, it was found that 71.4% of the respondents that operate in the service sector use Differentiation Strategy. The respondents mentioned that they always develop unique services that give their customers maximum satisfaction. They further stated that the strategy helps them to gain the loyalty of more customers, thereby increasing their market shares. This understanding was best captured in the remark of one of the respondents during the interview. This respondent owns and operate a beauty salon and she is identified here as Mrs. Jennifer<sup>8</sup>. According to her;

I apply differentiation strategy in my business by offering unique services to my customers, after which I will offer them unpaid services to gain their loyalty. When customers come to do their hair, I give them a free head massage or pick the hairs on their faces for free (facial hair removal). I render either of these services to them for free. This strategy has not only helped me to gain the loyalty of my customers, it has also helped to attract new ones. This is because; they can hardly get such services elsewhere, which is what makes my business distinct compared to those of my competitors.

It was also found that 57.1% of the respondents that operate in the service sector use Service Development Strategy. The respondents stated that they constantly modify their existing services and introduce new ones to their customers. They also mentioned that the strategy has

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<sup>8</sup> It must be noted that this name and other names used in this study are just pseudo names as the real names of the respondents were kept confidential, in order to protect them from any form of harassment or danger.

helped to increase their revenues and profit. This view was best described by Ms. Nor, who owns a restaurant. Ms. Nor stated that she applies service development strategy in her business through the following way;

I constantly add new dishes to my restaurant's menu and this helps to constantly increase my market share. For instance, I recently introduced a new type of curry rice to my customers and they enjoy it. Instead of the usual separate rice and curry soup, I decided to prepare the dish by combining them together with other unique flavors, which I am sorry, I cannot disclose to you, because it is one of my most essential business secrets. My customers enjoy the dish so much that I can hardly satisfy the demand for it, for now.

In addition, it was found that 42.9% of the respondents that operate in the service sector use Focus Strategy. The respondents mentioned that they focus on a niche market segment. They also stated that the strategy has helped them to gain a huge competitive advantage over their competitors, thereby enabling them to become more successful.

One of the respondents, Mrs. Hafiz, who owns a restaurant, mentioned why she focuses on a specific market segment. According to her, she only prepares Halal-Foods<sup>9</sup> for the Muslim customers. She further stated that;

Focusing on customers who only eat Halal food helps to increase my market share, because the Muslim people feel very comfortable eating my food, knowing that I only focus on them alone. Very few of them fancy restaurants that prepare both Halal and Non-halal foods, because they feel that at some point the restaurant may make the mistake of using the utensil they use in preparing Non-halal foods to prepare their Halal foods or even add an ingredient that is Non-halal into their Halal foods, mistakenly. As a result, most of the customers that only eat Halal foods prefer to eat in restaurants like mine, where only such foods are sold. This has helped my business to grow significantly.

Moreover, it was found that 42.9% of the respondents that operate in the service sector use Market Penetration Strategy. The respondents stated that they always boost their sales through promotions, low price, and/or advertisements. They further stated that the strategy helps them to attract more customers, thereby increasing their market share and profit.

One of the respondents that clearly highlighted how and why she practices the aforementioned strategy is Mrs. Victoria, who owns a laundry business. According to her;

I practice, market penetration strategy by occasionally offering free services to my customers. For instance, on occasional basis, when a customer brings 4 shirts for dry cleaning, after rendering the service, I will ask him or her to pay for 2 and the other 2 are washed for free. This has helped me to have a strong relationship with my customers. As such; they have introduced me to many customers who have turned out to become loyal to my business, because of how happy they are with

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<sup>9</sup> This refers to foods that are accepted by the Islamic Religion (Arafat, 2012).

my services. This, in turn, helps my business to generate more revenue, thereby increasing my profit.

Furthermore, it was found that 21.4% of the respondents that operate in the service sector use Market Development Strategy. The respondents said that they boost their sales by identifying a new target market segment or expanding their businesses to other areas or locations. They also stated that the strategy helps to increase their market share and profit.

This was best explained by one of the respondents, Mrs. Kelly, who owns a kindergarten school. She stated that she started her business with one kindergarten school, but due to high demand for pre-school education, she recently opened another branch. According to Mrs. Kelly;

Due to high demand for pre-school education, I opened another kindergarten school in a different location. This did not only help me to accommodate my kindergarteners, it also helped me to gain more customers in the new location, thereby increasing my revenue and profit.

On one hand, the explanations above emphasize on the strategies employed by respondents in the service sector. As depicted in the explanations, the respondents operate in different service industries, and it is obvious that they adopt different types of strategies to boost their sales and profit.

On the other hand, the respondents in the retail sector differ from those in the service sector in terms of the ways they implement their management strategies. As a result, the discussions below, will be focused on the strategies implemented by respondents in the retail businesses and the effects of these strategies on their businesses.

Findings also show that the respondents use more than one strategy to operate their businesses. After conducting interviews, it was found that 58.8% of the respondents that operate in the retail sector use Differentiation Strategy. These respondents said that they always develop and make readily available unique products that constantly exceed their customers' expectations. They also stated that the strategy helps them to gain more market share through strong customers' loyalty.

This view was clearly narrated by Mrs. Wong, who owns a grocery store and a farm. According to Mrs. Wong;

I differentiate my business from those of my competitors by offering unique products to customers at low prices. For instance, even though my core products and those of the competitors around me are vegetables, I recently started selling various fruits like mango, guava, oranges, and a few others. This helps me to attract more customers. This is because; customers that plan to buy vegetables and fruits prefer to patronize me, because they can get what they need or want in my store. Nowadays, most customers prefer to buy their needs and wants in one shop; rather than moving from one shop to another. I am also able to offer these products to customers at low prices, because I plant all the fruits myself. Using

this strategy gives me a huge competitive advantage over my competitors, thereby increasing my market share.

It was also found that 58.8% of the respondents that operate in the retail sector use Product Development Strategy. These respondents mentioned that they constantly modify their existing products and/or introduce new ones to their customers. They also said that the strategy helps them to gain the loyalty of more customers, thereby increasing their market share.

The respondents' perception towards the use and impact of product development strategy for their businesses was best described by Ms. Tan, who owns a mini-mart. Ms. Tan said that;

I use product development strategy by ensuring that I constantly provide my customers with a variety of products that meet their needs and wants. Some customers like to try new products, and as such; I always ensure that I satisfy their needs by making new products readily available for them. I also inform them whenever I have new products that I believe they will be interested in, due to my long term relationship with them. I also ensure that I have low, average, and high priced products for customers of different socio-economic classes. As a result, most of my customers are able to find products that suit their budget whenever they come to my shop. This, in turn, has made them to become loyal to my business, thereby increasing my market share.

In addition, it was found that 47.1% of the respondents that operate in the retail sector use Focus Strategy. The respondents said that they tailor their products towards the needs of a specific or unique group of customers (niche market segment). When asked how this strategy affects their businesses, the respondents stated that it helps them to be more competitive and successful.

One of the respondents, Mrs. Evelyn, who owns a female boutique<sup>10</sup>, was asked why she chose to use Focus Strategy, and she said that;

Focusing on female customers alone helps me to make more sales, because I am able to satisfy their constantly changing needs. For instance, it is no longer news that new female wears are produced and introduced to the market almost on a daily basis, and unlike their male counterparts, most women want to wear the latest clothes in the market. Most of them are also willing to spend lots of money on outfits and they prefer to patronize boutiques that are quickly responsive to the trends in the industry. Owing to the fact that I am a woman and I focus on female wears alone, I quickly find out whenever a new design is produced and I ensure that I make it readily available in my shop, so that my customers can always find the latest wears they crave for whenever they visit. This has caused my customers to become more loyal to me as they are always confident that they will always find the latest designs in my shop whenever they visit.

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<sup>10</sup> This means that she only focuses on female customers.

On the other hand, this is not the case with male wears, because I used to sell both male and female wears, but I stopped selling male wears few years ago. This was because; most of the male designs I had could easily be found in many other shops, due to the slow trend in the industry. As such; customers could choose to buy clothes anywhere they wanted, due to lack of uniqueness among the male boutiques in the industry. In contrast, now that I only sell female wears, I am able to differentiate my business from those of my competitors by having latest designs (due to the constant introduction of new products by the manufacturers), which encourage my customers and their families and friends to constantly visit my shop. In a nutshell, the focus strategy helps my business to be more competitive and successful.

Moreover, it was found that 41.2% of the respondents that operate in the retail sector use Market Penetration Strategy. These respondents said that they encourage more customers to buy their products through promotions, low price, and/or advertisements. They also mentioned that this strategy helps to attract more customers to patronize them, thereby increasing their sales and profit.

One of the respondents, Mrs. Alim, who is a bakery owner, clearly expressed herself based on how she uses market penetration strategy and the impact it is making on her business. According to her;

After producing cakes and breads, I sell them at the normal price on the first and second day to cover my cost. On the third day, I will reduce their prices and take them to a different counter, where I will then put a new lower price tag on them and replace their former counter with new ones. If there are still leftovers at the end of the third day, I usually reduce their prices again. This does not only help me to avoid having unsold, spoilt or expired products, it also helps me to attract more customers as many customers are price sensitive.

Furthermore, it was found that 23.5% of the respondents that operate in the retail sector use Market Development Strategy. These respondents stated that they boost their sales by constantly identifying new target markets and/or expanding their businesses to other locations. They also mentioned that the strategy helps to increase their market shares and profit.

Ms. Kim, who owns a hand phone shop, is one of the respondents that clearly highlighted how she uses market development strategy to run her business and the impact the strategy is making on the growth of her business. According to her;

Due to the growing demand for hand phones, few months ago I opened another hand phone shop in a newly established shopping mall in town. The new branch has been very successful. The reason is that the shop is located in the 'heart of the city', where there are people of different socio-economic classes, and as such; my business has been exposed to lots of new customers. This has helped to significantly increase my market share and profit.

Overall, the findings above shows that the management strategies used by respondents in the retail and service sectors are the same, but they apply them in different ways, due to the size and nature of their businesses. Those in the retail businesses use the aforementioned strategies to improve the perception of customers towards the quality of their products and to expand their businesses. On the other hand, those in the service businesses use the strategies to position themselves in the minds of customers as companies that offer high quality services and to also expand their businesses.

In addition, the findings evidently showed that the aforesaid strategies do not only help to increase the market shares and profitability of respondents in both the retail and service sectors, they also help to grow their businesses.

### **Conclusions**

This study examined the management strategies used by the respondents and the effects of these strategies on their businesses. The findings showed that the strategies used by respondents in the retail and service sectors are the same (i.e. differentiation, focus, product or service development, market development, and market penetration), but they apply them in different ways, due to the size and nature of their businesses. Those in the retail businesses use the aforementioned strategies to improve the perception of customers towards the quality of their products and to expand their businesses. On the other hand, those in the service businesses use the strategies to position themselves in the minds of customers as companies that offer high quality services and to also expand their businesses.

It was also found that the respondents do not use two of the management strategies reviewed in this study. These include cost leadership and diversification strategies. This is probably because of the nature and size of their businesses. As mentioned earlier, cost leadership strategy requires an organization to be able to produce high volume of products or services at lower cost compared to its competitors. This can easily be achieved by medium and large organizations, but can hardly be achieved by the respondents, because they own micro and small businesses, as such; they do not have the financial capability and market base to implement cost leadership strategy (Op. cit.). On the other hand, it was found that the respondents do not diversify their businesses, because of two reasons. Few of them said that they do not have enough capital to do so, while others feel that it is risky given that they do not know much about other businesses.

### **Recommendations**

Based on the findings of this study and the literature reviewed, the following recommendations are made to encourage and promote women entrepreneurship in Kuching, Sarawak:

1. Women entrepreneurs should always take advantage of the fast industrial or business environment changes by ensuring that they always provide their customers with up-to-date products or services. They should always keep in mind that customers' taste

change over time, and as such; they tend to patronize companies that are able to follow this trend. Therefore, those in the retail business, for example, should ensure that they do not stockpile goods; rather, they should always buy goods that will satisfy their customers' demands within a given period, and order for more supplies when the goods are about to finish. By so doing, when an upgraded product is introduced to the market, the entrepreneur would be able to order for it, because she would only have a few of the outdated one in stock, but if she stockpiled the outdated product, she may not be able to order for the upgraded one on time, thereby losing some of her customers to competitors that manage their inventories properly.

2. Government should create strong informal associations for women entrepreneurs who operate in the informal sectors. There are a number of associations for women-owned micro and small enterprises in the country; however, with the exception of the formal organizations of formal small and medium size enterprises, the capacity of many of the informal associations is weak (Bala, 2013). Strengthening the existing associations and supporting female micro and small entrepreneurs to organize themselves can help to enhance their capacity to express their common interests and advocate for improved policy environment and increased investment in the various subsectors in which they operate.
3. Government and institutions should work harder to improve the status of women in business and remove gender-related obstacles to entrepreneurship. They should work to improve their access to support services and seek measures, which can lighten the double burden of professional and household responsibilities for women, in order to allow them to undertake entrepreneurial activities under conditions more similar to those confronting their male counterparts.
4. Lack of statistical data on informal businesses is a major problem for researchers, policy formulation, and program development. Gender statistics on the characteristics and business practices of female and male entrepreneurs are necessary for informed decision making and researches. Government statistical offices and their partners, such as the Companies Commission of Malaysia (CCM), are key players in collecting, analyzing, and disseminating key information to the government, researchers, and the general public. Therefore, it is recommended that attention be paid to collect sufficient and detailed gender statistics on the country's micro and small enterprises. This would help the government to develop policies that would equally favour the male and female entrepreneurs in the country. It would also help researchers to easily access lots of information about women entrepreneurs who operate in both the formal and informal sectors, thereby selecting their research samples randomly. This, in turn, would enable them to easily generalize their findings.

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