

## **ONLINE BUSINESS CONTINUITY DURING THE PANDEMIC: A STUDY ON THE YOUTH GROUP**

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### **ABSTRACT**

The Internet of Things (IoT) is ushering in a revolution in our contemporary world, transforming businesses into online operations with increased reach out. The purpose of this study was to examine the factors that play role for business continuity during the pandemic era. Factors include business operations, readiness and support systems were taken in for consideration for business survival. The main objective of this study was to identify the relationship between business operations, readiness and support systems on business survival. Respondents consisted of youths who traded online during the pandemic. A total of 85 respondents had answered the distributed questionnaire. Statistical Package for Social Science (SPSS) was used to analyse the data using Pearson correlation analysis method. The results of the study show that business operation and support systems have a significant relationship to business survival ( $r = 0.735$ ,  $r = 0.680$ ;  $p$ -value  $< 0.05$ ) while business operations do not have significant relationship to business survival ( $r = -0.41$ ,  $p < 0.710$ ). This situation also indicates that the current circumstances have placed the use of digital technology among the general public, enabling an increase in online business activities.

**Keywords:** *Business sustainability, business operations, readiness, and support systems.*

## **INTRODUCTION**

Online business is such a phenomenon and popular ever since e-commerce platform were introduced in Malaysia. Establishing a sustainable business goes beyond environmental crisis, as it involves maintaining a harmony between the organization's economic, environmental, and social objectives (Zainuddin *et al.*, 2018). An online business is a business created in the virtual like social media as a platform such as YouTube, Facebook, Instagram, and Twitter to introduce products in terms of promotion and generate income (Infante, & Mardikaningsih, 2021). The only difference is that online merchants do not have to deal with consumers directly. By using facilities such as this online business, traders can turn physical shop into an online marketplace (Piranda, Sinaga and Putri, 2022). For consumers they can also make a selection of goods from the purchase without having to go to the store (Khairi and Rahman, 2022).

There are many traders who prefer online business because it can save costs in terms of marketing, especially among young entrepreneurs. The Malaysian e-Commerce market is experiencing unprecedented strength in 2023. As internet penetration increases and devices become more advanced, consumers are increasingly turning to online platforms to make purchases of products and services. According to Malaysia e-Commerce Statistics and Trends in 2023, the count of online shoppers in Malaysia witnessed an annual growth of 8.3%, with 15.63 million individuals purchasing consumer goods digitally. The overall estimated annual expenditure on eCommerce transactions in 2022 amounted to \$9.08 billion, distributed among categories such as fashion (\$2.73bn), electronics (\$2.83bn), toys and hobbies (\$1.11bn), personal care (\$1.08bn), and food/beverages (\$202mn). Online business can also generate a decent income. An online business without a doubt requires some set skills to get started. Factors such as lack of knowledge in related matters (Raihani *et al.*, 2016).

Most of all, in these modern times, many people use online business to promote their business. Furthermore, during the Covid-19 pandemic, the business was severely affected and collapsed. Among the problems identified in this study is that young people who are new to business have difficulty in managing business because they do not have a large capital and still lack experience and knowledge about business. This study aims to investigate on how online businesses survive during a pandemic. More specifically, how online merchants using social media can bring business continuity to businesses that have faced difficulties during the pandemic. Doing business online can assist the youth in doing business online during the pandemic and how to maintain business continuity.

## **BUSINESS OPERATIONS**

Based on a study by Fabeil, *et al.*, (2020), business operations are one of the factors that can influence online business continuity. This is because of the standard operating procedures that have been set by the government for all service sectors, including for business operating hours that are limited to 8 to 10 hours only and only essential services are allowed to operate until 6.00 pm during the MCO period (Kota Kinabalu City Hall, 2020). Business operations it refers to the activities that the business does on a daily basis to improve the business and earn profits. According to Palmié *et al.*, (2022) business operations can be interpret as producing value and business assets. The advent of digital technologies empowers retailers and businesses across various industries to innovate new products or services and establish novel relationships with their stakeholders (Palmié *et al.*, 2022). This, in turn, enhances convenience, customer experience, and satisfaction, while also boosting speed, resource utilization, and overall efficiency (Palmié *et al.*, 2022).

## **READINESS**

Based on a study done by Fabeil, *et al.* (2020), there are 65 percent who think that their business can continue business for no more than 5 months if the Covid-19 pandemic lasts. Even so, many successful entrepreneurs successfully use some alternative approaches to continue their business during the crisis. Awan (2021), stated that the availability status of information capital is the most important raw material to create value in the information age. It also provides useful information and knowledge to make the best decisions. In a study by Jankelova, and Súkeník, (2023) related to the

Readiness of entrepreneurial companies against crises explained that the opinion of owners or managers who have experienced difficulties in management or business pressures can lead to irrational decision makers to face crises that cannot be foreseen in the future.

## **SUPPORT SYSTEM**

Related to the type of support system that are needed with the theory of business continuity is financial support, assistance from local leaders and agencies as well as training that can be linked to online businesses to reduce the impact of the pandemic and be able to continue business continuity. The system is a support tool and an essential requirement to achieve the objective; however, their success depends on more distant factors; namely people, processes, and management. Malek *et al.*, (2022) have given the concept that encouragement and support from interested institutions such as family, government and education are among the important elements in the success of an entrepreneur. Their enthusiasm and encouragement provide a paradigm shift for themselves to continue to work hard and succeed in the business they are working on. Aspects of financial assistance, program initiatives, training and guidance are very helpful for young entrepreneurs to increase their independence in business. Dealers should rely on the support of their agents to get more profit margins and other marketing support. This result is in line with the study conducted by Phang, Balakrishnan and Ting (2021) where the quality of distribution is seen as less critical by traders due to the small scale of business operations which limits their bargaining power as well as the ability to make fair comparisons. Shahzad (2021) proposed a model in which it explains about a positive entrepreneurial atmosphere that creates higher success in the development of an entrepreneurial career because it can facilitate the creation of ventures. This includes the availability of support services, venture capital opportunities, government influence and the presence of experienced entrepreneurs.

## **BUSINESS SURVIVAL**

Online business is a virtual business that uses the internet as an intermediate medium between sellers and buyers. According to Malaysia Digital Economy Corporation (MDEC), online business as e-Commerce refers to "the buying and selling of products over the internet, and the services that support those activities, including marketing, development of online sales platforms, delivery services, and more". Su, et al., (2022) has defined that business continuity strategy as a contingency approach used in dealing with crisis.

## **RESEARCH FRAMEWORK**

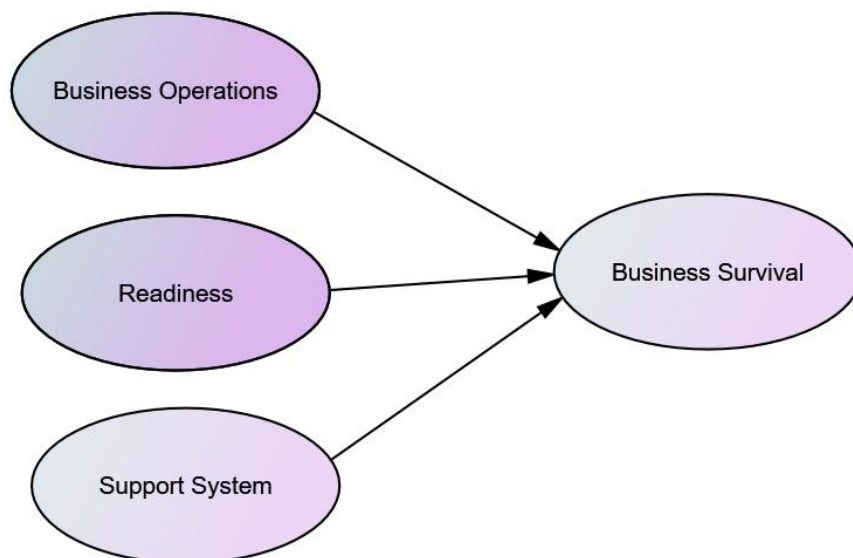


Figure 1: Factors affecting business survival during the pandemic.

## **RESEARCH QUESTIONS AND OBJECTIVES**

The aim of this study is to ensure that it can fulfill the set research goals and objectives. This discussion is also related to the sustainability of online businesses during the pandemic.

There are three research questions in this study.

- i. Is there a relationship between business operation and business survival?
- ii. Is there a relationship between readiness and business survival?
- iii. Is there a relationship between support system and business survival?

Based from the research questions, the objectives of this research are:

- i. To study the relationship between business operations and business survival.
- ii. To examine the relationship between readiness and business survival.
- iii. To investigate the relationship between support system and business survival.

## **RESEARCH HYPOTHESIS**

*Business operation and business survival.*

H1<sub>o</sub>: There is no relationship between business operation and business survival during the pandemic.

H1<sub>a</sub>: There is a relationship between business operation and business survival during the pandemic.

*Readiness and business survival.*

H1<sub>o</sub>: There is no relationship between readiness and business survival during the pandemic.

H1<sub>a</sub>: There is a relationship between readiness and business survival during the pandemic.

*Support system and business survival.*

H1<sub>o</sub>: There is no relationship between support system and business survival during the pandemic.

H1<sub>a</sub>: There is a relationship between support system and business survival during the pandemic.

## **RESEARCH METHODOLOGY**

The conducted research is focused on the youth demographic. Furthermore, this study solely concentrates on a specific group, which is individuals engaged in online businesses and using social media as their online business platform.

### **Research instrument**

The instrument used by the researcher in this study takes the form of a questionnaire. This questionnaire serves as the instrument for collecting quantitative data on the sustainability of online businesses during the pandemic.

The research instrument used in this study is divided into five sections, which include respondent demographic information (Part A), business operations (Part B), readiness (Part C), support systems (Part D), and business sustainability (Part E).

### **Pilot study**

This preliminary study was conducted on 20 respondents, consisting of young individuals engaged in online business, in order to collect data and identify the selected respondents through random sampling. Cronbach alpha value is 0.852 for 15 items.

### **Data Collection**

In this study, a Likert scale (1 to 5) was used to determine the scale in the questionnaire. The Likert scale is also one of the psychometric scales, and it is the most widely used scale in survey research for quantitative studies. The population in this study focus on the young individuals engaged in online businesses.

### **Sampling Technique**

The method used to determine the sample size in the study is based on the Tabachnick and Fidell (2013) method. This method is one of the most commonly used current methods because it is easy to use and relevant for researchers. Therefore, the required sample size will be calculated using the

Tabachnick and Fidell (2013) formula, which is  $N > 50 + 8m$ . The study was conducted with three (3) independent variables. According to the formula for three independent variables, it is  $50 + 8(3) = 74$ . Thus, the minimum number used in this study is 74 individuals. The minimum sample size consists of a total of 74 young individuals engaged in online businesses.

### **Data Analysis**

All data in this study were obtained from a questionnaire and collected and processed using computer software, namely IBM Statistical Package for the Social Sciences (SPSS) version 26, and analysed using correlation analysis. This analysis was used to examine the continuity of online businesses among young individuals during the pandemic. Descriptive analysis and correlation analysis were used to identify the relationship between dependent and independent variables in a quantitative form.

## **RESULT AND DISCUSSION**

Descriptive analysis aims to describe the demographic distribution in terms of age, gender, educational level, type of business, business medium, business duration, and monthly income. This study was conducted on young individuals engaged in online businesses. The majority of respondents who have answered this questionnaire are women, which are 64 people (75.29%) compared to only 21 men (24.71%). The results of the study show that most respondents are in the age range of 21 to 25 years; 41.18% which is 35 people. While 31.76% and 27.06% of the respondents are in the age range of 18 to 20 years (27 people) and 26 to 30 (23 people). The majority of respondents who answered have an education level at the Malaysian Higher Secondary School Certificate (STPM) or Diploma level, which is a total of 44 people (51.76%). While at the first degree level, 32.94% (28 people), SPM; 14.12% (12 people) and PMR; 1.18% (a person).

Based on the results of the study, most of the respondents work in a food-based business, which is 34 people (40%). Additionally, 30.59% (26 people) are involved in providing various online services such as haircuts, financial consultants, takaful consultants, real estate consultants and others. The beauty and health product business includes 20% (17 people) of respondents. While business services and clothing trade each represent 4.71% (4 people) of the total respondents in this study. The study findings indicate that respondents prefer to use all the most popular social media platforms such as Facebook, WhatsApp, and Instagram, with a majority of 37 individuals (43.53%).

The majority of respondents who participated in this survey are new entrepreneurs entering the business field, with an experience duration of less than 3 years, comprising 74 individuals (87.06%). Only five individuals (5.88%) have been in business for 10 years or more. The remaining respondents fall within the range of 4 to 9 years of business experience, accounting for 7.11% (6 individuals). Respondents' earn an income of RM1000 and below, with 57 individuals (67.06%). An income range of RM1001 to RM3000 is reported by 22 individuals (25.88%), followed by RM3001 to RM4000 with four individuals (4.71%). Only two respondents (2.35%) have successfully achieved an income of RM4001 and above.

Table 1: Descriptive analysis on demographic variables

<b>Demographic</b>	<b>Category</b>	<b>Percentage (%)</b>
Gender	Male	24.7
	Female	75.3
Age	18 – 20 y.o	31.8
	21 – 25 y.o	41.2
	26 – 30 y.o	27.0
Education level	Degree	32.9
	STPM/ Diploma	51.8
	SPM/SPMV	14.1
	PMR	1.2

Type of Business	Food	40.0
	Service	4.7
	Health and beauty	20
	Clothing	4.7
	Others	30.6
Business Medium	Facebook	4.7
	Whatsapp	9.4
	Instagram	4.7
	Facebook & Whatsapp	23.5
	Facebook & Instagram	4.7
	All of the above	43.5
	Others	9.4
Business period	< 3 years	87.0
	4 – 6 years	5.9
	7 – 9 years	1.2
	>10 years	5.9
Business income (monthly)	< RM 1,000	67.0
	RM1, 001 – RM 3,000	26.0
	RM 3,001 - RM 4,000	4.7
	> RM 4,001	2.3

Correlation coefficient ( $r$ ) values between the dependent and independent variables were obtained. The results indicated a non-significant and negative relationship between business operations and business sustainability, with a correlation coefficient of ( $r = -0.41$ ,  $p < 0.710$ ). Therefore, the alternative hypothesis is rejected, and the null hypothesis is accepted because business operations do not have a significant relationship with business sustainability.

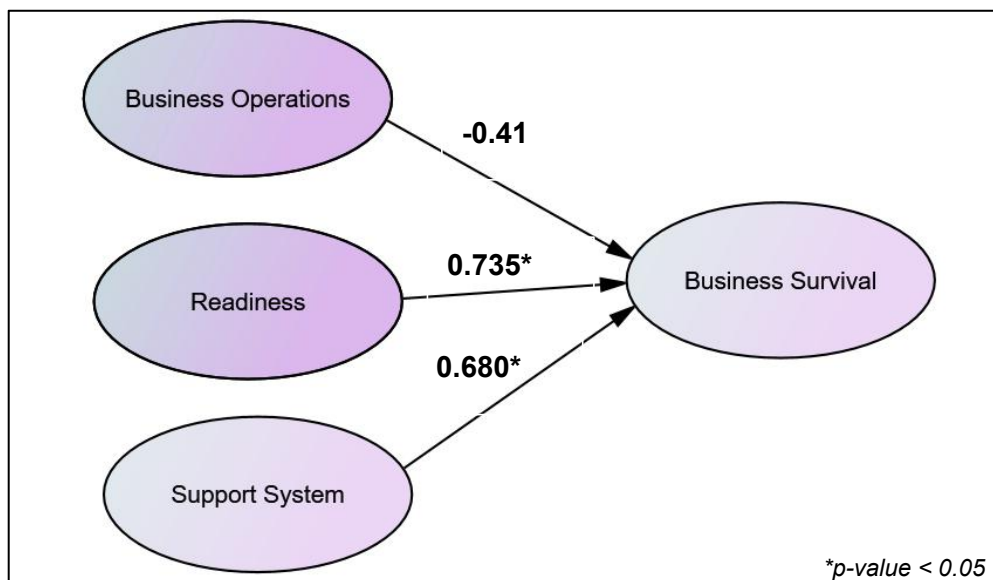


Figure 2: Relationship coefficient correlation

Table 2: Hypothesis analysis

<b>Business Operation</b>		
H0	There is no significant relationship between business operations and business continuity.	Accepted
<b>Readiness</b>		
H1	There is a significant relationship between readiness and business continuity.	Accepted
<b>Support System</b>		
H1	There is a significant relationship between the support system and business continuity.	Accepted

A positive and significant relationship has been identified between Readiness and business sustainability, with a value of ( $r = 0.735, p < 0.000$ ). Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted because Readiness has a significant relationship with business sustainability. The last variable, support systems, has shown a value of ( $r = 0.680, p < 0.000$ ), signifying a positive and significant relationship between support systems and business sustainability. The null hypothesis was rejected and the alternative hypothesis was accepted because the support system has a significant relationship with business continuity.

This finding is also supported by Su et al., (2022), who explained the proposed model of effectiveness and sustainability of businesses during crises. Additionally, Shang, Fan and Buhalis (2023) also suggested that the experience of facing crises can encourage businesses to act more rationally and engage in strategic planning when making decisions. To ensure that businesses or online platforms can manage their operations during the Covid-19 pandemic, in addition to catering to youth who may lack extensive opinions, it is crucial to provide relevant assistance and support, especially in terms of knowledge and skills related to crisis management (Shang, Fan and Buhalis, 2023).

This situation also indicates that the current circumstances have placed the use of digital technology among the general public, enabling an increase in online business activities. Furthermore, survey results show that respondents have various strategies to enhance their business operations. Respondents are aware that digital business is a key transformation for business sustainability, alongside adapting to the new reality in the future.

## **CONCLUSION**

This study summarizes insights from a questionnaire targeting youth engaged in online businesses. This is significant as there is a considerable number of youth conducting online businesses, particularly during the Covid-19 pandemic. The entire society must take proactive steps and preparations to enhance the economy while the crisis persists. Among the roles that the community should undertake is maximizing the benefits of digital technology to enhance and diversify sources of income. For small businesses, in particular, the current crisis is an opportune time to transform existing businesses into digital ventures. Now is the suitable moment for entrepreneurs to seize opportunities, showcase their potential in business activities, and enhance the use and importance of online business for future sustainability.

## **AUTHOR CONTRIBUTIONS**

Nadiyah, I.: Drafted this manuscript, involved in planning and supervised this project; Mahira,Z.: collected the data and performed the analysis; Nadzirah, MY, Hazwan, MJ, Zuraida, HZ: contributed to the final version of the manuscript. All authors provided critical feedback and assisted in the research, analysis and manuscript.

## **CONFLICTS OF INTEREST**

The manuscript has not been published elsewhere and is not under consideration by other journals. All authors have approved the review, agree with its submission and declare no conflict of interest on the manuscript.



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