



الجامعة الإسلامية العالمية ماليزيا  
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA  
يُونَيْتِي اِسْلَامِيَا اِنْتَارَا اِيْحْسَابَا مِلْدِيْسِيَا  
*Garden of Knowledge and Virtue*

Kulliyah of Economics and Management Sciences

# IIUM Journal of Case Studies in Management

**Vol. 15 No. 2 August 2024**

## **Copyright Page**

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical photocopying, recording, or otherwise, without the prior written permission of the publisher.

©2024. IIUM Press, International Islamic University Malaysia. All rights reserved.

## **Correspondence**

Editor-in-Chief

IIUM Journal of Case Studies in Management (IJCSM)

Department of Business Administration

Kulliyyah of Economics and Management Sciences

International Islamic University Malaysia (IIUM).

P.O. Box 10, 50728 Kuala Lumpur, Malaysia

Website: <https://journals.iium.edu.my/ijcsm/index.php/jcsm>

Email Editor-in-Chief: [suhaimims@iium.edu.my](mailto:suhaimims@iium.edu.my)

Email Editor: [nkamariahwahid@iium.edu.my](mailto:nkamariahwahid@iium.edu.my)

## **Published by**

IIUM Press, International Islamic University Malaysia (IIUM).

P.O. Box 10, 50728 Kuala Lumpur, Malaysia

Telephone: +6 03 6421 5014

Fax: +6 03 6421 6298

**ISSN: 2810-2327 e-ISSN: 2710-7175**

Cases published in the Journal present the views of the authors and do not necessarily reflect the views of the Journal.

Published: 10 July 2024

## Editorial Information

### Editors

#### Editor-in-chief

Prof Dr Suhaimi Mhd Sarif  
Department of Business Administration  
Kulliyah of Economics and Management Sciences  
International Islamic University Malaysia (IIUM).  
P.O. Box 10, 50728 Kuala Lumpur, Malaysia  
SCOPUS <https://orcid.org/0000-0001-7141-572X>  
Scopus h-index: 3  
Google Scholar h-index: 14

#### Editor

Dr Nur Kamariah Abdul Wahid  
Department of Business Administration  
Kulliyah of Economics and Management Sciences  
International Islamic University Malaysia (IIUM).  
P.O. Box 10, 50728 Kuala Lumpur, Malaysia  
Google Scholar h-index: 3

### Editorial Advisory Committee

Prof. Dr. Gairuzazmi bin Mat Ghani  
Kulliyah of Economics and Management  
Sciences  
International Islamic University Malaysia

Prof. Dr. Mohammad Yamin  
Faculty of Economics and Administration  
King Abdulaziz University  
PO BOX 80201, Jeddah 21589  
Saudi Arabia

Dr Azura Omar  
Kulliyah of Economics and Management  
Sciences  
International Islamic University Malaysia

Prof. Dr Amir Mahmood  
Dean  
School of Business  
Western Sydney University  
Penrith NSW 2751 Australia

Prof. Dr. Hazilah Abd Manaf  
Department of Business Administration  
Kulliyah of Economics and Management  
Sciences  
International Islamic University Malaysia  
Jalan Gombak, 53100 Kuala Lumpur, Malaysia

Prof. Dr. Faridah Hj Hasan  
Director  
Centre of Business Excellence  
Faculty of Business Management  
University Teknologi MARA (UiTM)

Prof. Dr. Suhaiza Ismail  
Department of Accounting  
Kulliyah of Economics and Management  
Sciences  
International Islamic University Malaysia

Assoc. Prof. Dr. Selim Ahmed  
World School of Business  
World University of Bangladesh  
Dhaka, Bangladesh

Dr. Azilah Anis  
Department of Technology and Supply Chain  
Management Studies  
Faculty of Business and Management  
Universiti Teknologi MARA, Puncak Alam  
Campus  
42300 Bandar Puncak Alam, Selangor Malaysia

Prof. Dr. Azmawani Abd Rahman  
President & CEO  
Putra Business School  
Universiti Putra Malaysia  
43400 Serdang, Selangor, Malaysia

Assoc. Prof. Dr Syed Ahmad Ali  
Dr Hasan Murad School of Management  
(HSM), Department of Management  
University of Management and Technology  
Lahore, Pakistan.

**TABLE OF CONTENTS**

<b>Editorial Information</b>	<b>II-III</b>
<b>Editorial Note</b>	<b>VI-VII</b>
<b>Twitter leadership role – Twitter’s ups and down since 2006</b> Elizabeth Chacko Sridevi Nair Jain Mathew	<b>1-11</b>
<b>Innovation in digital organizations – Case study of Nykaa</b> Venkatesh Naga Devaguptapu	<b>12-22</b>
<b>Smacking to increase productivity: changing the narratives of asnaf entrepreneurs from MyJANA 2023 project</b> Fatin Husna Suib Nurazzura Mohamad Diah Ahmad Fahmi Harun Amirah Ahmad Suki	<b>23-34</b>
<b>Navigating turbulence: The resilient journey of RZ Aviation in the face of global challenges</b> Fatin Husna Suib Tamanna Sharmin Akter Miss Afruza Nur Nasreen Mohd Dzulkifli Islam Md Zahirul Farahana Mohd Nazri	<b>35-41</b>
<b>Paradigm Industry Sdn Bhd effective marketing turnaround strategies</b> Tin Shin Thed Zaleha Othman	<b>42-54</b>
<b>Lost in the claws at Linda Animal Clinic and Surgery</b> Norsyahida Mokhtar	<b>55-57</b>
<b>Are auditors gratified with the efficient assistance from Artificial Intelligence?</b> Sherliza Puat Nelson	<b>58-65</b>
<b>Nurturing Humanity in the Halls of RBB Enterprise</b> Rohaziah Yahya Yusof Ismail Suhaimi Mhd Sarif Mohammad Fikri Abdul Wahid	<b>66-72</b>

<b><i>Tawakkal</i> Resilience in Perniagaan Sejuk Beku Keluarga</b>	<b>73-80</b>
Suhaimi Mhd Sarif Rohaziah Yahya Yusof Ismail Mohammad Fikri Abdul Wahid	
<b>Salmah's entrepreneurial journey with passion, faith, and community support</b>	<b>81-90</b>
Suhaimi Mhd Sarif Rohaziah Yahya Yusof Ismail Mohammad Fikri Abdul Wahid	
<b>Crisis in a Cup: Managing the Mie Sedaap Recall and Rebuilding Trust</b>	<b>91-95</b>
Nur Nabilah Abdullah Al Amirul Eimer Ramdzan Ali Mohd Safwan Ramli	
<b>About the Journal</b>	<b>96-99</b>

## **Editorial Note**

### Leadership and innovation in the digital age

In the current fast-paced and ever-changing digital environment, the dynamics of leadership and the use of creative techniques are crucial for developing and maintaining organisations. This theme explores into these features across many industries, providing insights into the difficulties and successes encountered by firms as they navigate shifts in leadership, technological progress, and market upheavals. The main subjects covered are leadership styles, changes in management, digital transformation, resilience, and the impact of community and ethical behaviours on company success.

The case study “Twitter Leadership Role – Twitter’s Ups and Downs Since 2006” by Elizabeth Chacko, Sridevi Nair, and Jain Mathew, examines how changes in leadership have influenced the organisational structure, product development, and market performance of Twitter.

In the context of digital innovation and business growth, the case study “Innovation in Digital Organisations – Case Study of Nykaa” by Venkatesh Naga Devaguptapu, examines how Nykaa effectively utilised digital innovation to sustain its growth amidst the COVID-19 pandemic and strategically steered its path towards a triumphant IPO.

Likewise, the case study “Smacking to Increase Productivity: Changing the Narratives of Asnaf Entrepreneurs from MyJANA 2023 Project” by Fatin Husna Suib et al. focuses on an initiative that aims to empower disadvantaged entrepreneurs through entrepreneurship and digital marketing training. The study highlights the positive effects of targeted educational programmes in transforming the lives of these individuals.

In a different context, the case study “Navigating Turbulence: The Resilient Journey of RZ Aviation in the Face of Global Challenges” by Fatin Husna Suib et al. explores the sub-theme of resilience in the face of global challenges. This study examines the ways in which RZ Aviation responded to the challenges brought about by the COVID-19 epidemic, with a particular focus on their strategic resilience and digital transformation.

In addition, the case study “Paradigm Industry Sdn Bhd Effective Marketing Turnaround Strategies” by Tin Shin Thed and Zaleha Othman examines the strategies for achieving successful marketing in competitive markets. This case study analyses the obstacles encountered by Paradigm Industry in the nutraceutical sector and the strategic actions implemented to enhance its market position through customer relationship management (CRM) and the development of new products.

As for the sub-theme operational challenges and strategy responses focuses on the discussion of operational challenges and the corresponding strategy responses. The case study “Lost in the Claws at Linda Animal Clinic and Surgery” by Norsyahida Mokhtar examines the challenges encountered by a veterinary clinic in its day-to-day operations and explores the strategic measures taken to effectively handle the growing demand and expand the range of services offered.

Nevertheless, the sub-theme on technology and efficiency in business operations examines the impact of artificial intelligence (AI) on improving business functions. The case study “Are Auditors Satisfied with the Effective Support from Artificial Intelligence?” by Sherliza Puat Nelson investigates the advantages and difficulties of integrating AI in auditing and other company operations.

In the context of ethical leadership and corporate responsibility holds great importance. The case study "Nurturing Humanity in the Halls of RBB Enterprise" authored by Rohaziah Yahya et al., emphasises RBB Enterprise's dedication to ethical leadership, corporate responsibility, and the well-being of its employees.

Likewise, in the context of resilience and community support in small business management explores the experience of a home-based frozen food business. The case study titled "Tawakkal Resilience in Perniagaan Sejuk Beku Keluarga" by Rohaziah Yahya et al., highlights the significance of resilience, faith, and community support in surmounting obstacles and attaining triumph.

As for the case study “Salmah's Entrepreneurial Journey with Passion, Faith, and Community Support” by Rohaziah Yahya et al. also discussing into the intersection of entrepreneurial spirit and Islamic values. It chronicles Salmah's journey as an entrepreneur, highlighting the integration of Islamic values and collaboration within the community to promote sustainable growth.

Finally, the case study “Crisis in a Cup: Managing the Mie Sedaap Recall and Rebuilding Trust” by Nur Nabilah Abdullah et al. examines the sub-theme of Crisis Management and Brand Trust. This case investigates the brand crisis encountered by Mie Sedaap as a result of a product recall and analyses the tactics utilised to restore consumer confidence and effectively handle the situation.

Prof Dr Suhaimi Mhd Sarif  
Editor-in-chief

Dr Nur Kamariah Abdul Wahid  
Editor



## **Twitter Leadership role – Twitter’s Ups and down since 2006**

### **Dr. Elizabeth Chacko**

Christ University, Bengaluru – India  
Email. elizabeth.chacko@christuniversity.in

### **Dr. Sridevi Nair**

Christ University, Bengaluru – India  
Email: sridevi.nair@christuniversity.in

### **Dr. Jain Mathew**

Christ University, Bengaluru – India  
Email: jainmathew@christuniversity.in

## **ABSTRACT**

Elon Musk bought Twitter in the month of October of 2022 and as of January 2023, Twitter is looking for its next CEO. While change in leadership is not something new in this dynamic environment, the effects of change cannot be ignored. Twitter is no different, and every change in leadership has seen a change in the organization and the product. Today, Twitter awaits its next leader, at a time when employees are quitting, users are not happy and share prices are dropping. The case traces the leadership journey at Twitter.

**Keywords:** Leadership, Business, Management Change, Leader trait, Leader style

---

## **The birth of Twitter**

On March 21, 2006, Jack Dorsey sent out his first tweet, “just setting up my twttr” and the full version of Twitter was born four months later on July 21, 2006 (Hosch, 2009; Wolan, 2011). At that time, Jack Dorsey was working with Odeo, a podcasting venture founded by Evan Williams, Biz Stone and Noah Glass. Evan Williams and Biz Stone were former google employees (Wolan, 2011).

When Apple announced that it was going to include podcasts in iTunes, the founders of Odeo believed that they would not be able to compete and that they need to diversify. They encouraged their employees to come up with ideas and innovative products. Dorsey, who was an engineer with Odeo, suggested a short message service that allowed its users to share blog-like updates. Thus, the idea of Twitter was born.

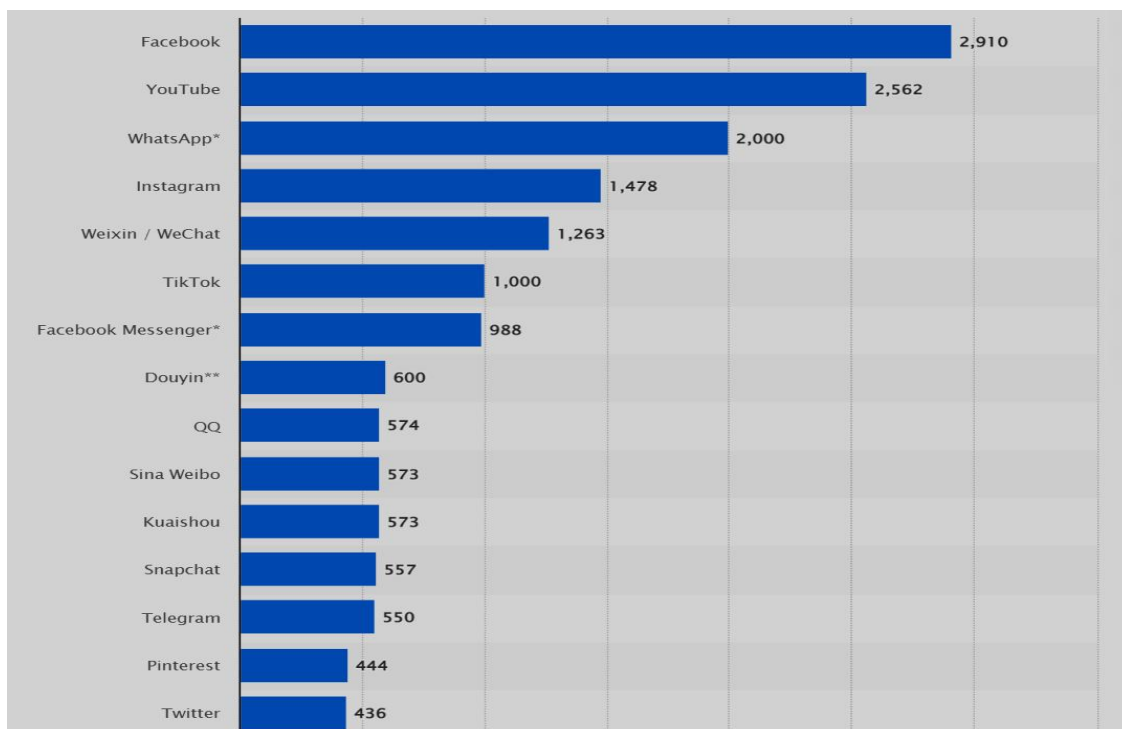
To support the growth of the platform, William, Stone and Dorsey set up Obvious Corp by buying out Odeo. Soon they received funding from angel investors, led by Union Squares Ventures, and Twitter, Inc. was established in April 2007 with Jack Dorsey as its first CEO. The firm underwent a leadership change a year later, when Evan Williams replaced Jack Dorsey as CEO. Reports in the book “Hatching Twitter” by Nick Bilton, suggest that the board of twitter was not happy with the leadership style of Dorsey and had asked him to step down. Two years later, Dick Costolo ousted Evan Williams as the CEO (Murphy, 2019).

Over the next two years, Twitter continued to grow in terms of number of users. It became a key medium for disseminating breaking news, raising funds and creating awareness. From being used as the tool for antigovernmental protests in Egypt, Libya and Tunisia; to announcing the death of Whitney Houston and the results of the presidential election in 2012, Twitter grew in popularity(Mackintosh, 2012). However, the firm was not able to monetize the popularity effectively. This led to the company going public in 2013. Its initial public offering (IPO) in November raised \$1.8 billion, giving it a market value of \$31 billion (Popper, 2013; Thapliyal, 2013).

### Industry Analysis

The social media market has been on a growth curve. It is suggested that the market grew from \$193.52 billion to \$231.1 billion over the last one year (The Business Research company, 2023). This growth is expected to continue with the forecast that the market will grow to \$434.87 billion in 2027 with an expected CAGR of 17.1% (Popper, 2013; Thapliyal, 2013). This growth may be attributed to the increased use of smart gadgets like smartphones and tablets. This will drive data consumption and in turn contribute to the growth of the social media market.

Another major reason for the growth of social media companies is their ability to offer their social media platforms for the promotion and sale of goods via e-retailers. Social media platforms enable targeted advertising based on consumers behaviours and demographics. Most social media platforms have incorporated a ‘Shopping’ tab in their app. Others like Snapchat and Twitter have integrated advertisements to facilitate direct purchases within their platforms. Major players in the market include Facebook, Youtube, Instagram, Twitter, and LinkedIn. The figure below (Figure 1) shows the relative market share of different social media platforms (Statista, 2022).



*Source: Statista (2023)*

**Figure 1:** Number of active users in millions

## Twitter's growth story

Twitter was publicly launched in July 2006. The unique feature of twitter was the character limit it placed on each post. The original offer allowed users to use only 140 characters. This was later modified and the character limit was doubled in 2017.

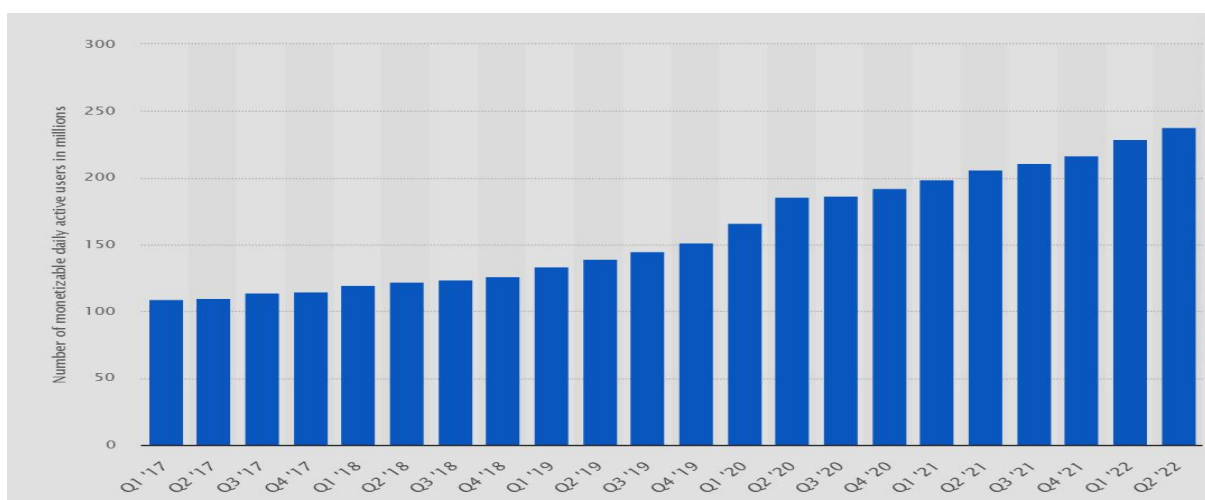
The site originally used SMS to send tweets onto the network and received its first boost of users at SXSW 2007, where the founders Jack Dorsey, Noah Glass, Evan Williams and Biz Stone demonstrated how the tweets were hitting the network in real-time (MacArthur, 2020; Meyer, 2020).

Twitter's user base grew to over 300 million monthly active users and it continued adding new features but the look and feel of the original platform was maintained (Iqbal, 2023). While most users liked this aspect of Twitter, the shareholders were not particularly please as they wanted Twitter to be more competitive like Facebook (Iqbal, 2023).

Twitter branched out and created a number of innovative products like Vine and Periscope. However, both products had to be cancelled soon after launch and most users believe that this was because Twitter did not manage the projects well. Else, Vine, which came out before Music.ly and TikTok, and allowed people to record short videos should have been able to capture a large chunk of the market and be a success. At this point in time, Twitter was managed by Jack Dorsey, then founder Evan Williams, followed by Dick Costolo, who was replaced by Jack Dorsey. This time around, Dorsey also headed his own venture, Block Inc, which led to complaints from shareholders and eventually a lawsuit.

Twitter continues to experiment with new formats for tweets, like donations and currency for tweets. A recent product launched was Twitter Spaces, similar to Clubhouse's live-audio platform. But Twitter's track record suggests that the platform is not good at managing products outside of its original platform (Hutchinson, 2022; Iqbal, 2023; Meyer, 2020).

Even with the lack of success in introducing and growing new products, Twitter has still seen a growth in its user base. The statistics of 2021 suggest that Twitter generated over \$5 billion in revenue and reported a 35% increase from the previous year. A majority of the revenue (92%) came from advertising. The reported net loss had also fallen by 80 % and the number of daily active users was recorded as 206 million, of which 38 million users were from the United States alone (Hutchinson, 2022; Iqbal, 2023).



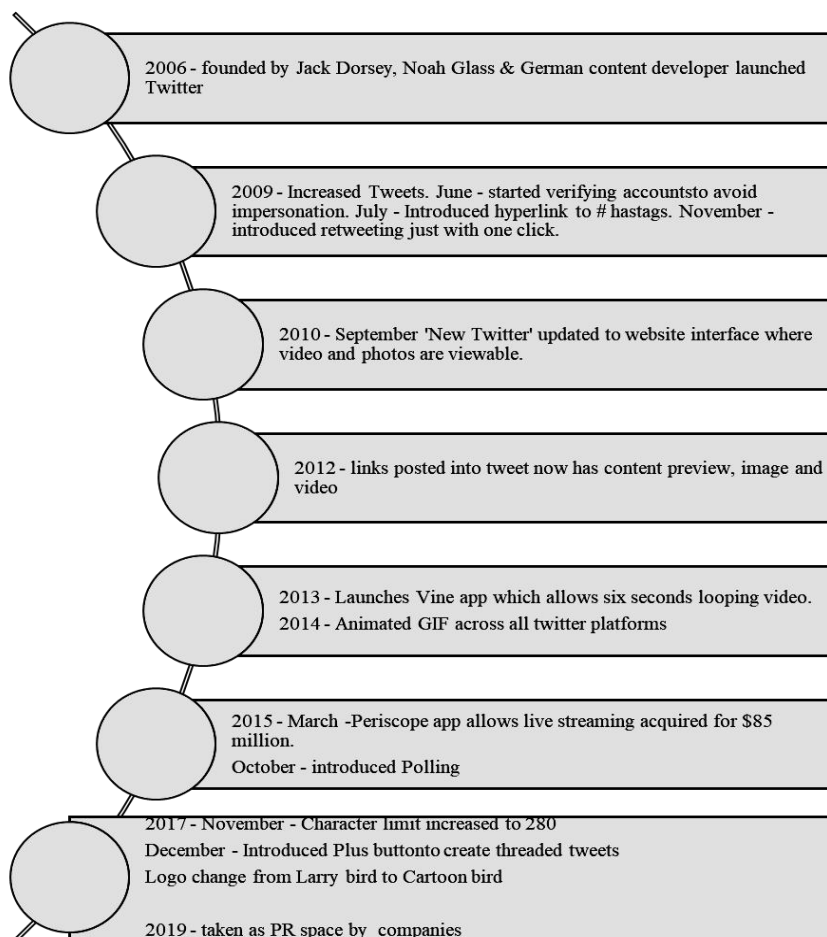
Source: Statista (2023)

**Figure 2:** Number of daily active users in millions

### Twitter Buyout and Buyin

In the year 2006, just after the two months of birth, the founders met with the investors to update them on the working of Twitter. The investors were not convinced about the idea of Twitter and were reluctant to invest. At this point, William's proposed a buyout shares, where he would buy, worth approximately \$5 million. Within 5 years, the company was worth 1000 times at \$5billion. This created doubts that William was not upfront with the plan and idea and was only looking for personal growth.

Twitter started with just a thousand users in 2007. The South-by-South West (SXSW) interactive conference provided a big boost for the platform. The event was held in Austin, and film, media and music festivals were organized under the banner. At this point, Evan offered to buy out the investors at a value of \$25 million. This one event was broadcasted through Twitter, which gave it space in the market, as number of users were increased. As the company moved on, technological advancements happened simultaneously (see Figure 3).



**Figure 3:** Milestones

### Leadership at Twitter

The Twitter leadership saw many changes. Dorsey saw the platform through two rounds of capital funding. Williams replaced Dorsey in 2008. October 16<sup>th</sup> as the CEO of the organization and Dorsey became the Chairman of the board (MacArthur, 2020). Two years

later, Williams announced that he would be stepping down and Dick Costolo became Twitter's third CEO on October 4, 2010 (Interactive Schools, 2018; Thapliyal, 2013). However, Williams did not leave the organization but stayed on and focused on product strategy.

According to press reports, when Williams stepped down, Dorsey and Costolo became closer and Williams was distanced from the day to day running of the organization. Williams released a statement saying he would continue to help Twitter in any way possible and would be a board member only. In March of 2011, Dorsey re-joined the organization as executive chairman and was responsible for product development. While assuming the role of executive chairman, he was also the CEO of Square.

The next change happened in September of 2011 when Fred Wilson and Bijan Sabet resigned from Twitter's board of directors. Twitter then hired Google's Matt Derella as their Director of business agency development, in 2012; and Anthony Noto from Goldman Sachs, as the company's CFO in 2014 (Java, Ruby, & Scala, 2006; MacArthur, 2020). The next year, Costolo resigned from the post of CEO and while most people thought Noto would be offered the role, Jack Dorsey was brought back as CEO.

The year 2016, further saw many changes in the leadership. Leslie Berland from American Express was brought in as the chief marketing officer; Adam Bain, the COO of Twitter, announced his resignation and CTO Adam Messinger also decided to leave the organization.

In February of 2020, Elliott Management Corporation acquired a stake in Twitter. Paul Singer, an activist and shareholder was said to have demanded the removal of Dorsey from the role of CEO (Java et al., 2006). The Twitter board is said to have agreed to buyback \$2 billion worth of shares and appoint a new independent director and two new board members.

In 2021, Dorsey resigned as CEO of Twitter and was replaced by Parag Agrawal, the then CTO of Twitter. But Parag's stint as CEO was short-lived. In October, 2022, Elon Musk purchased the company and fired the CEO, CFO, Chief Legal officer and General Counsel. He replaced the board with a sole director, himself. He also appointed himself as the CEO of Twitter.

Each leader had a significant impact on Twitter and its growth chart. The following sections present an analysis of Twitter under each of the leaders.

### ***Twitter under Jack Dorsey***

From the time Odeo lost the market as podcaster, under the same banner, Twitter was brought in, where Jack Dorsey was driving the company as the CEO as per the consensus from the founders of Odeo. While the idea might have been brought in by Glass, but the transformation of the idea into action was done by Dorsey.

Dorsey as a person, worked with the mindset of an entrepreneur. From the age of 15, he was interested in technology and technological advancements. This is reflected in his career choices, which began with the creation of a software on Taxi dispatching services, which slowly tracked couriers and emergency vehicles also.

As the CEO of Twitter, Dorsey worked on timely expansion and simultaneous products which supported the growth of the platform. During the period of 2006 to 2008 he assumed

the role of CEO and post his tenure he also founded Square, a mobile payment venture, to facilitate the credit card transactions. Square was later renamed as Block.

His interest in technology led to the generation of a large number of ideas during his time at Twitter. In addition, he also dabbled in Fashion designing and was a certified masseur. His strategic thinking and decision-making ability helped in increasing the number of active users and also helped in increasing the presence of Twitter around the globe.

He was also a member of the Board of Directors for Disney Company. In the year 2008, he was positioned as Chairman and Evan Williams took the post of CEO. His vision brought Twitter to everybody's doorstep. In 2011, he interviewed President Barack Obama during a Twitter town hall. During his tenure the company had its 1st IPO at \$26 per share. He also ensured the growth of Twitter through the timely acquisition of other applications like Caviar, a food delivery app.

As a person, he was fashion setter. He redefined the traditional outfit of CEOs, he loved a luxurious life, focused on healthy diet by having one meal a day and fasting on weekends, invested in real assets. He was human centric, and showed it through his contribution towards employees of Twitter and Square by giving stock options and expressing concern during COVID pandemic. He was also fan of Elon Musk, the most tweeted person for his thoughts and ability to inspire young minds.

He was interested in cryptocurrency and ensured he was up to date with regards trends in the market. Dorsey aimed to make twitter a platform that promoted freedom of speech, without filters and policies, open to all users. His disagreement with the deletion of the account of Donald Trump was made very clear. After a small break, he returned as CEO of Twitter for the period of 2015 to 2021. There were multiple instances when Dorsey had to fight to keep his position. For example, in 2020, when Elliot Management bought a major share in the public platform, they demanded that Dorsey step down from the post of CEO because he has to manage two companies and was planning to travel in Africa for brief period. The situation was handled through agreement with equity private firm Silver Lake which led to an additional investment of \$1billion by Silver Lake in Twitter and both Elliot and Silver Lake occupying seats in the Board of directors (Java et al., 2006).

Another incident that threatened Twitter's growth during Dorsey's tenure was a hacking incident, where VIP accounts were hacked and bitcoin ransom was demanded. This time Twitter was questioned for not being able to control the situation and protect the accounts and privacy of its users. Dorsey took immediate action to temporarily block the accounts and prevented the situation from escalating. Later the three hackers were identified. His ability to take quick action and protect Twitter and its users was well appreciated and further highlighted his dedication and determination to serve Twitter and its people.

### ***Twitter under Evan Williams***

Evan Williams was one of the trio co-founders of Twitter. He was excited by the idea of being an internet entrepreneur. He took over the role of CEO from Jack Dorsey in 2008 and served as the CEO of Twitter from 2008 to 2010, then he stepped down but remained on the board of directors till 2019.

His presence in the company did bring changes and new definitions to Twitter platform. He believed in never settling and had originally started the online publishing website, Blogger. Blogger was later bought by Google in the year 2003.

Post the purchase of Blogger by Google, he started with Odeo, a podcasting company in the year 2004. Biz Stone joined him at Odeo, in the year 2005. Evan had been considered a strong supporter and guide to Twitter and even after stepping down from the role of CEO, he continued to garner praise from his co-founders. Dorsey has been known to acknowledge that he learned decision making from Evan. On his part Evan tweeted that “*Jack and Biz have supported my crazy ideas and made them better and better*”. His role in all the three ventures was that of a product strategist. Currently his net worth is \$1.8 billion as on 1<sup>st</sup> January 2023.

### ***Twitter under Dick Costolo***

Costolo was also an internet entrepreneur and had co-founded many ventures. When Evan was to go on paternity leave, he approached Costolo to fill the role of chief operating officer (COO). In 2011, he was promoted to CEO. Since 2009 he was given the task of making Twitter profitable, a daunting task given the prominence of Facebook, now Meta.

Under his leadership, Twitter went in for an IPO in 2013. He had to lead Twitter through some turbulent times and Yahoo finance even tagged him as ‘one of the worst CEOs’. In the period after the IPO the share price went from \$13 to \$26 per share.

In his tenure many new products were introduced or acquired. In the year 2011, a new feature was added where videos and photos could be shared. In the year 2012, content preview was introduced. In the year 2013, they launched ‘Vine’ which allowed users to share looped videos of six seconds duration. In 2014, animated gifs were introduced in the Twitter platform. In 2015, they acquired Periscope app which allowed live streaming and the polling feature was added.

During his tenure, Twitter earned \$2.25 billion in revenue. He advised his business leaders to be thick skinned and not to take things personally. While handling a business, he believed that the focus must be the stakeholders who are constantly watching and judging the leaders. However, Costolo was not able to ensure performance on Wall Street and soon the board began to demand a change in the CEO. Dorsey was proposed as a successor and immediately the share price went up by 7%.

### ***Twitter under Parag Agrawal***

An IITian and PhD from Stanford university, Parag, is an Indo American who joined Twitter in 2011. Before that he worked with Microsoft, AT&T and Yahoo. His primary job was to focus on the advertising vertical of Twitter and also explore the application of artificial intelligence. He was passionate about his job and was named the Chief Technical Officer of Twitter in the year 2018. Those who have worked with him have complimented him and called him a diligent worker. Every assigned work was completed with full diligence.

He has been a chief driving force in the adoption of technology at Twitter and has been credited for the technology that the company uses today.

He admired the leadership style of Dorsey and was known to be a close confidante of the ex-CEO. In 2015, when Dorsey joined back as CEO, Parag congratulated and publicly messaged

praise for him and expressed his belief that this phase would be extremely beneficial for Twitter.

In 2021, when Dorsey decided to step down, he announced the appointment of Parag as the next CEO. On 21st November 2021, Parag became the new CEO. He believed that in order to settle down and come out of the controversies, he would have to think like Dorsey. But the time was too short for him to bring back the glory. Parag was great in financial and technical skills but not a visionary and strategist.

When Elon Musk, who was by then an active user and also promoter of Twitter, decided to align with Donald Trump and others, Parag was not able to respond. When asked about moderation policies and various political stances that users on Twitter were taking, Parag could not answer.

In the month of April 2022, Musk gave a proposal to buy Twitter at \$44 billion. Parag along with the employees were not happy with Musk's proposal, partly because the offer was made publicly. After a judgement from the court, and withdrawal of the offer by Musk, the valuation of Twitter jumped to 64% (\$53.7 share price). But Musk did not give up and targeted Parag in his tweets. Parag responded to those tweets on the platform itself. In the end, Parag was not able to save Twitter from Musk and his stint as CEO ended at 11 months, leaving Twitter in the hands of Musk.

### ***Twitter under Elon Musk***

This was an acquisition which made a history. Elon Musk began as one of the active users of Twitter. He voiced ideas and opinions and some of them were even accepted by the management because his ideas and views did make other Twitter members respond and react positively.

A believer in the freedom of speech, he started investing in Twitter quite early on. However, in 2022 he bought 9.1% ownership stake, which was the second highest share in Twitter. Twitter responded by offering Musk a place on the board of directors but he declined. In April 2022, he made an offer to Twitter to buy the firm at a price of \$44 billion or \$ 54.20 per share, which was not accepted by the board and the employees were also against the deal.

However, Jack Dorsey believed that Musk had the ability and foresight to take Twitter to the next level and publicly supported the deal. His strong support, swayed the shareholders and due to pressure from the shareholders, the board of directors had to agree to the offer.

While finalising the deal, Musk had demanded a count of the chatbot accounts. Parag had provided the details but Musk believed the number was incorrect and decided to back out of the deal, stating a breach of contract. In response, Twitter filed a case against Musk forcing him to complete the deal.

The deal closed on 27th October 2022 and Musk tweeted “the bird is freed”. Musk entered the office of Twitter with a kitchen sink to mock the top members of the top management, who had expressed their opposition to the deal. He has been quoted as saying “Let that sink in”. See Figure 4.





**Figure 4: Musk entering Twitter office**

One of the first things that Musk did after buying the firm was that he fired several top executives including CEO Parag Agarwal and also laid off half of the company's talent asset. Many others also resigned. Musk continued to face backlash from employees and customers.

The second big decision that Musk took was to dissolve the board of directors and make himself the sole director and CEO of Twitter. He established a war room at the office to discuss the future. Given the layoffs, many activist and civil rights group appealed to the advertisers to abandon Twitter, which led to Twitter reporting loss in revenues.

From day one, Musk used a number of modes to get what he wanted. Most of the modes were confrontational and depended on either threatening or firing. In 2021, Twitter was valued at \$5 billion and experts predict that the current worth would only be around \$1 billion. This led Musk to his third major decision. He recently tweeted about whether he should quit as CEO and an overwhelming 57.5 percent of users responded to the question with a yes (See Figure 5).



**Figure 5: the poll tweeted by Musk**

### **Twitter after Musk**

Based on the answers to the poll, Elon Musk has decided to resign as the CEO of Twitter, the moment he finds someone, who in his own words, is "someone foolish enough to take the job!". He plans to then take on running the servers and leave the business side to the new CEO. While the public statements have created some level of doubts about Musk's

capabilities as a leader, they provide a clear picture of what is going on in the organization. What should Twitter do next? Is it possible for Twitter to return from this leadership challenge? What sort of leader would be able to help Twitter regain at least some of its former glory? See Figure 6.



**Figure 6: The tweet expressing intention to resign**

### Discussion Questions

1. How did Dorsey, Parag and Musk differ in their leadership styles?
2. Who do you think is a better leader among Dorsey, Parag and Musk?
3. What sort of leader does twitter require now?
4. Given your understanding of the leadership style of Musk, how do you feel the employees would have felt about their new leaders? Discuss.
5. What lessons you could derive from this case as a student of management?

### References

Hosch, W. L. (2009, February 19). Twitter. Retrieved February 1, 2023, from Britannica website: <https://www.britannica.com/topic/Twitter/additional-info#history>

Hutchinson, A. (2022, February 10). Twitter Adds 6 Million Users in Q4, Crosses \$5 Billion in Total Revenue for the Year. Retrieved February 1, 2023, from Social Media Today website: <https://www.socialmediatoday.com/news/twitter-adds-6-million-users-in-q4-crosses-5-billion-in-total-revenue-for/618672/>

Interactive Schools. (2018, September 20). The evolution of Twitter since the dawn of the first Tweet. Retrieved February 1, 2023, from blog.interactiveschools website: <https://blog.interactiveschools.com/blog/the-evolution-of-twitter>

Iqbal, M. (2023, January 31). Twitter Revenue and Usage Statistics (2023). Retrieved February 1, 2023, from Business Of Apps website: <https://www.businessofapps.com/data/twitter-statistics/>

Java, Ruby, & Scala. (2006, March 21). Timeline of Twitter. Retrieved February 1, 2023, from Wikireloaded website: <https://wikireloaded.com/en/twitter>

MacArthur, A. (2020, November 25). The Real History of Twitter, in Brief. Retrieved February 1, 2023, from Lifewire website: <https://www.lifewire.com/history-of-twitter-3288854>

Mackintosh, E. (2012). Twitter's Role as the New Newswire: Why journalists should break news online (University of New Hampshire). University of New Hampshire. Retrieved from <https://scholars.unh.edu/cgi/viewcontent.cgi?article=1061&context=honors>

Meyer, J. (2020, January 2). History of Twitter: Jack Dorsey and The Social Media Giant. Retrieved February 1, 2023, from TheStreet website: <https://www.thestreet.com/technology/history-of-twitter-facts-what-s-happening-in-2019-14995056>

Murphy, C. (2019, November 25). Tweet Twist: The Evolution of Twitter. Retrieved January 2, 2023, from BostonDigital website: <https://www.bostondigital.com/insights/tweet-twist-evolution-twitter>

Popper, B. (2013, November 7). Twitter's stock closes at \$44.90 a share, up 73 percent on its first day. Retrieved February 1, 2023, from The Verge website: <https://www.theverge.com/2013/11/7/5076484/twitter-ipo-twtr-public-offering-stock>

Statista. (2022, May). Social media platforms used by marketers 2022. Retrieved February 1, 2023, from Statista website: <https://www.statista.com/statistics/259379/social-media-platforms-used-by-marketers-worldwide/>

Thapliyal, A. (2013, November). After Twitter's hot IPO, now comes the hard part. Business Today. Retrieved from <https://www.businesstoday.in/latest/world/story/twitter-twitter-ipo-silicon-valley-nyse-nasdaq-43554-2013-11-08>

Wolan, C. (2011, April 14). The Real Story Of Twitter. Retrieved February 1, 2023, from Forbes website: <https://www.forbes.com/sites/christianwolan/2011/04/14/the-real-story-of-twitter/?sh=3b1e072766af>

## **Innovation in Digital Organizations – Case Study of Nykaa**

Prof Venkatesh Naga Devaguptapu  
Goa Institute of Management,  
Poriem, Sattari, Goa 403505, India.  
E-mail: venkateshdn@gim.ac.in

### **ABSTRACT**

The case deals with the evolution and growth of a leading e-commerce organization operating in the niche space of beauty and fashion. The organization has formalized the business in its area. Due to its online business model, its growth remained intact during the COVID period. The organization is led by Ms. Falguni Nayyar, the founder and women entrepreneur who ventured into the space in her early 50s, defying the norms. The organization has established for itself a successful and profitable track record. The organization has recently ventured into stock markets for IPO (Initial Public Offering) and is valued at USD 7.5 Billion. The case study captures and provides comprehensive insights into the learner's evolution, growth, and strategy.

**Keyword:** Innovation, Digital Organizations, Business Model

---

### **Background of CEO Falguni Nayyar**

Ms. Falguni was born, brought up, and educated in the city of Mumbai. She hails from a business family. After completing her bachelor's in commerce from the University of Mumbai, she pursued the master's program in management at India's leading B-School, the Indian Institute of Management (Ahmedabad) (IIMA), and majored in the Finance area. After completing the course, she pursued a venture investor and merchant bank career with India's leading financial conglomerate Kotak Mahindra for over 20 years. She was essaying the role of managing director at the time of her resignation. She sensed the opportunity in digital commerce, especially in the beauty, wellness & fashion space, and quit her role and flourishing career to launch Nykaa in 2012.

### **Evolution of Nykaa**

Nykaa as a term has links to the Sanskrit language, where the term is pronounced as Naikaa, which refers to the female protagonist. The reason for naming the organization is that every woman wants to be a protagonist in her life and be a leader in relationships/contributions in personal and professional spheres. Nykaa initially started as a pure-play online store. The total market for beauty products in India is pegged at USD 26.1 billion in 2020. The market is expected to grow at a CAGR of 9.6 percent during the period 21-26. It has a first-mover advantage in a market dominated mainly by offline sales. The total sales in online format across all players are a mere 20 percent as against the offline market, indicating the potential for online business.

Nykaa initially started as a pure-play e-commerce player. It soon realized that the products dealt with it could not be sold only online, as customers would like to try out the products in

person, which makes it imperative for it to have an offline presence as well. After an initial start with a few stores, it has 76 offline (brick-and-mortar stores) nationwide. It now deals with over 200000 products across 2000 brands. It offers a comprehensive collection of products in makeup, skincare, haircare, perfumes, body and bath, luxury, and wellness-related products.

Nykaa, as a part of its growth needs, has been raising capital regularly. International and domestic investors have raised it. In March 2020, it raised USD 13 million from Steadyview Capital and, in the process, became a start-up unicorn valued at USD 1.1 billion. In its efforts to become business partners cum brand ambassadors, it roped in two leading Bollywood actresses. Ms. Katrina has invested USD 270,000, while Ms. Alia has invested USD 660,000. To fund its further expansion plans, it has filed a prospectus with India's securities and exchange board for an Initial public offering in October 2021 with a per equity price band of INR 1,085 to 1,125. The issue was oversubscribed 81.72 times, helping the firm raise USD 710 million and raising the valuation to USD 7.40 billion in the process. On the first day of its trading on Indian stock markets on November 10, 2021, the shares rose by 89.2 percent, making the founder, Ms. Falguni Indian, the wealthiest self-made billionaire.

### **Strategy Insights of Nykaa**

Nykaa has been focused and innovative in its strategy to make its presence felt and attract the attention of both existing and prospective customers. At the same time, it has its eye on cost control in the marketing of its products. The market outreach efforts have three major components i) Influencers ii) Social Media, and iii) Crowd-sourcing. Influencers help to catch the attention of potential consumers and, in a way, contribute to the pull-marketing strategy. As per the estimates by the experts, well-known influencers charge INR 5-10 Lakh per video promotion, while the rest charge as low as INR 5000 to promote a single product. Nykaa has leveraged Bollywood stars as influencers to get brand recall and brand equity.

The blended marketing strategy of using the right influencers across multiple social media platforms helped Nykaa capture the target audience's attention and convert prospective consumers' interest into actual consumers. It has smartly used its existing consumers as product influencers across the broader array of products it offers. The crowdsourcing of branding through existing consumers added authenticity to the branding and helped Nykaa have a pull effect on its products. The twin strategy of influencers and existing consumers is a part of Nykaa's conscious push-and-pull strategy. Its omnichannel drive for branding helped Nykaa to build a loyal set of followers. Nykaa Beauty has close to 1.3 million followers on Instagram, and Nykaa Fashion has close to 8 million followers.

### **Agility & Strategy Innovation on the go**

The intensity of competition in the beauty care market operates in two major dimensions, i.e., Offline Vs. online on one side and branded Vs. unbranded on the other side. Realizing the complexity of its operating environment, for its market outreach, the marketing strategy used a hybrid marketing strategy with components like Digital Marketing, Offline Marketing, Content Platforms, social media channels, Nykaa Network, NyKaa TV, Explore ( New Platform) and Nykaa Fashion.

Nykaa Network, launched in 2018, is an interactive beauty platform allowing subscribers to connect and chat with beauty care lovers on various products. In a sense, this helps beauty care lovers to be a part of the beauty care community. The innovativeness of the platform is that it facilitates subscribers' becoming part of a community, connecting/bonding, and, more

importantly, sharing and getting advice from others. The community connects and bonds in a way that reinforces the loyalty of consumers to the Nykaa brand. The members of this community become brand champions and brand ambassadors for Nykaa and its products.

Nykaa realized that most of its consumers are youth in the age group of 18-35 years. This segment of consumers is hooked on YouTube. To meet this need, it launched its own YouTube channel called Nykaa TV, which is a massive success among youth, especially millennials. The platform is used for twin purposes of consumer connection and communication. It uses celebrities (Bollywood actresses like Sara Ali Khan and Jhanvi Kapoor) to share beauty tips. The engagement formats include communication on flash sales and the interaction between sisters on makeup tips and beauty products. The uniqueness of the channel is that it is trending with contemporary new posts. It captures celebrities on the side-lines of events like fashion awards and thus offers a snapshot of beauty pageants/events happening in the country.

Nykaa, as part of evolution and innovation, launched a unique platform called Explore, an Application (App). The platform helps consumers to browse content and beauty care tips (education), all under one roof. The underlying strategy is to “Discover and Shop” under one roof. The app users can see showcased products and tips from experts through tutorials. The uniqueness and innovation on the App are likely immensely for lovers of beauty care as they offer benefits such as shopping, checking other user feedback, and getting expert advice.

COVID has changed the way Indians shop, as they moved away from offline shopping to online shopping. Nykaa, as a part of its Omni-channel strategy, did not want to be left behind, and added Nykaa fashion as another touch point for its customer interface. Nykaa fashion started as an exclusive women's Shoppe destination, but it quickly evolved, expanding its scope to men and kids. There are multiple reasons for doing so. Nykaa wanted to expand its product offering to improve revenue and market share. Also, the viability of operating an exclusive women's portal is not sustainable in the long run due to its narrow scope. Further, the changing socio-economic landscape in India has led to women's empowerment. Women in modern India shop for their children apart from shopping for themselves. The addition of children-related products made it easy and convenient to shop for their children in one go. The other major development is that women make purchase decisions for men, be it their sons, brothers, or husbands, due to their emotional bonding. Indian women experience a sense of guilt when they shop for themselves, leaving behind their families.

Technology in the modern world has become an integral part of human life. The number of tech gadgets one uses is vast. Also, people tend to upgrade their tech gadgets frequently. Nykaa realized that if it evolves into a stop shop, it will not be able to expand its market share, will not repeat footfall, and, more importantly, revenues can become stagnant—the range of products across all segments. The women's segment has Western wear, Indian Wear, Jewellery, Accessories, Lingerie, Bags, Footwear, Sportswear, & Maternity Wear. The Men segment has Top Wear, Ethnic Wear, Bottoms, Personal Accessories, Footwear, Watches, Innerwear, Sleepwear, Sports, Athleisure, and Bags. The products in kids segments include Western wear, Indian Wear, Accessories, Winter wear, Footwear, Innerwear, Sleepwear, Toys n Games, Feeding & Personal Care. The Home segment has products like Décor, Kitchen n Dining, Bedding, Bath, Storage, Essentials, & Home Essentials. The products in the tech segment include Computer Peripherals, Cameras, Accessories, Cases/Covers, Headphones, Speakers, Cables & Chargers, Smart Watches/Activity Trackers, and Power Banks.

Nykaa hasn't limited itself to products related to women but has covered the entire spectrum, including home-related. The smart move helped to withstand the competition from large players like Amazon and Flipkart. Trying to operate in an extreme niche segment (only women) would have led to limited growth opportunities for Nykaa. It would have made it weak in its defense in a fiercely competitive Indian E-commerce market. The strategy team has been innovative and agile in identifying business growth opportunities.

In its strategy innovation, it has carefully studied the socio-economic trends in Indian society and the emergence and evolution of women. If we were to study the trends related to women in India over the past few decades, there are some key trends that can influence the lives of women in India, such as a higher rate of enrolment and completion of education, delayed marriage, and increased participation in the job market. Apart from other things, the IT industry has helped motivate parents to support their girls' children in pursuing professional education in fields like engineering, medicine, management, etc. These changes have infused a sense of confidence and changed the outlook of women in India.

Historically, Women were oriented to give secondary preference in a male-dominated society. Secondly, most key decisions related to purchases and children were driven by the men in the family. Women even hesitated to shop for themselves as they lacked economic independence. The revised socio-economic trends have led to the emergence of confident Indian women who balance their and family needs. Also, she is the key decision-maker in most of the family's purchase decisions. The strategy team at Nykaa has analyzed these trends and factored them into redesigning the business strategy. Thus, the brand Nykaa has not deviated from the core theme of women, who are the core anchors of its business model. The revised business strategy views the needs of women from a 360-degree dimension. The Omni channels have been re-modeled to the new business strategy, where the modern identity is the central and core theme. It covers all the dimensions/shopping needs of Indian women.

To expand its product offerings, Nykaa launched Nykd, an exclusive innerwear market. Indian women for long had struggled to shop for intimate wear for multiple reasons such as shyness, hesitancy, and dealing with other men in stores. Also, the innerwear market in India is dominated by the organized sector. Indian market is known for copycat innerwear products being churned by local manufacturers. The total market size for women's wear was USD 321 billion during the year 2020 and is expected to clock USD 621 Billion by the year 2025 (Statista, 2024) for Nykaa expansion fits into the strategy of market expansion. The new product expansion offers it a multi-billion-dollar opportunity. The products are spread across three key segments, i.e., lingerie, sleep, and athleisure. By making quality innerwear products available, Nykaa is helping women to have better life experiences and, in the process, add to the happiness in their lives.

The strategy mix of Nykaa is holistic and integrated and can be termed a 360-degree approach. The first part is event marketing, in which Nykaa uses the Femina contest and college fests to connect with the target audience. Femina Miss India is a prestigious annual event that women in the country look forward to. Young girls and women looked to their role models, and for some, they were inspired to pick up fashion and the world of glamour as their career aspirations. For other women, they get to watch the latest fashion trends both from the contestants and the judges (celebrities) in these events. The college fests offer an exciting opportunity to connect with youth and the next-gen. The mantra here is to catch them when they are young and build on their brand loyalty.

The multi-pronged social media marketing strategy has four distinct components, i.e., My Nykaa, Nykaa Beauty, Nykaa Fashion, and Nykaa Beauty Book. MyNykaa is the Instagram account of Nykaa. It is used to showcase the visual stories of beauty and fashion. It has short videos of the products. The Instagram account is user-friendly and is structured into segments like 1) Daily Deals, 2) Monsoon Haircare, 3) GRWN (Make-up tips videos), 4) Sun-kissed (tips for summer beauty care) 5) Conscious consumer (consumer who is keen on beauty, fashion, and make-up) 6) COVID FAQs (answers COVID queries ) 7) COVID Resources ( all resources related to COVID pooled at on place). Further, it has features such as authenticity (assurance of genuineness of products in Nykaa Stores that present the story around the physical stores of Nykaa across various locations in India).

YouTube marketing has much consumable content, including videos on fashion, beauty care, celebrity, and fashion. On analysing the four dimensions of strategy mix, it is clear that they have profiled the customers, understood the customer needs, and then designed the content to make it engaging and useful for them. Nykaa's strategy can be summed up aptly in the words of its CEO, Ms Falguni Nayar.

*“The customer may be common, and we could obtain synergies between our sites, but we want to be a demand-led retailer, not a ‘push’ retailer.*

*We are a multi-brand retailer with more than 150 brands listed with us. We believe private labels in fashion will have a far higher percentage share than beauty and could contribute up to 40% as the business grows. We don’t want a discount-led fashion website; we would rather be curated, style-led.”*

In essence, Nykaa, unlike other e-commerce websites, does not want to go down the route of discount-led sales but is based on creating “value and “uniqueness” as its unique selling proposition. Also, it is conscious of profitability, which is indicated by its striving to increase the share of private labels. It is known that in retail space, private labels offer better margins, which result in improved profitability. In a sense, private labels offer twin payoffs, i.e., better margins and better-priced products. In a way, Nykaa can offer products at competitive pricing without resorting to a deep discount model. It has the flexibility to price the private labels based on consumption and demand in the future.

### **Dealing with Disruption**

Nykaa, like all other players, was impacted during the initial days of COVID-19, i.e., March and April 2020, as the operations had come to a standstill due to a freeze on any movements during the lockdown. However, as the government eased the restrictions after an initial few months, allowing online commerce and delivery, Nykaa quickly responded. The initial strategy of Nykaa, i.e., “*Digital First*,” has become useful during the COVID. Consumers who generally adopt e-commerce for all their needs have logged into Nykaa’s digital footprint to continue their shopping needs.

### **Operational Excellence**

One of the key drivers of players’ performance in the eCommerce and retail sector is the planning and execution of operations. There are two business models in the ecommerce sector i.e., the marketplace and inventory-based models. In the marketplace-based model, the eCommerce player creates a technology platform and acts as a facilitator between the buyer and the seller. On the contrary, in the inventory-based model of e-commerce, the inventory is owned by the e-commerce players and sold directly to the consumer. The latter model is high



on operating expenditure, as the player must pay, acquire, and store the products. One may wonder why Nykaa opted for the inventory-based model, which is high in cost in relation to the marketplace model. The answer lies in the fact that Nykaa has decided to opt for an omnichannel model, which essentially implies that it has a mix of online and offline stores.

This calls for having inventory in-house for its stores across the country. Nykaa has its stores (76) across India. To ensure supply chain flexibility and effectiveness, it has located its warehouses across major metros in the country, i.e., Mumbai, New Delhi, Pune, Haryana, Kolkotta, and Bangalore. These warehouses are used to store 200,000 products across 2000 brands. The offline stores are classified into three distinct formats, i.e., Nykaa Luxe, Nykaa On Trend, and Nykaa beauty kiosks. The Luxe format stores showcase international brands such as Huda Beauty and MAC. The Nykaa beauty stores showcase and sell in-house products. Nykaa. The purpose of having three distinct is to help the consumer get focused products during store visits rather than mix up the products and confuse the consumers. Another strategic reason is that the consumers for each store format are distinct, which calls for distinct stores. In a way, it helps Nykaa capture market shares across each market segment and, in the process, emerge as the overall market leader in the fashion and beauty space.

### Future Next for Nykaa

Globally, the beauty and personal care market is expected to reach USD 725 Billion, while in India, it is expected to touch USD 288 Billion by 2025. The market is undergoing a churn and transformation with moves by players from e-commerce and FMCG spaces. L’ Oreal, the cosmetics giant that owns brands like Garnier, Maybelline, and NYX, has acquired India-based skincare brands like Cheryl’s Cosmeceuticals and other global brands like The Body Shop, Vichy, Kiehl’s Urban Decay. Table 1 shows the list of mergers and acquisitions globally during the year 2021.

**Table 1: List of Mergers and Acquisitions**

<b>Acquiring Organization</b>	<b>Acquired Organization</b>
THG Holdings, British e-commerce company @ USD 350 Million	Dermstore (online beauty and skin care business unit ) belonging to Target Corp.
L’Oréal	Takami Co (a Japanese company) Develops/ markets products with a license from Takami (a skincare brand) owned by Doctor Hiroshi Takami's dermatological clinics in Tokyo.
L’Oreal	Acquired Gjosa, with which L’Oreal has been collaborating to optimize shampoo rinse technologies for saving water (1.5 Litres instead of 8 Litres).
HatchBeauty Brands	Acquired Trendalytics, a consumer analytics platform that aggregates and analyses millions of consumer insights across social media to predict the longevity of consumer trends relating to fashion/beauty. This will help the retail partners of Hatch with their stock and supply-related planning.
The Hut Group	Acquired Bentley Laboratories, a renowned beauty developer and manufacturer, for \$255 million
Function of Beauty	Acquired Atolla, which offers Personalized Skin Care solutions at home, based on consumer data/preferences

Source: [https://www.beautypackaging.com/contents/view\\_online-exclusives/2022-01-10/the-biggest-deals-acquisitions-of-2021/](https://www.beautypackaging.com/contents/view_online-exclusives/2022-01-10/the-biggest-deals-acquisitions-of-2021/))

There has been enough action on beauty and personal care in India as well. Leadership at Nykaa has realized that the only way to continue its market leadership would be through growth, which can be due to both organic and inorganic forms. It has acquired Dot & Key, a direct-to-consumer (D2C), based in Kolkata and founded by Suyash Saraf and Anisha Saraf. The organization offers skincare solutions such as serums, face masks, toners, and cleansers, apart from its foray into nutraceuticals under the brand 'IKWI'. These products are dermatologically tested and cruelty-free. Nykaa has tough competition from other players like Mamaearth, which offers eco-friendly and organic products. The other strong competitor is Purplle which has investment backing from the family office of Azim Premji, one of the luminary leaders in the Indian IT industry. Table 2 shows the details of e-commerce players who are competitors to Nykaa.

**Table 2: E-commerce players and competitors**

<b>Organization</b>	<b>Product/Service Offerings</b>
Hims	Private label brand that offers multi-category beauty & wellness products for men. The range of products includes cosmetics, sexual health, hair care, health supplements, and skin care.
Purplle	Online marketplace platform for multi-category beauty products. The offerings include products relating to makeup, skincare, fragrances, makeup, body care, hair care, facial care, men's grooming, eye-care, beauty appliances.
Myntra	Online retailer for multi-category fashion products The platform offers products to men, women and Kids. The product range includes apparel, footwear, accessories (sunglasses, Wallets, handbags). Further, it offers beauty and home decor products.
Mamaearth	Internet first brand that offers organic beauty care products. The product range includes body lotions, hair shampoo, rash cream, body spray, body wash, massage oil, sunscreen lotion, men's grooming products, etc. The products offered are natural & eco-friendly.
Plum	Internet first brand offering skincare products. It offers products for skin/body/hair care and make-up.
Freewill	Internet first brand for personalized shampoo/conditioners. The company conducts user assessment and offers products within 7 days.

Source: <https://tracxn.com/d/trending-themes/Startups-in-Internet-First-Hair-Care-Brands>

From the above it is clear that the internet first beauty and personal care segment in India is vibrant with several start-ups vying to grab the attention of the consumers. Nykaa is conscious of the fact that it has innovate constantly in its business strategy. It has been focusing on sustainable growth and in contrast to hyper-growth, which is the focus for most of the start-ups. Nykaa has ensured to maintain arms-length between various internal units. In addition, it has been constantly the effectiveness on the unit level economics, while balancing the growth. This strategy is in quite contrast to other start-ups which chase hyper growth and, in the process, tend to compromise on unit economics. As a result, the top line of the organization, maybe looking positive and rosy. However, the bottom line will look bleak with loss incurred at unit economics, making the business non-sustainable. The potential for online beauty care products is immense as the current levels of penetration is just 10%. The overall gross merchandise value in the segment is USD 16 Billion as on date and it can scale upto USD 28 Billion, during the next 5 years.

The drivers for growth for Nykaa come from a) Customer Centricity and b) Trust building with customers by offering genuine products and quality customer service. The organization has set aside INR 100 Crore towards capex to support its Omni-channel strategy. Nykaa at the end of Q2 of FY 22 has 84 stores across and plans to expand its footprint to 300 stores in the next 2-3 years. The proposed Omni channel expansion will help Nykaa to have closer customer connect. Irrespective of advancement in technology such as metaverse, beauty care is a personal subject and customers would like to try out the products in dimensions like skin-compatibility, before buying the product. In addition, the beauty counsellors in the Nykaa outlet can provide inputs and assistance in the selection of the product that suits the customer. The expansion strategy of Nykaa is aligned ecommerce industry, which is heading towards omnichannel & hybrid channels. Apart from a customer-connect angle, the offline stores can be integrated into the hub-n-spoke model in supply chain operations. The offline stores can act as mini-warehouses and thus help in reducing costs related to warehousing & transportation.

### **People Practices @ Nykaa**

Nykaa is practicing holistic HR approach and the employee feedback has been positive, based on feedback in portals such as Ambition Box and Glassdoor (scale of 1-5, 5 being high). The employees have indicated the culture and work environment are good. The work culture at Nykaa can be summed up in the words of Ms Nayar “It’s total commitment to work that drives the organizational culture”. The vibrancy in company’s culture can be credited to the young and millennials who are working with the organization. The employees are not afraid of asking questions or contradicting boss for the success of the organization. The policy of “Working Saturday” helped in “Reverse Selection” process, with employees who are not keen on stretching eventually opting out of their association with Nykaa.

The employees are found to be supportive to each other, while the leadership is approachable and transparent. The HR policies are employee friendly, the performance management process is fair and transparent. A good bonus plus employee pay hikes follow the annual appraisal. The employees indicated that Nykaa is the best paymaster in its market segment. This indicates that the organization’s talent strategy is “Pay best and get the best talent.” Apart from other aspects, the critical criterion in attracting and retaining talent by start-ups is compensation. This is because employees tend to weigh the career risk with start-up vs. calculating the de-risking or risk offset with compensation.

This speaks highly of the ability of the leadership of Nykaa to build a fair, positive, and transparent culture. Most organizations get negative feedback due to a lack of fairness and transparency. From an employee perspective, the most critical factor impacting their job satisfaction is being rated fair for their contributions.

Employees have given the highest rating to skill development (4). This implies that Nykaa offers learning and upskilling opportunities to employees on and off the job. The employee is trained to be a fashion expert. The training is largely tech-based and the employees are trained to use the Nykaa and assist customers in making the right product selection. No wonder the employees rate high skill-development as the top takeaway from the organization. Nykaa does not have a hire and fire policy. The organization believes in hiring talent and investing in them through training and development. It is, for this reason, job security has been rated as second highest with 3.8 score. The other rated factors include work-satisfaction (3.6), salary & benefits (3.6), company work culture (3.6) and work-life balance and career growth at 3.5, The low scores for work-life balance can be reasoned that in start-ups, which

are on growth curve, employees are required to work for long hours due to which the work-life balance will get impacted. The low rating in career growth can be attributed that Nykaa especially the offline format will have a flat hierarchy i.e, store attendants and store managers. The profile of store attendants is quite variant to that of store managers, and as a result the opportunities for career growth would be relatively low. In the case of store managers, it takes 24-30 months for a store to stabilize and show growth. From today's generation, the period may look long. Also, the possibilities of store managers growing to the next level will be few, as the corporate roles will be in supply chain management, which calls for niche skills.

Nykaa offer three career tracks for talent, namely the Tech & product, Brands and Retail. The roles in technology and product domain are Soft Development Engineer (Front & Back End), Quality Analyst. The roles in Brand track are Executive and Manager in Brand Management. In case of retail the roles include Brand Manager, Training Content development developer, Make-up artist, Store Manager, Assistant Manager – Supply Chain Management, Senior Executive/Assistant Manager – HR, Category supervisor and Executive/Assistant Manager (Business Development). On study of tracks, it can be identified that the career tracks are aligned to the nature of business and operating business model of Nykaa. The organization needs to have strong tech talent to manage its online presence to attract online customers. The strength for Nykaa lies in its unique collection brands which are mapped to various consumer needs. This calls for identifying new brands and on-boarding them to Nykaa. Further there is need to continuously strengthen the existing brands both through branding activities and based on customer feedback. The third career track, retail, has roles in store management, in-store assistance, etc. From the above, each of the career tracks is specialized, and the chances of talent being rotated across tracks are low unless the talent upskills and moves up the skill hierarchy.

### **Learning Insight**

Falguni Nayar is a rock-solid force in the Indian business world today. Her journey has and continues to inspire people across all industries. Part of women in leadership in India, her valuable quotes and success mantra can surely instil confidence in us. Nykaa aims to act upon consumers' preference of offline channels that offer a trial of products to determine the quality and nature of the product.

Nykaa displayed exceptional performance in the online cosmetics & fashion retail landscape. One of its key objectives has always been to create a self-sustaining content ecosystem that can support the consumer in creating meaningful engagement that drives conversions and replicates the in-store experience online. Over time, with the expansion of the brick-and-mortar model, this integration has become two-way, offering the ease and convenience of online content discovery in stores.

A key takeaway of Nykaa's marketing strategy is to deliver something new to the customers. Nykaa was a fresh idea in Indian markets, and today it is influential. Nykaa has been leveraging social media platforms to promote its products, which is evident from the aggressive marketing strategy it has adopted in the last few years. However, the company believes in 360-degree marketing, influencers play a vital role. Influencer marketing is a strategy that businesses use to promote their products and services by partnering with popular social media users bloggers, and vloggers. Nykaa operates in two verticals—Nykaa Beauty and Nykaa Fashion.

Nykaa Beauty sells products from drug stores to premium products within cosmetics, personal care, and haircare space, while Nykaa Fashion sells apparel and accessories for men and women. Nykaa – Beauty and Fashion has a wide range of grand plans to mark the beauty and fashion industry and has been focusing on escorting quality products and services to users at suitable rates. The platform shows great promise to expand and gain a further dominant position. With its omnichannel marketing, the brand has left its customers with glittery eyes.

### **Discussion Questions**

1. What is the main the leadership style of the organization?
2. What is unique about marketing strategy of the organization

## References

- Analytics Steps. (2021, December 17). Nykaa's success story - A journey of an Indian e-commerce giant. Retrieved from <https://www.analyticssteps.com/blogs/success-story-nykaa>
- Beauty Packaging. (2022, January 10). The biggest deals & acquisitions of 2021. Retrieved from [https://www.beautypackaging.com/contents/view\\_online-exclusives/2022-01-10/the-biggest-deals-acquisitions-of-2021/](https://www.beautypackaging.com/contents/view_online-exclusives/2022-01-10/the-biggest-deals-acquisitions-of-2021/)
- Economic Times. (2022, February 10). Beauty e-commerce in India set for next level of growth, say experts. Retrieved from <https://economictimes.indiatimes.com/tech/startups/beauty-e-commerce-in-india-set-for-next-level-of-growth-say-experts/articleshow/81874314.cms>
- Economic Times Retail. (2022, April 21). Nykaa to invest Rs 100 crore over 2-3 years to expand retail footprint, fulfilment centres: CFO. Retrieved from <https://retail.economictimes.indiatimes.com/news/health-and-beauty/cosmetics-and-fragrances/nykaa-to-invest-rs-100-crore-over-2-3-years-to-expand-retail-footprint-fulfilment-centres-cfo/88267847>
- IMARC Group. (n.d.). India beauty & personal care market: Report overview. Retrieved from <https://www.imarcgroup.com/india-beauty-personal-care-market>
- Marqueex. (2021, September 2). The stunning marketing strategy of Nykaa. Retrieved from <https://marqueex.com/the-stunning-marketing-strategy-of-nykaa/>
- Moneycontrol. (2020, March 5). Why Nykaa has chosen to largely market products via influencers. Retrieved from <https://www.moneycontrol.com/news/business/why-nykaa-has-chosen-to-largely-market-products-via-influencers-6191331.html>
- Moneycontrol. (2021, July 12). Daily: Voice-first mover advantage, profitability, growth prospects make Nykaa a top pick, says Jyoti Roy of Angel Broking. Retrieved from <https://www.moneycontrol.com/news/business/ipo/daily-voice-first-mover-advantage-profitability-growth-prospects-make-nykaa-a-top-pick-says-jyoti-roy-of-angel-one-7647451.html>
- MyGreatLearning. (2022, March 8). Women in leadership: Falguni Nayar leading the way. Retrieved from <https://tracxn.com/d/trending-themes/Startups-in-Internet-First-Hair-Care-Brands>
- Statista. (n.d.). Women intimate wear market size in India. Retrieved from <https://www.statista.com/statistics/747938/women-intimate-wear-market-size-india>

## **Smacking to increase productivity: changing the narratives of asnaf entrepreneurs from MyJANA 2023 project**

### **Fatin Husna Suib**

Assistant Professor, Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia.  
Email: fatinhusnasuib@iium.edu.my

### **Nurazzura Mohamad Diah**

Associate Professor, Department of Sociology and Anthropology,  
Kulliyah of Islamic Revealed Knowledge and Human Sciences,  
International Islamic University Malaysia.  
Email: nurazzura@iium.edu.my

### **Ahmad Fahmi Harun**

Assistant Professor, Department of Physical Rehabilitation Sciences,  
Kulliyah of Allied Health and Sciences,  
International Islamic University Malaysia.  
Email: ahmadfahmi@iium.edu.my

### **Amirah Ahmad Suki**

Assistant Professor, Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia.  
Email: amirahahmadsuki@iium.edu.my

## **ABSTRACT**

The MyJANA 2023 Project is an innovative endeavor designed to uplift financially underprivileged Asnaf entrepreneurs in Perlis, Malaysia, through comprehensive training in entrepreneurship and digital marketing. Addressing systemic barriers, it seeks to foster economic independence and self-reliance among participants using the SMACK approach—centering on Self-motivation, Measurability, Assessment, Culture, and Knowledge. This methodology incorporates training on social media marketing, branding, and AI tools for business enhancement. The project has significantly improved entrepreneurial skills, business productivity, financial empowerment, and digital marketing proficiency, contributing to individual and broader social-economic upliftment. Aligned with the Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 10 (Reduced Inequalities), the initiative demonstrates the transformative power of targeted educational programs. Despite challenges like digital transition resistance and skills gaps, it has showcased the importance of adaptability, inclusivity, and continuous support. Looking forward, MyJANA 2023 aims to scale its model and enhance learning experiences through technology. It stands as a testament to the impact of education and entrepreneurship on transforming lives, laying a foundation for empowering disadvantaged communities.

**Keywords:** Digital Entrepreneurship, Digital Marketing Skills, Economic Empowerment, Adaptive Learning Strategies, Asnaf

---

### **MYJANA’S BACKGROUND, OBJECTIVES AND SIGNIFICANCE**

The MyJANA 2023 Project, based in Perlis, Malaysia, emerges as a beacon of hope and empowerment for Asnaf entrepreneurs. Asnaf, defined within the Islamic Zakat system, refers to individuals and families who are financially underprivileged and thus eligible for zakat (charitable donations). Historically, these communities have faced systemic barriers to economic self-sufficiency, often relying on financial aid to meet their basic needs. In an era where entrepreneurship and digital literacy are increasingly recognized as pivotal for economic independence, the MyJANA 2023 Project seeks to bridge the gap for the Asnaf community, enabling them to leverage these avenues towards a more self-reliant future.

The core objective of the MyJANA 2023 Project is twofold. Firstly, it aims to provide comprehensive entrepreneurial training covering crucial aspects such as business planning, financial management, marketing, and customer relations. This foundational knowledge is vital for any entrepreneur looking to establish or expand a business. Secondly, the project places a significant emphasis on digital marketing skills. Given the digital age's relentless expansion, mastery over online business tools and platforms has become indispensable. Digital literacy empowers entrepreneurs to navigate the vast online marketplace effectively, expanding their reach and enhancing their business's potential.

Entrepreneurship, particularly within disadvantaged communities, is more than a pathway to financial stability; it is a catalyst for holistic community upliftment. By equipping Asnaf entrepreneurs with the skills and knowledge to thrive in the business world, the MyJANA 2023 Project does not merely aim to alleviate immediate financial need but to foster a culture of self-sufficiency and innovation. This initiative acknowledges the untapped potential within the Asnaf community and seeks to transform it into a tangible force for economic and social change.

Through targeted training and support, the project endeavors to change the narrative around Asnaf entrepreneurs. Instead of being seen as perpetual recipients of aid, they are recognized as capable and innovative individuals, poised to contribute significantly to their communities and the broader economy. This shift in perception is crucial, not just for the entrepreneurs themselves but for society's broader understanding of poverty and empowerment. MyJANA 2023 Project is more than an entrepreneurial program; it is a comprehensive strategy aimed at changing lives and narratives. By focusing on both the foundational aspects of entrepreneurship and the cutting-edge requirements of digital marketing, the project seeks to pave a new path for Asnaf entrepreneurs. This initiative represents a critical step towards a future where financial need is not a barrier to economic independence and success but a challenge to be overcome through innovation, education, and community support. See Figure 1.





Figure 1: Photography Session with Trainers, Participants, and Organizer.

## MYJANA'S METHODOLOGY

### *The SMACK Approach*

Central to the MyJANA 2023 Project is the innovative SMACK approach, an acronym that stands for Self-motivation, Measurable, Assessment, Culture, and Knowledge. This holistic strategy is designed to tackle various aspects of entrepreneurship and personal development, ensuring that participants receive a well-rounded education. Figure 2 shows that we delve into each component of the SMACK approach to understand its contribution to the program's methodology.

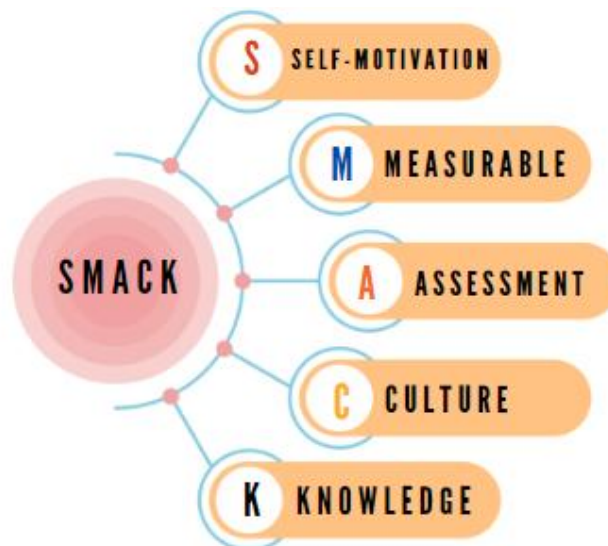


Figure 2: SMACK Model

- **Self-motivation:** Recognizing the intrinsic drive needed for entrepreneurial success, the project emphasizes self-motivation as its cornerstone. This emphasis is grounded in the understanding that self-efficacy and motivation are critical factors that positively impact entrepreneurship interest, as demonstrated in a study of students at the Medan State Polytechnic College, North Sumatra (Kurnia & Sari, 2019). Participants are encouraged to set personal goals and envision their success, fostering an environment where motivation is driven by personal achievement and the desire to advance.
- **Measurable:** Objectives within the training modules are designed to be measurable, allowing participants to track their progress and achievements. This aspect ensures a tangible assessment of skills acquired, business milestones reached, and overall growth as entrepreneurs.
- **Assessment:** Regular assessments are integral to the methodology, providing feedback loops for both the participants and trainers. These assessments help in identifying areas of strength and improvement, ensuring that the training is responsive and tailored to the needs of the Asnaf entrepreneurs.
- **Culture:** The project places a significant emphasis on culture, specifically aiming to cultivate a culture of entrepreneurship and continuous learning within the Asnaf community. This includes sharing success stories, fostering a supportive community, and emphasizing ethical business practices.
- **Knowledge:** At the heart of the SMACK approach is the impartation of knowledge. The curriculum covers essential entrepreneurial skills such as business planning, financial management, and customer relations, alongside digital marketing skills crucial for modern business success.

### *Training Modules*

The initiative has rolled out a series of advanced training modules tailored to meet the unique requirements of the Asnaf entrepreneur community. Among these, the digital marketing module, a creation from the EntrepWeek project developed by Dr. Fatin Husna Suib, has been implemented (Suib, et al, 2023). The included modules are:

- **Designing Business Advertisements via CANVA:** Participants learn to use CANVA, a user-friendly graphic design tool, to create engaging advertisements for their businesses.
- **Entrepreneurial Mindset:** This module focuses on cultivating the attitudes and beliefs necessary for entrepreneurial success, including resilience, innovation, and problem-solving.
- **Social Media Marketing (Instagram, TikTok, and Facebook Page Marketing):** Given the importance of social media in today's marketplace, this module teaches effective strategies for engaging customers and promoting products on popular platforms.
- **Branding:** Entrepreneurs learn the significance of building a strong brand identity and how it impacts customer perception and loyalty.
- **Video Marketing via CAPCUT:** Recognizing the growing trend of video content, this module covers the basics of creating and editing videos using CAPCUT, enhancing marketing efforts with visual storytelling.
- **Business Model Canvas (BMC):** The BMC module provides a strategic and visual framework for developing or refining business models, encouraging a structured approach to business planning.
- **Copywriting via ChatGPT:** Leveraging AI tools like ChatGPT for effective copywriting, participants learn how to craft compelling messages that resonate with their audience.

- Go-Ecommerce Portal from MDEC: This module introduces participants to the Go-Ecommerce platform by MDEC, equipping them with the knowledge to navigate online marketplaces and expand their digital footprint. Figure 3 shows the training session.



Figure 3: Digital Marketing Workshop Using CANVA

Through the SMACK approach and these tailored training modules, the MyJANA 2023 Project aims to build a foundation of knowledge and skills that empowers Asnaf entrepreneurs to thrive in a competitive market. The incorporation of digital technology into entrepreneurship education, as highlighted by Sulistianingsih (2023), has fundamentally changed the way students learn, interact, and prepare for successful business ventures, aligning with the project's innovative methodology. This methodology not only addresses the immediate needs of starting and running a business but also instills a long-term vision for growth, innovation, and community contribution.

### ***IMPACT ON ASNAF ENTREPRENEURS***

The MyJANA 2023 Project has engineered a multifaceted impact on Asnaf entrepreneurs, transforming not only their business operations but also their personal development and community engagement. This section elaborates on the significant outcomes achieved through the project's innovative methodology.

#### ***Improved Entrepreneurial Skills***

One of the project's foremost achievements is the substantial enhancement of entrepreneurial skills among participants. By covering a wide array of topics, from business planning and financial management to customer relations, entrepreneurs have gained a robust foundation necessary for navigating the complexities of running a business. This skill set empowers them to make informed decisions, optimize their operations, and drive sustainable growth. This outcome aligns with the findings of Galvão, Marques, and Ferreira (2020), who assert that entrepreneurship education and training programs positively influence individual

entrepreneurial orientation, skills, and company creation, fostering company formation and regional development.

### *Enhanced Digital Marketing Proficiency*

In today's digital age, the ability to effectively market one's business online is indispensable. The MyJANA 2023 Project has placed a significant emphasis on digital literacy, equipping participants with the skills to leverage social media platforms, engage in video marketing, and utilize e-commerce portals. As a result, Asnaf entrepreneurs have reported an increase in their online presence, customer engagement, and sales, illustrating the critical role of digital marketing in business success. Figure 4 shows the online session.

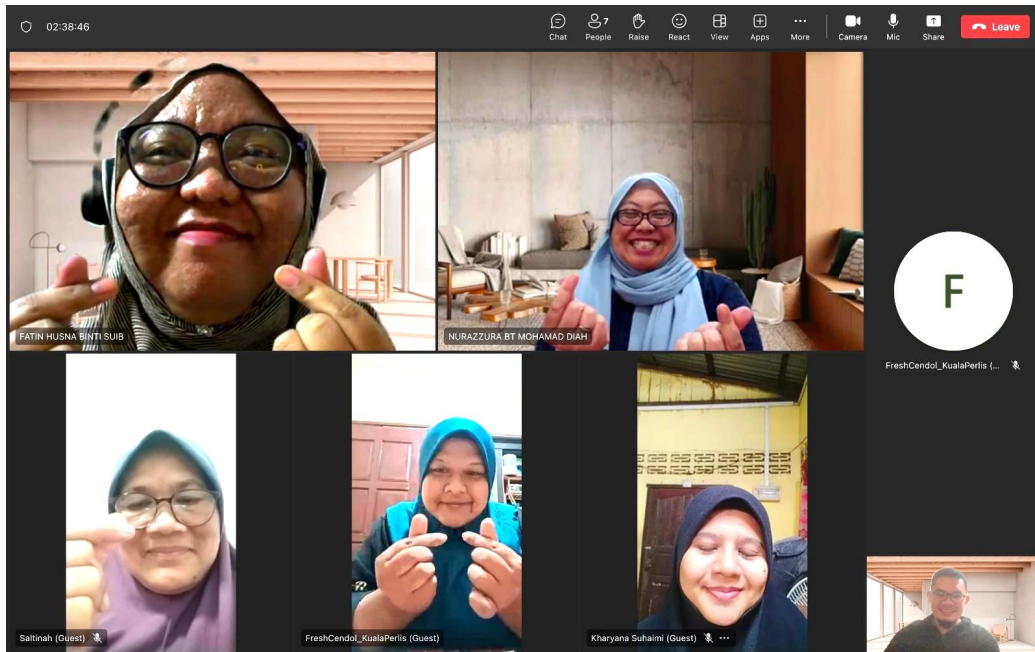


Figure 4: Online Digital Marketing Class for TikTok Module

### *Increased Business Productivity*

The comprehensive training provided by the MyJANA 2023 Project has translated into increased productivity for Asnaf entrepreneurs. With a better understanding of business processes and the adoption of efficient digital tools, participants have optimized their operations, leading to improved product and service delivery. This increase in productivity not only enhances profitability but also contributes to the overall competitiveness of their businesses. This outcome is supported by the findings of Suminar, Yusuf, and Utsman (2020), who observed that entrepreneurship training significantly contributes to the productivity of Semarang City SMEs, with a 14.5 percent positive impact, improving human resource quality and enhancing competitiveness.

### *Financial Empowerment*

Financial empowerment is a crucial outcome of the MyJANA 2023 Project. By fostering entrepreneurship among Asnaf individuals, the initiative has enabled participants to generate sustainable income streams, reducing their reliance on financial aid. This shift towards self-reliance marks a significant step in breaking the cycle of poverty and contributing to the economic upliftment of the Asnaf community.

### *Confidence and Self-Esteem*

Entrepreneurship training has had a profound effect on the confidence and self-esteem of Asnaf entrepreneurs. The acquisition of new skills and knowledge, combined with the experience of running a successful business, instills a sense of achievement and self-worth. This effect mirrors the findings of Costin, O'Brien, and Hynes (2021), who highlight that entrepreneurship education positively impacts students' entrepreneurial confidence, aptitude, and self-efficacy, leading to increased motivation and belief in their ability to start an entrepreneurial venture. This newfound confidence not only motivates entrepreneurs to pursue their business goals but also inspires others within the community to explore entrepreneurship as a viable path to financial independence.

### *Broader Social Impacts*

Beyond individual success, the MyJANA 2023 Project has facilitated broader social impacts, including community engagement, knowledge sharing, and economic impact. As Asnaf entrepreneurs thrive, they contribute to the local economy by creating jobs, engaging with local suppliers, and participating in community development initiatives. Additionally, the culture of knowledge sharing fostered by the project encourages a collaborative environment where entrepreneurs support one another, further strengthening the community's entrepreneurial ecosystem.

### *Long-Term Sustainability and Empowerment*

The ultimate impact of the MyJANA 2023 Project lies in its contribution to the long-term sustainability and empowerment of Asnaf entrepreneurs. By equipping them with the tools and knowledge to succeed in the modern business landscape, the project ensures that participants are well-positioned to maintain and grow their enterprises. This enduring impact not only benefits the entrepreneurs and their families but also serves as a model for economic empowerment and self-sufficiency for underprivileged communities.

The MyJANA 2023 Project's comprehensive approach has created a ripple effect of positive outcomes, showcasing the transformative power of targeted entrepreneurship training. As we move forward, examining the challenges faced and reflecting on the project's journey offers valuable insights for future initiatives.

## **CHALLENGES FACED**

Despite its significant achievements, the MyJANA 2023 Project encountered a range of challenges that tested its resilience and adaptability. These obstacles provided valuable lessons on the complexities of implementing entrepreneurship training programs, especially within underprivileged communities. This section explores the main challenges encountered and how they were addressed.

### *Resistance to Digital Transition*

One of the primary challenges was the initial resistance among Asnaf entrepreneurs to adopt digital business practices. Many participants, accustomed to traditional ways of doing

business, were hesitant to embrace new technologies and online platforms. This resistance stemmed from a lack of familiarity with digital tools and fear of the unknown.

Solution: To counter this, the project emphasized hands-on training and real-life success stories to demonstrate the tangible benefits of digital adoption. Gradual, step-by-step guidance helped participants build confidence in using digital tools, gradually overcoming their initial resistance.

#### *Limited Awareness and Mastery of Digital Tools*

The rapid pace of digital innovation means that new marketing tools and platforms are constantly emerging. Many Asnaf entrepreneurs had limited awareness of these resources, and even when introduced to them, mastering their use posed a significant challenge.

Solution: The project addressed this by providing continuous learning opportunities, including workshops, online tutorials, and mentoring. By fostering a culture of lifelong learning, entrepreneurs were encouraged to keep abreast of digital trends and tools, enhancing their digital literacy over time.

#### *Challenges in Engaging Participants Actively*

The traditional lecture-based format of training sessions initially led to passive engagement from participants, limiting the effectiveness of the learning experience.

Solution: Recognizing the need for a more interactive and participatory approach, the MyJANA 2023 Project incorporated active learning techniques, such as group projects, role-playing, and business simulations. These methods fostered a more engaging and immersive learning environment, encouraging active participation and practical application of skills.

#### *Navigating the Digital Skills Gap*

The varying levels of digital literacy among participants created a skills gap, with some entrepreneurs struggling more than others to keep pace with the training.

Solution: To ensure inclusivity, the project implemented differentiated learning paths tailored to the individual's skill level. Additional support, such as one-on-one coaching, was provided to those needing extra help, ensuring no one was left behind in the digital transition. Figure 5 shows the personal coaching session.





Figure 5: Personal Coaching Session with TikTok Influencer

### *Overcoming Traditional Mindsets*

Shifting the mindset from dependency on financial aid to self-reliance and entrepreneurial thinking was a significant hurdle. Traditional beliefs and societal norms often conflicted with the entrepreneurial spirit, creating barriers to full engagement with the program.

Solution: Through motivational talks, influencer's success stories, and discussions, the project worked to change perceptions and foster a more entrepreneurial mindset. Emphasizing the dignity and potential of self-employment helped shift attitudes towards positive change and self-sufficiency.

The challenges faced by the MyJANA 2023 Project highlight the complexities of fostering entrepreneurship within disadvantaged communities. However, through adaptive strategies and a commitment to participant success, the project not only overcame these obstacles but also provided valuable insights for future initiatives. These experiences underscore the importance of flexibility, inclusivity, and continuous support in the implementation of entrepreneurship training programs.

## **REFLECTIONS AND FUTURE DIRECTIONS**

The MyJANA 2023 Project, aimed at empowering Asnaf entrepreneurs in Perlis, Malaysia, has illuminated the transformative potential of entrepreneurship and digital marketing training for financially disadvantaged communities. This initiative's journey offers critical reflections and insights that pave the way for future directions in similar projects.

### *Reflecting on the Journey*

Reflecting on its journey, the MyJANA 2023 Project has showcased the profound impact and transformative potential of entrepreneurship and digital marketing training for financially

disadvantaged communities in Perlis, Malaysia. This pioneering initiative has provided valuable lessons and insights, setting a precedent for future projects aimed at empowering underprivileged entrepreneurs. The initiative has played a critical role in empowering Asnaf entrepreneurs by equipping them with essential skills and knowledge, fostering a newfound sense of self-reliance, confidence, and economic independence. The emphasis on education as a tool for empowerment underscores the project's significant impact on individuals and the broader community.

In today's digital era, the project also highlighted the critical importance of digital literacy for achieving business success. By focusing on digital marketing and the utilization of online business tools, the MyJANA 2023 Project has demonstrated how essential these skills are for accessing wider markets and boosting competitiveness. This aspect of the project has been pivotal in preparing entrepreneurs for the demands of the modern business landscape.

Moreover, the initiative's journey revealed the importance of adaptability and personalized support to overcome various challenges, including resistance to digital adoption and addressing the skills gap among participants. The project's responsive and flexible approach to these obstacles has been key to its success, illustrating the need for tailored training programs that meet the unique needs of participants.

A vital takeaway from the MyJANA 2023 Project is the significant value of community engagement and support. By fostering a collaborative environment where entrepreneurs can share their knowledge and experiences, the project has strengthened the entrepreneurial ecosystem within the community. This collaborative model has not only supported individual entrepreneurs but has also contributed to creating a sustainable framework for empowerment, demonstrating the collective benefits of shared learning and support in fostering entrepreneurial success and community development.

#### *Future Directions*

Looking ahead, the MyJANA 2023 Project anticipates several strategic directions to amplify its success and widen its reach. The project's scalability and potential for replication in various regions present a promising avenue to extend its benefits to a larger pool of Asnaf entrepreneurs and communities requiring support. This expansion is vital for magnifying the initiative's positive impact on economic empowerment and self-reliance among disadvantaged groups.

Moreover, the rapid evolution of the digital landscape underscores the necessity for the project to continually refine and update its training content and methodologies. Embracing the latest digital tools and entrepreneurial practices is essential to maintain the program's relevance and efficacy in a constantly changing business environment. In parallel, the development of enhanced support systems, such as comprehensive mentorship programs, networking platforms, and accessible financing options, is crucial. These support mechanisms aim to bolster the entrepreneurs' chances of success, offering them a reliable safety net and resources critical for their entrepreneurial journey.

Furthermore, a commitment to rigorous research and evaluation is key to understanding the project's impact fully. Such efforts will uncover valuable insights into the program's effectiveness, identifying areas for improvement that could shape future iterations. This ongoing evaluation will also contribute to the broader academic and practical understanding of entrepreneurship training's role in uplifting underprivileged communities.



Lastly, leveraging cutting-edge technologies, including artificial intelligence and machine learning, holds the potential to revolutionize the learning experience for participants. By tailoring educational content to meet individual needs, these technologies can significantly enhance participant engagement and the overall effectiveness of the training. The MyJANA 2023 Project's future directions are thus anchored in a vision of growth, innovation, and an unwavering commitment to empowering the Asnaf community through entrepreneurship.

## **CONCLUSION**

The MyJANA 2023 Project represents a beacon of hope and a testament to the power of education and entrepreneurship in transforming lives. As the project moves forward, the lessons learned and successes achieved provide a solid foundation for future initiatives aimed at empowering disadvantaged communities through entrepreneurship. The journey of the MyJANA 2023 Project is a reminder of the potential within each individual and the transformative impact of collective effort, innovation, and resilience.

## **ACKNOWLEDGEMENT**

We sincerely acknowledge the Jamalullail Knowledge Empowerment Program (JKEP) for their generous sponsorship and Majlis Agama Dan Istiadat Melayu Perlis (MAIPs) for their unwavering support of the MyJANA 2023 Project. The empowerment of Asnaf entrepreneurs through this initiative would not have been possible without their contribution.

## **DISCUSSION QUESTIONS**

1. How does the MyJANA 2023 Project utilize the SMACK approach to address the needs of Asnaf entrepreneurs, and what are the key components of this methodology?
2. What impact has the MyJANA 2023 Project had on the personal development and business operations of Asnaf entrepreneurs?
3. What challenges did the MyJANA 2023 Project face, and how were they overcome?
4. Reflecting on the MyJANA 2023 Project, what are the key lessons learned regarding empowering disadvantaged communities through entrepreneurship and digital marketing training?
5. Looking ahead, what future directions can be taken to enhance the effectiveness of programs like the MyJANA 2023 Project in empowering Asnaf entrepreneurs and similar communities?

## REFERENCES

Costin, Y., O'Brien, M., & Hynes, B. (2021). Entrepreneurial education: Maker or breaker in developing students' entrepreneurial confidence, aptitude and self-efficacy?. *Industry and Higher Education*, 36, 267 - 278. <https://doi.org/10.1177/09504222211040662>.

Galvão, A., Marques, C., & Ferreira, J. (2020). The role of entrepreneurship education and training programmes in advancing entrepreneurial skills and new ventures. *European Journal of Training and Development*. <https://doi.org/10.1108/ejtd-10-2019-0174>.

Kurnia, E., & Sari, R. (2019). Self-Efficacy and motivation on entrepreneurship interest In Politeknik Media Kreatif College. Proceedings of the Proceedings of the 1st International Conference on Economics, Management, Accounting and Business, ICEMAB 2018, 8-9 October 2018, Medan, North Sumatra, Indonesia. <https://doi.org/10.4108/eai.8-10-2018.2288749>.

Suib, F. H., Ramdzan Ali, A. A. E., Ahmad Suki, A., Abdul Razak, A., Mohamed Thaheer, A. S., & Abdul Rahman, R. (2024). Nurturing entrepreneurial excellence: The transformative journey of Entrepreneurship Week (Entrepweek). *IIUM Journal of Case Studies in Management*, 15(1). <https://doi.org/10.31436/ijcsm.v15i1.234>

Sulistianingsih, S. (2023). Use of digital technology to support the entrepreneurship education process. *Indo-MathEdu Intellectuals Journal*. <https://doi.org/10.54373/imeij.v4i2.203>.

Suminar, T., Yusuf, A., & Utsman., (2020). The influence of entrepreneurship training on the productivity of SMEs in Semarang City, Indonesia. *People: International Journal of Social Sciences*. <https://doi.org/10.20319/pijss.2020.61.169178>.

## **Navigating turbulence: The resilient journey of RZ Aviation in the face of global challenges**

### **Fatin Husna Suib**

Assistant Professor,  
Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia.  
Email: fatinhusnasuib@iium.edu.my

### **Tamanna Sharmin**

Founder,  
RZ Aviation,  
Dhaka, Bangladesh.  
Email: sharmintamanna227@gmail.com

### **Akter Miss Afruza**

Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia.  
Email: afruzaaktarmafia@gmail.com

### **Nur Nasreen Mohd Dzulkifli**

Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia.  
Email: nasreendzulkifli@gmail.com

### **Islam Md Zahirul**

Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia.  
Email: zahirul30005@gmail.com

### **Farahana Mohd Nazri**

Bank Rakyat School of Business, Innovation,  
Technology and Entrepreneurship,  
Universiti Tun Abdul Razak.  
Email: farahana@unirazak.edu.my

## **ABSTRACT**

The travel and tourism industry, a vital global economic component, historically showcases resilience against various challenges. However, the COVID-19 pandemic introduced unprecedented disruptions, significantly affecting small and medium enterprises (SMEs) like RZ Aviation. Based in Dhaka, Bangladesh, this travel agency faced severe impacts from travel restrictions and economic downturns. This paper presents a case study on how RZ Aviation navigated these turbulent times through strategic resilience and adaptability, focusing on maintaining customer trust and loyalty and implementing digital transformation for future growth. The study explores the founder, Mrs. Tamanna Sharmin's insights through an in-depth interview on overcoming operational halts and financial strains such as continuous office rent payments without active business revenue. Amidst adversity, the company leveraged digital technologies to sustain operations and explore new service avenues, emphasizing digital transformation's role in modern business strategies. Mrs. Sharmin's commitment to strong client relationships during the crisis helped preserve customer loyalty, crucial for SMEs facing large, impersonal competition. Additionally, the case study highlights RZ Aviation's dedication to corporate social responsibility (CSR) and ethical practices, planning and implementing social initiatives even during the crisis. This commitment not only enhances corporate reputation but also strengthens stakeholder relationships, contributing to long-term business sustainability. This analysis of RZ Aviation's response to the pandemic illustrates the adaptability potential of SMEs in the travel sector, providing a resilience and strategic foresight blueprint for other enterprises facing similar threats.

**Keywords:** Travel Agency Resilience, Tourism Digitalization, COVID-19, Sustainable Tourism, Customer Loyalty

---

## **COMPANY BACKGROUND**

RZ Aviation emerged as a visionary endeavor within the travel and tourism sector, founded at Dhaka, Bangladesh with the aim of offering bespoke travel experiences tailored to the discerning needs of its clientele. The company's operational model is built upon a foundation of deep travel industry knowledge and a passion for delivering exceptional service. Over the years, RZ Aviation has carved out a niche in the market, distinguishing itself through a commitment to customer satisfaction and a personalized approach to travel planning. The founder's, Mrs Tamanna Sharmin, narrative encapsulates the journey of RZ Aviation, from its inception to its current status as a trusted and preferred partner for travelers seeking unique and memorable experiences.

## **BUSINESS PHILOSOPHY AND CUSTOMER RELATIONS**

At the heart of RZ Aviation's success lies a profound business philosophy centred on unwavering customer dedication and trust-building. The founder's narrative underscores the importance of forging strong, lasting relationships with clients, viewing them not merely as transactions but as essential partners in the journey of the business. This relationship-centric approach is deeply ingrained in every operational facet, driving the company to consistently deliver tailored, high-quality travel experiences. The emphasis on trust and loyalty not only nurtures repeat business but also fortifies the company's reputation, making RZ Aviation a synonym for reliability and personalized service in the competitive travel industry.

## **FACING THE HEADWINDS: IDENTIFYING THE MULTIFACETED CHALLENGES CONFRONTED BY RZ AVIATION**

RZ Aviation faced an array of challenges during the COVID-19 pandemic, which had a profound impact on its operations and customer interactions. However, the agility and adaptability of the company's response were commendable. Through strategic measures and resilience, the company managed to maintain its operations, underscoring its commitment to delivering safe and reliable travel solutions amidst a global crisis.

One of the primary challenges highlighted by the founder was the fierce competition in the travel agency sector and the difficulty in finding trustworthy employees. Given the critical nature of handling sensitive documents such as passports, establishing a reliable team is paramount yet challenging. The founder expressed this concern, stating,

*"There's a lot of competition in the travel industry, making it particularly difficult to find employees you can trust. This is crucial because we handle sensitive documents like passports. If anything goes wrong, I am ultimately responsible"* (Sharmin, T, personal interview, December 13, 2023).

The susceptibility of travel agencies to external disruptions was clearly demonstrated during the COVID-19 pandemic, which caused operations to cease entirely. This highlighted the challenges of rebounding from such unique global occurrences. Škare, M., Soriano, D., and Porada-Rochoń, M. (2020) note that the recovery time for the tourism sector from this pandemic has exceeded that of previous crises. The founder had to adapt by working from home and focusing on the limited services that were still viable, such as processing student visas for certain countries. Reflecting on the severity of the situation, the founder remarked,

*"Should an event like the coronavirus occur again, it could severely damage our business, just as it did before. We suffered significant financial losses during the pandemic, which affected not only us but many travel agencies, airlines, and businesses across the board"* (Sharmin, T, personal interview, December 13, 2023).

Furthermore, operational complexity is another facet of RZ Aviation's business that the founder elaborated on, particularly regarding the intricate visa documentation process and the nuanced understanding required to navigate the diverse requirements of various embassies. This complexity is magnified by the need to stay current with changing regulations and procedures, necessitating continuous research and relationship-building within the diplomatic community. The founder shared their approach to these challenges:

*"When processing documentation for visas, I've learned the importance of understanding how embassies and visa officers review these documents and make their decisions... Before submitting any documents, it's crucial to review and understand the current rules, which can change frequently"* (Sharmin, T, personal interview, December 13, 2023).

Financial management plays a vital role in planning, control, marketing, and decision-making within travel agencies, as noted by Goodrich, J. (1988). Although the financial burdens of sustaining business operations, like covering office rent without ongoing revenue, are significant, the founder's resolve to rejuvenate and expand the business after the pandemic shows both resilience and a deep commitment to the future of the company. This dedication underscores the founder's firm determination to navigate the complex challenges encountered by RZ Aviation.

## **OVERCOMING ADVERSITY: STRATEGIC RESPONSES TO UNPRECEDENTED INDUSTRY DISRUPTIONS**

The founder of RZ Aviation demonstrated remarkable resilience and strategic acumen in overcoming the myriad challenges posed by the COVID-19 pandemic and the inherent complexities of the travel industry. The company's responses include:

### **Finding Reliable And Trustworthy Employees**

In navigating the competitive landscape and emphasizing the necessity for trustworthy staff, the founder of RZ Aviation took deliberate steps to instill a culture of integrity and superior performance within the company. By establishing strict hiring criteria and ensuring continuous training for the staff, the initiative was aimed at ensuring that the team was well-prepared to meet the demands of the travel industry while adhering to the highest standards of customer service and safeguarding data security. This focused strategy on assembling a dependable and skilled workforce enabled RZ Aviation to distinguish itself in a saturated market, thereby securing the trust and lasting loyalty of its clientele.

This emphasis on trust was further elaborated by the founder, who explained that discerning someone's trustworthiness is best achieved through direct interaction and collaboration. It is within the context of these interactions and relationships that one can accurately assess an individual's reliability. The founder also pointed out that relying solely on references for gauging trustworthiness falls short of actual experience. Echoing this sentiment, the founder asserts,

*"It's not something you can just find out without experience. When you interact and work with people, that's when you really learn if they can be trusted or not. It's not as simple as accepting someone's word or reference. You need to see for yourself whether they are reliable or not" (Sharmin, T, personal interview, December 13, 2023).*

This insight underscores the conviction that understanding and establishing trust necessitates firsthand observation and engagement, further highlighting the founder's approach to building a team whose trustworthiness is verified through practical experience and mutual work.

### **Navigating External Shocks and Operational Disruptions During COVID-19**

The sudden onslaught of the COVID-19 pandemic brought unprecedented challenges, grinding usual operations to a halt. The founder, however, viewed these challenges as an opportunity to innovate and adapt. By swiftly transitioning to remote operations and focusing on services that were still in demand, such as processing student visas, the founder kept the business operational against all odds. This nimble response not only mitigated the immediate impacts of the pandemic but also laid the groundwork for a more flexible and resilient operational model for the future.

### **Managing Financial Strain and Ensuring Business Continuity**

The financial strain caused by the pandemic was a significant hurdle, with ongoing expenses like office rent draining the limited resources. The founder tackled this challenge head-on by meticulously managing the company's finances, prioritizing essential expenses, and seeking alternative revenue streams to keep the business afloat. This prudent financial management, coupled with a clear-eyed assessment of the situation, allowed RZ Aviation to navigate the economic turbulence of the pandemic.

## **Cultivating Resilience and Preparing For The Future**

Beyond managing the immediate crises, the founder's vision for the future played a crucial role in overcoming these challenges. By continuously scanning the horizon for emerging trends and opportunities, the founder positioned RZ Aviation to not just recover from the pandemic but to emerge stronger and more agile. The relentless pursuit of innovation, customer satisfaction, and operational excellence under the founder's leadership has set RZ Aviation on a path to sustained growth and success in the post-pandemic world.

## **FUTURE ASPIRATIONS AND DIGITAL TRANSFORMATION**

RZ Aviation is not just navigating the present but is also keenly focused on shaping its future trajectory. The founder articulates a clear vision for expansion, emphasizing the integration of digital technologies as a cornerstone for growth. This digital transformation initiative is not merely about adopting new technologies but is seen as a strategic move to enhance operational efficiency, improve customer engagement, and create innovative service offerings. The commitment to leveraging digital tools illustrates RZ Aviation's proactive approach to staying ahead in the rapidly evolving travel industry, ensuring they remain competitive and relevant in the digital era.

According to Frolova (2021), travel agencies need to adapt to digital technologies and consumer preferences to retain competitive edges over online tourism services. During the interview, the founder of RZ Aviation discussed her future ambitions and emphasized the critical importance of digital transformation in realizing these objectives.

*"The current phase of our business is just the beginning. We have substantial plans for expansion. Right now, we're operating on a smaller scale, with around 70 employees. However, the goal is to scale this number up to 1000. Achieving this level of growth necessitates a shift towards digitalization. The world is moving in a digital direction, and if we stick to the traditional, analog ways, we won't be able to reach the position we aspire to. Therefore, digital transformation is not just an option but a necessity for us" (Sharmin, T, personal interview, December 13, 2023).*

The founder further emphasized the importance of integrating digital tools across all aspects of the business:

*"To position ourselves for success, we need to embrace every tool at our disposal, especially digital ones. This isn't just about enhancing our marketing strategies; it's about transforming the entire business operation to be more efficient, more customer-centric, and ultimately more resilient. Our vision is to grow RZ Aviation into a major agency, and harnessing the power of digital technology is important in this journey" (Sharmin, T, personal interview, December 13, 2023).*

This excerpt from the interview highlights the founder's strategic approach to leveraging digital transformation as a key driver for future growth and expansion of RZ Aviation.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) AND ETHICAL BUSINESS PRACTICES**

CSR initiatives in the tourism sector can significantly impact travelers' attitudes and behaviors, especially when these travelers strongly believe that companies are responsible during crises like the COVID-19 pandemic (Han, Lee, Kim & Ryu, 2020). RZ Aviation's dedication goes beyond simple business expansion to encompass a core commitment to social responsibility and ethical practices. Recognizing the importance of community contribution and sustainability, the company has planned integrated social initiatives into its core strategy. "I'm planning to establish both an orphanage and a home for the elderly," (Sharmin, personal

interview, December 13, 2023) the founder shares, revealing plans to dedicate a significant portion of the company's earnings to these causes.

*"My intention is to allocate 50% of my company's earnings to support these initiatives. I believe it's imperative for every business to shoulder such social responsibilities. After all, we are servants to our society at large, and it's our duty to contribute positively to our community" (Sharmin, T, personal interview, December 13, 2023).*

This strategy not only highlights RZ Aviation's dedication to ethical practices but also solidifies its reputation as a responsible player in the travel and tourism industry, committed to making a positive difference. According to Madanaguli, Srivastava, Ferraris, & Dhir (2021), CSR in the tourism industry is associated with better relationships with stakeholders, including employees and customers, and represents a rapidly expanding field of research with significant potential for future exploration.

## **CONCLUSION**

This study encapsulates the journey of RZ Aviation, highlighting its strategic adaptation in the face of the COVID-19 pandemic, its unwavering commitment to customer satisfaction, and its visionary approach towards digital transformation and social responsibility. The insights gleaned from this case study not only shed light on the resilience and adaptability of SMEs in the travel sector but also provide valuable lessons for businesses striving to navigate uncertainties while maintaining ethical and community-focused practices. This case serves as a blueprint for SMEs worldwide, highlighting the importance of agility, customer focus, and the strategic integration of technology in navigating future uncertainties.

## **DISCUSSION QUESTIONS**

1. What were the main challenges faced by RZ Aviation during the COVID-19 pandemic?
2. How did RZ Aviation respond strategically to the disruptions caused by the COVID-19 pandemic?
3. What role does digital transformation play in RZ Aviation's future growth plans?
4. How does RZ Aviation incorporate corporate social responsibility (CSR) into its business model?
5. What insights can be drawn from RZ Aviation's experience for other SMEs in the travel sector?



## REFERENCES

Frolova, E. (2021). Shaping the competitive advantages of travel agencies over online services in today's environment. *Vestnik Universiteta*. <https://doi.org/10.26425/1816-4277-2021-10-99-103>.

Davidoff, P. G., & Davidoff, D. S. (1988). *Financial Management for Travel Agencies*. Delmar Publishers.

Han, H., Lee, S., Kim, J., & Ryu, H. (2020). Coronavirus disease (COVID-19), traveler behaviors, and international tourism businesses: Impact of the corporate social responsibility (CSR), knowledge, psychological distress, attitude, and ascribed responsibility. *Sustainability*. <https://doi.org/10.3390/su12208639>.

Madanaguli, A., Srivastava, S., Ferraris, A., & Dhir, A. (2021). Corporate social responsibility and sustainability in the tourism sector: A systematic literature review and future outlook. *Sustainable Development*. <https://doi.org/10.1002/sd.2258>.

Škare, M., Soriano, D., & Porada-Rochoń, M. (2020). Impact of COVID-19 on the travel and tourism industry. *Technological Forecasting and Social Change*, 163, 120469 - 120469. <https://doi.org/10.1016/j.techfore.2020.120469>.

## **Paradigm Industry Sdn Bhd effective marketing turnaround strategies**

Tin Shin Thed  
Faculty of Accountancy, Finance and Business  
Tunku Abdul Rahman University of Management and Technology  
Jalan Genting Kelang,  
53300 Kuala Lumpur  
email: [tinst@tarc.edu.my](mailto:tinst@tarc.edu.my)

Zaleha Othman  
Othman Yeop Abdullah Graduate School of Business  
Universiti Utara Malaysia  
27b, Jalan Raja Muda Abdul Aziz,  
50300 Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur  
email: [zaleha@uum.edu.my](mailto:zaleha@uum.edu.my)

### **ABSTRACT**

In the dynamic landscape of the nutraceutical industry, Paradigm Industry Sdn. Bhd. (PISB) faces the imperative to refine its marketing strategies to align with evolving customer demands and industry trends. Situated in Klang Sentral, Malaysia, PISB operates as a pivotal player in nutraceutical-based trading and manufacturing. This case study delves into the pivotal challenges encountered by PISB and elucidates the transformative measures implemented to fortify its market presence. At the core of the narrative lies the indispensability of effective Customer Relationship Management (CRM). Through a meticulous analysis, the case underscores how CRM efficacy serves as the linchpin for sustained customer satisfaction and loyalty amidst an increasingly competitive milieu. Furthermore, the case study delineates the profound impact of re-mapping future New Product Development (NPD) initiatives. By leveraging insights gleaned from CRM analytics and astute market assessments, PISB embarks on a strategic trajectory to conceptualise and introduce novel products that resonate with evolving consumer needs and market dynamics. Upon delving into this case study, readers gain a nuanced understanding of the pivotal role of CRM effectiveness, the imperatives of re-strategising market positioning in nutraceutical businesses, and the transformative impact of re-mapping NPD endeavours. Through the lens of PISB's journey, this case study serves as a beacon for organisations navigating the intricacies of the dynamic nutraceutical landscape, offering actionable insights to fortify market resilience and drive sustained growth.

**Keywords:** Nutraceutical, Positioning, Penetration, Customer Relationship Management, New Product Development

---

## **Introduction**

Dr James is becoming increasingly frustrated since his appointment as the Head of Paradigm Marketing of PISB in June, 2021. In the existing plan, there are multiple elements involved, from the basic marketing mix to complicated theories in arts of marketing. Dr James has proposed suitable strategies and ways to make necessary changes. Since the company do not have constant revenue for the past few months, many strategies and decisions need to change. The board of directors of PISB would like to solve the issue comprehensively as any prolong of those will impact the revenue of the company. Failure for Dr James to identify quick solutions might greatly hamper company's future expansion plan and seriously impact the business strategy he had planned throughout the months. So, he is under tremendous stress to deal with the situations and regain company's competitive strength.

## **Protagonists of the Study**

The Head of Paradigm Marketing, Dr James, grew-up in Kelantan, East-Coast of Malaysia. He completed his primary and secondary education from SRJK (C) Chung Cheng, Kota Bharu, Kelantan and SMJK (C) Chung Cheng, Kota Bharu, Kelantan respectively. He further his Form Six studies in Sultan Ismail College, Kota Bharu, Kelantan. He received an Honorary Degree in Business Administration from Open University Malaysia, and further obtaining a Degree in Master in Business Administration from the same University. In 2023, he completed his Doctorate (DBA) in Univeristi Utara Malaysia (UUM), Kedah Darul Aman.

He started his career as Central Depository System Executive at Faiz Securities Sdn Bhd, Kota Bharu, Kelantan. He left the capital market industry to get involve in sales and marketing industry in Kuala Lumpur for ten years. After graduated and get his Bachelor Degree in Business Administration (BBA) and Master of Business Administration (MBA), he joined RHB Investment Bank and was appointed as one of the branches managers in Penang. After six years of service in RHB Investment Bank, he joined YHL Trading (KL) Sdn Bhd as a Senior Sales & Marketing Manager. He then joined Paradigm Industry Sdn Bhd until now.

## **Industry Background**

Many definitions of "nutraceutical" exist around the world. Phytochemicals, functional foods, medicinal foods, designer foods, and nutritional supplements are other names for nutraceuticals. The Foundation for Innovation in Medicine's founder and chairman, Stephen De Felice, came up with the term "nutraceutical," which is defined as "food, or components of food, that give medical or health advantages, including the prevention and treatment of disease." In 2021, the global market for nutraceuticals was estimated to be worth USD396.29 billion. The industry is expected to increase at a compound annual growth rate (CAGR) of 5.2% between 2022 and 2030, driven by rising concerns about metabolic syndrome.

From Malaysia perspective, the development of nutritional supplements has benefited greatly from ethnic variety and traditional medical practises. The nation is also home to some of the oldest rainforests in the world and boasts a high biodiversity, making it a treasure trove of more than 2,000 plants with potential therapeutic use. On developing nutraceuticals, Malaysia has a competitive advantage over other countries because to its vast availability of raw materials. The Nutraceutical products, one of the 2011's New Important Economic Areas in agriculture, has been designated as a new source of economic growth and is closely tied to nutraceutical products (NKEA). With RM19 billion to RM28 billion in potential GDP contributions by 2027, the sector presents the nation with several interesting opportunities.

## **Company Background**

Located in Klang, Selangor, Paradigm Industry Sdn Bhd (PISB) are fully Halal certified manufacturer by the Department of Islamic Malaysia (JAKIM), providing the assurance that products manufactured and distributed undergone the strictest hygiene and sanitary in accordance with Islamic faith. The Stevia used by PISB in its products is sourced from PureCircle Ltd, the world's leading producer of high purity Stevia ingredients to the global food and beverage industry, while the formulations were made by Pharmaniaga Research Centre (PRC) to ensure the stability, safety, and quality of the products, as one of the healthy alternatives to sugar. It also houses the latest equipment and machines that mix, manufacture, and pack all the Stevia based products. In line with the Malaysian Government's efforts through the "Kurangkan Gula" Campaign to address the rising number of diabetic patients, PISB, subsidiary of Pharmaniaga Berhad (Pharmaniaga), has acquired the intellectual rights of the Stevia products back in year 2017. PISB has commercialised Stevia products in the form of glass candy and gum drops as well as Stevia beverages to the mass market. These Stevia products have penetrated the F&B industry via online order and physical stores.

In year 2021, PISB expand their wings in nutraceutical business by introducing their house-brand stingless bee honey named "Arnia". Taking the advantage in many benefits of stingless bee honey, PISB started to market Arnia though out the country. It is not only nutritious and beneficial to health, but it is an agro product that has the potential to be developed given its high demand. Malaysian Agricultural Research and Development Institute (MARDI) has recognized stingless bee honey as the first 'superfood' in Malaysia. In addition to being recognized as a 'superfood', the product has gone through various processes including being recognized as halal by the JAKIM. There is a natural sugar called trehalulose and can be found up to 40 percent in stingless bee honey, that is a specialty of Malaysian stingless bee honey. Thus, as a market leader in the industry, PISB has taken up the initiative to promote Arnia to the domestic and international market.

## **Organisation Background**

PISB has four different divisions. The sales department team played a vital role in the penetration of domestic and international; market which is viewed as a huge breakthrough in the company's overall revenue. The sales department have primarily responsible for generating revenue for company by selling products or services to potential customers or clients. This involves identifying and pursuing leads, negotiating sales agreements, and ensuring that customers are satisfied with their purchases.

The marketing department plays a vital role in promoting the business and mission of the company. It serves as the face of the company, coordinating and producing all materials representing the business. Marketing department's job is to reach out to prospects, customers, investors and/or the community, while creating an overarching image that represents the company in a positive light. It involves creating strategies to attract prospects to business offerings, generating leads, and converting those leads into customers.

The operation department is responsible for the company's running operation as well to meet the expectations and needs of the company itself. The department works together with sales and marketing department to identify potential customers. Operations department has a broad and specific responsibilities. It manages day-today activities, analysing statistics and reading and writing reports.

PISB finance department serves a fundamental role in making financial decisions for internal and external affairs. Their activities are highly depended on the competence of the department. This is the unit of a business responsible for obtaining and handling any monies on behalf of the organization. The department controls the income and expenditure in addition to ensuring effective business running with minimum disruptions.

### **Stevia Based Sweetener**

There are 230 species in the genus *Stevia* of the Asteraceae family, but only one of them, *Stevia rebaudiana* Bertoni, yields sweet steviol glycosides. It was formerly believed that *S. phlebophylla* also possessed this characteristic, however recent study disputes this (Brandle & Telmer, 2007; Ceunen et al., 2013). *S. rebaudiana*, often known as "Honey Leaf," "Sweet-Leave," or "Sweet-Herb," is a perennial shrub that grows in South America, specifically in Brazil and Paraguay. *Stevia* preparations come in a variety of forms, including powdered, dried, and fresh stevia leaves, extracts, and liquid concentrates. Being 200 to 300 times sweeter than sugar, stevia extract is a fantastic substitute for artificial sweeteners (Singh & Rao, 2005). Several research have demonstrated the effectiveness of natural *Stevia* leaf preparations. Non-calorie sugar alternative is not only safe for those who have diabetes, high blood pressure, or obesity, but it can also be used to cure these conditions or prevent the consequences that can arise from them (Carrera-Lanestosa et al., 2017). Furthermore, demonstrated was the safety of children using the herb (Aguero et al., 2014).

### **Health Benefits of Stevia**

#### ***Antioxidant properties of Stevia. rebaudiana***

Free radicals, which are constantly created by metabolic processes or exposure to various stimuli in every organism, may be a factor in the development of many human diseases, including as cancer, diabetes, obesity, and neurodegenerative disorders (Garaschuk et al., 2018; Bayliak et al., 2019). Under normal circumstances, the body's natural antioxidant defence system is capable of neutralising free radicals and preventing oxidative damage. Hence, employing bioactive phytochemicals with anti-inflammatory and antioxidant properties is seen to be a viable treatment strategy to counteract ageing and related pathological diseases (Michels et al., 2018; Piskovatska et al., 2019).

#### ***Anti-cancer effects***

The second greatest cause of death worldwide is cancer. Breast cancer, colorectal cancer, prostate cancer, and lung cancer were the most prevalent types of cancer in 2017. Consequently, it is crucial to look for substances that could aid in the treatment or prevention of cancer (Ferlay et al., 2018). According to the findings of one trial, steviol prevented the growth of six different types of gastrointestinal cancer cells in humans (Chen et al., 2018). Colon cancer cells' viability was demonstrated to be decreased by high amounts of stevioside (Boonkaewwan et al., 2008).

#### ***Anti-inflammatory and bactericidal action of Stevia. Anti-cariogenic properties***

Recent research has shown that *Stevia. rebaudiana* is a special plant with antibacterial and anti-inflammatory effects. Several harmful germs are inhibited by stevia extract, which can also be used to treat immunological disorders and lessen edoema (Jeong et al., 2010). The ethyl acetate fraction from *Stevia* leaves was found to drastically reduce the NF-B-mediated gene expression that was induced by bacterial lipopolysaccharide in RAW 264.7 macrophage cells (LPS).

## **Stingless Bee Honey**

The Meliponini tribe of stingless bees, which has more than 500 species, is the world's largest eusocial bee group and has 50 times more species than its rival honey bee (*Apis* sp.) cousins (Vits et al., 2013; Roubik, 2006). They have been on the planet 65 million years longer than *Apis* species, and compared to most honey bees, their honey has stronger antibacterial activity and less sugar (Amin et al., 2018; Rao et al., 2016). Yet, compared to honey bees, stingless bees have received significantly less research (Rao et al., 2016). Although stingless bee honey has a wide range of medical benefits, it has long been overshadowed by the commonly used honey of *Apis* sp., the subject of extensive scientific research in fields like behavioural science, microbiology, ecology, etc. The biological makeup of the stingless bee plays a role in this as a causative element. According to theory, stingless bees generate less honey than honey bees do, making them less economically desirable to humans. This could be attributed to its less well-known biologic processes and farming practises (Roubik, 2006).

## **Benefits of Stingless Bee Honey**

### ***Antioxidant properties of stingless bee honey***

According to clinical research, antioxidants can block or slow down the process of oxidative stress in cells, which can lead to oxidative damage to proteins, lipids, and DNA (Block et al., 2002). Alzheimer's and Parkinson's disease, atherosclerosis, joint disorders, cardiovascular diseases, lung and kidney disorders, eye disorders, cancer, ageing, and other degenerative diseases are all conditions that can be brought on by oxidative stress (Rahman et al., 2012). As a result, substances with antioxidant characteristics, such as phenolic acid, can reduce oxidative stress.

### ***Anti-inflammatory***

Earlier research claimed that phenolic compounds produced effects on animals that were connected to being anti-inflammatory (Larrosa et al., 2009). The phenolic acid derivatives caffeine and ferulic acid can suppress macrophage inflammatory protein-2 (MIP-2) and diminish neurovascular inflammation (Larrosa et al., 2009). Kaempferol, meantime, inhibited the activity of the enzymes NO synthase (iNOS) and COX-2 (Crespo et al., 2008). In vivo techniques were used in a study by Larrosa et al. (2009) to describe the anti-inflammatory effect of honey extract from stingless bee species (*M. marginata*), and they concluded that this honey could reduce ear edoema (Borsato et al., 2014).

### ***Anti-proliferative***

There are not many studies examining how stingless bee honey inhibits the growth of cancer cell lines. Previous research revealed that lung bronchus carcinoma cell line and liver hepatocellular carcinoma cell line (HepG2) were both sensitive to the cytotoxic effects of stingless bee honey (ChaGo- I). According to the findings, these substances are cytotoxic to the ChaGo-I and KATO-III cell lines, as well as BT474, respectively (Kustiawan et al., 2014; Yazan et al., 2016). This implies that each phenolic acid compound has the potential to be cytotoxic to the cancer cell under study.

### ***Antimicrobial***

Honey's purported antibacterial properties are a result of its phytochemicals, acidity, high osmolarity, and hydrogen peroxide content (Molan, 1992). According to Table 4, stingless bee honey has broad-spectrum antibacterial action because it can fight off a variety of germs

that might cause sickness (Boorn et al., 2010; Nishio et al., 2016). Most honey research has been done on *Staphylococcus aureus*. (Miorin et al., 2003; Demera et al., 2004; Temaru et al., 2007) showed that it is the most susceptible tested pathogen to stingless bee honey.

## **Issues/Problems**

### ***Sales Department***

For several months, the sales department has been reporting problems, but there has been no sign of progress. The department is aware of what has happened in the market; **PISB** is facing significant obstacles and is competing in a fast-paced environment. Although the labels "hyper competitive" and "rapid moving" have been around for some time, the rate of change at the level of both customers and competitors is accelerating at never-before-seen rates.

*“When a consumer is satisfied, they will keep calling us for ordering and will also give us money. The company will be able to pay the salaries of all employees with the money. We must constantly follow through on our commitments and produce high-quality services...”*  
...message came from company’s Senior General Manager, En Mhd Nazrul Aswad.

The department staffs led by Mr Nirmell are feeling the burden now. They need to act fast to discuss and communicate to find the solutions in the short period.

### ***Marketing Department***

Head of Paradigm Marketing, Dr James, who is responsible for the whole company’s marketing communication work and brand value. It means the marketing team must effectively communicate with employees, customers, and partners about its value and how it perceives its key priorities.

*Dr James: “Hello Puan Muna, please rearrange and map up our previous customer’s data. I need all those data from the first day we do business.”*

*Puan Muna: Sure, Dr James. But for digital business i only can generate and export it into excel file for the past 6 months.”*

*Dr James: “Get Mr Nirmell to help, let him know our current situation and let us do something before it is too late.”*

### ***Research & Development (R&D) Department***

The department head, Puan Azmah meanwhile facing huge pressure from Dr James as they are still losing directions in NPD planning. Previous planning has been delayed and behind initial schedule. She then escalated the issues to get some ideas from En Aswad.

Dear En Aswad,

“With refer to Dr James’s email, this is to inform you that we need to call for urgent brain storming meeting to look back our NPD plan. We are also running into another serious issue, which would most likely impact the R&D operations. The NPD is way behind the schedule. Hope to get favourable response from you.”

Thanks, and regards,

*Puan Azmah*

Head of Operation

An e-mail from PISB Operation Head to En Aswad.

The mentioned above was just part of the issues. The middle team did not do any better than just escalate their problem. They are somehow lost in nowhere. Every member of this relatively management team was battling for career survival at this critical stage.

Issues start to swarm into Dr James. Sales Department team performance did not meet company's expectation, added with they are losing their existing customer to their competitors. They need to re-position their company's CRM, and look back their NPD to the right track.

*"I never experience such a tough situation before; things do not look good at all. The whole sales team are working extra hard to try putting off the fire. They are working their hearts out but I just do not see how the situation can be turn if we keep going that mode. Do not get me wrong! I do not want my career to end over here. I work late nights and sometime overnight but not like this one as we do not foresee converging point." ....* Dr James expressed out to En Aswad during their company directors meeting.

*"James, what are the costs and benefits of doing something different approaches? Is it simply trying to become more agile and respond quicker when changes occur a viable alternative to trying to better predict marketplace dynamics and change? For us, to get a presence in the nutraceutical industry, we should first focus on conceptualize ourself. Once we had identified where are we, and where we want to go, it should come out with strategy plan to market positioning ourselves in the industry...."*

Thus, during the meeting, three major problems have been identified in their company which are:

- 1) Importance of customer relationship management (CRM) effectiveness.
- 2) PISB re-strategizing market positioning factors in nutraceutical businesses.
- 3) Impact of re-mapping futures new product development (NPD).

### **Problem Analysis**

Problem analysis therefore involves identifying the overriding problem and establishing the causes and effects related to that problem. A key element of this analysis will ensure that "root causes," not just the symptoms of the problem, are identified and subsequently addressed in the project design. In this case, PISB use SWOT analysis to identify their problems.

### ***SWOT Analysis***

According to Gregory (2017), SWOT analysis is a strategic planning tool that helps a business to identify his or her own strengths and weaknesses, as well as any opportunities and threats that may exist in a specific business situation. A SWOT matrix is usually depicted as a square divided into four quadrants. Each quadrant represents one element of the SWOT analysis which is Strengths, Weaknesses, Opportunities, and Threats. Therefore, Dr James takes all the elements and ideas that he has and starts to plot it into the right quadrant shows in Table 1.



**Table 1**  
**SWOT Analysis for PISB**

<b>Strengths</b>	<b>Weaknesses</b>
<ol style="list-style-type: none"> <li>1. Highly motivated and experienced management team members.</li> <li>2. Leverage on existing customer data base.</li> <li>3. Wild network coverage domestic and international.</li> <li>4. Demographic competitiveness.</li> </ol>	<ol style="list-style-type: none"> <li>1. Take long time to build reputation in the industry.</li> <li>2. Lack of awareness on the product.</li> <li>3. Heavy working capital needed on R&amp;D.</li> <li>4. Poor communication among employees.</li> </ol>
<b>Opportunities</b>	<b>Threats</b>
<ol style="list-style-type: none"> <li>1. One of the largest nutraceuticals players in Malaysia.</li> <li>2. Largest number of scientists to support in R&amp;D to help in NPD.</li> <li>3. Matured logistic and distribution network.</li> <li>4. Expend to another region, domestic and international.</li> </ol>	<ol style="list-style-type: none"> <li>1. Strong industry peers' competition.</li> <li>2. Economic downturn.</li> <li>3. Public concern on nutraceutical products, price, and benefits.</li> <li>4. Not enough technical support from local authority.</li> </ol>

### **Strategies Involved in Customer Relationship Management (CRM) Effectiveness**

The next day after the meeting, Dr James immediately call his sales team for an urgent meeting. He knows that he needs to act fast and need to align everyone in the team to have the same objectives. Everyone in the department seems to agree with him. They had pointed and identified out some points that need to focus on. It seems that the sales team of the company is the main issue of the company. Primary function in doing sales is to educate, support and convey the benefits of the business to the customer. The team believe, by having good strategies can improve company's revenue. Hence, the team propose with these inputs:

#### ***Email***

Getting the right product information at the right time can be extremely profitable for a business, inviting clients to choose over their competitors even in the pre-sale stage. According to an April report from Pew Research Centre, 52% of United States (US) cell phone owners access their emails from their phones. From Malaysia perspective, according to Malaysia Communication and Multimedia Council (MCMC), there are 25% of cell phone owner access their emails from their phone. Email marketing also works with other mobile devices.

#### ***Referral System***

Nothing sells better than a referral (Black, 2015). With more than 6% of the research being done by a prospect before they even contact a sales-person, one third party endorsement can sometimes be more powerful than hundreds of presentations. Using the correct approach, a suitable referral system can be a great source of high-quality leads. Anything from free product, to a subscription, a points system, or a competition to win a trendy gig ticket, can drive referrals and provide companies with leads they never dreamed of. In fact, the cycle self-perpetuates with satisfied customers referring their business to other interested customers.

## ***Networking***

Networking is one of the most essential personal skills for business people, but it is extremely important for entrepreneurs. Business networking events organized around the world bring together extraordinary groups of highly-skilled and talented entrepreneurs who are united around the idea of communication, sharing, creating, and developing ideas and finally meeting with potential investors. There is a good chance for him to promote to best prospect through in his/her colleagues and college alumni, a gala organizes by the charity the company's support or any other networking event that people within industry will attend.

*"Brilliant! Keep it up! Please do what is necessary to support other department as well and as front-liner, the future of the company depends on our team work. It is not a one person or one department's task, it is everyone's task."* ... Message from the Dr James to all sales team staff.

## **Strategies Involved in Market Positioning and Penetration**

### ***Differentiation***

Differentiation is the process of distinguishing a business from competitors through the identification of unique selling proposition which creates value for customers. This is an important aspect of market positioning as it helps businesses stand out from the competition, and attract and retain customers. Here are some effective strategies for differentiation in market positioning.

#### *a. Offering Unique Features and Benefits*

One of the most effective differentiation strategies is offering unique features and benefits that no other competitor is providing. Company should identify the needs of their target market and design products and services that address those needs in a unique way.

#### *b. Developing Strong Brand Identity*

Developing strong and recognizable brand identity is another effective way to differentiate a business from competitors. A brand identity consists of a business's name, logo, and design which represents the business to its customers.

#### *c. Focusing on Customer Service*

Customer service is an important part of differentiation strategy that businesses can leverage to stand out in the market. Providing exceptional customer service, such as personalized attention or follow-up after purchase, can make a business memorable and increase customer loyalty.

### ***Cost Leadership***

Cost Leadership is a common business-level strategy that emphasizes producing goods or services at the lowest possible cost. There are several strategies that a company may employ in order to achieve a successful cost leadership position. Some of these strategies include:

#### *a. Economies of Scale*

Economies of Scale refer to the cost advantages a company can achieve by increasing its production scale. As production volume increases, the average cost per unit decreases. This decrease in average cost is due to the spreading of fixed costs over a larger number of units produced.

#### *b. Economies of Scope*

Companies that can leverage their core competencies and capabilities across multiple product lines (or markets) can see reduced costs and increased efficiency. This happens

when a company can use its existing resources and capabilities to produce a variety of products or services more efficiently than producing each product or service separately.

*c. Outsourcing and Supply Chain Optimization*

In today's globalized business landscape, outsourcing and supply chain optimization have become key components of market positioning strategies for businesses of all sizes. Outsourcing involves delegating tasks or processes to third-party service providers to reduce costs, increase efficiency, and enhance quality.

## **Branding**

When it comes to market positioning, branding plays a critical role in the success of a business. The following are some of the key branding strategies that can be used to position a brand in the market.

*a. Unique Value Proposition*

A unique value proposition (UVP) is a statement that describes what makes a product or service different from others in the same category. It should be clear, concise, and represent the brand's core values. A strong UVP can help a business differentiate itself from competitors and position itself effectively in the market. This uniqueness makes it easier for customers to identify, recognize, and remember the brand, making it more likely to be top of mind when making purchase decisions.

*b. Brand Identity*

Brand identity refers to the visual and other sensory aspects of a brand, including its name, logo, color scheme, tone of voice, and style. Having a consistent and recognizable brand identity can help a business establish a strong presence in the market and build brand recognition. A strong brand identity can help a business stand out in a crowded marketplace and attract customers who identify with the brand's values and personality.

*c. Target Audience*

Understanding the target audience is crucial for effective market positioning. Brands must know who their target audience is, what they want, and how they can fulfil their needs efficiently. Uses the insights gained from audience segmentation and messaging to inform company's positioning strategy. This includes determining unique selling proposition (USP), outlining key benefits, identifying competitors, and refining brand messaging to stand out in the market.

## **Price Adjustments**

Price adjustment is a key aspect of market positioning for businesses. It involves developing different pricing strategies that can be used to position products and services in a competitive market. This is essential for businesses to gain an edge over their competitors. There are different price adjustment strategies that can be used for market positioning. These include cost-plus pricing, penetration pricing, skimming pricing, and value-based pricing. Each of these strategies has its advantages and disadvantages, and the choice of the pricing strategy will depend on the business' goals, product or service offering, and target market.

*a. Cost-Plus Pricing*

Cost-plus pricing involves adding a markup to the cost of the product or service to determine the final selling price. This is a common pricing strategy used by businesses, especially those that are just starting. The main advantage of cost-plus pricing is that it ensures that the business can recover its costs and make a profit.

*b. Penetration Pricing*

Penetration pricing involves setting the price of the product or service lower than that of the competitors. This is done to attract customers and gain market share. The advantage of penetration pricing is that it can help to establish the business as a new player in the market or to take over an existing market.

*c. Value-Based Pricing*

Value-based pricing involves setting the price of the product or service based on the value that it provides to the customer. This pricing strategy considers the benefits that the customer receives from the product or service, and sets the price accordingly. The advantage of value-based pricing is that it ensures that the customer is willing to pay the price for the product or service.

**Promotions**

Market penetration strategy is where a company seeks to gain a larger market share of an existing market for its current products or services. A good promotion strategy is essential for any company looking to penetrate a market since it helps to deeply engage with consumers and attract them towards the product or service.

*a. Advertising*

Advertising is an effective promotion strategy that puts a product in front of a lot of people. Advertising can play a crucial role in market penetration, as it helps to create awareness about a product or service and attract new customers. Through advertising, businesses can communicate their unique value proposition, showcase their competitive advantages, and differentiate themselves from their rivals.

*b. Price Promotion Strategies*

Price promotions are a fast-track strategy to penetrate a market quickly. Discounts or special offers can increase sales if the target market is looking for a bargain. Price promotion strategies are often used in market penetration to increase the demand for new or existing products. Some common pricing strategies for market penetration include: discount pricing, volume discount pricing, psychological pricing, and frequent buyer rewards.

*c. Public Relations*

Creating a buzz through public relations can also be an effective promotion strategy. This can be done by getting the product noticed in various media outlets or by creating newsworthy events. Public relations play a crucial role in market penetration by building a strong and positive image of a brand or organization in the public eye.

**Targeted Marketing**

Target marketing is a strategy that involves breaking down a larger market into smaller segments of consumers who have specific needs and characteristics. By identifying these segments, companies can create more effective marketing campaigns that are tailored to the specific preferences and behaviors of each group. One benefit of target marketing is that it allows companies to focus their resources more effectively by identifying and catering to the most profitable segments of the market. It also enables them to create more personalized messages and offerings that are more likely to resonate with consumers and drive sales.

*“Yes! Well done, team! This is what I really want from you all. You come out with an idea that is brilliant. I am so impressive with all the idea. Leverage on advancement of technology*

*is the way of getting solutions.” .... This is how the Dr James re-act when the sales team present this idea to him.*

Meanwhile, at the R&D Department, the Head of Operation, Puan Azmah makes an urgent conference call to all her department staff to rectify the new product development issues encountered and to come out with good solutions. The following is the message from Puan Azmah to all her staff during the conference call meeting:

*“I have just finished a phone conversation with Dr James. He seems to be losing patience as the issue of our company’s NPD which are now way behind the schedule! He is not happy with our progress and outcome. I know this is not only our department task, it involved everyone in the company. So now, I would like to call for brainstorming session to come out some comprehensive solutions and I expect all of you to be cooperative!”*

## **Strategies Involved from the Importance of Re-mapping Futures NPD**

### ***New Product Development (NPD)***

New Product Development (NPD) plays a significant role in the growth of a business as it helps the business to stay competitive by providing innovative products to the market. The successful of NPD requires in conducting focus groups and surveys of potential customers and a thorough examination of business competition. Create strength in profitability by effectively managing cost of production and using distribution channels that give you the biggest sales volumes at the lowest prices.

### ***Value Proposition***

Value proposition in NPD should focus on the superpowers that potential customers get, not only the product. Rarely is value proposition of the product itself or its features. Instead, it is the way the brand or product fixes a meaningful pain point, improves the lives of target audience, and the way it makes them feel. A good value proposition uses voice of customer copy. That is, it uses the exact words of PISB customers to hook their future customers. For example, if they were interviewed for a case study, how would PISB target customers describe their product? How does it improve their lives? How do they describe their company? Why do they choose to associate with their brand?

### ***Target Market Description***

A target market is a specific group of people with shared characteristics that a business markets its products or services to. Companies use target markets to thoroughly understand their potential customers and craft marketing strategies that help them meet their business and marketing objectives. The purpose of identifying a target market is simple, which is to have a clear understanding of the possible customers that might purchase a product or service in order to direct marketing efforts. There are many ways to define a target market, including demographics, psychographics, firmographics, and customer behaviour.

### ***Concept Development and Testing***

Concept development and testing is a crucial step in the new product development process. It involves generating and evaluating new product ideas to determine their viability and potential success in the market. Concept development helps companies to align their new product ideas with the needs of their target customers. Testing these concepts enables companies to collect feedback from their target customers and adjust the product idea. This helps to minimize the risk of developing new products that would not satisfy market demand.

### ***Business Analysis***

Business analysis plays a crucial role in the development of new products. It helps organizations identify the right opportunities, develop strategies, and make informed decisions regarding product development. This article explores the role of business analysis in new product development. It helps company understand the market demand for new products and identify potential target audiences. Market research involves collecting and analyzing data on the competition, market trends, and customer behavior. This information is used to develop a product that meets the market needs.

### ***Commercialization***

The commercialization stage is the final phase of the new product development process. It involves launching the product into the market and making it available for purchase by customers. This stage requires a well-developed marketing plan to reach the targeted audience effectively. In conclusion, the commercialization stage is a critical step in the new product development process. It requires careful planning and execution to ensure the product's success in the market.

### **Conclusion**

After conducting an in-depth analysis of the current status of its strengths, weaknesses, opportunities, and threats, it is evident that PISB requires a comprehensive consultation to enhance its overall effectiveness and profitability. Throughout the process, Dr James have identified several areas of improvement that can contribute to the company's success. The primary recommendation is to undertake aggressive CRM program increasing the company's engagement with their customer. Moreover, it is also crucial for the PISB to strengthen its market positioning, and this will enable the company to achieve its short and long-term goals, improve its bottom line, and maintain its position as a competitive player in the marketplace. It is essential to act on these recommendations immediately to gain a competitive edge, increase revenue, and excel in the industry. Dr James always believes, a company with a great reputation has thousands of customers on the streets spreading the word for it.

### **Discussion Questions:**

1. How can PISB enhance its CRM strategies to better meet customer requirements and needs in the nutraceutical industry?
2. What role does effective communication play in CRM, and how can PISB improve communication among its departments to enhance CRM effectiveness?
3. What are the key factors influencing market positioning in the nutraceutical industry, and how can PISB re-strategize its market positioning to gain a competitive edge?
4. How can differentiation and cost leadership strategies be effectively utilized by PISB to enhance its market positioning in the nutraceutical industry?
5. What challenges might PISB face in its new product development (NPD) process, and how can these challenges be addressed?
6. How can PISB leverage customer insights and market trends to re-map its NPD strategy for future growth and competitiveness?

## **Lost in the claws at Linda Animal Clinic and Surgery**

**Norsyahida Mokhtar**

Department of Accounting

Kulliyah of Economics and Management Sciences

International Islamic University Malaysia

E-mail: syahida\_m@iium.edu.my

### **ABSTRACT**

This case presents the operational challenges faced by Linda Animal Clinic & Surgery following a period of initial slow growth which transitioned into increasing demand. The sudden departure of Dr. Alice amid these challenges further strained the clinic's performance. In response, the clinic turned to offering more ancillary services.

**Keywords:** Operational issues, diversification strategy, manual processes.

---

### **Taking the first steps**

In early 2017, Dr. Linda opened her animal clinic – Linda Animal Clinic & Surgery after accumulating years of experience working with multiple clinics. At Linda Clinic & Surgery, she was assisted by Dr. Alice, a newly graduated veterinarian, and Marco, the clinic assistant. The clinic offered consultation and surgery services, as well as a wide range of sales of cat foods and litters.

Marco handled all the administrative work manually, everything from patient intake and record keeping to sales of cat foods and litters. Each record and receipt for the day were compiled into hardcase files according to their categories. Records of everyday sales and purchases were recorded in a logbook, and then reconciled with the cash register records at the end of each month for bookkeeping. If the numbers did not tally, Marco would check the receipts or records in the hardcase files for any missing transactions.

Operating in a new business compound, the clinic struggled to attract customers. One evening, while waiting for customers, Dr. Linda approached Marco with an idea. "Marco, if we were to offer grooming services, would you be interested in assisting? Bathing, brushing, nail trimming and ear cleaning?"

"I would love to, as there's not much else to do anyway. I'll get extra pay, right?" replied Marco.

It was then decided to expand the clinic's services to include pet grooming. Part of the clinic's kitchen was renovated for the grooming area.

### **Running between the hurdles**

After nearly two years in operation, despite struggling to break even, the clinic gradually built its loyal customer base. A steady stream of new customers flowed in due to recommendations from family and friends, whether for clinical or grooming services.

As the number of customers increased, Marco found himself with a lot on his plate, from managing grooming appointments to handling customers. Oftentimes, there would be nobody at the counter as Marco was busy searching for customer records or preparing the medications at the back. Dr. Linda had to step in and manage the counter from time to time. Customers also often experienced delays in paying and receiving medications after consultations.

“I should hire another clinic assistant to help Marco, but, I’m also considering renting the shop lot above our clinic to store our stocks. The waiting area is overcrowded with cat litters and foods. Unfortunately, we cannot afford to do both!” said Dr. Linda.

The clinic has one consultation room, a records and medication room, and a surgical ward. The sales of cat litters and foods significantly contributed to the clinic’s revenue, thus, the clinic had to maintain large stocks to meet the demands of its customers. However, whenever the stocks were replenished, the waiting area would be filled with cat litters and foods since the clinic had no storage room.

### **Hissing all of a sudden**

All of a sudden, Dr. Alice decided to part ways to pursue other opportunities. This left Dr. Linda solely responsible for managing the consultation and surgery services. She had to stretch herself thin to meet all the demands. At times, customers had to wait for over two hours, with some eventually giving up and leaving. There were also several cases where pets were unable to receive full care treatment due to the large number of people waiting. During emergency operations, the clinic was left without anyone to attend to waiting customers. This led to a drastic increase in customer complaints.

To help manage Dr. Linda’s workload, the clinic hired a locum doctor as it was difficult to get a permanent veterinarian urgently. However, despite the rotation of locum doctors, none were able to meet the clinic’s standards of service. There were numerous instances of rushed appointments, leaving customers worried about the thoroughness of the examination.

“I thought bringing in locum doctors would help us ease some of the pressure, but, it’s getting more complicated,” said Dr. Linda.

Many customers began to seek alternatives although some remained loyal due to Dr. Linda’s exceptional services. Adding to the dilemma, two new veterinary clinics opened in the neighbouring area, intensifying the competition even further.

### **Kneading to unwind**

In response to the decline in demand for consultation and surgery services, Dr. Linda shifted her strategy towards offering a new ancillary service. The clinic upgraded the cages in the surgical ward to accommodate cat boarding services, which cater to pet owners who needing care for their cats while away on holidays or business trips. Dr. Linda also rented the shop lot above her clinic to store more cat foods and litters. Meanwhile, Marco continued to provide grooming services, and even investing in new grooming equipment.



The clinic continued to rely on manual processes even though several vendors had approached them with various integrated point-of-sale (POS) systems. Marco was hesitant to transition to a digital system as he had become accustomed to the existing manual processes, despite the extra hours he often invested during off-hours to finish the administrative works.

“We hardly get as busy as we were before, but at least we are still in business. We’ll see what the future holds for us” said Dr. Linda.

**DISCUSSION QUESTIONS:**

1. Explain the term “ancillary service” and provide two examples of such businesses.
2. Is offering ancillary services the best option for Linda Clinic & Surgery to address the decline in customer demand for clinical services, considering it as a diversification strategy?
3. Identify the key strategic and operational measures that the clinic should consider to effectively manage the challenges it is currently facing.
4. Discuss how the reliance on manual processes impacts operational efficiency, particularly in the face of increasing competition.

## **Are Auditors Gratified with The Efficient Assistance from Artificial Intelligence?**

Sherliza Puat Nelson  
Department of Accounting  
Kulliyah of Economics and Management Sciences  
International Islamic University Malaysia  
Email: sherliza@iium.edu.my

### **ABSTRACT**

Artificial intelligence (AI) plays a pivotal role in enhancing various business functions including automating processes, gaining insights from data analysis, and engaging with customers and employees. A recent global survey highlights its extensive use in service operation optimisation, customer service analytics, risk modelling, and sales forecasting. By automating repetitive tasks, AI enables employees to focus on more impactful work while minimising human errors. Moreover, AI's ability to analyse large datasets rapidly uncovers valuable insights and patterns, aiding decision-making across various business segments, such as customer behaviour analysis and cost assessment. Despite its potential benefits, implementing AI requires substantial investment in technology and talent acquisition. While larger companies are more advantage to acquire the relevant resources, smaller ones may face financial constraints. Nonetheless, AI is perceived as an important driver of success, offering opportunities for efficiency and innovation.

**Keywords:** Artificial Intelligence, Auditing, Efficiency

---

### **Introduction**

Artificial Intelligence or better known as AI, is a form of technology that combines computer science and extensive data sets to enable problem-solving. It may include sub-fields of machine learning and deep learning. Machine learning is a part of computer science that focuses on data and algorithms to imitate the way humans behave and improve on its accuracy over the period. As more data is acquired, the more accurate the algorithms and outcome of the machine. On the other hand, deep learning is a type of machine learning that is based on neural networks. Where, multiple use of neural networks is used to extract more information from the data. Deep learning is behind many AI applications and services that improve on automation, performing analytical without any human intervention. Among the things we used everyday that are driven from deep learning are gadgets or devices that respond to our voices namely, voice activated smart phones.

There are basically two types of artificial intelligence, namely weak AI, and a strong AI. Weak AI is also known as narrow AI or artificial narrow intelligence (ANI), which is a type of AI that trained and focused to perform specific tasks. Whilst Strong AI is made up of Artificial General Intelligence (AGI) and Artificial Super Intelligence (ASI). The Artificial general intelligence (AGI), or general AI, is a theoretical form of AI where a machine would have an intelligence similar a to human. Whereas, the Super Intelligence would surpass the intelligence and ability of the human brain, which is still very theoretical.

This paper discusses the influence of using AI to the audit discipline, and its impact to audit quality. The paper starts with the fundamental knowledge about AI, followed by AI usage in audit, and auditors' attitude towards AI. Finally, AI influence on the quality of audit and its challenges.

### **Artificial Intelligence (AI) and Business**

AI can support some important business functions, namely: automating business processes, gaining insight through data analysis, and engaging with customers and employees. According to a recent McKinsey Global Survey on AI, the most commonly adopted AI is highly used in service operation optimisation. (McKinsey, 2022). In addition, AI is also commonly adopted in customer service analytics, risk modelling and analytics and in sales and demand forecasting.

AI is used across industries mostly to make a routine or a job more impactful. Repetitive, manual, and mundane tasks are normally very operational and time consuming. With AI, these mundane tasks can be automated, and work can be done more effectively and efficiently. Further, human error can be minimised, if not eliminated altogether. Hence, workers can focus on more impactful and meaningful tasks.

Another significant application of AI in business is analysing large amount of data in split seconds, going beyond what human can do manually. Through this data analytics, AI can identify patterns, trends, or even behaviour of customer buying patterns, cost analysis, or even identifying red flags for irregularities in the revenue stream. The use of big data is crucial in all areas of business creating massive demand for people who experts in data analytics.

AI assists in making informed and robust decision making. Due to the forward features AI and its application with data analytics, there has been an unprecedented increase of data analytics in the 21<sup>st</sup> century. Data analytics has become the cornerstone of decision making across most business segments, especially those who has the economy of scale. Big data contains varieties of information, large volumes, and bigger data velocity. It allows those in the market to be at the advantage of identifying patterns that suit their interests, challenges that they need to overcome, and threats and risks, that they need to mitigate.

### **AI in Auditing**

Over the years, manual business operations have transformed either into digitalised mode, or data analytics. Accounting and auditing operations are not excepted from these as well. Accounting and auditing are known to be mundane, tedious and time consuming. Hence, the transformation over the years has seen the application of AI in auditing. The influence of AI is not only on the business processes but also to the auditors and firms as well.

#### *Automated Processes*

Accounting involves bookkeeping processes that could be very repetitive, mundane and time consuming. And, not limited to human error. The first automated accounting system was created in the 1960s through the process of punch card system. Then, in 1998 a computerised accounting system was developed that made automated calculations. Until present times, general ledger, sales and purchase ledger, or account receivables and payables, may become obsolete due to the process of automation. Hence, the basic accounting and bookkeeping functions, may be extinct by the next decade.

The Deloitte Millennial Survey 2017 showed that automation would induce people to spend on a more value-added activity. What we see today, small, and medium industries can access and afford automations such as e-invoicing, reconciliation, e-bill, e-payment, from the enhanced features that come readily with the accounting software. Though some manually task functions such as scanned receipts and invoices may still present but is immaterial as to the benefits from the automation system. The AI is deployed to overcome the repetitive tasks of data recording, sorting, and matching in the accounting processes. Whilst in audit, AI could automate mundane audit tasks such as extracting and cross-referencing documents, matching debtors' list with sales' invoices, and vendors' list with purchase invoices. AI can improve the work of audit tremendously, streamline all the manually and repetitive task, making it more efficient to collaborate for audit documentation. Consequently, allowing auditors to focus on more value-added services.

### *Robotic Assistance*

As modern technology advances over time, business and financial services, and accounting system have improved tremendously with the assistance from Robotic Process Automation (RPA). The RPA software is widely used to capture, interpret data, enable transaction processing, data manipulation and communication across systems. The time spent on the mundane, complex, and voluminous transactions, are now being replaced by RPA. Hence allowing accountants to focus on more effective and progressive's role in the business. Further, automation could be regarded as a potential benefit for overall productivity and economic growth as disclosed in Deloitte Millennial Survey 2017. Among the examples of robotic assistance are the accounting software available in the market. It reduces the actual manual processes of bookkeeping that is time consuming.

### *Data Analytics*

What does 'data' mean here? It is about the data or information regarding the clients that the firm needs, to allow the firm builds model for the AI audit analysis. Theoretically, it is about examining the data available to draw conclusion and performing data analytics to identify critical areas for investigation.

Data analytics have been used in various sectors and segments. Even in our own smartphones. For instance, identifying our walking trends and capturing when it is time to go home, and many more. The smartphone captures a lot of our personal daily life information. In order to identify those trends and displaying the information that we need, it requires AI. AI and big data needs and feeds one another to produce results. Technically, big data provides an immensely rich source of input data for AI to develop and learn from.

Therefore in business, data and digital platforms allow practitioners the advantage to analyse complete datasets that was impossible previously. Subsequently, practitioners can perform advanced statistical analysis to assess risk and prepare effective audit plan that prioritise on essential matters. Auditors can effectively perform risk assessments, and prepare audit plan that take consideration of anomalies that may go undetected if it were to be done manually.

In internal audit, risk-based audit approach is a common practice to address management's concern to prioritise key risk areas. The risk-based audit method allows the identification of risks that traditional approach unable to do, and customised the audit tasks to be aligned with the risk assessments and the specific objectives to be achieved. The intervention of AI allows practitioners to analyse big data quickly, and accurately. At the same time reducing human

error to identify unusual patterns or anomalies that may suggest irregularities in financial reporting, errors or non-compliance.

### *Multi-Talented Professionals*

As for the auditors, as technology gets more sophisticated, more tasks are being automated. Accountants and modern-day finance professionals may acquire higher skill roles like financial planning and analysis, or strategic business planning and reporting. The advances of data science and AI have open ways human do things today and that transcends in all aspects of business segments. Modern-day accountants and business professionals could generate insights pertaining to market across business divisions such as sales, marketing and financial information, market analysis or strategic business plan, for more informed decision making. The key role of accountants and auditors have revolutionised from their traditional functions, to be more involved in making strategic business decision.

### *Audit Quality*

The audit on financial statements is not spared from the automation processes. From the bookkeeping process and accounting system, companies are required to prepare for closing of accounts at year end, and have them audited, i.e., audit of financial statement. Traditionally, external auditors would spent long hours on tedious audit tasks, prior to the introduction of audit management software.

Prior to audit management software, auditing was performed manually with heavy reliance on junior auditors to collect data. However with the intervention of AI, the amount of audit work has been reduced, allowing more time for value-added work, and reducing human errors. According to a KPMG Survey in 2023, 72 percent of financial reporting leaders believe external auditors are ahead of financial reporting functions on using AI and expect AI to enhance audit quality. The survey further highlights that auditors must lead in deploying AI responsibly, engaging various stakeholders on the best practices, and bring experts together to mitigate risks related to financial reporting. AI may improve on the audit quality by improving on the accuracy from risk assessment and seamless automation that reduces human errors. Further data mining could be done faster and analytics could provide better decision making.

### **AI and Audit Quality**

Financial reporting is an important element to a well-informed market. Quality of financial reports stem from the audit quality and consistency of audit execution by the independent audit. Therefore, ensuring audit quality is pertinent to ensure quality financial reporting and maintaining market confidence.

### *Audit Delivery Process*

Audit quality involves the whole cycle of auditing tasks from inputs, processes and output of the audit. Input may comprise of values, ethics and attitudes of auditors, culture of audit firm, the knowledge, skills, and experience of auditors and the time allocated for them to perform. Whilst process is the rigour of the audit process and quality control procedures the audit firms exercise. It is in this phase or process that AI is being applied, to reduce on the repetitive and manual tasks being performed. Notably, it improves on the audit delivery process and reduction of human error. The final output are reports and statements that are formally being prepared and presented the client, and relied by stakeholders for decision making process.

AI are able to reduce the amount of mundane and routine tasks in business and accounting, such as data entry, reconciliation, chart of accounts and preparing ledgers. Through these advanced technology, manual processes that are time consuming can be streamlined and digitalised, reducing a lot of time that can be spent on it. Thus, these allow auditors to allocate time and focus on more value-added activities and processes such as risk evaluation and assessment on high risk transactions, scrutinise further high risk transactions and decision-making process. Subsequently improves the efficiency of the auditors, allowing them to focus on more critical areas. Hence, improves on the audit quality.

#### *Depth and Accuracy Improve*

As auditors, it is pertinent to identify accounting transactions that warrant further investigation if elements of irregularities are found to exist. Irregularities are instances of non-compliance with laws and regulations, such as fraudulent financial reporting. With the deployment of AI, an experience auditors could easily identify and isolate transactions that triggered their doubts, via various statistical tools and diagrammatic presentation.

AI technologies enable auditors to analyse large amount of data more efficiently and effectively than traditional methods. Machine learning algorithms can detect patterns, anomalies, and trends in financial data, which can help auditors identify potential risks and errors more accurately. This improved data analytics capability enhances the depth and accuracy of audit procedures, leading to higher quality audit outcomes. Examples of common simple analysis that could be handy for auditors are, stem and leaf, or boxplots diagrams.

#### *Detection Risk*

The purpose of using the statistical tools, audit software, or data analytics, is to reduce the audit risk for the particular engagement. It is vital for any extreme values to be scrutinised and investigated. This may not be possible if sampling method is opted, where some critical areas are undermined and overlooked particularly when it relates to Cash and other types of assets.

The auditor needs to understand the client's business and control environment, so that relevant substantive procedures could be carried out effectively covering, cash, banking transactions and cash flow movements. Similarly the auditor need to note as well for any type of fraud or misappropriation of assets. If the auditors could not have access on these irregularities, the implication is the high audit risk and high risk detection to the auditors. Further, the organisations may be exposed to severe losses and audit firms' reputation will be at stake.

Data analytics and AI may be able to identify unusual patterns in the financial data that may suggest some irregularities in financial statements. Through the advanced technology on machine learning algorithms, patterns or trends, or outliers, can be identified that may suggest further investigation or enquiries. This early enquiries may be able to detect fraud risk or material misstatements. Subsequently improves audit quality.

#### *Ensuring Consistency*

In order to ensure quality reporting and subsequently quality audit, continuous monitoring of financial data in real time is pertinent. Auditors can continuously assess financial transactions with technologies from robotic process automation and data analytics. These may ensure early detection of non-compliance or errors, or even fraud. Through advanced technologies auditors become more receptive with the real time data in their audit process, as more

accurate data are gathered that may prompt any red flags. Indirectly, it acts as a risk reduction effort on irregularities or material misstatements in financial statements.

### **AI and Challenges**

Undeniably there are benefits gained from this recent way of life, AI in business, accounting and auditing. Though the benefits outweigh the costs, there are still some challenges either from the auditors or the firms themselves, on implementing AI.

#### *Resistance*

Resistance may come from concerns over job displacement, loss of control or fear of technology. As mentioned earlier, AI supports the audit processes, but the output is still relied on the auditors to interpret the findings and prepare the necessary reporting. The knowledge and skills to interpret the output does not come without having to acquire the relevant knowledge. Even to feed the information into the system also requires the relevant product knowledge and skills. Among the big challenges is the resistance and gaining support from the staff on emerging technologies. Technology life cycle is short and there will always be constant upgrades and updates. That indirectly would implicate on the staff product knowledge on the relevant functions of the systems applied. Therefore, reskilling and upskilling requires training and adaptation. Studies show that upskilling continues to be a major issue in China for both employers and employees (PWC, 2023). Hence, the slow adaptation and application on implementation of the new technologies may induce resistance among staff.

#### *Agile*

Apart from that, it is vital to recognise the digital skills necessitate as part of the workplace requirement. Hence, modern-day professionals need to embrace these changes to stay relevant in the industry. Though there may be slow adaption due to the process of learning and adaptation, modern-day practitioners need to be agile to the necessary knowledge requirement. Prior study has documented that it is essential for new job comers to acquire the agility in acquiring new knowledge and skills, especially in this era of Industrial Revolution 4.0 (IR4.0) (Azhar, Jalaludin, Ghani, Ramayah & Nelson, 2023). According to ACCA Study in 2020, digital skills are documented to be relevant to the accountancy and finance profession, therefore it is prevalent keep up to date with the relevant technological developments. Studies also have shown that being adaptable or flexible are extremely important skills in the next five years (PWC, 2023). Therefore, there is a need to improve the mind set of auditors or future workforce in being adaptive to change.

#### *Data*

Audit firms may face some challenges on the availability of data that the firm could have from the clients, whether it is sufficient or not for the audit analysis. There is internal and external data, that are also in quantitative and qualitative in nature. Hence, the process of integration of different data management and analytics outcome, that varies across the businesses may be a challenging task to modern-day practitioners. Among the challenges are integrating data from one source with another source. And they are of different system and operations. For instance, current company utilise a current system known as ABC software, but to integrate a collaboration service with another company for which they have a different system known as ABD software; some data migration and integration need to be done manually. Which will be time consuming and might need extra costs that firms not willing to invest.

### *Data Privacy*

With many theft identity and huge losses individuals faced from scammers and online fraud, data privacy has become a grave concern. AI systems rely heavily on big data to produce results that humans expected. Hence dealing with sensitive information such as personal data or business data, need to be tactfully taken care off. A way to ensure data protection is compliance to the Personal Data Protection Act (PDPA), where the risk of data breaches or abuses, could have a potential legal consequence.

### *Ethical Dilemma*

As mentioned earlier, AI requires big data to produce the output that human expected. These may need to be acquired from different segments and market, therefore may indirectly take up personal data that individuals may not have agreed to share. Consequently, it raises ethical concerns on transparency of personal or business data, or the accountability and autonomy of the owner of the system. For instance, to identify expected credit loss in accounts receivables may acquire data from debtors such as their credit worthiness and financial status. Because the company need to identify the estimate that the company unlikely recover their debt. Thus, it is crucial in ensuring transparency in AI usage to build trust among stakeholders.

### **Conclusion**

As the world we evolve in are drawn to a digital environment, spanning from could computing and accounting, to e-receipt and front door delivery, the exposure to cyber threats and risks are inevitable. Despite the benefits of AI in auditing and business transactions, organisations need to equip themselves with the relevant software and hardware necessitate for the cyber risk. And these do not come cheap at the expense of the firm. Hence, deciding on investing in these technologies require expansive preparation and decision. The impact to data leaks could cause companies massive losses, whilst to the audit firms, lawsuits, and a stained reputation.

Business leaders have considered AI as an essential driver of success for their companies, as stated in a study by EY in 2019. Applying AI is among the good things that can happen in an organisation, such as face recognition for certain access into company system and data base. But it is not without financial implication and challenges. Companies that managed to invest highly in technology advances in their companies, must have prepared and acquired the necessary resources, comprising related talents and acquiring the relevant assets, such as hardware and software for the system to run. Hypothetically, large organisations are the one who have the opportunities for this. Nevertheless, for small and medium organisations, they might just have to accommodate technology that meet their deep pockets. We cannot deny that AI brings better than harms, but not at the expense of the company. It is not easy to introduce new concept in the industry. A paradigm shift is warranted these days for us to move forward.

### **Discussion Questions**

1. What is the area that can be used to adopt AI in the practice or business?
2. How can AI improve on the output of practitioners?
3. Give examples of AI application that you know in the industry.
4. As modern-day practitioners, what are the challenges you may face in applying AI?
5. What are the expected skills from modern-day practitioners?
6. How does AI enhanced audit quality?



## REFERENCES

- ACCA (2014). *Audit Quality – IAASB’s Framework*. Available at <https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2014/march/audit-quality-iaasb-frwk.html>
- ACCA (2020). *The digital accountant: Digital skills in a transformed world*. ACCA: London. Retrieved from [https://www.accaglobal.com/gb/en/professional-insights/technology/The\\_Digital\\_Accountant.html](https://www.accaglobal.com/gb/en/professional-insights/technology/The_Digital_Accountant.html)
- Deloitte (2017). *The 2017 Deloitte Millennial Survey*. Deloitte Touche Tohmatsu Limited. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-deloitte-millennial-survey-2017-executive-summary.pdf>
- IBM (2024). *What is Artificial Intelligence (AI)?* Retrieved from <https://www.ibm.com/topics/artificial-intelligence>
- ICAEW (2023). *Auditing with AI: How AI is transforming auditing*. Retrieved from <https://www.icaew.com/technical/audit-and-assurance/audit-and-technology/what-digital-tools-are-auditors-adopting>
- KPMG (2021). *AI’s Role in Enhancing Trust in Financial Reporting and the Capital Markets*. Retrieved from <https://info.kpmg.us/news-perspectives/advancing-the-profession/ai-in-audit-kpmg-2023.html#:~:text=72%25%20of%20financial%20reporting%20leaders,and%20find%20new%20risks%20fanomalies>
- Nagarajah, E., (2016). Hi, Robot. What does automation mean for the accounting profession? *Accountants Today*, July/August, pp. 34-37.
- McKinsey (2022). *The State of AI in 2022-and a half decade in review*. QuantumBlack by McKinsey. Retrieved from [www.mckinsey.com](http://www.mckinsey.com)
- Morris, K., (2023). *Auditing with AI: How AI is transforming auditing*. Retrieved from <https://www.theaccessgroup.com/en-au/blog/act-ai-auditing/>
- PWC (2023). *Is the Workforce Ready for Reinvention? Asia Pacific Workforce Hopes and Fears Survey 2023*. Retrieved from [www.pwc.com/asiapacific](http://www.pwc.com/asiapacific)
- Strickland, B., (2023). Generative AI revolution: How Auditors Are Leading the Way. *Journal of Accountancy*. Retrieved from <https://www.journalofaccountancy.com/news/2023/nov/generative-ai-revolution-how-auditors-are-leading-the-way.html#:~:text=Seventy%2Dtwo%20percent%20of%20respondents,conduct%20data%20analysis%20using%20AI>.
- Vicente, V., (2023). *5 Risk-based Internal Auditing Approaches*. Retrieved from <https://www.auditboard.com/blog/5-approaches-to-risk-based-auditing/>
- Azhar, Z., Jalaludin, D., Ghani, E. K., Ramayah, T., & Nelson., S.P., (2023): Learning agility quotient and work readiness of graduating accounting students: embracing the dynamics of IR4.0, *Accounting Education*, DOI: 10.1080/09639284.2023.2211567

## **Nurturing Humanity in the Halls of RBB Enterprise**

Rohaziah Yahya  
SRI Khaldun Sdn Bhd  
Email: rohaziah\_yahay@hotmail.com

Yusof Ismail  
International Islamic University Malaysia  
Email: yusof.edu@gmail.com

Suhaimi Mhd Sarif  
International Islamic University Malaysia  
Email: albanjari@yahoo.com

Mohammad Fikri Abdul Wahid\*  
GISB Australia Pty Ltd NSW Australia  
Email: fikri\_wahid@yahoo.com  
*\*Corresponding author*

### **ABSTRACT**

RBB Enterprise demonstrates a commitment to corporate responsibility by embracing a mission to improve human welfare across its vast industrial sector. By integrating principles of responsibility, morality, and empathy, the organisation fosters a culture of empowerment that prioritises the welfare of its employees and the broader society. Commencing a profound process of change, RBB Enterprise conscientiously safeguards the well-being and security of its personnel through the implementation of comprehensive wellness programmes and stringent safety protocols. This dedication results in the development of a cohesive and efficient culture, supported by a deep-seated sense of pride. RBB Enterprise, motivated by a steadfast commitment to its workforce, allocates critical resources towards cutting-edge safety technology and all-encompassing training initiatives, all of which are founded upon ethical and accountable principles. Leading these endeavours is Zack, an experienced leader who promotes a positive and communal atmosphere while maintaining rigorous safety measures. In the face of obstacles, RBB Enterprise maintains an unwavering commitment to ethical standards, promptly rectifying violations and maintaining a meritocratic system; as a result, the organisation has established a lasting reputation characterised by honesty, responsibility, and compassion.

**Keywords:** Ethical Leadership, Corporate Responsibility, and Occupational Health and Safety

## **Background**

RBB Enterprise is dedicated to promoting the well-being of people in many different ways. The expansive land of RBB Enterprise was the setting for the unfolding of a stunning tapestry, where the luscious aroma of oil and the musical buzz of machinery came together in perfect harmony. Furthermore, the threads of duty, ethics, and human welfare were meticulously woven into the fabric of the cloth.

RBB Enterprise, which is situated in the midst of expansive acres of beautiful landscapes, is a shining example of a company that is dedicated to improving the lives of humans in a variety of different ways. When a person takes foot into the expansive landscape of RBB Enterprise, they are met by a symphony of fragrances and noises. This symphony is a mixture of the enticing scent of oil and the rhythmic buzz of machinery, which blend together in perfect harmony.

It is the terrain of RBB Enterprise that acts as the canvas for the unfolding of a stunning tapestry. It is the threads of duty, ethics, and human welfare that are delicately sewn into the fabric of this vivid expanse, which is the essence of what it is. The constant commitment of the corporation to fostering the holistic well-being of its employees and the community at large is reflected in every aspect of the building, from the towering buildings to the buzzing offices.

In the middle of the verdant vegetation and the buzz of activity, RBB Enterprise exemplifies a dedication to cultivating a culture that values ethical behaviour and accountability via its actions. Every single facet of its operations, from the management of its resources to the ties it maintains with its employees, demonstrates a profound dedication to sustaining the greatest possible standards of compassion and integrity.

The environment is not merely a background for RBB Enterprise; rather, it serves as a canvas upon which the company paints a portrait of attention to detail and concern for the environment. RBB Enterprise weaves a tapestry of influence and empowerment through a variety of programmes, ranging from measures geared to improve workplace safety to community outreach activities that aim to improve the quality of life in particular neighbourhoods.

A demonstration of the strength of responsibility, ethics, and the well-being of people may be found at the core of RBB Enterprise, which is located at the intersection of nature and industry. Because it is a place where the principles of compassion and responsibility flourish, it contributes to the enhancement of the lives of everyone who crosses its sacred grounds.

## **Journey**

There is a voyage that stands out as a significant milestone in the annals of RBB Enterprise's storied history. This journey is a monument to the company's constant commitment to the protection and well-being of its employees. RBB Enterprise, a giant in the oil and gas business, has long understood that the health and safety of its staff is the cornerstone of its success. This is something that the company has consistently acknowledged.

An expansive expanse where the aroma of oil mingles with the hum of machinery, producing an environment that is bursting with vitality, serves as the backdrop for the beginning of the adventure, which takes place against the backdrop of the vast facilities owned by RBB Enterprise. Within these strong gates, a thriving culture is becoming established; it is a

culture that places the sacredness of occupational health and safety above all other considerations.

This culture is not merely a checkbox on a corporate agenda for RBB Enterprise; rather, it is a fundamental moral commitment—an ethos that is knitted into the very fabric of the company's identity. Without exception, each and every worker, regardless of whether they are an experienced engineer or a new hire, is granted the privilege of working in an atmosphere that is devoid of any potential for injury or danger.

As RBB Enterprise embarks on a mission to infuse this mentality at every level of its operations, the story begins to unravel. In order to reduce potential dangers and cultivate a culture that prioritises holistic health and wellness, stringent safety standards are put into place and rigorously configured. In order to guarantee the safety of its staff, every precaution is taken, from the use of cutting-edge machinery to the implementation of extensive educational programmes.

Nevertheless, that is not the end of the adventure. RBB Enterprise goes above and beyond because it understands that the health and happiness of its employees extends beyond the bounds of the office. In order to cultivate a workforce that is both resilient and empowered, numerous initiatives are being implemented with the purpose of boosting both physical and mental health. These includes wellness programmes and counselling services.

At the point where the milestone trip reaches its pinnacle, the influence of RBB Enterprise's devotion becomes more immediately apparent. The number of incidents of illness and injury declines, and in their stead, a culture of safety and togetherness emerges. The organisation experiences a surge in employee morale, a flourishing of productivity, and a pervasive sense of pride throughout the entire organisation.

Indeed, the road that RBB Enterprise has taken to reach this significant milestone serves as a beacon, a demonstration of the transforming power of corporate responsibility. It is a voyage that underlines RBB Enterprise's standing not just as a leader in the oil and gas business, but also as a champion of the human spirit. For it is a journey that is driven by duty, ethics, and a fundamental dedication to the well-being of humanity.

### **Massive Decisions**

RBB Enterprise, a massive company in the oil and gas industry, has identified the protection of the health and safety of its employees as its top priority. An excellent illustration of the company's dedication to the concept of corporate responsibility is shown here. A vibrant culture thrived within the imposing confines of its facilities, one that viewed the sanctity of occupational health and safety as the most important thing in the overall scheme of things. This culture was a thriving culture. It was not merely a duty for RBB Enterprise; rather, it was a sacred moral commitment to watch out for the health and happiness of its staff members. Regardless of whether they were a seasoned engineer with years of experience or a novice eager to demonstrate their worth, every individual who was a part of its realm had the right to operate in an environment that was free from the shadows of damage and risk. This was the case regardless of whether they were a rookie or an experienced engineer.

An important event took place in the midst of the towering structures that make up RBB Enterprise's enormous grounds. This event would come to define the steadfast commitment that the firm has to the health and happiness of its employees.

RBB Enterprise, a huge player in the oil and gas business, had long since realised that the safety of its employees was the most important factor in determining the company's level of success. The sanctity of occupational health and safety was not merely a checkbox on a corporate agenda; rather, it was a sacred moral commitment that was deeply engrained in the core culture of the organisation.

The people in charge of making decisions at RBB Enterprise were aware of the fact that establishing a culture of safety required more than simply lip service; it required actions that were courageous. In light of this, when they were presented with the opportunity to make an investment in cutting-edge safety equipment, they did not hesitate to take advantage of it.

The executives were gathered in the boardroom to discuss the plan. They weighed the prospective costs against the lives and well-being of their employees, knowing that the former is more important than the latter. In spite of the fact that it was a decision that was riddled with complexities, there was one thing that remained unambiguous: the preservation of their staff was not up for discussion.

Following an exhaustive investigation and discussion with knowledgeable individuals, a decision was reached. RBB Enterprise will not spare any expense in order to acquire the most cutting-edge technology and apparatus that is designed to improve the safety of place of employment. In order to reduce potential dangers and guarantee the well-being and contentment of their employees, every investment was carefully selected. This included everything from sophisticated monitoring systems to ergonomic gadgets.

On the other hand, the choice did not end there. Additionally, RBB Enterprise made investments in extensive training programmes with the goal of equipping staff with the information and skills necessary to handle potential risks with confidence and competence. This was done in recognition of the fact that safety encompassed more than just physical threats.

Throughout the entirety of the organisation, the repercussions of this decision were observed. When employees knew that their health and happiness were of the utmost significance to the organisation, they experienced feelings of being appreciated and supported. Within the walls of RBB Enterprise, there was a flourishing feeling of camaraderie, there was a boom in output, and morale was at an all-time high.

Indeed, the significant choice to prioritise health and safety was not just about complying with rules; rather, it was a reflection of RBB Enterprise's fundamental dedication to its staff. It was a move that was driven by duty, ethics, and a profoundly entrenched sense of responsibility; it was a decision that highlighted RBB Enterprise's status not only as a leader in the industry, but also as a shining example of corporate responsibility and compassion.

### **Management Capability**

Within the core of RBB Enterprise's activities, Zack, a seasoned veteran, served as a reliable advisor guiding the company forward. His location was found in the complex network of corridors that comprised the organisation. One was able to recognise the rigorous steps that the business had taken to safeguard the health and safety of its personnel by observing him with his experienced eyes at the time. Every single move was meticulously designed in order

to lessen the likelihood of potential dangers and foster a culture that places an emphasis on overall well-being.

The execution of strict safety inspections with unwavering vigilance and the assignment of tasks that were tailored to the skills of each individual were both included in this. The silent phantom of tension, which frequently haunted the halls of many businesses, did not deter RBB Enterprise from maintaining its composure with regard to the situation. The corporation developed programmes with the intention of reducing the amount of work that employees had to do and cultivating a culture that was characterised by positivism and a sense of community.

Zack was a seasoned guardian who stood at the centre of RBB Enterprise's bustling operations. He was a light of stability in the middle of the ebb and flow of issues that the company faced. Because of his position as a senior manager, his presence could be felt throughout the complex network of passageways that made up the nerve centre of the organisation itself.

Zack exemplified the steadfast dedication of the corporation to ensuring the health and safety of its employees with a gaze that had been refined by years of experience. Every single action he took and every single choice he made was a demonstration of RBB Enterprise's commitment to cultivating a culture in the workplace that placed the health and happiness of its employees at the forefront of all other concerns.

From his vantage position within the intricate network of passageways, Zack arranged a symphony of safeguards with the intention of minimising the potential risks and hazards that could result from the situation. Each and every facet of the company's activities was subjected to stringent safety inspections, which were carried out with unwavering vigilance, with the goal of ensuring that they were in line with the highest possible safety standards.

That being said, Zack's duty encompassed more than just oversight. The insidious nature of stress in the workplace was something that he was aware of, and he took the initiative to lead efforts that were aimed to reduce the pressure that employees were under and to build a culture of positivity and togetherness. The silent spectre of tension that frequently haunted the halls of corporate environments was something that he attempted to address through the implementation of specific training programmes and interventions.

Zack remained unwavering in the face of growing difficulties, and his leadership served as a pillar of support for the organisation in the face of turbulent currents surrounding uncertainty. He tackled each challenge with a combination of pragmatism and foresight, ensuring that RBB Enterprise remained robust in the face of adversity. This was true whether he was managing regulatory difficulties or responding to emergent dangers.

Despite this, Zack never lost sight of the human element, even while he was immersed in the challenges of business life. A great concern for the well-being of RBB Enterprise's personnel was the driving factor behind each and every management decision and policy. It was Zack's commitment to compassion and empathy that distinguished him from his peers and earned him the admiration and respect of those who worked under him as well as those who worked under him.

## **Pains**

However, even in the midst of the firm's painstaking efforts, there were occasions when rumours of unethical activity would periodically destroy the appearance of peace. This occurred even though the company was making a lot of efforts. It was under these situations that the idea of blowing the whistle emerged as a means of bringing about accountability, shedding light on wrongdoing, and clearing the path for speedy settlements. Zack's accounts made it very evident that the organisation immediately responded to infractions, so demonstrating an unrelenting attention to maintaining safety measures and promptly correcting ethical lapses. This was clearly demonstrated by the organization's prompt response to violations.

The concept of privacy has evolved into an integral part of RBB Enterprise's business culture, and the organisation places the utmost focus on ensuring that sensitive information is kept confidential. In spite of the fact that employees were provided with access to confidential information, they were reminded of the paramount importance of keeping confidentiality. Nevertheless, in the midst of all of this vigilance, a delicate equilibrium was created. This delicate equilibrium was achieved between the employee's right to privacy and the company's necessity for control.

## **Merits**

RBB Enterprise remained a bastion of meritocracy in the realm of employment, which is a field in which discrimination is frequently present. In this field, decisions on hiring and firing were made solely on the basis of an individual's level of competence and qualification. The affirmations that Zack made served as a bulwark against discriminatory behaviours that threatened to contaminate the fabric of equality throughout the working population of the corporation. These assertions reflected the unwavering commitment of the organisation to maintaining fairness.

It became abundantly evident that RBB Enterprise went beyond the limitations that were imposed by merely having the status of a business corporation as the complex web of ethical challenges continued to unravel. It was a bright example of the transformative power of ethics in the modern workplace; it was a beacon of diligence, accountability, and unwavering devotion to the welfare of human beings. It was a shining example of the power of ethics? In the annals of business history, RBB Enterprise would leave behind a legacy that would be etched as a shining example of how the quest of profits was intimately linked to the growth of a culture that was steeped in respect, accountability, and most importantly, humanity. This legacy would be inscribed as evidence of how the chase of profits was intricately related to the growth of a culture.

## **Conclusion**

A profound dedication to humanity, ethics, and corporate responsibility is intertwined with the aroma of oil and the sound of machinery that can be found in the corridors of RBB Enterprise. Not only does this expansive nature serve as a backdrop, but it also serves as a canvas upon which the corporation paints its dedication to the well-being of its employees and the community as a whole. RBB Enterprise is a shining example of ethical leadership in the oil and gas industry. For example, the company has implemented strong safety measures and has fostered a culture that values diversity and fairness.

**Discussion Questions**

1. Explain two ways RBB Enterprise's commitment to the well-being of its employees contribute to its overall success as a company.
2. Discuss two roles of ethics and corporate responsibility play in shaping the culture and values at RBB Enterprise influence its decision-making processes.
3. Explain two ways RBB Enterprise balance the need for privacy with the necessity for oversight and accountability within its organization.
4. Discuss two ways RBB Enterprise promote meritocracy in its hiring and firing practices which contribute to a culture of equality and fairness.
5. Reflecting on Zack's leadership at RBB Enterprise, explain two ways management style exemplify the company's dedication to employee welfare and safety.



### **Tawakkal Resilience in Perniagaan Sejuk Beku Keluarga**

Suhaimi Mhd Sarif  
International Islamic University Malaysia  
Email: albanjari@yahoo.com

Rohaziah Yahya  
SRI Khaldun Sdn Bhd  
Email: rohaziah\_yahay@hotmail.com

Yusof Ismail  
International Islamic University Malaysia  
Email: yusof.edu@gmail.com

Mohammad Fikri Abdul Wahid\*  
GISB Australia Pty Ltd NSW Australia  
Email: fikri\_wahid@yahoo.com  
*\*Corresponding author*

#### **ABSTRACT**

Perniagaan Sejuk Beku Keluarga is a home-based frozen food business owned by Maryam and Hussin, a married couple from rural villages in Perak, Malaysia. Both received vocational training that paved the way for their careers. After losing their jobs at a frozen food factory, they leveraged their skills and experience to start their own business. The transition from stable factory jobs to running a small business was fraught with challenges, including financial constraints and setting up operations. Despite these hardships, their resilience and determination drove them to persevere. Maryam, with her culinary expertise, and Hussin, with his marketing skills, worked tirelessly to build a brand known for high-quality frozen foods. They received invaluable support from their community, which helped them overcome setbacks, including financial difficulties and equipment failures. Their journey from redundancy to successful entrepreneurs highlighted the importance of faith, community support, and mutual assistance. Today, their business is a well-known name in their area, providing a stable income and contributing to the local economy. Maryam and Hussin's story is a testament to the power of perseverance, faith, and community support in overcoming challenges and achieving success.

**Keywords:** Tawakkal, Resilience, Small Business Management

## **Introduction**

Perniagaan Sejuk Beku Keluarga is a home-based business specializing in frozen food, owned by a married couple, Maryam and Hussin. Both originally from rural villages, they managed to receive vocational training which paved the way for their careers. Before starting their business, they worked at a frozen food factory in their hometown. However, when they were made redundant, they had no choice but to leverage their skills and experience to start their own business to sustain their livelihood.

The transition from stable factory jobs to running a small business was fraught with challenges. Accustomed to the security of a regular income, they now faced the uncertainties of entrepreneurship, often struggling to make ends meet and occasionally having to skip meals to survive. Despite these hardships, their resilience and determination drove them to persevere in their new venture.

## **Background of the Entrepreneurs**

Maryam hails from Bota Kanan, Perak, while Hussin is from Manong, also in Perak. Both completed their secondary school education and obtained the Sijil Pelajaran Malaysia (SPM). Maryam furthered her studies by enrolling in a culinary training program at the National Youth Advanced Skills Institute (Institut Kemahiran Tinggi Belia Negara, or IKTBN), where she significantly improved her culinary skills. IKTBN is one of the 22 training institutes under the Ministry of Youth and Sports (Institut Latihan Kementerian Belia dan Sukan, or ILKBS), offering training opportunities for school leavers aged 18 to 30.

Open to all students regardless of their exam results, IKTBN provides equal opportunities for everyone to receive skills training. It offers various programs in the hospitality field, including food preparation, pastry making, bread making, and food and beverage service. These programs equip students with practical skills needed in the hospitality industry, enabling them to become highly skilled workers ready to enter the job market. Hussin, on the other hand, enrolled in a polytechnic to specialize in retail management after completing his SPM.

## **Workplace**

After graduating, Maryam from IKTBN and Hussin from the polytechnic both secured positions at a frozen food factory in Ipoh, Perak. Maryam was placed in the operations unit, where she meticulously mastered the creation of regional specialties such as curry puffs, pau, and samosas. Her dedication to perfecting these recipes quickly made her an invaluable asset to the team. Hussin, with his background in retail management, joined the marketing unit. He utilized his skills to effectively promote the company's products, developing innovative marketing strategies that significantly boosted sales.

Their paths crossed during a workplace family day event in Pangkor, where they were assigned to the same team for a team-building activity. This initial connection blossomed into a profound relationship, characterized by mutual respect and shared goals. They spent more time together, discovering common interests and values, which deepened their bond. After getting to know each other better and realizing their compatibility, they decided to marry.

Their marriage was the start of a new chapter filled with love and partnership. They have since been blessed with five children: three girls and two boys, who bring joy and fulfillment

to their lives. Together, Maryam and Hussin not only built a strong family but also continued to grow personally and professionally, laying the foundation for their future endeavors.

### **Transformation**

In 2003, Maryam and Hussin's lives underwent a substantial transformation when they were terminated from their positions at the frozen food company. For over a decade, Maryam had honed her skills and become an expert in preparing a wide variety of frozen delicacies. Hussin, with his marketing acumen, had significantly contributed to the company's growth. This unexpected job loss was a significant blow, but it also served as the impetus for them to embark on their entrepreneurial journey.

Drawing on their extensive knowledge and expertise, they decided to start their own home-based business in the frozen food market. This led to the establishment of *Perniagaan Sejuk Beku Keluarga*. They faced numerous challenges during the initial phase, including financial constraints and the daunting task of setting up their operations.

Maryam: (sighing) "Chor (nickname of Hussin), I'm worried about our finances. Starting this business is proving to be more expensive than we anticipated."

Hussin: (nodding) "I know, Yong (nickname of Maryam). We've already put so much into equipment and ingredients. But I believe in what we're doing. We just need to keep pushing."

Maryam: "You're right. We've come this far. But setting up the operations is so daunting. There's so much to do, and I'm feeling overwhelmed."

Hussin: "Let's take it one step at a time. We've both learned so much from our previous jobs. We can apply that knowledge here. Maybe we should talk to someone with experience, someone who can guide us."

Maryam: "That's a good idea. Who should we speak to?"

Hussin: "What about Mr. Ahmad? He's been in business for years and is well-respected in the neighborhood. He might have some valuable advice."

Both of them went to Mr Ahmad.

Hussin: "Assalamualaikum, Abang Lebai (nickname for Mr. Ahmad). We hope we're not disturbing you."

Mr. Ahmad: (smiling) "Not at all, Chor. Yong, please come in. What brings you both here today?"

Maryam: "Abang Lebai, we've started a home-based frozen food business. But we're facing numerous challenges, especially with finances and setting up our operations. We were hoping you could offer us some advice."

Mr. Ahmad: "Ah, starting a business is never easy. But it's commendable that you're taking this step. What specific challenges are you facing?"

Hussin: "We're struggling to manage our finances. The initial costs are higher than we anticipated. And the process of setting up everything is overwhelming."

Mr. Ahmad: "It's understandable. Every business faces hurdles in the beginning. First, regarding finances, have you considered applying for microfinancing or any small business grants? There are programs available that could help you."

Maryam: "We've thought about it but weren't sure where to start."

Mr. Ahmad: "I can help you with that. I know a few places where you can apply. As for setting up operations, focus on building a solid foundation. Prioritize what needs to be done immediately and what can wait. Don't try to do everything at once."

Hussin: "Thank you, Abang Lebai. Your advice is very helpful. We'll look into microfinancing and take a more structured approach to our setup."

Mr. Ahmad: "Remember, perseverance is key. You both have the skills and determination. Just keep your faith strong and take it one step at a time. And if you need more guidance, don't hesitate to come back."

Maryam: "We really appreciate your support, Abang Lebai. Thank you for your time and advice."

Mr. Ahmad: "Anytime, Yong, Chor. I'm confident you'll make this business a success. Just stay focused and keep believing in yourselves."

However, their tenacity and perseverance helped them navigate the transition from being employees to business owners. Maryam focused on maintaining the high quality of their frozen foods, ensuring each product met the standards she had perfected over the years. Hussin used his marketing skills to build a brand that customers could trust, employing innovative strategies to reach a broader audience. They worked tirelessly, often late into the night, to overcome the hurdles that came their way.

### **Redundancy and New Beginnings**

The relocation of the factory and the increased use of automation led to a reduced demand for manual labor, resulting in Maryam and Hussin losing their jobs. Despite being eligible for separation program benefits, they faced significant challenges in finding new employment near their home.

Their young children needed stability, making relocation impractical. Faced with lower salaries and the impracticality of moving, Maryam and Hussin decided to start a frozen food business from their home.

Despite financial difficulties, they remained steadfast in their beliefs. In their prayers, they sought guidance and had faith that Allah would open new doors for them. Drawing on Maryam's extensive experience in preparing regional specialties and Hussin's marketing skills, they established their own home-based business. This decision was not made lightly, but their faith in Allah gave them the strength to take this significant step, even amidst challenges.

Starting a home-based frozen food business presented its own set of challenges. Maryam had to adapt her skills to a home kitchen setup, ensuring the quality of the food remained high despite the smaller scale of production. Hussin developed a marketing strategy to reach potential customers without the resources of a large company. They worked tirelessly, often late into the night, to perfect their products and build their customer base.

Their dedication began to pay off. Their home-based business started gaining traction as word spread about the quality of their products. They offered a variety of regional specialties such as curry puffs, pau, and samosas, which quickly became popular in their community. Hussin's marketing efforts, leveraging social media and word-of-mouth, helped expand their customer base beyond their immediate neighborhood.

The couple received tremendous support from their local community. Friends and neighbors, aware of their situation, rallied around them, providing moral support and practical assistance. Some helped with childcare, allowing Maryam and Hussin to focus more on their business. Others helped spread the word about their products, bringing in more customers.

Through perseverance and unwavering faith, Maryam and Hussin's business began to thrive. Their story became a testament to the power of resilience, faith, and community support. They continued to pray and seek Allah's guidance, believing their hard work and dedication would be rewarded. Over time, their business grew, providing them with a stable income and the ability to support their children's education and well-being.

The success of their frozen food business marked a new beginning for Maryam and Hussin. What started as a necessity due to redundancy turned into an opportunity for entrepreneurship and self-reliance. Their journey from job loss to business owners highlighted their strength, faith, and determination. They proved that with hard work, faith in Allah, and community support, they could overcome any obstacle and build a successful future for their family.

### **Abilities and Plans of Action**

When Maryam started creating frozen foods on a modest scale without the use of machinery, her factory-acquired skills proved invaluable. Hussin's marketing expertise guided their approach to distribution, branding, pricing, and packaging. Their perseverance and faith in Allah (Tawakal) were the driving forces behind their efforts. However, their production capacity was limited due to a shortage of machinery and freezers, compelling them to seek assistance from various organizations. Their search for assistance highlighted their belief in the concept of mutual assistance and cooperation (Ta'awun).

To ensure their products were of the highest quality, the couple devoted countless hours to perfecting their recipes. Maryam's unwavering commitment to maintaining high standards, combined with Hussin's persistent and effective marketing efforts, began to yield positive results over time. They started receiving favorable feedback from their customers, which bolstered their confidence and inspired them to expand their operations, leading to the growth of their business.

### **Seeking Assistance**

Demonstrating their commitment to the Islamic concept of seeking knowledge and support from the community, the couple applied for microfinancing. These funds enabled them to purchase necessary equipment and rapidly repay the loans they had taken out. Their firm's

expansion reflected their effort, reliance on divine direction (Tawakal), and trust in Allah's plan (Taqwa).

Maryam and Hussin's conscientiousness in repaying their loans showed their dedication to their business and their faith in Allah's provision. Their unwavering will and faith served as an example to many in their community, demonstrating the value of confidence in divine guidance and endurance.

### **Obstacles and Faith**

A catastrophe occurred when their freezer exploded, destroying all their frozen stock. Their business came to a standstill due to their limited savings and the absence of refrigerators. Despite their additional microfinancing applications being rejected, they continued to show resilience and patience (Sabr). They did not waver in their commitment to their faith (Iman) and sought assistance from their community.

Maryam and Hussin faced a tremendous setback with the explosion, yet they refused to give up. They believed Allah was testing their faith and perseverance. They continued to pray and seek guidance, maintaining their trust that Allah would provide a way out of their hardships.

### **Support from the Community**

Their community exemplified the Islamic principle of charity, known as Sadaqah. A benevolent retiree from the state civil service purchased a new freezer for them, and a local grocery store owner provided free space in his freezer. This assistance enabled Maryam and Hussin to resume their business, and they expressed profound gratitude (Shukr) for the help they received. This episode highlighted the importance of overcoming challenges through mutual support and cooperation (Ta'awun).

The kindness of their community profoundly impacted Maryam and Hussin. Their belief in the efficacy of ta'awun and sadaqah was strengthened by the support they received. They were determined to repay this generosity by helping those in need.

### **A Blessing in Disguise**

Fortune smiled upon them when they received a significant contract to supply five containers of frozen food for export. Realizing their small-scale operation couldn't meet the demand, Hussin contacted his former employer, who agreed to assist in fulfilling the order under the Perniagaan Sejuk Beku Keluarga identity. This partnership, reflecting the Islamic principle of cooperation and mutual assistance (Ta'awun), enabled them to meet the delivery requirements.

This significant order marked a turning point for their company, demonstrating that their products were in demand and had the potential for tremendous growth. The engagement with Hussin's former employer underscored the importance of maintaining positive relationships and seeking assistance when needed.

### **Gratitude and Personal Development**

During this time, their firm continued to expand, and their oldest children pursued higher education, specializing in food technology and marketing. The family business evolved from a home-based enterprise into a modest frozen food company, providing employment opportunities to family members, friends, and neighbors. Maryam and Hussin's achievement is a testament to the Islamic ideals of endurance (Sabr), community support (Ta'awun), and appreciation (Shukr).

Their success had a significant impact on their family and community, providing employment and security to many. The involvement of their children ensured the continuation of their legacy, spreading the values of perseverance, faith, and community support.

### **Giving Back**

Maryam began providing free training to neighbors interested in the frozen food industry. Her campaign garnered support from local non-governmental organizations (NGOs) and the government, enabling more housewives to launch their own frozen food businesses from home. This act of giving back reflected the Islamic ideals of generosity (Sadaqah) and aiding others (Khidmah).

Many women in the neighborhood started their own businesses as a result of Maryam's popular training classes. This not only improved their financial circumstances but also provided them with a sense of accomplishment and purpose. Maryam was grateful for the opportunity to help others, seeing it as a way to express her appreciation for the support she had received.

### **A Resilient Legacy**

The story of Maryam and Hussin is one of perseverance, community support, and entrepreneurship, turning challenges into opportunities. Their journey demonstrates how Islamic principles such as Tawakal (reliance on Allah), Taqwa (piety and trust in Allah), and Ta'awun (mutual support) can guide and sustain a family through challenging times, ultimately leading to the establishment of a prosperous business that benefits both the family and the community. Their legacy continues to inspire others to persevere and support one another in the face of adversity.

One can see the transformative impact of faith and community through Maryam and Hussin's journey. Their story serves as a source of motivation for anyone facing difficult times, demonstrating that with reliance on Allah, community support, and unyielding determination, it is possible to overcome any hardship and achieve tremendous success.

### **Way Forward**

Maryam and Hussin's journey exemplifies the impact that faith, community, and mutual support can have in overcoming challenges and achieving success. Their narrative serves as a valuable case study in how Islamic values can guide and sustain business ventures, transforming problems into opportunities for growth and community development. Through their dogged determination, unwavering faith, and community support, Maryam and Hussin have not only established a prosperous business but also made a lasting impact on their community. Their legacy is a source of encouragement and motivation for future generations.

### **Discussion Questions**

1. Explain three key factors that helped Maryam and Hussin transition from employees to successful business owners.
2. Discuss two ways Maryam and Hussin leverage their vocational training and previous work experience to establish their business.
3. Explain two ways community support play a crucial role in the success of Perniagaan Sejuk Beku Keluarga.
4. Discuss two challenges Maryam and Hussin face in starting their home-based business, and two ways they overcome them.
5. Explain two ways Maryam and Hussin's story and their application of Islamic principles like Tawakal, Taqwa, and Ta'awun demonstrate the importance of faith in entrepreneurship.

### **References**

- Ministry of Youth and Sport Malaysia. (2024). <http://www.kbs.gov.my>
- Ministry of Higher Education Malaysia. (2024).<http://www.kpt.gov.my>



## **Salmah's Entrepreneurial Journey with Passion, Faith, and Community Support**

Suhaimi Mhd Sarif  
International Islamic University Malaysia  
Email: albanjari@yahoo.com

Rohaziah Yahya\*  
SRI Khaldun Sdn Bhd  
Email: rohaziah\_yahay@hotmail.com  
*\*Corresponding author*

Yusof Ismail  
International Islamic University Malaysia  
Email: yusof.edu@gmail.com

Mohammad Fikri Abdul Wahid  
GISB Australia Pty Ltd NSW Australia  
Email: fikri\_wahid@yahoo.com

### **ABSTRACT**

Salmah, a young entrepreneur from Batu Gajah, Perak, showcases a compelling journey of passion, resilience, and community collaboration rooted in Islamic values. Despite achieving academic excellence, Salmah chose entrepreneurship over further studies, supported by her mother. Together, they began selling traditional Malay snacks, embodying values like ta'awun (cooperation), taqwa (piety), and tawakal (trust in Allah). Encouraged by customers and friends, Salmah expanded into baking pastries, encountering initial struggles but persevering through patience and gratitude. Her business eventually flourished through community support and participation in local markets. Salmah's story illustrates the power of faith, mutual assistance, and sustainable growth, inspiring others to pursue their entrepreneurial dreams with integrity and dedication.

**Keywords:** Entrepreneurship, Islamic Values, Community Support, Sustainable Growth, Resilience

---

### **Background and Early Passion**

Salmah, a spirited young woman from Batu Gajah, Perak, had always been passionate about entrepreneurship. Living in a low-cost terrace house with her parents, Salmah grew up surrounded by prestigious educational institutions such as University of Technology Petronas, UiTM Perak, Kolej Profesional MARA, and SMKA Sultan Azlan Shah. Despite achieving 7As in her SPM, Salmah wasn't interested in further studies, much to her father's disappointment. Her mother, understanding her daughter's passion, supported her decision.

Salmah started helping her mother sell traditional Malay snacks like cucur pisang, cucur bawang, and pisang goreng from a small roadside stall near their home. The stall operated

from 2 p.m. to 6 p.m. daily and earned around RM200 each afternoon. Encouraged by their supportive neighbors, Salmah's mother obtained a business license, and a business permit from the local council to legitimize the small business.

Salmah's entrepreneurial journey was deeply rooted in Islamic values. She embodied ta'awun (cooperation) by working closely with her mother and neighbors, creating a supportive and collaborative environment. Their business was a collective effort, with each neighbor contributing in some way, whether by providing raw materials, helping with preparations, or promoting the stall within the community.

Her commitment to taqwa (piety) was evident in the ethical way she conducted her business. Salmah ensured that all their ingredients were halal and sourced from trusted suppliers. She also maintained high standards of cleanliness and quality, reflecting her devotion to operating her business in a manner pleasing to Allah.

Salmah practiced tawakal (trust in Allah) by relying on her faith to guide her decisions and actions. Despite the initial uncertainty and challenges of running a small business, she placed her trust in Allah's plan. She consistently prayed for guidance and success, believing that her hard work and sincerity would be rewarded.

### **Embracing New Opportunities**

One day, a customer named Mr. Ahmad suggested they expand their offerings to include pastries like cupcakes and birthday cakes.

"Salmah, have you ever considered baking pastries? Cupcakes and birthday cakes could really sell well," Mr. Ahmad suggested while picking up his order of cucur pisang.

Salmah's eyes sparkled with interest. "I've always loved the idea of baking pastries. What do you think, Mak?"

Her mother smiled warmly. "I think it's a wonderful idea. You have the talent, Salmah. You should learn more about it."

Encouraged by her mother's support and the customer's suggestion, Salmah decided to take the plunge. She enrolled in a pastry course organized by a local government agency. The course provided her with knowledge from experienced pastry entrepreneurs, as well as financial aid and equipment.

During a neighborhood gathering, her friend Aisyah approached her. "Salmah, I heard you're taking a pastry course! That's amazing. I've always wanted to learn baking too."

Salmah grinned. "Yes, Aisyah! It's so exciting. The course is really helpful, and I've already learned so much. Maybe we can bake together sometime."

"Definitely! I can't wait to taste your pastries," Aisyah replied enthusiastically.

Another neighbor, Kak Ros, who often visited their stall, joined the conversation. "Salmah, if you need any help or ingredients, just let me know. I have some extra baking tools that you can use."

"Thank you so much, Kak Ros. Your support means a lot to me," Salmah said, feeling grateful for the community's encouragement.

As Salmah honed her baking skills, she began introducing cupcakes and small pastries at their stall. The new products were an instant hit, attracting even more customers. Salmah's father, who had been skeptical initially, now proudly supported her expanded business.

"Salmah, your cupcakes are delicious. I think we should start taking orders for birthday cakes as well," her father suggested one evening.

"I agree, Ayah. I've already received a few requests from our regular customers," Salmah replied, excited about the new opportunities.

### **Initial Struggles and Perseverance**

Salmah and her mother had always shared a deep bond, strengthened by their mutual love for baking and their unwavering faith. When they decided to expand their small roadside stall, they believed it was the right step forward. Salmah had recently completed a business course provided by a local government training agency, and she was eager to apply her new knowledge.

Salmah: "Mak, we've rented a small shop nearby to accommodate the new equipment. You can continue selling traditional snacks at the roadside stall while I produce and sell pastries here."

Salmah's eyes sparkled with excitement, but her mother, with her years of wisdom, gently reminded her of the importance of their intentions.

Mother: "That sounds like a good plan, Salmah. But remember, we must keep our intentions pure and trust in Allah's plan. Our hard work will be rewarded, Insha'Allah."

Days turned into weeks, and despite Salmah's best efforts, the customer turnout at the new shop remained disappointingly low. She shared her frustrations with her mother one evening.

Salmah: "Yes, Mak. I've applied all the business knowledge gained from the local government training agency, but customer turnout is still low."

Her mother placed a comforting hand on her shoulder, her face serene.

Mother: "We must have tawakal, Salmah. Put our trust in Allah after putting in our best efforts. Let's not lose hope."

Salmah nodded, trying to draw strength from her mother's unwavering faith. However, she couldn't shake off the worry about their dwindling sales.

Salmah: "You're right, Mak. But it's disheartening that our neighbors, who were our initial supporters, can't buy pastries regularly as they prefer traditional meals."

Her mother pondered for a moment before responding, her eyes reflecting her thoughtful nature.

Mother: “This is where we practice ta'awun, cooperation and mutual support. Let's engage more with our community and understand their needs. Perhaps we can find a way to integrate our products with their preferences.”

Salmah felt a glimmer of hope at her mother's suggestion.

Salmah: “That's a good idea. I tried selling at your stall and through other local vendors, but it was unsuccessful.”

Her mother's expression softened with understanding.

Mother: “We need to have patience and taqwa, fear of Allah and awareness of His presence. Let's focus on building strong relationships with our customers and providing excellent service. Maybe we can offer samples or have special promotions to attract more people.”

Salmah's spirits lifted a little as she considered these new strategies.

Salmah: “Yes, Mak. I believe we should also pray for guidance and continue to work hard. With Allah's help, we will find a way to succeed.”

Her mother smiled; her faith as strong as ever.

Mother: “Indeed, Salmah. Keep faith in Allah's wisdom. Every challenge is an opportunity to grow and strengthen our iman. Let's continue our efforts with sincerity and trust in Allah's plan.”

Feeling reassured, Salmah hugged her mother.

Salmah: Thank you, Mak. Your words give me strength. Let's start by reaching out to our neighbors and understanding their preferences better. Insha'Allah, we will find a way to make this business successful.”

Mother: “Insha'Allah, my dear, Salmah. With hard work, faith, and the support of our community, we can achieve our goals.”

As they sat together that evening, planning their next steps, Salmah felt a renewed sense of purpose. With her mother's guidance and their shared faith in Allah, she believed they could overcome any challenge.

### **Overcoming Challenges with Patience and Gratitude**

Facing financial difficulties, Salmah struggled to pay the shop rent, and the initial deposit provided by her mother was already exhausted. Her father, a municipal council worker, was frustrated as he had urged her to pursue further studies instead of business. Feeling disheartened, Salmah considered closing her shop and storing the equipment.

One evening, as Salmah was closing her shop, her mother arrived. Seeing the worry etched on her daughter's face, her mother took Salmah's hands in hers and said gently, "My dear, Salmah. Remember the value of patience (sabr). Allah tests those He loves, and with patience, you will find a way through this. Have faith and trust in His plan.”

Salmah sighed, "I don't know, Mak. It's so hard. Ayah was right; maybe I should have continued my studies."

Salmah's mother shook her head. "Your father loves you and wants what's best for you. But remember, in Islam, it's not only about what we achieve but how we achieve it. Your perseverance and hard work are part of your ibadah (worship). We must have tawakkul (trust in Allah)."

Inspired by her mother's words, Salmah decided to seek guidance from the local community leaders. There, she met Haji Ahmad, an elderly man known for his wisdom. Salmah poured out her troubles to him. Haji Ahmad listened patiently and then said, "Salmah, in times of difficulty, we must also show gratitude (shukr) for what we have. Reflect on your blessings and remember that Allah is always with you. Sometimes, what seems like a setback is a step towards something greater."

Salmah nodded, feeling a sense of calm. She began to pray more diligently, seeking Allah's guidance and strength. She also reached out to the community, sharing her struggles and asking for support. To her surprise, many came forward with advice, resources, and even offers of partnership.

One day, a customer named Aminah, who had heard about Salmah's situation, visited the shop. "Salmah, I believe in your vision," Aminah said. "Let's collaborate. I have some savings, and together we can expand your business. We can support each other and grow together, Insha'Allah."

Salmah felt a surge of hope. She thanked Aminah and accepted her offer, feeling grateful for the unexpected support. Together, they worked tirelessly, and gradually, the business began to thrive.

### **A Turning Point**

One day, a former school teacher visited Salmah's shop to buy a birthday cake. As they chatted, the teacher noticed the determination in Salmah's eyes and inquired about her business. With a heartfelt sigh, Salmah candidly shared her challenges, mentioning the struggle to expand her customer base and sustain her income.

The teacher, inspired by Salmah's resilience, gently advised, "Salmah, do not lose hope. Remember, in Islam, Allah loves those who are patient and strive with sincere effort. Why not seek guidance from government agencies? They can provide valuable support and resources."

Salmah took this advice to heart, embodying the Islamic value of tawakal (trust in Allah) as she reached out to these agencies. Her sincere efforts and reliance on Allah's guidance bore fruit. With their recommendations, she started selling her products at night markets, morning markets, and participated in sales festivals organized by local and state governments.

Her business began to flourish. Each sale and interaction at the markets were not just transactions but opportunities to practice ta'awun (cooperation) and taqwa (piety). Salmah engaged with customers and fellow vendors with a spirit of cooperation and mutual support, reflecting the core values of her faith.

Seeing her success, the former teacher visited again, this time with a wide smile. "Salmah, your journey is truly inspiring. You've shown that with faith, perseverance, and a willingness to seek help, one can overcome any challenge. May Allah continue to bless your endeavors."

Salmah, with gratitude in her heart, replied, "Thank you for your encouragement and wise counsel. I have learned that in every hardship, there is ease, and with Allah's help, we can achieve great things. I am committed to upholding Islamic values in my business and continuing to grow with integrity and faith."

### **Exciting Developments and Breakthroughs**

It just so happened that a well-known food blogger in the area spotted Salmah's stall at one of the other night markets. Intrigued by the inviting aroma and the vibrant display of her pastries, the blogger decided to give them a try. After tasting a few samples, she was not only captivated by the exquisite flavors and delicate textures but also moved by Salmah's inspiring story.

The blogger learned about Salmah's journey—how she had started from humble beginnings, facing numerous challenges, but always held on to her faith and principles. Salmah's dedication to using high-quality ingredients and traditional techniques resonated deeply with the blogger. Struck by this compelling combination of a heartwarming narrative and mouthwatering pastries, she decided to write an outstanding review that she titled "Sayang Salmah Pastry."

The review was a beautifully crafted piece that highlighted Salmah's skill, creativity, and resilience. It detailed the rich, buttery layers of her pastries, the subtle yet profound flavors, and the meticulous care she put into each creation. The post quickly went viral, garnering attention not just from the local community but from people all around the world. Comments and shares flooded in, with readers eager to taste these pastries themselves.

With the newfound fame, orders started pouring in from near and far. Customers were drawn to the story behind the pastries as much as they were to the pastries themselves. Salmah's kitchen buzzed with activity as she worked tirelessly to meet the growing demand, all the while maintaining her commitment to quality and authenticity.

### **Collaboration and Support**

Through various agencies' initiatives, Salmah received entrepreneurial guidance, financial support, promotional opportunities, and digital business training. These resources helped her navigate the challenges of running a business. Over time, her sales improved significantly, and she began receiving bulk orders. Her perseverance, guided by the principles of patience (sabar) and gratitude (syukur), transformed her struggling shop into a thriving business hub.

One day, while discussing her journey with a fellow entrepreneur, Salmah shared her story with a sense of accomplishment and humility. "It's incredible how much support I've received," she began. "From learning to manage my finances better to promoting my business online, each step has been a blessing. The financial guidance helped me understand how to budget and invest wisely. The promotional opportunities expanded my reach beyond my expectations, and the digital business training opened up new avenues I hadn't considered before. It wasn't just about the financial support; it was about learning how to sustain and grow my business."

Her friend, inspired by Salmah's journey, responded, "Your story is truly inspiring, Salmah. It shows how important it is to combine passion with the right guidance and resources. Many people have dreams, but without the proper support, those dreams can fade. You've demonstrated that with determination and the right tools, even the most challenging situations can be overcome."

Salmah smiled, reflecting on her journey. "Indeed," she agreed. "It wasn't always easy, but with each challenge, I reminded myself to stay patient and grateful. Patience helped me endure the tough times, and gratitude kept me focused on the positives. This mindset, along with the support I received, made all the difference."

Their conversation highlighted the significance of community support and the power of perseverance. Salmah's success story became a beacon of hope for many aspiring entrepreneurs in her community, proving that with the right mix of determination, patience, gratitude, and support, anyone could transform their dreams into reality.

### **Community and Sustainable Growth**

After Salmah's remarkable achievement, her contemporaries began to see her as a beacon of hope and inspiration. "Salmah, you've shown us that mere desire is insufficient," remarked Fatimah, a close friend and colleague. "It's your unwavering dedication, commitment to collaboration, and pursuit of ongoing education that truly make a difference."

Salmah smiled, appreciating the kind words but quick to shift the focus. "It's not just me, Fatimah. Taqwa, or 'God-consciousness,' has guided me in every step, ensuring my actions are aligned with my faith."

Ahmad, another contemporary, nodded in agreement. "And it's clear that tawakal, meaning 'reliance on God,' has given you the strength to trust in divine support and wisdom even in challenging times. I've seen how you handle adversity with such grace."

"Indeed," Salmah replied. "But it's also about ta'awun, or 'mutual assistance.' Engaging with others and fostering a spirit of cooperation and collective effort has been crucial. We achieve more together."

Her deep sense of syukur, meaning 'gratitude,' kept her grounded and appreciative of every blessing. "Every step of this journey has made me realize how much I have to be grateful for," Salmah said, her voice full of sincerity. "Gratitude keeps me grounded."

"Your patience, or sabar, is also something we all admire," added Siti, another friend. "You persevere despite obstacles, maintaining calm and resilience."

Salmah nodded. "Sabar is essential. Without it, we lose our way."

Salmah also embodied sejahtera, which translates to 'well-being,' as she sought to promote holistic health and harmony in her community. "Promoting well-being in our community has always been a priority. Sejahtera means creating a balance and harmony that benefits everyone," she explained.

Lastly, her commitment to lestari, meaning 'sustainability,' underscored her efforts to ensure that her actions today would benefit future generations. "Sustainability, or lestari, is about

ensuring our actions today benefit future generations. It's our responsibility," Salmah emphasized.

In every aspect of her journey, Salmah exemplified these core values, leaving an indelible mark on all who knew her. Her friends and contemporaries were not just inspired but also motivated to embody these values in their own lives.

### **Engaging the Community and Sharing Values**

One evening, Salmah organized a small gathering at her shop, inviting customers, community leaders, former teachers, and friends. She shared her journey, emphasizing the importance of Islamic values in her success. She recounted how taqwa (God-consciousness) kept her grounded and focused, even during challenging times. She highlighted the role of tawakal (reliance on God), explaining how placing her trust in God's plan gave her the courage to take risks and embrace new opportunities.

Salmah's former teacher, Ustazah Mariam, praised her student's determination and the embodiment of ta'awun (mutual assistance) in her business practices. "Salmah's willingness to help others and share her knowledge has truly created a ripple effect in our community," Ustazah Mariam remarked.

A long-time friend, Aisyah, shared how Salmah's practice of syukur (gratitude) and sabar (patience) inspired her to start her own small business. "Whenever I faced difficulties, Salmah's words of encouragement reminded me to be grateful for what I have and to patiently work towards my goals," Aisyah said.

### **Building a Brighter Future**

As the evening progressed, Salmah announced her plans to launch a series of workshops aimed at empowering aspiring entrepreneurs in the community. These workshops would not only cover practical business skills but also incorporate lessons on Islamic values like sejahtera (well-being) and lestari (sustainability). She emphasized that true success is not just about financial gain but about contributing to the overall well-being and sustainability of the community.

The gathering ended with a collective prayer, led by a community leader, asking for continued blessings and guidance. Salmah's story and the shared experiences of her supporters painted a vivid picture of how deeply ingrained Islamic values could lead to sustainable success and community upliftment.

### **Business Growth and Expansion**

Salmah's pastry offerings include a variety of products such as tarts sold at RM45 (Tart Salmah Manis), RM48 (Tart Salmah Amboi) (in a box of four tarts), RM11 (Tart Salmah Comel), RM13 (Tart Salmah Mole) (Single 3 pieces tart), RM59 (Tart Salmah Ayu), RM65 (Tart Salmah Mulus) (Single 6 pieces tart), RM75 (Tart Salmah Manja), and RM95 (Tart Salmah Meletop) (Single 9 pieces tart). These are her hot-selling tarts, with many repeat purchases.

She also offers fruit tarts at RM25 (four pieces) (Salmah Gerak), RM50 (nine pieces) (Salmah Gemalai), Mini Tarts at RM28 (nine pieces), RM48, RM50 (16 pieces), RM75 (25 pieces, mix and match), and RM108 (36 pieces, mix and match). These are also popular hot-selling fruit tarts.



Additionally, Salmah offers mixed Berry Almond Tarts at RM70 (6 pieces) and RM92 (9 pieces), as well as local pastry products, both ready-to-eat and frozen, such as Samosa Ayam (pack 350g) at RM13.50, Karipap Kentang (15 pieces per pack) at RM12, and Samosa Serunding Ayam (packed at 500g) at RM19.

Learning from various agencies and street-smart individuals, Salmah realized the importance of directly reaching her customers. Practical avenues for her to introduce her products include pasar malam, pasar tani, pasar minggu, pasar sehari, pasar pagi, and various other marketplaces in Batu Gajah, Ipoh, Jelapang, Greentown, Lahat, Meru Raya, Teluk Intan, Bota Kanan, Sitiawan, Seri Manjung, and Taiping.

Apart from street sales, Salmah also utilizes her own digital platform to sell directly to customers.

### **Strong Product Line**

Salmah's diverse range of pastry offerings, especially her hot-selling tarts, shows a strong product line catering to different customer preferences. The various price points allow for both affordable and premium options, attracting a wide customer base. For example, the Tart Salmah Comel at RM11 offers an entry point for budget-conscious customers, while the Tart Salmah Meletop at RM95 caters to those willing to spend more for a larger, premium product.

### **Revenue Projections**

Given the popularity of her tarts and the high rate of repeat purchases, Salmah can project steady revenue growth. For instance, if she sells an average of 100 Tart Salmah Manis (RM45) and 50 Tart Salmah Meletop (RM95) each month, her monthly revenue from these two products alone would be RM11,750. Expanding this calculation to her full range of products and incorporating seasonal sales spikes during festivals or special events can provide a comprehensive revenue projection.

### **Business Direction and Strategy**

Salmah's strategy of leveraging both traditional and digital sales channels ensures broad market reach and customer engagement. Her presence in local markets (pasar malam, pasar tani, etc.) allows her to capture the spontaneous buying behavior of customers, while her digital platform caters to the convenience of online shoppers. This dual approach not only maximizes her market penetration but also creates multiple revenue streams.

### **Sales Strategy**

To further boost sales, Salmah can implement targeted promotions and discounts during peak times, such as festive seasons. Offering bundle deals, like a mix-and-match option for her mini tarts, can encourage customers to purchase in larger quantities. Additionally, collaborating with local cafes and restaurants to supply her tarts can open new B2B revenue streams.

### **Community Engagement and Islamic Values**

Salmah's business model aligns with the Islamic values of ta'awun (cooperation), taqwa (piety), and tawakal (trust in God). By participating in local markets and engaging directly with her community, she fosters a sense of cooperation and mutual support. Her commitment to providing quality products reflects her piety and dedication to excellence. Trust in her

products and business practices builds a loyal customer base, enhancing her reputation and ensuring sustainable growth.

### **Way forward**

Salmah's pastry business, with its diverse product offerings and strategic sales approach, is well-positioned for sustained growth. By leveraging both traditional marketplaces and digital platforms, she can maximize her reach and revenue potential. Her alignment with Islamic values further strengthens her connection with the community, ensuring long-term success and customer loyalty.

### **Conclusion**

Salmah's journey from a small roadside stall to a thriving pastry business is a testament to the strength of combining passion with faith and community support. Her commitment to Islamic values like ta'awun, taqwa, and tawakal has guided her through challenges and successes. The collaboration with her community, the advice from mentors, and the support from local agencies have been crucial in her growth. Salmah's story emphasizes that entrepreneurship is not just about financial gain but also about building relationships, maintaining integrity, and contributing to the well-being of the community. Her resilience and dedication serve as an inspiration for aspiring entrepreneurs, demonstrating that with hard work, faith, and support, success is achievable.

### **Discussion Questions**

1. Explain two ways Islamic values like ta'awun, taqwa, and tawakal influence Salmah's business decisions and practices.
2. Discuss the role of community support play in Salmah's entrepreneurial journey.
3. Explain two ways aspiring entrepreneurs balance the challenges of starting a business with maintaining personal and spiritual integrity.
4. Discuss two ways government agencies and local councils could support small businesses in rural and sub-urban areas
5. Explain two ways entrepreneurs could use both traditional and digital sales channels effectively to expand their market reach.

## **Crisis in a Cup: Managing the Mie Sedaap Recall and Rebuilding Trust**

Nur Nabilah Abdullah\*

Kulliyyah of Sustainable Tourism and Contemporary Languages,

International Islamic University Malaysia,

EduHub Pagoh, Johor, Malaysia.

Email: nnabilah@iium.edu.my

*\*Corresponding Author*

Al Amirul Eimer Ramdzan Ali

Kulliyyah of Sustainable Tourism and Contemporary Languages,

International Islamic University Malaysia,

EduHub Pagoh, Johor, Malaysia.

Email: dral@iium.edu.my

Mohd Safwan Ramli

Faculty of Business and Management,

Universiti Teknologi MARA

(UiTM) Jengka, Pahang, Malaysia

Email: safwanramli@uitm.edu.my

### **ABSTRACT**

This paper analyses the recall of two products from the Indonesian instant noodle brand Mie Sedaap. This recall followed the discovery by food safety regulators in Hong Kong and Singapore of the Korean Spicy Chicken and Korean Spicy Soup's prohibited chemical, ethylene oxide. The incident resulted in recalls in both countries between September and October 2022. Being aware of the fact that the adverse consequences were detrimental for the business, the present case study will discuss the ways, in which the Mie Sedaap brand acted in relation to the reputation management when the product was recalled and the ways, in which the company ensured the customers and other stakeholders that their trust was still valued by the company. Moreover, the discussion will entail the integration of some of the SDG aspects namely; good health and wellbeing (SDG 3), responsible consumption and production (SDG 12), and the partnerships for the goals (SDG 17) to analyse the overall effects and the response measures in containing food safety and sustainability issues.

**Keywords:** brand crisis, consumer trust, crisis management, product recalls, brand image

---

### **INTRODUCTION**

The Wings Group Indonesia encountered a severe management problem in late 2022 when they found that the carcinogenic materials were found in their Mie Sedaap instant noodles. This led to a chain of recalls and created great difficulties in the effective control of consumer health and safety, brand image, and the process of rebuilding consumers' confidence. The crisis began when food safety authorities in Hong Kong and Singapore identified ethylene oxide in two specific flavours of Mie Sedaap noodles: Korean Spicy Chicken and Korean Spicy Soup. Such findings prompted an onset of recall of the compound in both nations as it

is banned for its capability to cause cancer. Realising the health risks of the products and the legal obligation to do something about the issue, Wings Group Indonesia was not very keen on initiating a voluntary recall program. This inaction in particular culminated to the situation where consumers and regulators had even more doubts about the safety standard measures that the company provided.

The first response that was taken by the management of Wings Group was to release statements that refuted the revelations made by the food safety authorities. The company admitted that they have not produced any products with ethylene oxide content by stating the measures they have taken in terms of quality control. This not only did not instill confidence to the public, but made them sceptical and brought out the media attention. Lack of a clear and well justified public relations strategy, contributed to the company's vulnerability and consequently, consumers' distrust.

Finally, facing the fact that the situation had become critical Wings Group decided on voluntary recall. This was a strategic decision highlighted in their handling of the crisis. The company realised the severity of the issue and intended to take enough measures to convince the consumers that their products were safe.

### **THE MIE SEDAAP PRODUCT RECALL CRISIS**

In addressing the critical circumstance of Mie Sedaap product recall, a comprehensive approach is imperative to tackle three main issues occurring during the crisis which includes consumer health and safety concerns, potential tarnishing of the brand's reputation and rebuilding trust. To counter the challenges, proposed solutions involve a voluntary recall which is to demonstrate the company's responsibility and safeguard the brand's reputation. Besides that, providing a customer hotline is crucial in rebuilding trust as it effectively bridges the gap between customers and the company through personalised communication on social media platforms. Practical initiatives like facilitating ways for customers to return their purchases is pivotal in regaining their loyalty. Additional measures include investment in research and development to find a safer way to manufacture the product and serve the best quality to all consumers.

These initiatives align with Sustainable Development Goals 12 and 17, which respectively aim to promote responsible consumption and production as well as fostering partnerships for the goals. The recommended actions encompass continuous improvement of the products, implement crisis communication preparedness as well as commit to environmental and social responsibility. This holistic approach establishes a proactive stance towards consumer safety, reputation management and long-term trust-building initiatives with customers and stakeholders.

### **Brand Reputation**

The crisis originated when food safety authorities in Hong Kong and Singapore detected the presence of ethylene oxide in two particular flavours of Mie Sedaap noodles: Korean Spicy Chicken and Korean Spicy Soup. These findings led to immediate recalls in both countries, as the compound is prohibited because of its cancer-causing properties. In spite of the evident health risks and regulatory mandates that have been emphasised in news headlines, Wings Group Indonesia initially showed reluctance in taking the initiative to implement a voluntary recall. Wings felt compelled to protect their reputation by issuing conflicting statements. They initially denied the potential hazards of the pesticide, as reported by Indonesia Expat (2022), while also asserting that their noodles are free from any pesticide (Muthiariny &

Afifa, 2022: Marketing Interactive, 2022). The situation was made worse by the company's initial response, which involved a delay in taking action. This caused increasing concerns among consumers and regulators about the company's commitment to safety.

### **Regaining Trust**

Understanding the situation to be critical, Wings Group agreed to conduct a voluntary recall of their product. This decision became a turning point in their crisis management approach and plan. The company's decision to recall more batches of Mie Sedaap instant noodles has raised concerns about their integrity and honesty throughout the issue. This has also discouraged customers from buying their product since it poses a health risk owing to the use of pesticides. Furthermore, with the criticism faced by several media outlets on the internet health agencies issued warnings about the dangers associated with consuming Mie Sedaap instant noodles. In this case, the company's goal of addressing the issue was to show that they care about consumers' safety and to start the process of restoring the trust. As a consequence, Wing Group has carried out an inquiry into further items that may have been tainted, to address the matter and restore the public's trust (Ranggasari & Afifa, 2022).

## **MANAGING THE BRAND AFTER CRISIS**

### **Voluntary Recall**

Initiating a voluntary recall is a crucial measure when dealing with product recall situations, especially those rooted in manufacturing issues. In such cases, the company's responsibility is critical for ensuring consumer safety and maintaining public well-being. This initiative aligns with SDG 12, highlighting the need for responsible consumption and production. In doing so, the company actively contributes to societal well-being by promoting responsible business practices, reinforcing a commitment to ethical conduct and corporate responsibility.

To execute the recall, the Mie Sedaap company reached out to stakeholders and all involved parties, particularly distributors, to stop selling the affected product and together navigate the issue and resolved the challenges that occurred. Moreover, the logistics team played a vital role in coordinating the return or pickup of the impacted items to ensure a seamless recall process. This cooperative approach aligns with the SDG17, emphasising "partnerships for the goals." In this case, the objective is to work together towards shared goals, which include ensuring consumer safety and satisfaction while minimising any negative impacts on society and the environment. In short, a voluntary product recall not only underscores the company's dedicated commitment and concerns but also aligns with SDG goals, promoting sustainable practices in business. Freundt and Foschiera (2023) reaffirms that, despite being costly, prominent brands should consider opting for voluntary recalls as it can positively affect how consumers view the brand's integrity, trustworthiness, and overall reputation.

### **Emphasising Transparency to Foster Trust.**

Transparency should be one of the key values when communicating during a crisis. When it comes to disseminating information concerning the recall of a certain product, it is mandatory for the company to come up with a press release or an official statement as a way of showing that it is a responsible corporate entity. It also gives the company an opportunity to engage with such important stakeholders and to reassure them. Thus, it is crucial to stress the calls to recall the product by making the information presented in press releases open to the public. Likewise, it is advisable to call for the creation of brief and specific headlines that reflect the company's stance on the recall problem. Announce such information through the respective company's websites, social media pages, and through direct communication to the stakeholders. This provides large coverage with regard to provision of information sharing

and effective and economical means of reaching the entire population. This course of action presents a clear emphasis on teamwork and engaging all the stakeholders in the handling of a product recall case. It relates to the 17th SDG (Partnerships for the Goals) because it underlines the necessity for cooperation for shared goals.

It is also necessary to inform other stakeholders in the society of the recall issues and also get the right information at the right time by involving mainstream media. Selecting the right news source is a strategic move to help the company be more open in the post-recall plan so that the data gathered will be perceived as reliable. This focus on transparency and accurate information dissemination enhances the public confidence and trust on the company and its product.

### **Establishing Customer Support**

Establishing a customer helpline can be seen as the natural continuation of the company's strategy to build trust with customers and offer them support in case of need. The helpline provides the affected people with an opportunity to express themselves. In turn, companies can prove their responsiveness by replying to questions, describing measures to solve the problem, or providing the required data. Moreover, a helpline is a useful means of communication with the customers, consumer organisations and other interested parties. This is in accordance with the concept of SDG 17 that focuses on the engagement of multiple stakeholders whereby the exchange of information is vital in the establishment of trust. Besides the helpline, the company should also hire booths and involve supermarkets for the return of the affected products. In addition, the customers can receive coupons for their further loyalty. This corresponds with SDG 12 that focuses on the support of inclusive decision-making within organizations. It is considered more inclusive to offer incentives in the process of returning the recalled products because consumers are encouraged to participate in the recall process.

### **Establishing Trust**

Concerns regarding consumer health and safety investment in Research and Development is crucial for the growth and success of any organisation. It enables companies to remain competitive by ensuring continuous development of their products and services. When businesses invest in R&D, companies can analyse market trends, identify customer needs and come up with new ideas and products. Due to this analytical approach, many businesses can be in a position to make right decisions and effectively channelling their resources to areas that could yield high returns.

Thus, in order to enhance consumer health safety, the necessity of further capital investment in research and development of pesticide contaminated foods has to be reconsidered. The suggested remedy in this case is the replacement of the chemical compound referred to as ethylene oxide with animal and plant products. Thus, in accordance with the SDG 3 – the improvement of people's health and wellbeing, the company reports its commitment to strengthening its internal capacity to respond to future challenges. As part of this initiative, it is suggested that authorities, such as the Department of Islamic Development Malaysia (JAKIM) and the Malaysia Ministry of Health, conduct regular check-ins to ensure the safety of the noodles before distribution. This collaboration with regulatory bodies highlights the efficacy of the institutions in ensuring product safety and adhering to the rule of law in business practices. These measures can help create an effective approach to addressing consumer safety concerns.

## CONCLUSION

In the corporate and business world, it is crucial to prioritise crisis communication readiness. This ensures that unexpected conflicts are effectively managed and their impact is minimised or avoided altogether. A communication management plan can encompass various elements to ensure effective crisis-related communication. This may involve establishing a dedicated team responsible for handling crisis communication, implementing strict protocols and guidelines for crisis response, and conducting realistic simulations to practise and refine the communication strategies. Investing time and resources in preparing effective crisis communication allows companies to demonstrate their responsibility and enhance their ability to address issues, ultimately emerging stronger.

Furthermore, it is imperative that a company has continuous improvement of all facets of its products especially when it is in the midst of a crisis. This means that one has to continually assess and enhance initiatives, promote customer feedback, and be adaptable to the situation at hand. This implies that constant improvement is necessary for the upgrading of product quality as well as the overall organisational defensive capabilities. In order to bring a feeling of responsibility, the company must try to constantly evolve, engage itself in cooperation with non-governmental organisations that are focusing on caring for the environment and people, and be as transparent as possible with their actions. This is not limited to a recall and it includes the long term as well. The case study therefore proves to be useful in showcasing how crisis can be managed effectively as well as continual enhancement and sustainability in corporate activity.

## DISCUSSION QUESTIONS

1. How did the delay in recalling the noodles affect consumer trust and the brand's image?
2. How did clear communication and working with the media help rebuild public trust during the recall?
3. What role did engaging with stakeholders and supporting customers play in the recall process?
4. How can investing in research and continuous improvement help prevent future crises?
5. How did Wings Group's actions during the recall support SDGs 16 and 17, and what more could they do to align with these goals in their future practices?

## References

- Bunyan, J. (2023, April 26). Health ministry finds carcinogenic compound in 11 Mi Sedaap instant noodles amid spotlight on ethylene oxide. *Malaymail*.
- Freundt, V. L. M., & Foschiera, L. B. (2023). The impact of voluntary recall on the trust of loyal and First-Time consumers in a high awareness brand after a functional transgression. *Corporate Reputation Review*. <https://doi.org/10.1057/s41299-023-00164-0>
- Muthiariny, D. E., & Afifa, L. (2022, October 12). Home economy & business wings group asserts no ethylene oxide used in mie sedaap instant noodles. *Tempo.Co English Version*. Retrieved January 22, 2024, from [https://en.tempco.co/read/1644580/wings-group-asserts-no-ethylen e-oxide-used-in-mie-sedaap-instant-noodles](https://en.tempco.co/read/1644580/wings-group-asserts-no-ethylen-e-oxide-used-in-mie-sedaap-instant-noodles)
- Ranggasari, R., & Afifa, L. (2022, October 11). Wings launches investigation following mie sedaap recall. *Tempo.Co English Version*. Retrieved January 22, 2024, from <https://en.tempco.co/read/1644163/wings-launches-investigation-fol lowing-mie-sedaap-recall#:~:text=TEMPO.CO%2C%20Jakarta%20%2D%20Wings,the%20product%20contained%20ethylene%20o xide>

## **About the Journal**

The IIUM Journal of Case Studies in Management is an internationally refereed journal published twice yearly (January & August) by the Kulliyah of Economics and Management Sciences, International Islamic University Malaysia.

The journal promotes case studies in the field of management. However, the editorial committee may receive a case study that is superficially related to “management” (MG), whereas its contents are directly related to another discipline. For example, a case study on “Financial Management” (FM). It is more linked to finance than management because the case contains a core issue on finance or financial management, not management. The word “management” in FM does not change the FM discipline to MG. FM is not MG, and vice versa but the two disciplines can be inter-related. To make the FM case fit the journal, the case author must reshape it towards “management” although the core issue of finance or FM remains.

The same explanation can be offered, for instance to “Marketing” or “Marketing Management” (MM). The word “management” in MM does not change the discipline of MM to MG. To make the MM case fit the journal, the case author must reshape it towards “management” although the core issue of marketing or MM remains.

Case studies provide certain educational objectives. While academic papers are more inclined towards enhancing knowledge and understanding in the areas, case studies inculcate applied-based learning and the acquisition of (problem-solving and decision-making) skills. In management, textbooks normally publish decision-making or problem-solving case studies.

The cases can be used by instructors, trainers, coaches, and students in certificates, diploma, bachelor, master’s in business administration, business management, or similar programmes. They may also be used for training and executive development.

Authors are highly encouraged to submit cases that deal with management issues in the Asia-Pacific region.

### **Type of access**

Open access. This is due to the maximum dissemination of the management cases published in the journal. However, the instructors of the cases are expected to acknowledge the journal while using the cases for class discussion.

### **Review Process**

Currently, every submitted case is reviewed by two experts in the area using a double-blind reviewing process. The editorial makes the final decision whether the case would be accepted or rejected on the basis of the recommendations of both the reviewers.

### **Publication Process**

After completion of the reviewing process, if a case is accepted by the editorial board, it will be sent for copyediting followed by the publication of the case. At this moment, only soft copies of the cases are published through the journal website.

### **Publication Fee**



No publication fees are charged.

### **Publication Ethics**

IJCSM Journal of Case Studies in Management (IJCSM), a high quality management case journal, published by the International Islamic University Malaysia, and has been publishing case studies on management since 2010.

While publishing, IJCSM adheres to the following code of ethics throughout its publication history:

- a) IJCSM does not charge any publication fees from the authors.
- b) IJCSM treats all submitted articles equally.
- c) All cases submitted at IJCSM are double-blind, peer-reviewed professionally. The editorial team's decision on a paper largely depends upon the reviewers' comments and their recommendations. A third reviewer's evaluation is sought when no clear decision has emerged from the first two reviewers' reports. IJCSM maintains confidentiality of reviewers' identities at all time.
- d) Authorships are limited to those who have made a significant contribution to the work.
- e) IJCSM never publishes any plagiarised work and takes the matter very seriously. In case of plagiarism, the concerned author is notified and he/she is barred from any future submission.
- f) Self-plagiarism is not condoned either. An author cannot submit essentially the same materials which have been published elsewhere.
- g) It is highly unethical to submit an article concurrently to more than one journal.
- h) The authors must not infringe any copyright. While preparing the paper, if any copyrighted materials are used, it is the author's responsibility to seek permission from the copyright owners. Any breach of copyright will result in retraction of the published paper.
- i) In the reviewing process, if any reviewer finds a conflict of interest, he/she will not be reviewing the manuscript and will return the manuscript to the IJCSM desk.

### **Submission Preparation Checklist**

As part of the submission process, authors are required to check off their submission's compliance with all of the following items, and submissions may be returned to authors that do not adhere to these guidelines.

The submission has not been previously published, nor is it before another journal for consideration (or an explanation has been provided in Comments to the Editor).

There are three files:

1. Main case file WITHOUT author details. The case ends with Discussion questions,
2. Teaching notes which comprises the answer of the Discussion questions, and
3. Title page which consists of the Title of the case, names and affiliations of all the authors and the abstract of the case.

The submission file is in Microsoft Word file format. Where available, URLs for the references have been provided.

The text is DOUBLE-spaced; uses a 12-point font; employs italics, rather than underlining (except with URL addresses); and all illustrations, figures, and tables are placed within the text at the appropriate points, rather than at the end.

The text adheres to the stylistic and bibliographic requirements outlined in the Author Guidelines, which is provided below.

## **Author Guidelines**

### **Submission Process**

Cases submitted for review must be written in English language (UK) and typed in double-space or single-space using Times Roman 12 point font to be printed on A4 size paper with 1-inch margin on all sides. Cases should be described in past tense. The journal prefers short and medium length cases of not exceeding 6,000 words.

Three files should be uploaded. The first file will contain the case which ends with Discussion questions. This file should be anonymous. The second file will contain the teaching notes. Without teaching notes, the case will not be processed and authors will be notified accordingly. The teaching notes should include the following:

- a) The learning objectives addressed in the case.
- b) The relevant management issue observed in the case.
- c) Linkages with available literature on the issues highlighted in the case.
- d) Answer of the Discussion questions

The third file is the title page. This file should contain the title of the case, names and affiliations of all the authors and the abstract of the case.

The case write-up must contain the Abstract of the case. This appears after the Title in the first page of first file.

Figures and tables essential to the case content should be embedded in the text and numbered consecutively. A reference list should be provided at the end. The case must follow APA style for references, exhibits, figures and tables. The details of reference format has been provided at the end of this section.

The manuscript should be submitted by using online submission system. All contributions will be fully refereed by the double blind review process. The language of the case should be proofread by a professional proofreader.

**CASES SUBMITTED WHICH DO NOT COMPLY WITH THE ABOVE REQUIREMENTS WILL BE RETURNED TO THE AUTHORS.**

Case writers must solicit necessary permission from the company before identifying the organization or person concerned.

Details of Reference format:

### **JOURNAL ARTICLES**

#### **One Author**

Williams, J. H. (2008). Employee engagement: Improving participation in safety. *Professional Safety*, 53(12), 40-45.

Two to Seven Authors [List all authors]

Keller, T. E., Cusick, G. R., & Courtney, M. E. (2007). Approaching the transition to adulthood: Distinctive profiles of adolescents aging out of the child welfare system. *Social Services Review*, 81, 453-484.

#### MAGAZINE ARTICLE

Mathews, J., Berrett, D., & Brillman, D. (2005, May 16). Other winning equations. *Newsweek*, 145(20), 58-59.

#### BOOK

Alexie, S. (1992). *The business of fancydancing: Stories and poems*. Brooklyn, NY: Hang Loose Press.

#### CHAPTER IN A BOOK

Booth-LaForce, C., & Kerns, K. A. (2009). Child-parent attachment relationships, peer relationships, and peer-group functioning. In K. H. Rubin, W. M. Bukowski, & B. Laursen (Eds.), *Handbook of peer interactions, relationships, and groups* (pp. 490-507). New York, NY: Guilford Press.

#### PROCEEDINGS

Abd. Aziz, M. J., Darus, S., Hassan, M. K., T. Wook, S. M., Ismail, M. N., Lek Chuan, J. K., et al. (2003, 30 September-2 October 2003). LSA and its applications in automated essay grading. Paper presented at the International Symposium in Information Technology (ITSIM 2003), Universiti Kebangsaan Malaysia.

#### ONLINE RESOURCES

Online Report from a Nongovernmental Organization

Kenney, G. M., Cook, A., & Pelletier, J. (2009). Prospects for reducing uninsured rates among children: How much can premium assistance programs help? Retrieved from Urban Institute website: <http://www.urban.org/url.cfm?ID=411823>

Online Report with No Author Identified and No Date  
GVU's 10th WWW user survey. (n.d.). Retrieved from [http://www.cc.gatech.edu/user\\_surveys/survey-1998-10/](http://www.cc.gatech.edu/user_surveys/survey-1998-10/)

#### Privacy Statement

The names and email addresses entered in this journal site will be used exclusively for the stated purposes of this journal and will not be made available for any other purpose or to any other party.

The IJUM Journal of Case Studies in Management

Vol. 15 No. 2 August 2024

Published by



الجامعة الإسلامية العالمية ماليزيا  
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA  
يُونَيْتِي اِسْلَامِي اِنْتَارَا اِنْعَسَا مِلَيْسِيَا

Garden of Knowledge and Virtue

<http://journals.iium.edu.my/ijcsm/index.php/jcsm>