

THE EFFECTIVENESS OF THE NEW BUSINESS MODEL IN CHALLENGING THE ADVERSITY OF COVID-19 PANDEMIC ON THE SMALL AND MEDIUM SCALE INDUSTRIES

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ABSTRACT

The COVID-19 pandemic is a global issue that has put small and medium scale industries (SMEs) under a great deal of pressure to thrive, forcing them to react efficiently to the crisis. The purpose of this study is to identify the effectiveness of the new business model in challenging the adversity of the COVID-19 pandemic on the small and medium scale industries (SMEs). The independent variables in this study are the differences between the new and old business model, business redevelopment (uses of technology), government support and also the impact of COVID-19 on SMEs. The study applies a quantitative approach conducted through the distributions of questionnaires using Google Form to 50 SMEs entrepreneurs in Kota Kinabalu, Sabah, Malaysia. The method of analysis used to conduct this study is by using primary and secondary data where the researchers used factor analysis, regression analysis and reliability analysis. The results for this study shows that the hypothesis for both the technology and redevelopment model supports the effectiveness of the new business model in challenging the adversity of COVID-19 among small and medium scale industries are accepted.

PROBLEM STATEMENT

In December 2019, coronavirus disease (COVID-19) was identified from Wuhan, China. This virus has caught the interest of the entire world, as it has quickly spread to other

areas of the continents. The COVID-19 virus was recognized as an epidemic in the early days of its appearance, then recognized as a pandemic by the World Health Organisation (WHO) as it spreads in the blink of an eye. At that time, the whole world was shocked by the spread of this dangerous virus which made people panic and fear. After a few months, there were many industries affected, especially small and medium scale industries. To combat the spread of the COVID-19 pandemic, governments across the world have begun to impose restrictions on people's movement as the virus spreads through physical contact and air droplets.

In Malaysia itself, the government has taken the countermeasures by implementing the Movement Control Order (MCO) to curb the spread of the COVID-19 virus. The prolonged Movement Control Order (MCO) has given a tremendous effect on all of the citizens especially towards the business industries and has affected the economy of Malaysia as business industries play the main role in the growth of the economy. Malaysia's economy grew by 0.7% (Gross Domestic Product, GDP) in the first quarter of 2020, referring to data reported by the Department of Statistics (DOSM) which is the lowest growth rate since the third quarter of 2009. The obvious industries that are affected are the small and medium industries. The operation of these small and medium industries are limited and they have to obey the Standard Operation Procedures (SOP) that is set by the government.

There are many impacts for small and medium businesses due to COVID-19 if the business continues to ignore to use new business model, the first impact is business's engagement will become low. The safety and well-being of the employees at the workplace are so important because the productivity of the business is based on employees. The concern in employees' health will reassure the business continuity. Next is the strategy for business continuity. Most of the suppliers for

Malaysian companies are from China, Europe and the United States and if the business continues to use old operations without any improvement, it can cause the companies to experience consumer demands and affect all the sectors. In addition, if the business uses an old business model, the attraction of stakeholders in this business will decrease. The business needs to secure support from customers, investors, creditors, employees and regulatory authorities because they will keep maintaining business to be in long-term business. To cope with the current situation, the small and medium industries have started to change their way of operating by implementing new business models to produce high profitability. Thus in this study, we would like to investigate the effectiveness of the new business model in challenging the adversity of the COVID-19 pandemic on small and medium scale industries.

RESEARCH QUESTIONS

The overall research question is as follows:

"How far is the effectiveness of the new business model in challenging the adversity of the COVID 19 pandemic on the small and medium scale industries?"

The specific research questions are as follows:

1. How does the old business model different from the new business model?
2. Is the new business model helping the redevelopment of small and medium scale industries during this pandemic?
3. Did the government help the small and medium-sized industries in challenging the adversity of COVID-19?
4. Does the COVID-19 pandemic give a bad implication for the growth of small- and medium-sized industries?

RESEARCH OBJECTIVE

The overall research objective is to identify the effectiveness of the new business model in challenging the adversity of the COVID-19 pandemic on the small and medium scale industries. The specific objectives are as follows:

1. To analyse the differences between the old and new business models.
2. To analyse whether the new business model helps the redevelopment of small and medium-sized industries.
3. To identify the government support for the small and medium-sized industries in challenging the adversity of COVID-19.
4. To estimate the bad implications of the COVID-19 pandemic on the growth of small- and medium-sized industries.

LITERATURE REVIEW

Underlying Theory

Theories are developed to explain, predict, and comprehend phenomena, as well as to question and extend current knowledge within the confines of crucial confining assumptions in many cases. For this study, researchers have found theories that can be related to the study objectives.

During a crisis, strategy is acknowledged as the key organisational resource in defining company decision-making, competencies, competitive advantages, and performance (Mahani Suraiya, 2019; Azmi et al., 2020; Che Omar et al., 2020). As mentioned by Anuj Kumar et al. in their study, the small and medium enterprises (SMEs) sector play an important role in the balanced growth of the economy around the world. It is known that having a strategy and business model innovation enables SMEs to achieve sustainability and competitiveness (Ibarra, et al., 2020) during the COVID-19 pandemic crisis. Hai Guo et al. (2020) stated that since the covid-19 outbreak was unexpected and unforeseeable,

businesses must be prepared to respond in a non-procedural, innovative, and also in a dynamic manner.

Che Omar et al. (2020) mentioned in their study about the resource-based view theory. The resource-based view (RBV) claims that businesses have resources, some of which enable them to gain a competitive edge and others that lead to positive long-term performance. Resources that are valuable and scarce can help you gain a competitive advantage. To the extent that the firm is able to protect against resource imitation, transfer, or substitution, that advantage can be retained over extended periods. In general, empirical research based on the theory has backed up the resource-based perspective (Wade, 2014).

According to Fabeil et al. (2020), SMEs use a variety of synchronous strategies to ensure the continuity of their business operations during MCO, including (1) shortening the distribution network via centralised synchronous distributors, (2) producing emerging products to satisfy current customer needs, (3) utilising digitalised marketing through the uses of mobile applications, (4) using collect on delivery system, and (5) using receiving payment method via e-wallet or bank transfer. It is critical to understand that to stay resilient during unanticipated crises such as the pandemic, business owners and SMEs must adopt innovative platforms (marketing, technologies, and so on). The RBV theory supports the recognition of the ability to transform and optimise internal resources as a valuable competency strategy (Che Omar et al., 2020).

Moreover, the study by Ibarra et al. (2020) have developed a research model rooted in dynamic capabilities theory and configurational theory. This dynamic capability is described as a company's ability to implement, build, and restructure internal and external competencies in order to respond to a fast-changing environment. Organizations, on

the other hand, are viewed as constellations of interconnected elements in configurational theory, which claims that the whole is best comprehended from a systematic perspective. The study concentrated primarily on the firm's management strategy and dynamic capabilities and mentions five particular dynamic capabilities for business model innovation (BMI), including (1) detecting consumer wants, (2) sensing technology choices, (3) conceptualising and testing, (4) collaborating, and (5) BMI strategy. Hai Guo et al. (2020) argues that the strategy changes will consume a significant amount of human, material, and financial resources, putting a significant strain on SMEs who are already struggling because to COVID-19's outbreak. This does not rule out the possibility of strategic adjustments, as the benefits of efficient reforms may be long-term and permanent, even if the temporal performance may deteriorate.

Finally, according to Gregurec et al. (2021), the theory of business justifies that all organisations must consider three types of assumptions that influence their way of working: assumptions about the organisational environment, assumptions about the mission's accomplishment, and assumptions about the competencies and resources that enable the mission's accomplishment. Many SMEs' current business strategies and operations have been exposed by the COVID-19 epidemic. When the corporate environment becomes chaotic, businesses can use business theory to re-evaluate their three basic assumptions.

Differences of New Business Model and Old Business Model

It is known that the pandemic COVID-19 has affected all of the small and medium scale industries (SMEs) economically while trying to sustain and grow (Che Omar et al., 2020). Thus, SMEs need to be able to adapt to the current situation and change their business model with new strategies. Che Omar et al. (2020) has identified two of the main survival strategies

that can be implemented by the SMEs during this outbreak of pandemic COVID-19 which are to strengthen the SMEs Financial Strategy and also Marketing Strategy. Other than that, Fitriasari (2020) describe that this problem can also be approached by using the Business Model Canvas (BMC) approach. The author added that the business model Canvas developed by Alexander Osterwalder can be an approach that is easily implemented by business organizations to evaluate and change or reform the business model where it enables to create of a new business model that is more appropriate and suitable for applications.

According to the findings of Che Omar et al. (2020), respondents used a business adaptability strategy to retain their financial position during the pandemic. The respondents take the initiative to produce hand sanitiser as there is high demand for the product. Quick response, dynamic resources, and the capacity to seize new opportunities by diversifying into new business lines, goods, and services have helped the company maintain cash flow and avoid bankruptcy. It's necessary to create the optimal SME product and service package based on customer needs (customer segmentation) (Fitriasari, 2020). For the marketing strategy mentioned by Che Omar et al. (2020), to remain resilient, SMEs must adopt innovative marketing platforms and technology. One of the respondents has wanted to pursue his or her marketing platform through an online marketing platform (Shopee or Lazada). This is because a proper digitization plan is required to meet business objectives, develop products or services, and become more competitive (Fitriasari, 2020).

Business Redevelopment

Due to the COVID-19 pandemic, many businesses were affected and needed redevelopment to continue their business. The COVID-19 can motivate SMEs to rethink their core competencies, seek new opportunities, and redefine sustainable business models in

a more intense and timely manner mentioned by Gregurec et al. (2021). Besides, Ambad et al., (2020) recommend that policymakers must focus on the barriers faced in SMEs to ensure more competitiveness, wealth creation, and social well-being of the nation. Other than that, Hai Guo & et al. (2020) conclude in their research, digital technologies are one of the important roles to respond to the COVID-19 outbreak. Also, Anuj Kumar, et al. (2021) stated the adoption of technology in different forms can be a potential solution that can help SMEs in dealing with various problems faced during COVID-19. But, (Ambad et al., 2020) and Taiminen and Karjaluoto (2015) found out that SMEs failed to utilize the technology in their businesses that could benefit. In addition, Che Omar et al. (2020) also supported the survival strategies or to redevelop business to improve marketing and financial strategy. Hence, Anuj Kumar et al. (2021) stated only technology can help the continuous operations of a business in this pandemic.

According to Fabeil et al. (2020), to survive in the business have, to undertake several business continuities approaches and recovery strategies. Not only that, the new knowledge and skills are also crucial strategies in the crisis phase (Kartiwi et al., 2018). From all the researchers, we can see that using technology is one of the tools to redevelop their businesses in this pandemic. As the study by (Alves et al., 2020) also supports when the business wants to develop their business, they should invest in learning on technology and crisis management. Thus, SME's initiatives towards digitalization, represented by their degree of digitalization, use of digital technology, and business style, might help them better react to public emergencies, this study by Hai Guo et al. (2020).

Government Support

The government should help SMEs affected by this pandemic to continue their business operations. According to (Kartiwi et al., 2018),

it is crucial that the government continuously support SMEs in training and exposure of how to manage external pressure by SMEs to them survive during this pandemic time. Besides, (Ambad et al., 2020) said that one of the methods to overcome hurdles to development is to use government initiatives and strong cooperation with government entities. That's why SMEs should be aware of government initiatives. An example of government initiatives towards SMEs is PRIHATIN Economic Stimulus Package 2020 and PRIHATIN SME Economic Stimulus Package or PRIHATIN SME+ Ahmad Rafli Che Omar et al. (2020) mentioned. Wherefrom this initiative can help SMEs to continue their business during this pandemic. From the study, the impact of the PRIHATIN stimulus package is to support the SMEs financing strategy Che Omar et al. (2020). As we know, financial strategies are one of the survival strategies for SMEs in the COVID-19 phase. Therefore, it clearly stated that government support towards SMEs is significant in this current situation.

Impact of COVID-19 on the Businesses

Anuj Kumar et al. (2021) in their study stated that the SMEs contributes 50% of the GDP in majority of the high-income countries. The COVID-19 outbreak is putting people's and institutions' economic well-being in jeopardy. According to Che Omar et al. (2020), it not only affects global health but also threatens the global economic order's structure. Other than that, Hai Guo et al. (2020) also mentioned that the public health crisis has created significant hurdles to the survival and development of Small and Medium Enterprises (SMEs). In the study by Che Omar et al. (2020) stated that the government has stringent their policy and response to curb the disease by implementing the Movement Control Order (MCO) which involve the shutting down of local, national and international business entities. Due to this, most of the businesses are expose to negative effects in either short or long-term period.

Hai Guo et al. (2020) mention that the global supply chain has been severely disrupted as a result of this MCO or lockdown, as well as delays in the continuation of work, resulting in a significant reduction in business production capacity whereas the fixed costs remain constant (leading to cash flow issues), and a decrease in customer demand. The study of Che Omar et al. (2020) also has summarized the impacts of MCO on SMEs based in their findings into several themes of impact (1) operational disruption; (2) cash flow problem; (3) access to stimulus package; (4) risk of bankruptcy; (5) supply chain disruption; (6) problems in fore sighting future business direction. This study interviewed six selected respondents performing different business (owners of the company) and the data is analysed using content analysis. It is also proven by the evidence in support of SME's problems

during COVID-19 that has been provided by the study of Anuj Kumar et al. (2021), for example the lack of customer's demand where it has been discussed by "SMEs in Malaysia are facing adverse effect on market demands as customers are cancelling their orders (Ratnasingham et al., 2020), The customers demand manufacturing products is decreasing because they fewer salaries (Juergensen et al., 2020)."

As a result, we can see that the researchers used resource-based view theory, following the independent variables, which are the differences of the New Business Model and Old Business Model, business redevelopment, government support, and impact of COVID-19 on the businesses. The dependent variable is the effectiveness of the New Business Model. Thus, the researcher wants to achieve the objective of the study based on all these variables.

METHODOLOGY

Research Framework

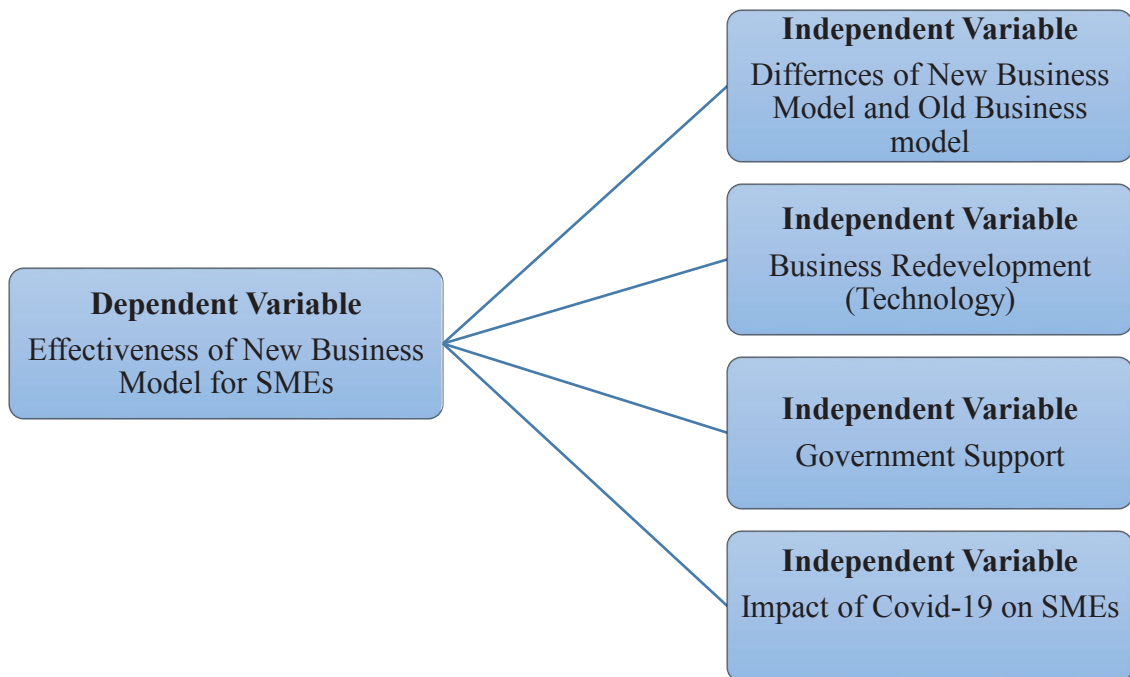


Figure 1 Research framework

This section illustrates the framework between the independent variables towards the dependent variable. The framework consists of a total 5 independent variables: which are Business Redevelopment, Impact of COVID-19, New Business Model, Technology and Government. The dependent variable is Effectiveness of New Business Model for SMEs. Figure 1 will illustrate the relationship between the independent and dependent variable.

Research Design

Research design is the framework of research methods and techniques chosen by a researcher. The design allows researchers to hone in on research methods that are suitable for the subject matter and set up their studies up for success. The main of this study is to identify the effectiveness of the new business model in challenging the adversity of COVID-19 pandemic on the small and medium scale industries.

In this study, quantitative research was applied to identify the effectiveness of the new business model in challenging the adversity of COVID-19 pandemic on the small and medium scale industries. The primary data was collected from the survey, where the researcher send questioners to survey respondents. The data collected from surveys is then statistically analyzed to draw meaningful research conclusions. Researchers conduct a cross-sectional survey to collect insights from Small and Medium Scale Industries at a particular time interval. This survey research method is implemented in various sectors such as retail, SME businesses, etc. Cross-sectional survey research can either be descriptive or analytical. It is quick and helps us collected information in a brief period.

Sampling

In this study, we used non-random sampling. The sample selection follows a particular set of conditions and the sample needs to be

collected based on a specific characteristic of the population. The population for this study was from small and medium scale industries. We only selected around 50 SMEs as our respondent for this study. Also termed purposive or subjective sampling, non-random sampling methods include convenience, judgment, quota and snowball sampling.

In the non-random sampling, we used mix sampling which are purposive sampling and voluntary response sampling. Purposive sampling also known as judgment sampling. We used this sampling because we want to know more about the opinions and experiences of the useful of the new business model in challenging the adversity of covid-19 pandemic on the small and medium scale industries. For example, study based on disabled students at your university, so you purposefully select a number of students with different support needs in order to gather a varied range of data on their experiences with student services.

Questionnaire

In this study, we design questionnaire with questions that related to the dependent and independent variables from the research. We divided the question into 3 section where the first section which is section A was a demographic segmentation where questions related to the Business Profile and it has 5 questions that need to be answer. This section has a related to gender, type of business, sizes of business, years in operation and business income range (monthly). The other section is section B which is it refer to the dependent variable "The Effectiveness of the New Business Model" and it has 5 questions while for the section C was an independent variable. It has 21 questions and related to the Impact of COVID-19 on SMEs, New Business Model vs Old Business Model, Government Support, Technology and Business Redevelopment. In this questionnaire, we created 31 questions for all 3 sections.

The measurement scale that we used in this research is interval scale where the respondents are given options to answer the questionnaire by using the Likert scale. For the example in a Likert scale: 5 represents Strongly Agree, 4 is Agree, 3 represents Neutral, 2 is Disagree and 1 is Strongly Disagree.

Pilot Study

Pilot studies are an important stage in the research process. The purpose of a pilot study

is to determine the viability of a method that will be implemented in this research. There were randomly 50 respondents from small and medium-scale entrepreneur that involved in this research, where they were asked to answer the questionnaire about the effectiveness of the new business model in challenging the adversity of COVID-19 pandemic on the small and medium scale industries.

Factor Analysis

**Table 1 Total variance explained
Total Variance Explained**

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.707	41.180	41.180	7.540	29.002	29.002
2	3.629	13.957	55.137	3.434	13.206	42.208
3	1.648	6.339	61.476	2.878	11.069	53.277
4	1.349	5.189	66.665	2.347	9.025	62.303
5	1.180	4.537	71.202	2.314	8.900	71.202
6	.970	3.730	74.932			
7	.844	3.245	78.178			
8	.770	2.962	81.140			
9	.650	2.499	83.639			
10	.631	2.429	86.067			
11	.558	2.148	88.215			
12	.539	2.074	90.289			
13	.466	1.793	92.082			
14	.365	1.405	93.487			
15	.283	1.090	94.577			
16	.261	1.006	95.582			
17	.242	.931	96.514			
18	.190	.733	97.246			
19	.156	.602	97.848			
20	.122	.470	98.318			
21	.104	.400	98.718			
22	.095	.367	99.085			
23	.083	.318	99.402			
24	.073	.279	99.682			
25	.047	.182	99.864			
26	.035	.136	100.000			

Table 1 above shows the total variance explained for each component of 26 questions according to our dependent independent variables. In this research, there are 5 components that are valid because of it has eigenvalue more than 1 while for the rest 21 component are not acceptance because it has less than 1 eigenvalue. The total for component 1 is 6.759, total for component 2 is 2.457, total

for component 3 is 1.757, total for component 4 is 1.620 and total for component 5 is 1.015. while, for the rotation sums of squared of total variance is the first component explains 29.00 per cent, component 2 explain 13.21 per cent, component 3 explain 11.07 per cent, component 4 explain 9.03 per cent and component 5 explain 8.90 per cent.

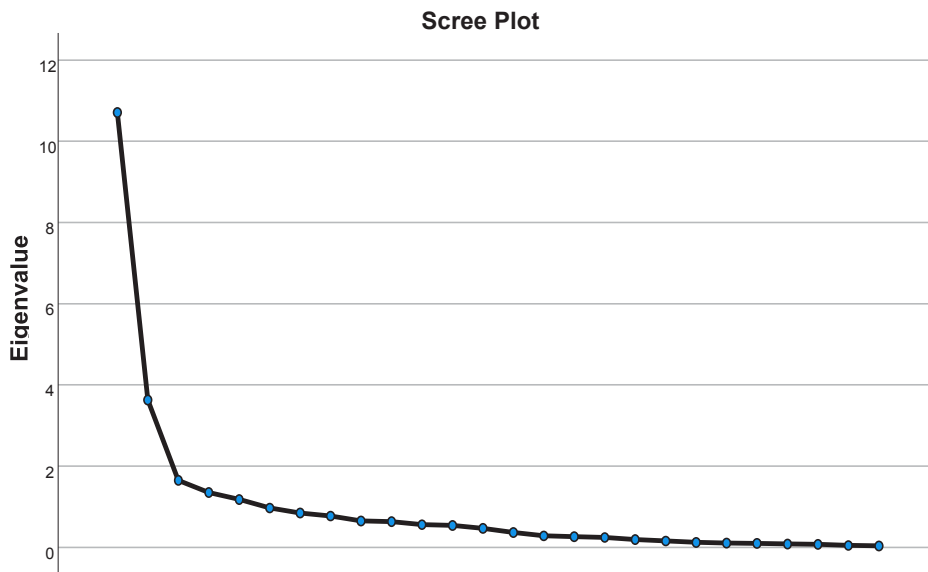


Figure 2 Scree Plot

Cronbach Alpha

Table 2 Result of Cronbach Alpha

Cronbach's Alpha	N of Items
.696	6

The estimated Cronbach alpha shows the reliability result. The reliability statistics are of the Cronbach alpha as a figure more than 0.6 which is 0.696. This shows that the questionnaire design can answer the objective and it also shows that the 50 respondents that answer the questionnaire are valid.

Method of Analysis

In this research, we used the primary data as the main instrument to collect data related with this scope of study. The first thing that we do is analyzing data preparation from the

quantitative data, where the aim is to convert raw data into something meaningful and readable to get a valid data. For the quantitative data analysis method we used inferential statistic. Inferential statistics was the complex analysis show the relationship between multiple variables to generalize results and make predictions. It is included correlation which describes the relationship between 2 variables and regression that show or predicts the relationship between 2 variables. The respondents taken to answer the questionnaire are from SMEs around Kota Kinabalu, Sabah. The questionnaire is conducted by distributing to the respondent via online platforms such as Whatsapp applications and other social media such as Instagram and Facebook to the possible respondents in Kota Kinabalu, Sabah during this pandemic.

Regression Analysis

Regression analysis is the estimation of a dependent variable and independent variable(s) relationship by a statistical. It focuses on the relationship which can later provide the understanding the changes of both variable that occur if any one of it changes (Athanasidou et al., 2017). The strength of relationship between the variables can also be calculated through this.

Hypotheses

- H01: The differences between new and old business model does not influence the effectiveness of new business model for SMEs.
- HA1: The differences between new and old business model influence the effectiveness of new business model for SMEs.
- H02: Business redevelopment (uses of technology) does not influence the effectiveness of new business model for SMEs.
- HA2: Business redevelopment (uses of technology) influence the effectiveness of new business model for SMEs.
- H03: The government support does not influence the effectiveness of new business model for SMEs.
- HA3: The government support influence the effectiveness of new business model for SMEs.
- H04: The impact of COVID-19 does not influence the effectiveness of new business model for SMEs.
- HA4: The impact of COVID-19 influence the effectiveness of new business model for SMEs.

FINDINGS

Characteristic of Respondents

Table 2 Gender of the respondents

	Frequency	Percent
Male	16	32.0
Female	34	68.0
Total	50	100.0

Table 2 shows the gender of the respondents who took part in this survey. There are 50 respondents were involved. As we can see in table 2 above, female took the highest percentage which is 68% while the remaining 32% is male. This survey was conducted among Small and Medium Enterprises in Malaysia.

Table 3 Type of business of the respondents

	Frequency	Percent
Food/Beverages	24	48.0
Services	11	22.0
Manufacturing	1	2.0
Technology	1	2.0
Other	13	26.0
Total	50	100.0

Table 3 shows there are given 5 types of business conducted by small and medium enterprises in Malaysia. The first type is food and beverages. Frequency for food and beverage is 24 and the percentage is 48.0 over 100 which mean it was the highest percentage among the other. The second highest is other type of business that not listed in this research which is 26.0 per cent over than 100 and the frequency is 13. Some of the entrepreneur sell cosmetic, clothing and scarves. Next is services that has 22% and the frequency is 11 while for the manufacturing and technology has the same percentage which is 2% and the frequency is 1.

Table 4 Size of businesses

	Frequency	Percent
Micro (up to 10 employees)	39	78.0
Small (11-50 employees)	10	20.0
Medium (51-250 employees)	1	2.0
Total	50	100.0

Table 4 shows the sizes of business among the SMEs Malaysia. Most of the respondents was from the micro industries that have 1 to 10 employees. The frequency for micro industries is 39 over 50 respondents which is 78.0 per cent over than 100%. Next, only 10 respondents are from small industries that have around 11 until 50 employees and it is only 20% over than 100% while for the medium size industries only has 1 respondent which is 2% only.

Table 5 Years in operation

	Frequency	Percent
Below 5 years	40	80.0
Between 5 to 10 years	10	20.0
Total	50	100.0

Table 5 shows the years in operation for the SMEs in Malaysia. Most of the respondents are having their business below than 5 years operation which is 40 respondents over 50 respondents (80%). While another 10 respondents chose from 5 to 10 years of operation which shown 20%.

Table 6 Business income range (monthly)

	Frequency	Percent
Less than RM5,000	32	64.0
RM5,001-RM10,000	10	20.0
RM10,001 - RM15,000	1	2.0
More than RM15,000	7	14.0
Total	50	100.0

Table 6 shows the business income range in monthly for the respondents. 32 respondents (64%) over 50 respondents are having monthly income less than RM5,000 while for the range RM10,001 – RM15,000 only 1 respondent (2%). 10 respondents (20%) and 7 respondents (14%) are from range RM5,001-RM10,000 and more than RM15,000 respectively.

Regression Analysis Result

Table 7 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846 ^a	.716	.684	.35503

a. Predictors: (Constant), businessredevelopment, impact, newmodel, technology, government

Table 7 shown is about model summary. The summary table for the model provides information and model's and the dependent variable's connection strength. The R-value indicates how well the dependent and independent variables are related. R-value that shown in the table is greater than 0.4 which is 0.846. The R-value is good. The R-square reveals how much of the dependent variable's variation can be explained by the independent variables. R-square 0.716 is a good value because it is greater than 0.5. In multiple regression, adjusted R-square depicts the generalization of the results, i.e. the variation of the sample results from the population. The difference between R-square and Adjusted R-square is 0.032. The R-square value 0.716 is not far from 0.684.

Table 8 ANOVA

Sum of Model		Squares	df	Mean Square	F	Sig.
1	Regression	14.007	5	2.801	22.225	.000 ^b
	Residual	5.546	44	.126		
	Total	19.553	49			

Table 8 shows ANOVA that the study is usually conducted with a 95 per cent confidence interval or a 5 per cent threshold of significance. The p-value should not exceed 0.05. As shown in the table, it is .000 and the result is significant. F-ratio is fitting the model after taking into account the model's inaccuracy improves the variable's forecast. F-ratio as shown in the table above is 22.225 which is more than 1. The result for F-ratio is good.

Table 9 Coefficients

Unstandardized Coefficients				Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.077	.452		-.169	.866
	impact	.045	.053	.076	.844	.403
	newmodel	.008	.122	.007	.066	.947
	government	.149	.110	.165	1.356	.182
	technology	.253	.127	.229	1.989	.053
	businessredevelopment	.565	.136	.553	4.171	.000

Table 9 shows the coefficients. In this study, the value should be less than the study's acceptable level of significance, i.e. less than 0.05 for the 95 per cent confidence interval. The null hypothesis is rejected or not rejected based on the significant value. The null hypothesis is rejected if Sig. is less than or equal to 0.05. The null hypothesis is not rejected if Sig. > 0.05. When a null hypothesis is rejected, it indicates that there is a difference. If a null hypothesis is not rejected, it indicates that there is no effect.

Firstly, there is no significance change in new business model because of impact shown 0.884 > 0.05 and the null hypothesis is not rejected. Secondly, there is no significance also in new model because Sig. value is 0.403 more than 0.05. The lead to null hypothesis is not rejected. Thirdly is government shown 0.182 which is the null hypothesis is not rejected and there is no significance. Fourthly is technology

can change the significance in new model business because the Sig. value is 0.053. It is slightly more than 0.05 and the null hypothesis is rejected. Lastly is business redevelopment that lead to the changes of significance in new model business. The Sig. value shown .000 and the null hypothesis is rejected.

Therefore, technology and business redevelopment have positive relationship with new model business in this study.

DISCUSSION

The objective of the discussion of findings section is to address the issues of the study concerning (1) the differences between the old and new business models, (2) whether the new business model helps the redevelopment of small and medium-sized industries, (3) whether the government support for the small and medium-sized industries helps in

challenging the adversity of COVID 19, (4) whether the COVID-19 pandemic give bad implications on the growth of small- and medium-sized industries.

The Relationship Between the Differences Between the Old and New Business Models with the Effectiveness of New Business Model

Every business has a model adapted in their business. But over time, the world has become more sophisticated, and many improvements. Not only that, many changes have been made to achieve the objectives more effectively and efficiently. The same goes for business models, where it has changed from the old business model to the new business model. Where the new model is more in line with this increasingly modern world. In addition, adopting this new strategy can reduce the impact of the COVID-19 outbreak and be able to face all the challenges well. The study shows that some respondents already adopt the new business model in this pandemic and make them easier to conduct business online. Besides, the SMEs that are still adopted the old business model faced some problems and challenges. Thus, to know the effectiveness of the new business model, we have to know first the differences between this model. Base on this study, we can see that the new business model is better than the old one. Moreover, in this COVID-19 pandemic, all the things are used technology.

The Relationship Between the Redevelopment of Small and Medium-Sized Industries with the Effectiveness of New Business Model

As a result, the redevelopment of the small and medium-sized industries has a positive relationship between the dependent variables. It shows that the redevelopment is important to retain their businesses. To redevelop it, they can use technology because the it can help the continuous operations in this pandemic (Anuj Kumar et al. 2021). However, in this

study, the recovery strategy of the business is to utilize the use of technology. So that it can help them better react to public emergencies (Hai Guo et al. 2020). According to the other research, to survive in the business have, to take undertaking several business continuities approaches and recovery strategies (Fabeil et al. 2020). Not only that, in long-term redevelopment, a business needs to focus on the challenges faced today more deeply so that all solutions that will be made should focus on the long term. This because we do not know when this COVID-19 pandemic will end. Thus, making decisions in the long term can help the business survive longer and have the strength to face the challenges ahead. From this, the main redevelopment tools for the SMEs are to use the technology strategies to recover the business.

The Relationship Between the Government Support towards Small and Medium-Sized Industries with the Effectiveness of New Business Model

In this current situation, the government must help the sectors affected by the COVID-19 pandemic. Moreover, small businesses or industries like SMEs. This because with the help of the government, it can help SMEs in redevelopment their business. We know that most SMEs are ordered to close temporarily due to the spread of COVID-19 virus. Thus, with the closure of a business, many businesses suffer losses and nearly bankrupt due to slight money coming in or profit in a few months. With the help from the government, it will be able to help a business or SMEs to retain their business and it is crucial to government support the SMEs continuously in this time (Kartiwi et al, 2018). From the study, if the SMEs get support from the government, it can help SMEs or facilitate them in overhauling their business. Not only that, it shows that most SMEs seek helps for their business continuity.

The Relationship Between the Impact of COVID-19 on Small and Medium-Sized Industries with the Effectiveness of New Business Model

The COVID-19 outbreak had a devastating effect on everyone, including industry and businesses across the country. This because during the occurrence of COVID-19 in the first phase, the whole world was shocked and did not expect such a thing to happen. It makes some businesses or industries unprepared and shocked by what happens. Among the impacts on SMEs are their operations have been disruption, cash flow problems, access to the stimulus package, risk of bankruptcy, supply chain disruptions, and problems in fore sighting future business direction (Ahmad Rafli Che Omar, et al. 2020). In addition, the government has stringent their policy and response to curb the disease by implementing the Movement Control Order (Ahmad Rafli Che Omar, et al. 2020) and due to this, most of the businesses are expose to negative effects in either short or long-term period. Also, from this study, not all SMEs were affected during the COVID-19 pandemic. It is because some business, they adopt the technology in their business. In fact, COVID-19 can drive SMEs in a more intensive and timely manner to rethink key competences, to look at new potential and to redesign sustainable business models (Gregurec et al. 2021).

SUGGESTIONS

There are managerial implications and suggestions that researcher can present based on the study findings that related to factors to influence entrepreneur to use new model business to build up their company and increasing the profit of their businesses. With improving the new model business, entrepreneur can expand the strategy in running business and can attract customers to buy their products.

Firstly, get top management support and if it is own company, the entrepreneurs are in luck. Bring attention to the topic of business model innovation by emphasizing the advantages that new business models can provide to your firm. Thus, refer to best practice examples of business model innovations from within and beyond your industry for inspiration as vivid examples can be eye-opening. Other than that, be persistent is gaining an awareness of the value of business model innovation will not happen immediately. Secondly, putting together a diverse workforce is a fun challenge if the entrepreneurs running their own company. Include them if it is just the manager and a few employees. If it's just not more than two employees, enlist the help of family, friends or even your trusted business counselor. Business model innovation is a cross-functional topic and strives to bring together workers from all backgrounds and departments. Make certain that everyone is on the same page when it comes to the definition of a business model. It establishes the what, who, how, and why of a company. Do not forget to bring in outsiders as well because no one will dare to question your industry's dogma. Next is make the most of your experience. Enhance your knowledge. One of the most effective methods for increasing your earnings is to work from home. Unfortunately, many business owners overlook this avenue for expansion. Entrepreneurs that are enthusiastic about their job may face the risk of giving too much away for free. This is a warning sign that you're undervaluing your time, underpricing your services, and battling with poor company confidence. While giving out freebies and sharing your knowledge with potential clients is an excellent method for them to learn how you can assist them, you should set certain boundaries. Scaling enables you to provide services to several people at the same time. Begin by considering how you can perform more of what you do best. Consider how you can improve the profitability of your services. Examine how you can free up time by delegating some of your present work obligations that don't require your presence.

Furthermore, prototyping, storyboarding, and other methods of testing value propositions can help you avoid taking unnecessary risks. To get quick input on the business model, prototypes might be anything from a lengthy presentation to a storyboard to a cereal box. Re-adapt your company model based on the knowledge obtained throughout the pilot project. Provide the setting in which your new business model can thrive. Ensure that the business model is safeguarded in its environment. Give the business model team some leeway at first, and then set specific goals afterwards. Instead of asking for immediate results, ask for long-term rewards. Manage the process of change with vigor. Set an example for your employees when it comes to upcoming changes, and offer incentives to keep them motivated. Encourage understanding of business model innovation inside the organization. Assist in a fair and transparent transformation process. Develop talents that are currently lacking in your company. Maintain a favorable attitude toward the development of new business models. Other suggestion researcher can give is effort and accountability. Responsibility comes hand in hand with desire. This is because there is always the risk of working on tasks that you originally believe are appropriate and fun. When you look closely, though, you'll see that these projects don't help you grow your firm. Either they don't generate extra revenue, don't improve your current services, or don't sell your services successfully.

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