The Impact of COVID-19: A Need for SMEs to Understand Business Model Innovation

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Abstract. This paper reveals the meanings of business model innovation process that helps entrepreneurs with the new paradigm so a new business model that can cope with changing environment can be created. Therefore, the findings on SMEs that relates to business model is revealed as a guideline. It is essential for SMEs to understand the business model innovation to generate more money. This study employs qualitative research method from three cases of a tuition centre and data collected were transcribed and coded to develop themes of the study. Findings reveal that SMEs with positive attitude and strategic actions culture helps to generate income. The themes that emerge are ‘The interaction strategy’, ‘The golden opportunities’, and ‘The killer teacher’. Future research should focus on the interactionism of SMEs within other industries with difference geography and strategy. This study expects to contribute to the business growth for the short and long term.

Keywords: SMEs · Business model innovation · COVID-19

1 Introduction

The world is shocked by the various outbreaks such as Ebola, Influenza A (H1N1), Severe Acute Respiratory Syndrome (SARS), MERS, and Zika virus. Recently, the pandemic Coronavirus (COVID19) is spread all over the world through countries and territories. COVID19 affects the social life and economic consequences, while the implications for businesses are unspeakable. Majority of the SMEs is unable to operate as usual due to this pandemic. Since the economic and business landscape have changed, SMEs must adopt to this new normal environment. Therefore, it is essential for SMEs to understand the business model innovation process in order to develop a new business model that is flexible with the fast-changing environment nowadays.

In early December 2019, the pandemic Coronavirus (COVID19) appeared in Wuhan, China. Did not take much time, this pandemic took only a few months to spread into 180 countries and territories with more than 246,000 cases. On 11th March 2020, The World Health Organization (WHO) has declared COVID19 causes more than 10,000 deaths and 87,000 has recovered. Unsurprisingly, the number of affected people and death have
been increasing badly day by day. With no exception, Malaysia is also affected with COVID19. The Ministry of Health (MOH) validates the two cases in Sabah and one case in Selangor in 23rd January. This pandemic also affected small and medium-sized enterprises (SMEs) in Malaysia. Due to this pandemic, the government has implemented sanctions Restricted Movement Order (RMO) for the first phase started from 18th March until 31st March 2020. This action helps to ease the situation in order to avoid social, economic and political implications (Yahaya 2005). Unfortunately, due to the increasing number of the affected cases, the government has extended the second phase into 14th April 2020 and third phase into 28th April 2020.

Even though the government is giving advantages to a specific industry to run a business as usual, but COVID19 crisis has affected many industries, including the private education industry. The private education industry depends on the students that come to the centre to learn. Because of this pandemic, the SMEs in this industry shut down without warning. Therefore, it is essential to change human behaviour based on the uncontrolled critical environmental changes (Hawarden 2006). To change, this study believed that the coexisting among SMEs, government, policymaker and community are essential, and the business model innovation needs to be understood clearly before implementing it (Husin et al. 2020).

The business model innovation issues has captured the attention of many scholars around the world, including Europe and Asia country (Geissdoerfer 2019; Geissdoerfer et al. 2018; Ibarra et al. 2018; Sahid 2017). With no exception, Malaysia has also jumped into this bandwagon. Many scholars define business model innovation differently. However, the main aims of business model innovation are to generate more money into the business in different ways, which are by being innovative through business performance and competitive mind-set among competitors to maintain in the industry (Mohamad 2018; Nainy 2018; Sebastian 2018; Hafsah 2013). While the business model only focuses on the blueprint strategy and it does not yet provide an understanding of how it will contribute to a business (Osterwalder and Pigneur 2017; Timmers 1998) especially during uncontrolled critical environmental changes.

To develop an effective business model innovation, it is essential for SMEs to have an awareness regarding business model innovation (Mohamad 2018). Evidence shows that business model innovation is a concept that has to be understood to benefit SMEs growth in their marketplace (Husin et al. 2018; Mohamad 2018; Nainy 2018; Sebastian 2018; Hafsah 2013). Strangely, there are many SMEs that are still unaware of the benefit and lacking information on the concept of business model innovation (Jones and Pimdee 2017; Osterwalder et al. 2015; Joakim and Magnum 2013; Sabrina and Speith 2013). The importance of the concept in the business model innovation will help the SMEs take the opportunities to do the right action compared to a purely conceptual approach (Girotra and Netessine 2013). The previous study believes that this is because of lack of understanding on challenges that are derived from digital transformation, the cultural setback and financial planning lead to an unsuccessful business model innovation (Zulkifly 2018; Koen et al. 2011).

Even the business model has been created automatically during start-up, SMEs is still unaware of the need to innovate in line with the changes that occur within the business lifecycle. Business lifecycle is not a linear process, and it depends on a system of belief
that reflects an interpretation (Wu et al. 2013). Furthermore, Husin et al. (2020) indicate that previous research does not utilise symbolic interactionism theory to explain the phenomenon of business model innovation to increase the understanding of SMEs actors. Previous research on business model innovation has also been dominant by quantitative rather than qualitative perspective. Therefore, this study fulfils the gaps by employing symbolic interactionism and qualitative research approach to explain the phenomenon of business model innovation.

2 Literature Review

Due to the pandemic COVID19, this study found that most of the SMEs is affected directly. The government had to instruct to lock down the business starting from RMO in the first phase until the third phase on the 28th April 2020. Due to the government order, this situation leads the SMEs to be unable to generate revenue (Hassan 2020). This situation also applies for private tuition centres which are also unable to generate income because the business activities depend on the students to come and learn at the centre. The private tuition centres are ministered by The Ministry of Education Malaysia, under the Private Education Division. Statistic shows that the services industry has monopolised the various sector by having 57.0% involved compared to manufacturing 22.1%, construction 4.9%, mining/quarrying 7.6% and agriculture 7.2% (excluding the import duties) (SME. Corporation 2019).

| Legal status                          | Numbers of establishment | Numbers of persons engaged during December or the last payday period | Salaries & wages paid (RM'000) |
|--------------------------------------|--------------------------|---------------------------------------------------------------------|-------------------------------|
| Individual proprietorship            | 1, 586                   | 8, 874                                                              | 103, 239                     |
| Partnership                          | 307                      | 2, 535                                                              | 30, 420                      |
| Limited liabilities partnership       | 3                        | 19                                                                  | 214                          |
| Private limited company & public limited company | 306 | 2, 318                                                              | 49, 008                      |
| Private non-profit making organization | 5                        | 43                                                                  | 338                          |
| TOTAL                                | 2, 207                   | 13, 789                                                             | 183, 269                     |

Source: DOSM (2015)

Therefore, the private tuition centre is part of SMEs in the services industry in Malaysia (Table 1). The Private education sector also receives assistance through government programs. The government also helps by giving structured courses, training
programs to enhance SME skills, loan schemes, and business coaching to encourage entrepreneurs’ involvement (Sarabatin 2019). It states that private education sector has the opportunities to grow based on the increasing number of establishments and the contribution that are shown by the salary and wages paid (Table 1). The above data shows that the service industry and private education sector have tremendous contribution to the Malaysian economy. Therefore, it is essential to help this sector to sustain in order to avoid wasted funds that have been invested before and help the sector grow and continuously contributes to the economy.

Based on the statistic in Table 1, this study identified that the private tuition centre has a more significant opportunity to expand the business due to the larger number of the customers (Table 2). The typology of SME’s legal status and establishments of the tuition centres are divided into six categories (Refer Table 1). The individual proprietorship is 1, 586 centres, partnership 307 centres, limited liabilities company is three centres, the combination of the private limited company and public limited company are e 306, and the private non-profit making organization is five centres only. The number of persons engaged as employees in this sector is 13, 789 persons and the salaries contributed to the employees reaches RM183,269, 000 based on the data from The Department of Statistic Malaysia (2015).

| States              | Number of establishment |
|---------------------|-------------------------|
| Selangor            | 453                     |
| Johor               | 419                     |
| Sarawak             | 207                     |
| WP Kuala Lumpur     | 202                     |
| Perak               | 167                     |
| Pulau Pinang        | 152                     |
| Kedah               | 148                     |
| Melaka              | 112                     |
| Sabah               | 108                     |
| Negeri Sembilan     | 78                      |
| Pahang              | 55                      |
| Kelantan            | 41                      |
| Terengganu          | 40                      |
| Perlis              | 16                      |
| WP Labuan           | 5                       |
| WP Putrajaya        | 4                       |
| Total of establishment | 2, 207                  |

Source: DOSM (2015)
There are sixteen State Education Departments in every state in Malaysia that is responsible for managing the application for the establishment of private education institutions (The Ministry of Education 2015). Table 2 shows the number of tuition centres by states as of 2015. The total number of the establishment as of 2015 is 207 tuition centres. Selangor has 453 tuition centres. Johor has 419 tuition centres. Sarawak has 207 tuition centres. Federal Territory of Kuala Lumpur has 202 tuition centres. Perak has 167 tuition centres. Pulau Pinang has 152 tuition centres. Kedah has 148 tuition centres. Melaka has 112 tuition centres. Sabah has 108 tuition centres. Negeri Sembilan has 78 tuition centres. Pahang has 55 tuition centres. Terengganu has 40 tuition centres. Perlis has 16 tuition centres. Federal Territory of Labuan has five tuition centres. Federal Territory of Putrajaya has four tuition centres. This data is important to measure how many tuition centres can survive from the market due to the unsuccessful business model innovation.

This study believes that the number of the establishment of the tuition centres has been increasing positively until now. Based on the data provided by DOSM (2015), it shows that the number of the tuition centre as a SMEs is quite significant. Due to this, it is essential for SMEs in this industry to understand and implement the business model innovation to maintain growth and sustain in the industry. SMEs in this industry assists not only economic growth but also benefits the social growth through the contribution of salaries and wages paid (DOSM 2015).

The private education industry highly depends on the students that come to the centre to learn. In the year of 2019, statistic from The Ministry of Education Malaysia (MOE) shows the number of the schools is 10,208 and students at the pre-school level, primary level and secondary level reach 4,939,959 (Table 3). This statistic shows that the current tuition centres depends on these students to gain profit. Therefore, it is tremendously important for SMEs to understand the business model innovation in order to sustain and maintain the growth. The knowledge and understanding of business model innovation prepare entrepreneurs and SMEs to deal with uncontrolled critical environmental changes such as COVID19 that can lead SMEs especially in private education industry to be unable to generate income and then shut down without warning. Therefore, the objective of this study is to explore the SMEs interactionism on business model innovation in the private education service industry that has survived more than 8 years.

Table 3. The number of student enrolment in school

| Level       | Number of school | Number of student |
|-------------|------------------|-------------------|
| Pre-school  | -                | 205,199           |
| Primary     | 7,772            | 2,727,068         |
| Secondary   | 2,436            | 2,007,692         |
| Total       | 10,208           | 4,939,959         |

Source: EMS data as at 31 January 2019
3 Methodology

This qualitative research aims to explore the SMEs interactionism to business model innovation in the private education service industry and explain the phenomenon within the case of private tuition centre. To achieve these objectives, the ontology of idealist and the epistemology of constructionism within the interpretive paradigm have been employed. This study utilizes abductive logic with a case study approach. The unit of analysis of this study is the tuition centre company. There are three tuition centres that participate in this study. The primary sources of data for this study are in-depth interviews that involve sixteen participants from those three-tuition centres (Table 4). A purposive sampling strategy was used to select the cases based on the criteria’s which are: a) more than three years in the industry and b) the employee for this business is below five (full-time employee). This method helps this study to gain more information from the participants by capturing their words, insights, and expressions in order to understand the complex phenomenon (Blaikie 2010; Blaikie and Priest 2016; Yin 2009). The interview protocol is developed and designed as guidelines for in-depth interview and the structure of the protocol evolves with the number of cases in order to create a solid new knowledge on the phenomenon of business model innovation (Blaikie 2010; Blaikie and Priest 2016; Yin 2009).

This study utilises main voices and ‘other voices’ as an informant and triangulate the data as evidence-based triangulation technique (Golafshani 2003; Alldred 1998; Hammersley and Atkinson 1995; Denzin 1978)). The main voice or the main actors in this phenomenon is the founder of the SMEs whereas the ‘other voices’ or the sub-actors in this phenomenon are the teachers and students. All the participants who involved in the interview session were asked to read and sign the participant consent form which regards to confidentiality participation in order to fulfil the research ethics purposes before the interview started. This study begins with a direct observation at the tuition centre since June 2019, and the first interview was conducted in July 2019 and still be followed up until 31st March 2020 through WhatsApp and phone calls.

Interviews are audio-recorded using two voice recorders. The interviews were conducted at the tuition centres with the readiness of the participants. This study has also managed to collect related documents and pictures as evidence for the information that emerged from the interview. To reach saturation, more interviews start to add nothing new to the theme and sub-themes (Saunders et al. 2009; Guest et al. 2006). This study ends with a total of 29 interviews and an average length of 45 min to 90 min for each interview session. It illustrates that sample size for phenomenology should have five until 25 interviews or at least six interviews (Creswell 1998; Morse 1994) or at least fifteen interviews for all qualitative research (Guest et al. 2006; pp 59). According to Hagaman and Wutich (2017), six-teen or fewer interviews are enough to identify common themes and sub-themes from the field with relatively homogeneous groups.

The interview is audio-recorded and transcribed immediately. This action is essential to allocate time to write up a full set of field notes and generate the themes (Saunders et al. 2009). The interview technique that has been employed by this study is an in-depth narrative interview technique. This study utilizes a narrative thematic analysis for data analysis. The analysis starts with a narrative coding; a process to explore intrapersonal
and interpersonal participant experience and action to understand the story in their real-life (Saldana 2009). On the second cycle coding, with dramaturgical coding: a process to analyse the interpersonal and intrapersonal participants’ experiences (Onwuegbuzie et al. 2016; Saldana 2013). Typically, this narrative coding and dramaturgical coding have been used in the literary and language method, while in the social science is rare (Onwuegbuzie et al. 2016).

To ensure validity, this study uses the data analysing strategies through description of the case and themes of the case and comes out with the three stories that represent the three tuition centres.

4 Findings

The themes that emerge are; ‘The Interaction Strategy’, ‘The Golden Opportunities’ and ‘The Killer Teacher’. These findings emerge from the story that was told during the interview and other data sources technique.

4.1 ‘The Interaction Strategy’

Evidence from this study shows that the ‘The Interaction Strategy’ has been contributed by the emerging two sub-themes, namely pleasant emotion and classroom practices. The

| Case | Position                      | Label | No. of Interview |
|------|-------------------------------|-------|------------------|
| A    | Founder/ Teacher              | P1    | 4                |
|      | Business partner/ Teacher     | P2    | 2                |
|      | Teacher                       | P3    | 1                |
|      | Student                       | P4    | 1                |
|      | Student                       | P5    | 1                |
|      | Student                       | P6    | 1                |
|      | Student                       | P7    | 1                |
| B    | Founder/ Teacher              | P8    | 3                |
|      | Principle/Business Partner    | P9    | 2                |
|      | Teacher                       | P10   | 1                |
|      | Student                       | P11   | 1                |
|      | Student                       | P12   | 1                |
| C    | Founder/Teacher               | P13   | 4                |
|      | Business partner/Teacher      | P14   | 4                |
|      | Teacher                       | P15   | 1                |
|      | Student                       | P16   | 1                |

Total of interviews 29
findings show that pleasant emotion emerges during the business model innovation phenomenon. The emerging of pleasant emotion is demonstrated through good interaction and bonding between students and teachers within the small groups tuition class. The interaction shows that the students feel comfortable and joyful when staying in a small group. The teachers’ approaches that regard to the communication and feedback that been given to the students create a positive mind-set and lead the students to remain and learn at the tuition centre. It also emerges from the data that the forms of the teachers’ feedback and treat students lovingly are able to create a special bond.

The students feel loved and portray a focus behaviour while connecting with this special bond. The teachers at the tuition centre also demonstrate a close interaction with the students by acting as a sister or brother to the students that creates pleasant classroom practices. The feeling of emptiness by the student is due to busy family work life and also less engagement between siblings. This situation forces the students to seek pleasant emotion at tuition centre instead of at home and this condition is an opportunity for the tuition centre to generate more income. The story at Case A describes this phenomenon. One of their students unregister for a while, but then she chooses to come back because of her feeling. She feels comfortable with the teachers and the pleasant classroom practice offered at case A.

P2: “Tuition centre A, not many students so they can focus, they said la <smiling>”.
P4: “CALM, no noise even though many other students. I ↑ easy to learn…I ↑ can ↑ focus studying. Tuition here – not many students <smiling> ↑ can ↑ focus”.
P5: “… ↑ teacher is ↑ kind, ↑ not fierce – never scold me. <smiling> ↑ teacher Anna taught me. I can learn and ↑ play in the classroom, the ↑ teacher will never be angry.”
P6: “BEST. Teacher Anna is ↑ not ↑ fierce. Not like ↓ at ↓ school right Mary? Our school teacher in the school is fierce. Here ↑ teachers are kind, they speak softly. The ways they teach Mmm uh huh not fierce… But Aisha likes the teacher she is ↑ kind <smiling>”.
P7: “Last year, I was form 2 studying here with my twin sister. Because Mmm, uh huh it is FUN<confident>… Last ↓ time<sad face> I was with my twin sister QUIT, my mother asks to … go to public school tuition class, but they combine two class into one class so Mmm, uh huh I cannot ↓ FOCUS. So, I told my mother – I want to study at the tuition centre A back”.
P12: “this centre is GREAT. TEACHERS are friendly <smiling> kind and sporting…”.
P16: “Mmm uh huh Teacher Faizal is best because (p) always asks me to stay at the tuition centre C. I am not always staying at HOME. I come to tuition centre C ↑ every day – when on school days, I go there at ↑ night. On the weekend, Saturday and Sunday I will be staying here until ↑ night. If teacher Adam… ok, the ways he teaches.

Is BEST…easy to UNDERSTAND not like teachers ↓ teach at school. He came to me…asking which one I did not understand…if I still did not understand, he is ↑ not ↑ angry to me…he is TOLERANT with me. He speaks nicely…”.

The ‘The Interaction Strategy’ that has been implemented by these tuition centres have helped SMEs to generate more income. The centres have provided small tuition class and private group tuition to the customers. This strategy helps the centre to give more interaction of pleasant emotion to the students. Based on the observation at the centres, this study found that the classroom only has less than five students. This scenario
shows that the teachers have more quality time and create special bond with students. Furthermore, these tuition centres have monitored their nearby competitors and found the weaknesses of the competitors. The competitors do not offer the small tuition class, home tuition and private group tuition. Most of the competitors, focusing on the larger type of tuition class. The competitors have offered larger tuition class with more than fifty students at one time. In this situation, the teachers are unable to give full attention to all the students.

This study also found that the strategies to increase the fee and offer the small tuition class, home tuition and private group tuition help the tuition centres to generate more income. Not only offering the small tuition class and private group tuition but also providing a similar strategy to create a pleasant classroom practice to students. This study found that the ‘Interaction Strategy’ has generated more income and helped case A generate RM300k, case B generate RM360k and case C generate RM100k last year. This competitive and innovative mindset helps these tuition centres to look at the positive side of the existing competitors and use competitors’ weaknesses as a tool to generate and make more money.

P1: “… at the moment, our revenue is around RM25k only…”.
P8: “… now we offer many… small group, home tuition, private group also we do but small group la. Not like today, you see our banner, we need to offer more services, must know well what competitors offer so we offer too. Now we’ve gained, around rm30k…”.
P14: “… our sales reach RM100, 000, even there is a class of 5 students only. So, if we can make sure all classes have at least ten students is really GOOD”.

Based on the ‘Interaction Strategy’, the moral of the story can be learned in this study is to mentor the competitors and understand their strategy and then create a new strategy that is different from them with the element of pleasant emotion that helps to generate more income. Therefore, SMEs needs to accept the current situation and strategies, the new strategy to cope up with current situation especially in the uncontrolled critical environmental changes and generate business model innovation.

4.2 ‘The Golden Opportunities’

Evidence from this study shows that the ‘The Golden Opportunities’ has emerged from two sub-themes, namely additional services and digital transformation. This study found that the SMEs should offer many types of services to generate more income as a strategy for business model innovation. During the start-up stage of the business, these tuition centres provided only two to three services based on the founder’s expertise. Due to the competition with the nearby competitors, these tuition centres offer many valuable services that have been neglected by the competitors such as reading class, one-to-one private session class and workshop for a certain level. This study found that these tuition centres have come out with a similar strategy and provided same positive impact on their business which are able to generate more income.

Evidence shows that, offering the workshop to the targeted customer that will sit for specific examinations such as UPSR, PT3, SPM, STPM and MUET is able to generate
more income. Typically, this type of workshop receives an incredible response from the customers because the services offered tend to focus on certain focused group. This workshop is able to reach more than the targeted customers because it is only for one-day program. The one-day program focuses on a particular subject such as Mathematics and English. Therefore, offering a new line of service that relates to the student focus group and time consuming in learning is one of the elements that needs to be strategized in order to generate more money to the tuition centre.

Furthermore, ‘The Golden Opportunities’ is not about adding more services; it also the idea of offering something that others do not. P13 from the case C pointed out the idea to offer the ‘Free Trial Class’ to customers as a new strategy has been found out fruitful especially for those customers who refuse to register. After joining the ‘Free Trial Class’, most of the customers will register immediately. This idea does not only get the customers into knowing the services but also positively contribute to the marketing activity such as mouth-to-mouth. The customers who indirectly promote the company based on the personal experience has increased the tuition centre’s branding awareness. ‘The Golden Opportunities’ also relates to strategy to generate more income by offering the online class. Case A takes the advantage to implement the online class when the dominant competitors are busy to cater to the larger group. P1 said the management team had made the decision. According to case A, until the second week of the online class offered, they received positive feedback from the customers. To expand the targeted group, case A also provided an online course to help the public manage the online class using the ‘Zoom’ Apps with minimum fees. Case A implemented the use of free applications such as ‘Zoom,’ Google Drive, ‘Padlet’ and ‘Quizzies’. These software is suitable for video conferencing with a hundred participants at a one-time meeting. And the most important thing is that the software is free. Case A indicates that most of the customers were very supportive when case A was implementing the online class.

This study found that the management team has drastic strategies and takes opportunities by implementing the online class. The plan is beyond expectation because the dominant competitors that have been observed by case A are still struggling with the next step. Nearby competitors are also unable to continue with the business. This struggling scenario does not exist with the management team of the case A. Luckily, the strategy for implementing an online class has been successful.

P1: “…and then we have a reading class here. The license we took a license from the great network who writes a book ‘Bacalah Anakku’ from MPH we pay a license… so that was a number four services, number 5 we offer MUET and number 6 last time we offered Progressive class… Progressive class for students that categorized as a left behind, for example he is at the level 3 in primary school but he does not know how to calculate – for centre to grow Mmm, uh huh last time we offered normal tuition class. So now we need to add more services so we added a reading class so we can have a business.”

“actually – ↑ ideas to start an ONLINE CLASS has been suggested since last year. ↓ but the implementation has not been fully implemented. Because – for MUET class, tuition centre A has started ↑ operating by December 2019… ↑ we sprightly MAKE A DECISION to ↑ replace ↑ normal class with ↑ online class… ↑ now it’s second weeks already – can see ↑ smoothness of ↑ online ↑ class…”.
P3: “this is like school holiday program, if normal class is on weekdays. we have the program and we have an intensive reading class, we also offer academic class during school holiday. If looking at the flyer, there are 6 services offered this year. During school holiday we offer a workshop, workshop like that <P3 showing to the researcher the information board> ‘Mini SPM Workshop’ like that, that one we have done were English and mathematics workshop…”.

P8: “… Now we ↑ offer many services such as small group tuition, home tuition, private group also but in the small group. Not like now – u can see our banner here, nowadays, we ↑ must offer many services, know well about competitors offer so we must offer the same as the competitors. We gained, around rm30k…”.

P9: “… then, ↓ competitors also have their own strategies for students and centre so on… we also have a strategy, maximum in our class is 15, 10 students, we have different groups. ↑ smaller class group, we don’t want to ↑ cater to big group”.

P13: “… who want to ↑ try and join our FREE TRIAL CLASS, we offer FREE class. Student can ↑ come and ↑ join the class and don’t need to pay any fee, we get POSITIVE feedback”.

Based on the theme ‘The Golden Opportunities’, the moral of the story that can be learned in this study is about opportunity as strategy. The strategy to earn more income is through offering diversification line of services that captures the value to the customers. The new business value that can ease the customers’ pain contribute to the generation of business model innovation.

4.3 ‘The Killer Teacher’

It emerges from the field that ‘The Killer Teacher’ is one of the strategies that can contribute to the business model innovation. This study found that the tuition centre hires a teacher that is not only able to teach but also promote the business that can be labelled as ‘The Killer Teacher’. ‘The killer teacher’ in this study must be part of the company, being the teacher that teaches the students in the tuition centre and promoting the centre at the same time. ‘The killer teacher’ acts as a powerful influencer that is able to attract the students to review and come to register at the centres. The criteria of ‘The killer teacher’ are educated, stylish, excellent presentation skills, able to attract current students and future students during live in social media platform such as Facebook, Instagram and Twitter. This study found that the persona of the ‘The Killer Teacher’ is able to generate income drastically.

Most of the young generation is attracted to technology and something trendy even on the learning part. It is essential for the tuition centres to have the ‘The Killer Teacher’ as an attraction to make sure customers stay at the centre. The criteria and existence of ‘the killer teacher’ is the core element to make sure the business sustain and is able to compete with the competitors. The strategy to hire as many as ‘the killer teachers’ is compulsory to generate more income to succeed and maintain in this industry nowadays.

This is also positive way to interact with students to learn and study. ‘The killer teacher’ needs to be creative, competitive and focused on understanding the student’s body language, symbols and feelings during the learning session. This new era forces ‘the killer teacher’ to bring out the creativity and credibility not only during learning in
the classroom but also during live in the social media platform. The more viewers during live in the social media is able to help the tuition centre to attract many future customers. More ‘the killer teacher’ in the centre will lead to successful business growth.

P1: “you can see when they live, like crazy ↑impressive. After that, there are many secondary students watching, secondary students like this kind of this cool stuff, like I say. They’re ↑impressed – Mmm, uh huh something TRENDING, after the teacher’s delivery. Things like that, they like it. Students like it. After that, we reached almost 700k seen <eyes rolling>… Like that killer teacher’s POWER, we know already, how to do it <sigh> but, we want to try things like that, we have PROMOTED our TEACHERS too <laughing> try look at our Facebook in the future.”

P2: “Normally, students that left will come back but they would prefer for personal tutoring, also they go and come back but choose for the certain teacher only”.

P8: “Only now, students want to come to tuition because of this killer teacher, favourite teacher <laughing>. Maybe they like this kind of teacher, style of teaching, different from others centre then they are here <smiling and confident>,

P10: “my strength are the STRATEGY. As I teach, I know how to apply ↑strategies to students”.

P13: “… Same with our language teacher, teacher Arween she is the full time TUTOR, that is the reason we hired, after that we hired Mmm uh huh teacher JOEY, he is teacher from public school he teaches language, currently – he is ↑now doing his PhD with Professor UA at University A, in a literary field. Ohh teacher JOEY is ↑very ↑good ↑teaching ↑style…”.

Based on the theme ‘The Killer Teacher,’ the moral of the story is about creativity and technological sensitivity. Therefore, SMEs should hire a human resource that is creative and trendy with media social as a strategy to generate business model innovation. The emergence of influencer as part of key activity and at the same time as key resources is a new strategy for SMEs.

5 Discussion and Conclusion

This paper reveals the findings that can increase the understanding of SMEs on business model innovation through the symbolic interactionism grand theory. This paper indicates some significant results regarding business model innovation related to SMEs in the private education industry. This research is undertaken with the three cases of tuition centre that has contributed to the knowledge, theory, and practices. This paper reveals the findings that can increase the understanding of SMEs on business model innovation by knowing the strategy of ‘The Interaction strategy’, ‘The Golden Opportunities’ and ‘The Killer Teacher’ as symbols to explain business model innovation. This paper indicates some significant results regarding business model innovation related to SMEs in the private education industry.

Based on the theme ‘The Interaction Strategy’, there are two sub-themes emerged, a pleasant emotion and a classroom practice are part of the interaction symbol in the business model innovation. This study shows that it is essential to give excitement,
happiness, and positive interaction to the customers around them and is able to make students feel happy and excited to join the class (Saby et al. 2019; Syarifudin and Raditya 2018; Valdez 2015). This study confirmed the findings by Saby et al. (2019), Syarifudin and Raditya (2018), from sports science and sociology perspective.

Based on the theme ‘The Golden Opportunities’, the additional services and digital transformation are part of the interaction symbol in the business model innovation. Matt et al. (2015) study highlights that applying the digital transformation is able to create value in the organization. This finding is significant to show that the best combination of the additional services with the digital transformation in this study has created the ‘The Golden Opportunities,’ theme that helps SMEs to generate income. This study confirmed the study by Matt et al. (2015) in engineering field and came out with a new sub-theme, additional services.

Theme ‘The Killer Teacher’ reveals the influencer marketing is part of the interaction symbol in the business model innovation. The impact of the influencer marketing in marketing education fields in this study is part of the matchmaking activity by providing hands-on experience in SMEs to the public in order to gain more customers is successful (Kemp et al. 2019). This study confirmed that the successful influencer with strong expertise in their profession and is able to attract youngsters by projecting an image of positive ‘role model’ for them to follow (Yung and Yuan 2020). It is essential to know the competitors, observe competitor activities, feel competitive and have positive influence to compete with other SMEs by looking at competitors’ knowledge, strength and weakness to generate more income (Bernal et al. 2002; Hoe 2008; Gurr and Greckhamer 2019).

In sum, the findings of this study show that the strategy of ‘The Interaction Strategy’, ‘The Golden Opportunities’, and ‘The Killer Teacher’ in generating business model innovation are a successful strategy for income generation within the context of tuition centre. Most importantly, the combination of the sub-themes has emerged in the various fields of study such as sports science, sociology, engineering, education, and marketing education but scarce in entrepreneurship body of knowledge that relates to business model innovation for SMEs.

Furthermore, this study is among the pioneers’ research that focuses on the interactionism of business model innovation within SMEs in the private education sector. While another previous research focuses on examining the types of business model innovation, the component, and framework of business model innovation. Furthermore, this study fulfils the gaps by implementing qualitative research with the abductive approach. This study tries to capture the gap on business model innovation process as indicated by Heikkila et al. (2018) that indicated process of the business model innovation is still on-going. The findings of this study will help SMEs in the private education sector, or similar market segment anticipates the next steps in their path towards to implement the process. To this knowledge, this study expects to give a different insight to the practitioner and future research.

To conclude, this study found that these three combinations of the themes that emerge in this study are about the interaction eco-system process to generate income in the tuition centres. This study found that the process of interaction making the business model innovation successful. This process of interaction is able to help the SMEs being creative, competitive and advanced in the future. This knowledge will help SMEs encounter
uncontrolled critical environmental changes such as COVIC-19 and be able to sustain in the marketplace. Future research should focus on SMEs in other industries based on the geography. This study believed by recognizing the suitable business model innovation, SMEs is able to generate income and maintain in the industry. This study realized that SMEs that experience unsuccessful business growth is unable to respond immediately. Not forgotten, future research should come out with a real business model innovation adapted model or theory which could look at the process or challenges in the overall business.

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