Business Model Transformation During Covid-19 Pandemic: A Case of Electrical Appliances Dealers

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ABSTRACT

The COVID-19 pandemic, along with the wave of digitalization, concocted an unprecedented challenge for retailers all over the world. Over 300,000 SMEs closed down within the first eight months of the first Movement Control Order (MCO) in Malaysia in the year 2020. Furthermore, Malaysia was slow in the evolution process as far as digitalization is concerned. E-wallets, e-commerce, and online shopping were not accepted as the norm or even considered necessary for many, but it all changed during the lockdown due to the pandemic. The less expected impacts include global logistical costs increment, supply chain interruptions, and disrupted manpower allocation, which should also serve as a wake-up call for Malaysian retailers to rethink their business models and to transform them, in order to survive in the market. This article aims to study the Business Model Transformation of the Electrical Appliances Retail Industry in Johor, Malaysia with qualitative methodology using thematic analysis to analyse the data collected. Several members of Johor Electrical Appliances Dealers Association (JEADA) will be studied to identify the constructs of each business' transformation, whether obvious or underlying. As of the year 2020, the association has one hundred and fifteen (115) members from all over the state of Johor. Three (3) focus groups of five members each are planned. The focus groups are designed to include members of a similar level, such as business owners, strategic management members, and second generations or heir apparent to the businesses. In addition, in-depth interviews are planned to be carried out with five electrical business owners. However, the in-depth interview will continue with additional business owners until saturation point is achieved, that is, the responses given are similar and no new information is obtained. Social research methods will also be adopted here, such as site surveys and field research at the participants' physical outlets, to support or enhance the data collected. The thematic analysis method is deemed appropriate here because of the vast, fresh data that can be collected in these interviews, the concepts need to be sorted into broad themes or blocks. The blocks of Business Model Canvas will be used after the data collection, to funnel the various transformations ideas or experiences into one of nine categories: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. However, the data collected might reveal newer categories of the business models utilized by SMEs. The expected outcome of the paper is the equifinality of business survival, but we hope to discover an emerging model that can be replicated by struggling SMEs in the same or a similar industry. Resources are scarce in SMEs, especially time- and finance-wise. SMEs need to know what to focus on. The emergent model aspires to provide new angles and dimensions for business owners, with a certain degree of ready market acceptance and hence, can be translated to practical industrial applications especially during or post-pandemic period.

Keywords: Business Model Canvas, Business Model Transformation, Covid 19, SME Malaysia, electrical appliance retail industry, thematic analysis