Title:

A digital shift: Business Models Adaptation to the Covid-19 Crisis

Authors:

Jingjun Lei, Logaiswari Indiran, Umar Haiyat Abdul Kohar

Abstract:

Covid-19 has caused huge destruction since 2020 globally and many countries are now grappling with numerous crises, including a health crisis, a financial crisis, and a drop in commodity prices, all of which are intertwined in complex ways. As a result, Small and Medium-Sized Enterprises (SMEs) across all industries face significant difficulty in surviving the current crisis. Extant research suggests that companies develop dynamic capacities to discover and grasp new opportunities while also reconfiguring their assets when operating in VUCA (volatile, uncertain, complex, and ambiguous) situations. So many businesses have benefited from digital transformation, and they have become more innovative and modified their business models as a response to Covid-19's negative impact on their bottom line and their reputation. The Covid-19, based on the literature review, has two distinct effects on business models as a result of the digital transformation: a) it accelerates business digital transformation; and b) it encourages companies to release innovative capability and be creative when developing digital value propositions. According to an academic viewpoint, this paper contributes to the existing understanding of business model adaption by micro, small, and medium-sized firms operating in extremely challenging situations.

Keywords: Business Models, Covid-19, Adaptation, Business Digital Transformation, Digital Value Propositions