

Finding the Silver Lining: Impacts of COVID-19 Pandemic on Small Food Business

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ABSTRACT

The COVID-19 pandemic has affected various aspects of human life and forced many businesses to close. In attempt to manage the outbreak, many countries have executed series of Movement Control Orders (MCOs) and non-pharmaceutical intervention (NPI). Small food operators in Malaysia endeavor to keep operating their businesses, with strict policies imposed by the government. This study reviews the literature pertaining to the impacts of COVID-19 on business, specifically small food businesses in Malaysia and identify their survival strategies during the crisis. Major shift from traditional towards online approach, using modern technology such as food apps was an eye-opening strategy. The online platform provides great opportunities for food businesses during the current emergency, adding the financial aid from Malaysian Government. The current pandemic offers a unique opportunity for food business operators to identify another dimension expanding the business model and begin to adapt into modern technology.

Index Terms — *business survival, business strategy, COVID-19, food business, literature review, pandemic, small business.*

I. INTRODUCTION

A. COVID-19 Pandemic in Malaysia: Then and Now

The emergence of COVID-19 pandemic undoubtedly caused in devastating socio-economic challenges worldwide [1]. Malaysia is among the countries that were hit by the virus at the first stage of the outbreak [2][3]. The COVID-19 outbreak origin is from Wuhan, China [5], and has been declared as a pandemic by World Health Organization (WHO) on March 11, 2020 [4]. The severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) or COVID-19 evolved from a zoonotic disease where an animal virus undergoes mutation [2][4]. Initially, the virus hypothetically explains to spread from animal to person through direct consuming raw or under-cooked meat and then, rapidly evolve from person-to-person transmission [2]. The first case outside China was recorded in Thailand on January 13, 2020 [5].

Initially, the first case of COVID-19 in Malaysia was an imported case from Wuhan, China, and detected on January 25, 2020, [2][5][6] involving Chinese citizens in Johor, Malaysia [5]. On February 3, 2020, the first domestic transmitted COVID-19 case in Malaysia was recorded involving a 40-year-old female without any travel history [2][5][6], which later was traced as close contact to her sister who was detected as a positive COVID-19 patient that just returned from joining a meeting with the Chinese delegates [6]. The COVID-19 outbreak in Malaysia continued to spread and worsen when a Bruneian citizen was detected as a positive COVID-19 patient after attending a large religious event that was held in the state of Selangor, Malaysia [6]. Later, the COVID-19 positive cases pertaining to the large religious gathering event in Selangor, Malaysia significantly increased and were officially known as the Seri Petaling Cluster [5]. The Seri Petaling Cluster recorded Malaysia's first death related to COVID-19 on March 13, 2020 [5]. As of February 9, 2022, Malaysia has recorded a total of 2,956,332 positive COVID-19 cases, with 95.7 percent of recovery rates and 32,065 deaths. Malaysia has been through a series of COVID-19 waves that will be explained further in the Movement Control Order (MCO) chronology that has been imposed by Malaysian Government.

In the early stage of the COVID-19 outbreak, the non-pharmaceutical intervention (NPI) is the sole possible action as the best option to reduce the rapid spread of COVID-19 due to the absence of vaccine [7]. NPI is also known as the community mitigation strategy apart from getting vaccinated and taking any medical medicine [8]. NPI action includes physical distancing, wearing a face mask, closure of social activity, closure of non-essential businesses, and travel restriction [8][9]. These standard operating procedures (SOPs) were significant to fight the pandemic and reduce the probability of the virus transmission.

B. Initiating Vaccination Program

The absence of vaccines caused Malaysia's healthcare system to work in the maximum capacity to encounter the issue [7]. The overall response of Malaysia's healthcare system successfully showed a good performance in which reflects the readiness and preparation to respond towards this level of pandemic [10]. However, [5] argue that Malaysia was not prepared to encounter any issues as big as the COVID-19 pandemic due to the political turmoil, resulted in the change of Prime Minister and the ruling government. The uncertainty of COVID-19 undoubtedly reaches on the far side health impact and affects the economic stability of Malaysia [4]. Therefore, Malaysian Government strongly believed the presence of COVID-19 vaccines would provide a long-term solution, indicating health and socioeconomic benefits to the country.

The availability of COVID-19 vaccines caused governments around the globe to exert tremendous effort to secure an effective procurement of the COVID-19 vaccines and started the vaccination programs [3][11]. On February 24, 2021, the government of Malaysia launched the National COVID-19 Immunization Program (PICK), and the Prime Minister of Malaysia, Muhyiddin Yasin received the full dose of Pfizer-BioNTech vaccine jabs as a symbolic vaccination process in Malaysia has been initiated [11]. The PICK vaccination program is significantly crucial for the future of each individual protection against the COVID-19 infection and for economic recovery plan [3]. Malaysia is very much reliant on an effective vaccination strategy to reduce NPI restrictions to open the businesses at a full capacity and restore the economy [12]. The early stage of the vaccination program focused on the frontliners involving healthcare, defense and security personnel, and teachers with comorbidities [11]. Since then, Malaysia has increased its vaccination rate in response to the ongoing COVID-19 pandemic, to the point where 62 percent of the adult population has been fully vaccinated with an average of 150,000 individuals received vaccination each day as of October 1, 2021 [3]. On September 9, 2021, the PICK starts to enroll teenagers between the age of 12 and 18 years old. the Malaysia Health Minister, Khairy Jamaluddin claimed that Malaysia was among the countries with the fastest COVID-19 vaccination involving teenagers worldwide [13].

As of December 18, 2021, the Malaysian total population from all generations has been 80.0 percent fully vaccinated and the Selangor population itself has already reached 90.7 percent fully vaccinated population [14]. The current vaccination program evidently worked to prevent severe COVID-19 symptoms, admission to hospitals, and death [15]. There is a significant reduction in Intensive Care Unit (ICU) admission and patients requiring ventilators after the vaccination program achieved an 80 percent of vaccinated population [14]. However, the success of the vaccination program was stricken by the new COVID-19 variant, demanding the Malaysian Government to declare effective intervention program.

C. Implementation of Movement Control Order in Malaysia

Critical responses to control the spreading of the COVID-19 pandemic have included movement and travel restrictions, stay at home policies and social distancing orders [16]. Malaysian Government has taken proactive actions resembling health screening in the slightest degree points of entry, obligatory quarantine for international travelers, increasing the number of hospitals to treat COVID-19 cases, fitting COVID-19 fund, and implementation of MCO [9]. Malaysia has gone through a series of subsequent extensions and modifications of the MCO [8]. According to [4], initially, there are two main objectives of MCO which first, to slow the transmission chain of COVID-19 in the community, and second, to allow the government agencies to trace, isolate, and manage the identified COVID-19 positive cases. The public attitude response is crucial to support the intervention and preventive measures for minimizing COVID-19 transmission in the community [7]. MCO is categorized into a few categories which include MCO, Conditional Movement Control Order (CMCO), Recovery Movement Control Order (RMCO) [17] and Enhanced Movement Control Order (EMCO) [8].

The EMCO NPI is the strictest safety and security measure SOPs as compared to MCO [9]. The objective of EMCO is to perform a community-targeted mass intervention to contain a COVID-19 hotspot while employing mass testing in the hotspot [18]. In the EMCO phase, the residents in the community-targeted hotspots were prohibited from leaving their homes, and non-residents were forbidden from entering the community targeted locality hotspots [9]. The authors further explained that EMCO intervention is the most effective intervention measure in combating pandemic disease.

The first wave was marked when the first case was detected involving the Chinese citizens in Johor, Malaysia on January 25, 2020 [2][5][6][17][18]. The second wave started after no new cases were reported after 11 days and on March 11, 2020, the COVID-19 cases involved the large religious event that was held in the state of Selangor, Malaysia was reported and become the Seri Petaling Cluster [6][17][18]. The MCO was imposed on March 18, 2020, to mitigate the spread of COVID-19 caused by the Seri Petaling Cluster [5]. During the MCO, a strict NPI was implemented, only essential businesses are allowed to operate in a minimum capacity, and interstate travel was prohibited [8]. After the authority bodies successfully mitigate the spread of COVID-19 especially the Seri Petaling Cluster, on May 4, 2021, CMCO was imposed [18]. The implementation of CMCO is aimed to minimize disruptions to the socio-economic sectors to encourage the recovery of the economy together with the persistence of pandemic control measures [17]. The author further explained that the implementation of CMCO resulted in the reduction of COVID-19 cases and flattening the pandemic curve during the second wave. Thus, Malaysia started to move to the RMCO phase on June 10, 2020. In the RMCO phase, the economic sector is allowed to operate with strict NPI, and the interstate travel ban has been lifted [17][18].

The MCO gave the most effective intervention measure and was proven in reducing the COVID-19 infection rate [8]. According to [17], the more rigid the NPI in an MCO, the more impactful, and higher the ability to reduce the COVID-19 daily cases. However, Malaysia started experiencing an increment of daily COVID-19 cases after three weeks RMCO was imposed

which marked the beginning of the third wave on September 20, 2020, onwards [8][17]. Due to that, reinstalment of CMCO has been carried out on October 13, 2020, in Sabah, Selangor, and the Federal Territory of Kuala Lumpur, Putrajaya and Labuan, and extended in the whole country from November 9, 2020 [17]. The causes of the spark of the third waves of the COVID-19 in Malaysia resulted from the action of easing the interstate travel restrictions together with the subsequent electoral processes in Malaysia [17]. The free-mingling of politicians and voters in the electoral campaign before the polls believe to play the major cause for causing a new surge of COVID-19 infections in Malaysia [15]. The rising of COVID-19 transmission in the community continued in 2021 and highly stressed the healthcare system [19].

As mentioned earlier, the enrolment of PICK has resulted in a significant reduction in ICU admission and patient requiring ventilators after the vaccination [14]. On June 15, 2021, the Malaysian government announced the National Recovery Plan to enhance the execution of MCO [20]. National Recovery Plan is divided into phases in which mainly involve the business operation, adult population vaccinated, and ICU occupancy. The following table illustrate the phases.

Table 1: National Recovery Plan

Phase	Procedures	Activities
1	Strict NPI as same as MCO was imposed	Essential services only are allowed to operate
2	10 percent of the adult population must be vaccinated with below 4000 daily COVID-19 cases	Moderate ICU occupancy to allow some NPI to be lifted
3	40 percent of the adult population must be vaccinated with below 2000 daily COVID-19 cases	Adequate ICU occupancy to allow some NPI to be lifted
4	60 percent of the adult population must be vaccinated with below 500 daily COVID-19 cases	Adequate ICU occupancy to allow most of the NPI to be lifted.

The enrolment of phases in the National Recovery Plan is based on the state progress and operating permits for businesses are on a phased basis. Recent parameters of measuring the overall severity of COVID-19 in general change to the health facility occupancy, recovering rate, vaccine coverage, and the death rate [12]. According to [18], combining multiple measures might offer effective options to reduce the risk of further lockdown.

As of December 18, 2021, all states in Malaysia are in Phase 4 of the National Recovery Plan [20]. The Ministry of Health also announced the National COVID-19 Testing Strategy to prepare for the endemic phase to safely reopen the economic and social sector [21]. The testing strategy is to promote regular mass testing among Malaysian and make it a habit based on individual motivation and make self-kits tests affordable.

II. IMPACTS OF COVID-19 PANDEMIC ON BUSINESS

A. Issues and Challenges in Conducting Business during Pandemic

The swift and colossal shock of the COVID-19 pandemic and series of MCO to contain it have plunged the global economy into a severe contraction. The COVID-19 pandemic not only affects the socio-economic circumstances of individuals but also increases mental health issues [6]. According to [2], suicide cases increase during the COVID-19 pandemic in Malaysia. The further elaborated that mental health issues include strong emotional issues due to fear, worry, and anxiety cause stress and depression in an individual. Surprisingly, the study of the risk of burnout in French entrepreneurs during the COVID-19 pandemic conducted by [22] found that the average burnout level increased among the French entrepreneurs, and the risk becomes bankruptcy is the most severe burnout cause. The study concludes that stress was the major cause leading to burnout as compared to the threat of being infected by COVID-19 disease among French entrepreneurs. With no sign that the pandemic will end, it is uncertain to predict the business growth.

The COVID-19 pandemic has left entrepreneurs around the world with speculation of how ordinary life would be when the pandemic ended [23]. The authors further explained that COVID-19 pandemic has been verified to be uncertain and drive the economic recession to all business sectors especially in the tourism and hospitality industry. The economic damage caused by the COVID-19 outbreak is expected to be severe, far-reaching, and long-lasting [22]. The implementation of strict NPI purposely imposed to stop the spread of the COVID-19 virus in Malaysia has created uncertainties for businesses in many ways [24]. According to [25], there was no previous health crisis that has a significant and large effect on the economy as the COVID-19 pandemic. The implementation of MCO significantly impacts the economy with an estimated RM 2.4 billion lost per day [12]. Most small businesses in Malaysia are dominated by the tourism and hospitality industry [26]. The tourism and hospitality industry sector witness decrement in consumer spending [25], and small firms in this industry were the most affected [27]. According to [28], the COVID-19 crisis largely affects the revenue and openings of small businesses, especially

in the tourism and hospitality industry. The authors further mentioned small businesses are not well prepared to face any external shock as big as the COVID-19 pandemic.

There is no playbook on how to respond when a shock crisis occurs as massive as COVID-19 pandemic. According to [23], the COVID-19 pandemic has forced business managers and leaders to take risky action to ensure the business survive during this challenging time. Some entrepreneurs have accepted the fact that the pandemic situation will not going to get better in a short period of time [23]. Surprisingly, not all small businesses were affected during the COVID-19 pandemic. According to [29], in the study that has been conducted in the Henan Province, China shows that less impact of COVID-19 towards small businesses and they did not suffer significant disruption during the lockdown was imposed in China. Thus, the study concludes that small business in Henan, China has good strategic management and strong financial performances lead to the readiness for a future external crisis. This study also strengthens the finding by [30] study conducted in New York City whereby Chinese-owned businesses survive and recovered faster during pandemics.

The lockdown increases the possibilities of debt defaults and loss of confidence among investors in the financial markets and foreign direct investment (FDI) [31]. There are two major concerns of small businesses concerning the COVID-19 crisis towards them which are supply chain disruptions and financial management [25]. Supply chain and distribution disruption are the major problems faced by all sizes and types of businesses due to the COVID-19 pandemic [24][25][28][31]. The closure of businesses affected the supply chain at all types of businesses including small businesses in the tourism and hospitality industry [28][31]. Some of the business suppliers can produce the product to be supplied but there is a shipment problem resulting from the travel restriction and border closure [32]. According to [33], there is also competition in procurement for basic inventory between small businesses especially in the food and beverage business with home cooking due to lockdown and business closure.

In terms of financial management, financial assistance from banks including tax support and flexible bank policies was the critical factor that directly affect small business development during the peak of the COVID-19 outbreak [25]. The problem and response might be different based on the type of business [24]. The pandemic causes the reduction of revenue of small businesses [28]. Small businesses especially in the food and beverage industry that do not have the capabilities to provide online, or takeaway services must close [34]. Most of the small businesses have less than two months of cash on hand during the COVID-19 pandemic in which led to the problem in the cash flow of the businesses [23][35]. Businesses with more cash are more assured about their future [26]. While a business that suffered a cash flow problem during the outbreak seems not to be able to pay their employee wages and leading to employee lay off and closure of the business [35].

According to [36], small businesses face different challenges and the constrained usually involve limited resources such as the adoption of the new cutting-edge technologies and restricting first-mover advantages. The authors also mention that the problem with small business during the COVID-19 pandemic are they do not consider technology as an essential element and didn't know whether it is nice to have or a must-have in their businesses. Changing government policies during the MCO in Malaysia on short notice cause difficulty for all types and sizes of businesses to plan, organize, and impose any short or long-term strategy [33].

In the context of Malaysia, as of September 28, 2021, there are 37,415 businesses that had to cease operation during the third wave of the COVID-19 pandemic [37]. The author also reported that the business also includes 28,745 small businesses and 200 businesses are sport-related businesses such as fitness centers operator and sports wholesalers. The tourism and hospitality industry faced the hardest-hit of the COVID-19 pandemic [23][38]. As of July 26, 2021, in the hotel industry itself, there are 120 hotels in Malaysia that have either temporarily or permanently closed as an effect of the implementation of NPI to curb the spread of COVID-19 disease [39]. The non-essential business closure has a direct impact on consumers as compared to the business-to-business entity [35].

B. Impacts of COVID-19 on Small Food Businesses

Most of the firms that take action to close and lay off are small businesses [25] including small food businesses [33]. Business closure has left many supply chains with a capacity surplus, lower rates, and a fight for survival [32]. As mentioned earlier, small businesses especially in the food and beverage industry with fewer resources to provide online or takeaway services unfortunately must close their business [34]. Previous research found that the fine dining restaurants were the hardest sector hit by the outbreak and followed by casual dining premises [33]. Furthermore, independent restaurants without associations to big chain small franchises faced bigger vulnerabilities.

On the bright side, the study also found that fast-food restaurant sales become intensify or at least survive during the pandemic. However, [34] argue that the demand for restaurant food declines dramatically during the COVID-19 pandemic. According to [26], there are no reported cases and clusters of COVID-19 involved in the transmission through food and beverage in which shows the importance of decent food-handling hygiene and safety by the operator. Food and beverage industry is deliberately getting better from the impact of COVID-19 and some businesses are prevalent, especially street food vendors [26]. The food delivery businesses positively progress during the outbreak due to most of the food and beverage businesses changing the operation model from full-service restaurants to delivery and take away services. During the lockdown, people spend more time with their smartphones and has stimulated digitalization [23] and online shopping has become the most popular internet activity [31]. It is not exaggerated to consider that food delivery services have become essential services considering the current crisis context [40]. Plus, consumers nowadays prefer to use online services due to usefulness,

convenience, and time-saving [34].

On the other hand, the COVID-19 pandemic has opened new opportunities for some businesses to develop and expand the existing business model especially in food businesses (Purnomo et al., 2021). Purnomo et al. (2021) in the study on assessing five creative sector entrepreneurs in Yogyakarta, Indonesia found that the pandemic has boosted the demand for healthy food products and that businesses hired new staff when other businesses laid off their employees during the pandemic. The study also found the demand for canned food products increased in small food businesses that shift operations focusing on the implementation of e-commerce platforms. In the Philippines, [40] found that more family food businesses were formed during the COVID-19 pandemic, and it is believed that the NPI action for individuals to stay at home during the crisis stimulated the reasons of the increment. The study also showed small family businesses choose food and beverages businesses because it is convenient to operate the business at home. The rise of family food business in the Philippines during the pandemic was also believed to be stimulated by the small online business does not require the necessary permit or license from the authorized body to start up. Thus, the study concluded that selling food products online can help to assist their financial during the pandemic. Considering the study, the small family food businesses in the Philippines can be considered as cyber entrepreneurs since they are internet-based entrepreneurs who create businesses based on electronic commerce and run the business depending on e-networks [34].

In Malaysia, there are an estimated total of 828 food and beverage-related small businesses registered and active in the state of Selangor [41]. [42] mention most of the literature focused on the organizational and macro-level analysis in which neglected the micro-level businesses especially involving small family businesses. Hence, [26] suggest there should be further investigation on the awareness of the consequences of the post-COVID-19 era focusing on the tourism and relevant small food and beverage sectors in Malaysia.

According to the report by [43], 21 percent of small businesses reported facing the risk of permanent business closure, 26 percent of small businesses managed by youth entrepreneurs face the risk of a permanent business shut down within three months during the pandemic due to less experience, less social networking, and limited accessibility resources. Even though [34] emphasize the food business somehow can survive and rebound from the pandemic economic recession, [30] found that business closure among food vendors is the highest as compared to other food businesses. In the United States, there are estimated 17 percent of food businesses have been forced to close since the onset of the pandemic [44]. In the context of Malaysia's business environment during the COVID-19 pandemic, Jeremy Lim, the Vice President of the Malaysia Restaurant & Bistro Association claimed there are between 25 and 30 percent of restaurants that have ceased operation during the pandemic [44]. The author also mentioned that the number is much more since there are a huge number of local restaurants have already been forced to cease operations due to high operational costs and implementation of strict NPI.

Literature with regards to family businesses are highly discourse among scholars recently [42]. During the COVID-19 outbreak, the number of small family food businesses increased [40]. A small family business is a commercial organization that is often owned, managed, and led by multiple family members along with generations who are heirs related by blood, marriage, or adoption [45]. The family business owner could influence the business direction of the firms as well as formulate long-term goals. Based on the Global Family Business Index, the definition of the family business is an entity that is controlled by family members who hold more than 50 percent shares and voting rights. However, there is no definite definition of family business collective agreed by scholars [45][46]. The relationships among workers in family businesses are usually close because they often share common motivations such as safeguarding family wealth, prosperity [45], and tradition [47]. Family food businesses have a strong connection between family value and locality in which leads to the strategic advantages on the tradition [47].

Family businesses represent a significant share in global businesses whereby figures ranging between 55 and 90 percent in different countries [46]. In the tourism and hospitality industry, most of the small businesses are small family businesses [46] and are found in a large number [45]. In Europe, small food businesses are mainly family businesses with long-standing traditions and skills [47]. According to [46], a tourism family business can enhance the tourist experience because of the family attributes shown by the tourism family business that makes tourists feel more comfortable. However, the small family business is characterized as a deficiency of internal resources and the unwillingness to make alternatives to external financial and managerial capabilities [42]. Small family businesses are often scared of losing their business if any individuals outside of the family members manage the family businesses [42][45]. Hence, small family business continuity and succession are crucial to many successful family businesses [48].

The survival and success of family businesses depend on the reaction to major external shocks [48]. During the pandemic, to restart the family business that has been affected, the business is using the household savings cash [35]. The cash flow problem in the family businesses often stimulated tension between households and businesses when the family business cannot contribute more financial funds to the household [48]. The authors further explained that education on proper management is needed to increase saving behavior and attitudes in a household. There is an interesting finding in the literature whereby correlated between demographic factors in managing the family business and business performance. According to [48], females that own family business seems to have more profit margin in sales performance. However, [35] argue that females that own any type of business have less resilience in combating external crises.

C. *Survival Strategies of Small Food Businesses*

In the COVID-19 pandemic, food businesses shift practice from profit base mode to survival mode in which prioritize health, safety, and well-being [23]. The small food business owner lacks skill and capabilities in handling crises as big as COVID-19 and needs optimum support from other stakeholders [33]. Businesses become alert to their current business environment which rapidly changes in terms of technological enhancement, economic recession, and socio-politic factors in the COVID-19 pandemic setting [23][32].

Considering the current context of the pandemic, consumer demand in the food business has changed and food businesses need to adapt to the new situation [23]. COVID-19 public policies have changed consumer behavior [35]. According to [33], food businesses must adopt measures to fulfill consumer needs by offering new deals based on the current needs of consumers to reduce financial loss resulting from strict NPI. For instance, food businesses can expand their services into delivery services by owning the delivery logistic assets or venture into the existing third-party food delivery company. As mentioned earlier, food delivery services booming during the COVID-19 pandemic [33]. During the pandemic, people spend more time browsing the internet which leads to the increase in traffic of online shopping including food delivery applications and services [33]. Food delivery applications refer to a service that provides an online ordering and offline delivery of goods and services. In Malaysia, especially food businesses operated in Kuala Lumpur, Shah Alam and other major cities are among those using the food apps. The food operators have quickly adopted this concept and the revenues generated experiencing growing trend during the pandemic. The food apps in Malaysia such as Foodpanda, Grab Food and Shopee Food are becoming popular among consumers [49]. Venture into food delivery services promoted the reduction of physical interaction between customers and staff and help businesses to follow the NPI action [33]. Previous study found that the perceived usefulness highly contributed to customers in using the food apps [49]. Technology adoption has a critical role for business survival during the COVID-19 crises especially with small businesses [25]. Therefore, transforming the business delivery services by using the technology could help the business sustain during and post-pandemic future.

The world, currently, is shifting from traditional and conventional marketing, distribution, and sales services towards online businesses [31]. Previous scholars agreed innovation, technology, and digitalization is the key strategies for business to keep survive and sustain during the COVID-19 pandemic [23][27][31][32][33][34][36][47][50]. However, a study conducted by [51] found that technologies do not significantly assist business efficiency in the family food business in Indonesia. On the other hand, [50] emphasize businesses that imitate and employ information technology (IT) have a greater chance of sustaining their businesses during the outbreak. Social media can improve the sales networking of food businesses [32]. Unfortunately, [35] found that there is still a lack of online sales and social media presence among small food businesses resulting from the change of business operation due to COVID-19. [34] mentioned that social media is considered a new marketing tool for business, especially for start-ups, and will help the start-up business due to affordable, and engagement with a wide range of customers in the online communities.

In the hotel industry, innovation proven can improve short and long-term hotel performance and deliver long-run advantages [33]. Small businesses often nurture the idea of entrepreneurship and innovation [23]. Businesses need to frequently produce new innovative offers and reform their operations to stay competitive in the market [36]. According to [47], the combination between small food family business tradition and innovation will stimulate businesses to uphold a competitive advantage in the long term. Small businesses need to embrace change and dynamic capabilities to keep their businesses surviving in a challenging business environment [23]. Dynamic capabilities in strategic management during the crisis are essential for businesses especially for small businesses [50]. Businesses need to prepare survival plans and adjust their business model to survive and sustain in the COVID-19 pandemic [23]. [52] proposed an e-business strategy framework based on three dimensions includes people, process, and technology for small businesses. The framework provides a comprehensive and realistic route map for small businesses to implement the use of e-business initiatives that help small businesses to sustain themselves. Food businesses need to adapt more digital-based plans to respond to the COVID-19 pandemic [23].

D. *Government Support towards Business Sustainability*

Food businesses should have an easy access to any available government support and other stakeholders [33]. Government strategic planning at the local level is required in promoting economic development [53]. Most of the country around the world has offered financial assistance for its company and businesses to survive and sustain themselves during the pandemic [43]. In the context of Malaysia, the Malaysian government has announced an RM250 billion PRIHATIN package to support small business survival [5]. RM40 million has been allocated for small businesses involved in food production and agriculture [5]. Moreover, RM1000 grants have been given to 10,000 e-commerce entrepreneurs.

The Malaysian Government announced another initiative to accommodate the existing needs of small businesses. Small businesses will be offered microcredit loans with a zero percent interest rate up to RM75,000 for the first six months, moratorium facility through multiple agencies and deferment of income tax instalment payments. The initiative that has been announced by the government are in line with [31] who suggest policymakers must introduce such measures to postpone of all debt obligations to prevent businesses from bankruptcy. The government initiative in offering loans to small businesses can give a positive impact, providing positive financial flow. However, the loan policies are unpopular option for small businesses to restart and recover from an economic recession caused by the COVID-19 pandemic [35].

During the presentation of Malaysian Budget 2022, the Malaysian Government has announced Reinvestment Allowance (RE), and the RM40 billion allocation for Semarak Niaga initiatives to stimulate small businesses' cash flow. To strengthen alternative financing, equity crowdfunding, and peer-to-peer financing has been announced by the Ministry of Finance. The Bank Negara Malaysia also offered Targeted Relief and Recovery Facility funds for small businesses have been increased by RM2 billion from RM6 million. To promote digitalization among small businesses, the government offered a total fund for Small and Medium Enterprises (SMEs) Digitalization Grant Scheme up to RM200 million. Financial assistance to promote digitalization among small businesses is a good effort. The initiative would be complemented if the government also provide e-commerce training to small businesses to maximize their potential [31]. Thus, the small business operators would benefit from these initiatives to recover and stimulate their business performance.

III. DISCUSSIONS AND CONCLUSION

This paper provides a review of the published research topics relevant to the hospitality industry in which specifically, food business during COVID-19 pandemic. Issues and challenges in conducting business, impacts of COVID-19 on small food businesses, survival strategies of small food businesses and Malaysian Government support towards business sustainability were explored. As stated by [6], COVID-19 has impact mental, physical, and economics of individuals and left food business operators with uncertain decision during the challenging times. The implementation of series of MCO significantly impacts the economy [12] that found decrement in consumer spending [25] and largely affected the revenue of the businesses. Primarily, decreased in revenue was the main issue due to cash flow problem, unable to pay their employee wages and restricted operation hours are among the challenges during the pandemic. With the number of business closure increasing, strategies to ensure business survival is critical. Therefore, designing new strategies during COVID-19 crisis becomes highly important to impede the crisis and keep sustain the businesses.

Consumer spending has shifted during the pandemic, and this provides opportunities for the small food businesses to change their business approach. As compared to a larger setting, small business is more flexible due to a high flexibility system and quick responses to change bureaucratic [54]. One of the ways is to move towards e-commerce or online platform for food delivery services, utilizing the digital technology. The rise and the use of food delivery applications and platforms has transformed the interaction between food business operators and consumers [55]. It would help reach potential customers although the stay-at-home and work-from-home policies are still imposed. It also provides convenience for consumers while working at home since there are still people that are doubtful about eating out due to increased number of positive COVID-19 cases despite having full dose vaccination. Significantly, government initiatives are important to the recovery of small businesses, maintaining its cash flow and help the business recover from the impact of the pandemic. The financial support is instrumental to ensure the small businesses moving forward to the next phase.

In conclusion, the COVID-19 pandemic had a great impact on food businesses, while many announced the closure of the business. The pandemic is far from over, but the COVID-19 lessons we have learned so far can help us beyond the current emergency. The lesson learnt from the COVID-19 pandemic is that the food operators should shift and transform the business by incorporating online platform to encourage sales and orders. Although after the pandemic ends and food business operations resume as normal, the operators are encouraged to continue using such online platform, adapting to the new form of business approach that prioritizes take-out and delivery. The impact of COVID-19 is going to change the business model and our daily lives. The pressures of the pandemic on business can be relentless, however; there is often a silver lining in a cloud. Eventually, the current pandemic offers a unique opportunity for food business operators to identify another dimension expanding the delivery services and begin to adapt into modern technology.

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