

TITLE:

DIGITAL TECHNOLOGY AS A BUSINESS STRATEGY FOR SMALL AND MEDIUM ENTREPRENEURS DURING AND AFTER COVID-19

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ABSTRACT



- Entrepreneurs often faced challenges and obstacles in managing a business. Therefore, entrepreneur must plan, lead, control and organizing business strategies efficiently and effectively. The Covid-19 pandemic that hits the world has an impact on the economic and social aspects. This pandemic also affects the business operation and income of small and micro entrepreneurs (SME's) in Malaysia. The government has taken measures to prevent the spread of this epidemic by adopting the 'Movement Control Regulations (MCO)' since March 2020. Since the MCO was introduced, many small entrepreneurs have felt the effects of the closure of business premises for some business sectors. This situation also affects micro-entrepreneurs who are fully engaged in business and depend for income on their business activities. This paper will discuss the challenges and problems faced by entrepreneurs during the period of MCO implemented by the government. Qualitative data collection methods were conducted through online and face to face interviews among ten (10) micro entrepreneurs in the state of Kedah. Furthermore, researchers also obtained some information related to strategies used by micro entrepreneurs during dan after pandemic while handling business. Therefore, entrepreneurs are suggested to implement digital technology while facing challenges and problems in managing their business.

INTRODUCTION



- The Covid-19 pandemic that hit the world in 2020 has given a big challenge to the community and small entrepreneurs in Malaysia.
- Small and micro enterprise give significant contribution to the economic growth.
- In eradicating the spread of the pandemic Covid-19, the government had to issue a 'Movement Control Order (MCO)' which involved all sectors of the country's economy and was almost paralyzed.
- Furthermore, a research on implication for small and micro enterprise during Covid-19 should be carried out.

PROBLEM STATEMENT



- During pandemic Covid-19, many small and micro entrepreneurs facing with business challenges and problems when government implemented ‘Movement Control Order’ (MCO).
- Some issues related to small& micro entrepreneurs to stop their business operation.
- Among the issues that micro-entrepreneurs in Malaysia is having to stop business activities during this 'MCO' period.
- The issue about increasing cost of doing business among entrepreneurs who have premises and rent business premises from the council.
- Therefore, a study on the challenges and problems of small entrepreneurs should be carried out to know the real situation of small entrepreneurs during and after dealing with the Covid-19 pandemic.

RESEARCH QUESTIONS



- What is the challenges and problems faced by small entrepreneur's during period of MCO?
- What is the strategy implemented by small dan micro entrepreneurs during pandemic Covid-19?

RESEARCH OBJECTIVES

- This paper will discuss the challenges and problems faced by small/micro entrepreneur's during the period of MCO implemented by the government.
- Furthermore, researchers will also discuss regarding information related to strategies used by micro entrepreneurs during dan after pandemic while handling business.

LITERATURE REVIEW



- Malaysia Digital Economy Corporation (MDEC), a government agency under the purview of the Ministry of Communications and Digital, was established in 1996 to lead Malaysia's digital economy.
- Malaysia Digital is a national strategic initiative by the Malaysian Government to encourage and attract companies, talents and investment while enabling Malaysian businesses and Rakyat to play a leading part in the global digital revolution and digital economy.
- MDEC (2020) defines digital business as an effort to benefit and penetrate a digitally literate society as well as support and drive Malaysia's digital economy.



- According to Kraus, Palmer, Kailer, Kallinger and Spitzer (2019), the definition of digital business is a new way or method in managing and implementing business strategies by taking advantage of existing market opportunities, especially in terms of information technology.
- Dictionary.com (2021), define digital technology as the branch of scientific or engineering knowledge that deals with the creation and practical use of digital or computerized devices, methods, systems

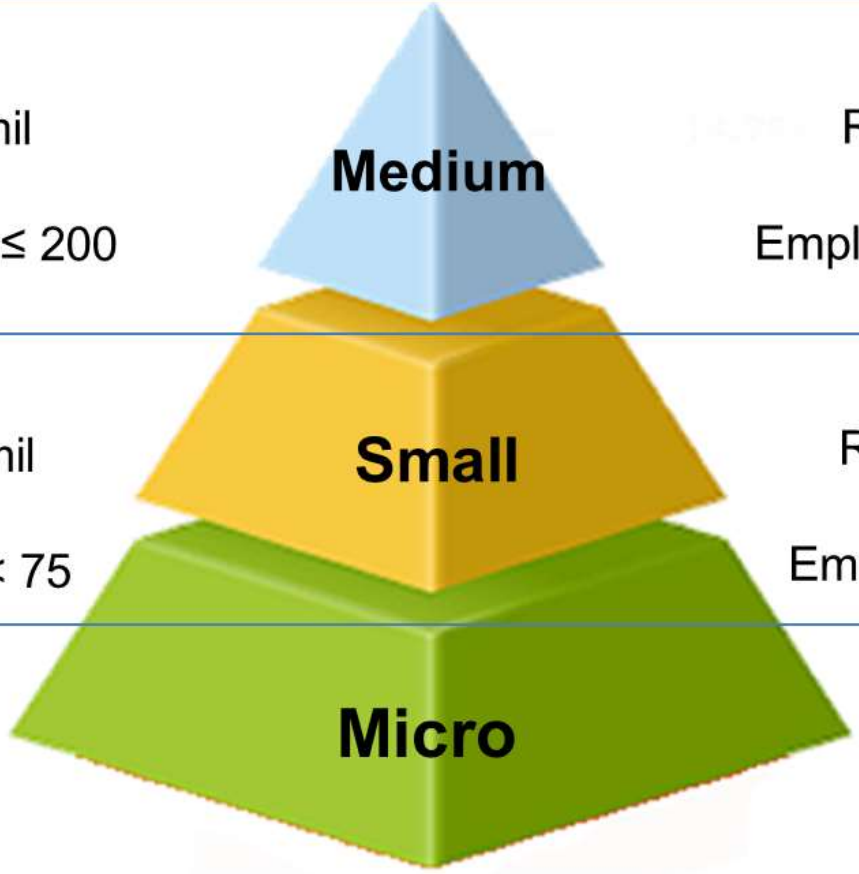
BUSINESS STRATEGY



- Business strategy is the strategic initiatives a company pursues to create value for the organization and its stakeholders and gain a competitive advantage in the market. This strategy is crucial to a company's success and is needed before any goods or services are produced or delivered.
- Hertog (2014) and Markides (2015) have discussed about competitive business strategies (competitive advantages). Researchers concluded that business organizations that have a high level of competitiveness have greatness in terms of business strategy, especially marketing communication (promotion).

Definition of SME's in Malaysia

	Manufacturing	Services and Other Sectors
Medium	Sales turnover: RM15 mil ≤ RM50 mil OR Employees: From 75 to ≤ 200	Sales turnover: RM3 mil ≤ RM20 mil OR Employees: From 30 to ≤ 75
Small	Sales turnover: RM300,000 < RM15 mil OR Employees: From 5 to < 75	Sales turnover: RM300,000 < RM3 mil OR Employees: From 5 to < 30
Micro	Sales turnover: < RM300,000 OR Employees: < 5	Sales turnover : < RM300,000 OR Employees: < 5



Definition of SME's in Malaysia



- Sales turnover and number of full-time employees are the two criteria used in determining the definition with the "OR" basis as follows:
- For the manufacturing sector, SMEs are defined as firms with sales turnover not exceeding RM50 million OR number of full-time employees not exceeding 200.
- For the services and other sectors, SMEs are defined as firms with sales turnover not exceeding RM20 million OR number of full-time employees not exceeding 75
- Remarks: This study focusing on micro enterprise

METHODOLOGY



- Qualitative data collection methods were conducted through online and face to face interviews among ten (10) micro entrepreneurs in the state of Kedah during MCO and after MCO.
- A set of semi-structured questionnaires was developed to investigate the challenges and problems faced by micro enterprise.
- Coding was implemented on content analysis and interviews.
- Data will be transcript and analyzed on challenges and problems faced by micro entrepreneurs.

RESULTS

1. Entrepreneur's Profile



Respondent	Position	Age	Business Category	Annual Income	Duration of Business	Strategies for Business During Pandemic
MicEnt 1	Manager	28	Sole Proprietorships	RM8000-RM12000	7 years	Facebook page/ Instagram
MicEnt 2	Manager	58	Sole Proprietorships	RM10000-RM18000	9 years	None
MicEnt3	Manager	55	Sole Proprietorships	RM9600-RM12000	9 years	None
MicEnt 4	Manager	63	Sole Proprietorships	RM9600-RM12000	10 years	None
MicEnt 5	Assistant Manager	36	Sole Proprietorships Milikan Tunggal	RM10000-RM15000	10 years	None

Entrepreneur's Profile



MicEnt 6	**Manager Pengurus**	**65**	**Sole Proprietorships**	**RM9600-RM12000**	**8 tahun**	**None**
MicEnt 7	Assistant Manager	32	Sole Proprietorships	RM11000-RM15000	7 tahun	Facebook page/ Instagram
MicEnt 8	Manager	60	Sole Proprietorships	RM12000-RM18000	8 tahun	Instragram
MicEnt 9	Manager	52	Sole Proprietorships	RM12000-RM24000	8 tahun	Facebook
MicEnt 10	Manager	10	Sole Proprietorships	RM12000-RM18000	8 tahun	Facebook

2. Challenges & Problems



Challenges & Problems

- Marketing
- Management
- Production
- Product
- Financial

3: Suggestion.

DIGITAL TECHNOLOGY AS A METHODS FOR ENTREPRENEURS TO PENETRATE NEW MARKET ESP DURING PANDEMIC/EPIDEMIC

1. Using facebook for business
2. Using IG for business
3. Using TikTok for business
4. Shopee Platform
5. Lazada Platform
6. Etc...

SUMMARY AND CONCLUSION



- SME's contribution to the country crucial for economic growth.
- Digital business is the latest and most viable business strategy skill.
- Digital entrepreneurship provides many business benefits to entrepreneurs as well as provides to consumers.
- Increasing on technology innovation especially in information and communication technology (ICT) to entrepreneurs.
- IT also, increase in the ICT literate users can provide a very wide potential business opportunity for entrepreneurs in to penetrate international market without boundaries.


Thank
you!