

# Digital Entrepreneurship Literacy among Asnaf Zakat Entrepreneurs in Melaka: A Preliminary Study

Khairul Azhar Meerangani, Siti Nurul Izza Hashim, Mohammad Fahmi Abdul Hamid, Muhammad Taufik Mad Sharipp, Dziauddin Sharif

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA Cawangan Melaka

Mohd Sufiean Hassan

Faculty of Communication and Media Studies, Universiti Teknologi MARA Cawangan Melaka

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## Abstract

The implementation of the asnaf entrepreneur transformation model through the Human Development Program is a proactive initiative by the Malacca Islamic Religious Council (MAIM) aimed at helping to increase the potential of the asnaf group in the entrepreneurial sector. This initiative aligns with MAIM's objective to increase the effectiveness of zakat distribution through a two-pronged strategy, ensuring that every asnaf can live a prosperous life while building their potential to get out of poverty. The Industrial Revolution 4.0 has contributed to the rapid development of information and communication technology. Thus, business and entrepreneurial activities, especially the Small and Medium Industry (SMI) sector, need to increase their competitiveness through participation in digital entrepreneurship platforms. Thus, this study aims to identify the level of digital entrepreneurship literacy among asnaf zakat entrepreneurs in Melaka and further develop guidelines to increase the competitiveness of asnaf zakat entrepreneurs in Melaka in the digital entrepreneurship platform. The study has conducted in a mixed-mode method, which is qualitative through the distribution of questionnaires to 150 asnaf zakat entrepreneurs registered with MAIM. The findings of the following subsequent study were analyzed using SPSS 23.0 software to achieve the set objectives. In addition, a focused interview with officers in the Zakat Division, MAIM, has been conducted to obtain their blueprint on the competitiveness of zakat asnaf entrepreneurs in Melaka in the digital entrepreneurship platform. The Malacca Islamic Religious Council (MAIM) has generally succeeded in producing asnaf entrepreneurs through the Human Development Program and establishing the Asnaf Entrepreneur Cooperative as support assistance. However, the boom of the IR4.0 era necessitated a more comprehensive and competitive entrepreneurial model. This goal is to produce asnaf entrepreneurs who can remain competitive and develop their potential to face the changes in the current world.

**Keywords:** Asnaf Entrepreneurs, Digital Entrepreneurship, Literacy, Business, Life Wellbeing

## **Introduction**

The Industrial Revolution 4.0 has contributed to the rapid development of information and communication technology. The story result of various online applications and social media platforms has positively impacted human life. These developments have also indirectly contributed to the changing global and domestic entrepreneurship patterns, especially in the digital segment. The Coronavirus Infectious Disease 2019 (COVID-19) pandemic changing the domestic and international landscape today has further accelerated the process of digitizing the entrepreneurial sector. The Movement Control Order (PKP) enforcement following the COVID-19 pandemic threat has introduced Malaysians to a new norm, including using social media and online applications for various purposes and needs. The explosion of information and communication technology (ICT) has greatly facilitated the life of society. Many affairs and services can be accessed and managed online (online) quickly. The Malaysian Communications and Multimedia Commission (MCMC) reported a sharp increase in demand for broadband since the implementation of the PKP as business activities, learning, conferences, meetings, and so on has conducted from home. Compliance with the implemented PKP saw an increase of 23.5% in internet traffic nationwide in the first week of the PKP and a further increase of 8.6% in the second week.

The enforcement of PKP in Malaysia aims to curb the spread of COVID-19, have brought psychological effects such as depression, anxiety, and stress but also affects financial closure activities. This situation occurs when people cannot carry out business activities; social distance has given priority, there is no relationship between seller and customer, and there is a disruption in the product delivery (Ghani, 2020). At the same time, a reduced workforce in all sectors of the economy caused most people to lose their jobs. In Malaysia, the small business sector is most directly affected due to movement control orders (Azman, 2020). According to Kuriakose (2020), the direct impact occurs mainly in the Small and Medium Industry (SMI) sector as they constitute 98.5% of the total number of enterprises. Thus, various strategies are needed to support the difficulties faced by rural traders affected by the effects of COVID-19. In Addition, ICT platforms play a role in increasing business growth, especially among rural businesses. At the same time, people can realize the plan of empowering the role of rural communities to be part of the driver of the digital economy as well as the income generation catalyst for traders. Thus, this study aims to identify the literacy business and digital marketing among asnaf entrepreneurs and then develop a guideline to increase the competitiveness of asnaf entrepreneurs in Malacca.

When the COVID-19 pandemic hit the world, most businesses, especially in rural areas, were under tremendous financial pressure to affect their primary source of income. Therefore, it is time for all business entrepreneurs to use digital platforms to expand their business potential and explore more online business opportunities as an alternative to existing businesses. The implications of this COVID-19 pandemic indirectly expose society more rapidly to the IR4.0 era that emphasizes the adaptation of digital technology in daily life. The survival of a business is closely related to the ability and creativity of entrepreneurs to take advantage of the existing situation and turn challenges and obstacles into opportunities. Rural entrepreneurs need to strengthen their digital skills and knowledge in line with the new norms prevailing today, thus helping to overcome the problem of product marketability. Merchants can change traditional marketing methods to digital marketing of their products by marketing goods directly to consumers 'homes through digital app ordering (Saari, 2020).

The initiative of the Malacca Islamic Religious Council through the implementation of the Human Development Program (PPI) has been successful in helping viable people who have the potential to run a business by giving them capital to run a business. The asnaf have the ability and credibility to generate their income through the business they run to break free from the shackles of poverty and, most importantly, become consistent zakat payers to help others. To ensure this program is more efficient, MAIM has divided the program into two forms, the Entrepreneurship Program and the Group Economy Program. Even so, most asnaf entrepreneurs still run the traditional business segment, like direct contact with consumers. Thus, the threat of the COVID-19 pandemic has certainly affected business viability due to various constraints.

Therefore, it is time for these asnaf entrepreneurs to move into the digital business segment to expand their potential while ensuring their business's future survival. This program is in line with the government's efforts to implement short-term economic recovery plan (6 months) from June to December 2020. Through the recovery plan, the government and the private sector will provide funding grants worth almost RM140 million to help and encourage SMEs to switch to digitalization or online business (Thursday, 2020). Through this recovery plan, the parties involved can foster innovation and develop local venture capital talent, especially among small traders. Therefore, the same initiative can also mobilize MAIM by implementing this Human Development Program. The development of the e-asnaf model roled as a catalyst in increasing the potential and competitiveness of asnaf entrepreneurs to transform their business segments and ensure their survival in the face of future challenges.

### **Literature Review**

Poverty and unemployment are significant problems that plague most developing countries in the world. Economic imbalances and widening social disparities make the poverty eradication agenda through sustainable economic growth the government's primary focus. In Malaysia, this effort began to receive serious attention after the tragedy of 13 May 1969, which saw the outbreak of conflict and tension between races due to existing economic imbalances (Syafinas, 2014). Thus, the New Economic Policy (NEP) aimed to address social disparities by implementing various policies and programs aimed at helping the community, especially the B40 segment, live a better and more comfortable life. In this regard, the zakat institution is also essential in improving Malaysia's Muslim quality of life. Zakat serves as one of the mechanisms to eradicate poverty because it can meet the needs of asnaf either through self-sufficiency (regular monthly assistance) or productivity (capital injection). Self-help is short-term to help asnaf continue their survival by meeting basic needs such as medical assistance, monthly advice, food, rent, and others. Effective service refers to long-term assistance through capital injections such as cash and equipment to help the asnaf change their lives for the better (Fatimah, 2014).

#### **a) Entrepreneur Asnaf Zakat**

To transform asnaf from a self-sufficient group to a productive group, zakat institutions have introduced capital assistance for asnaf who are interested in venturing into the entrepreneurial sector. This initiative is driven through the implementation of long-term programs to realize the poverty eradication plan, as the issue of poverty needs to be addressed continuously and not just seasonally (occasionally). According to Wan Sabri (2009), the Negeri Sembilan Islamic Religious Council was the first zakat institution to introduce such assistance in Malaysia in 2004. Other zakat institutions such as Selangor, Federal Territory,

Melaka, and Terengganu have followed this initiative. Selangor and the Federal Territories have been more aggressive in implementing this program due to the higher collection of zakat funds, sufficient staff resources, and skills in handling this asnaf entrepreneur program (Azman, 2014). In Melaka, the Malacca Islamic Religious Council (MAIM) has taken the initiative to enhance the economic potential and living standards of the asnaf group sustainably and comprehensively through the implementation of the Human Development Program (PPI). The transformation model of asnaf entrepreneurs aims to unearth talent and potential among asnaf to venture into the entrepreneurial sector. This approach is more effective as an added value to the monthly self-help. This initiative makes each asnaf have their industry and able to be independent to generate their income and improve their quality of life and their families without having to continue to rely on zakat assistance.

To ensure this program is more efficient, MAIM has divided the program into two forms, the Entrepreneurship Program and the Group Economy Program. The assistance provided for this entrepreneurship program includes the provision of initial capital and additional capital injections with a minimum and maximum value of RM5,000.00 and RM50,000.00. The selection of participants is carried out through a rigorous and detailed screening process as the assistance provided is non-refundable. Thus, only qualified asnaf will be selected to prevent malpractice and misuse of the service provided (Azman et al., 2014). The total allocation, which reaches an average of almost RM1 million per year, shows MAIM's commitment and initiative to realize the desire to transform the asnaf group in Melaka. MAIM provides two types of capital assistance, initial business capital and the purchase of fixed assets (business necessities such as machines) and rental of premises based on assessing the potential and form of business to be conducted. For asnaf Fakir, Miskin, and Mualaf, who run small-scale businesses such as selling cakes and drinks, the limit of capital assistance provided is up to RM5000.00. For large-scale companies such as restaurants, laundromats, traditional food, vehicle workshops, and so on, the capital assistance limit is RM 5,000.00 up to RM 50,000.00. In addition, MAIM provides training and courses for participants in entrepreneurship-related programs to increase self-motivation, confidence, and knowledge in this field of business. This initiative enables asnaf entrepreneurs to receive guidance and monitoring on an ongoing basis until they are successful in the industry (Anis et al., 2014).

To develop the transformation agenda of the asnafs, MAIM introduced a new approach by establishing the Asnaf Melaka Berhad Entrepreneur Cooperative. The cooperative, established as a joint venture between the Malacca Islamic Religious Council (MAIM), the Malacca Cooperative Commission (SKM), and the Malacca State Asnaf Entrepreneurs Association, involves 90 percent membership of the poor, needy, and converts and another 10 percent associate members. It aims to improve the economic status of asnaf through cooperative membership and strengthen the independence and ability of asnaf to enhance their quality of life. At the same time, it opened up space and opportunities for this group to continue to hold the status of asnaf through stimulation and encouragement to continue progressing to become zakat contributors in the future. The launch of the MAIM Asnaf Entrepreneur Icon program in 2017 has been a starting point in driving the transformation of asnaf and further contributing to the existence of competitive and proactive human capital as envisioned by the government. MAIM has proved the effectiveness of this program through the transformation of asnaf reported in 2019; that is, 35 poor and needy asnaf families have managed to come out of the cocoon of asnaf. This encouraging achievement shows the strong commitment of various parties, especially MAIM and zakat producers in Melaka.

Asnaf entrepreneurs, as one of the asnaf groups, always want to be transformed from non-productive asnaf to productive asnaf through entrepreneurial platforms. Therefore, this group will have the necessary assistance and guidance to become entrepreneurs (Sanep, 2012). Isma (2007) defines asnaf entrepreneurs as individuals who need to go through a process of business creation to ensure they can bear the burden of responsibilities as entrepreneurs and have the confidence to participate in business with incentives in the form of encouragement and assistance from zakat institutions. Creating a business is a particular phase or stage that needs to be passed before this group becomes an entrepreneur with the help, encouragement, and guidance from zakat institutions in their respective states.

However, some shortcomings and obstacles that can hinder this process need to be addressed first by the participants involved, such as lack of capital, lack of management knowledge, lack of skills and talented employees, lack of ability, and difficulty in obtaining expert services and lack of quality as a successful entrepreneur (Norbay, 2011). The power of asnaf entrepreneurs to meet the challenges of the business world to become successful depends on their mental and physical strength and spirit. The reality is that understanding a field of business that has just been ventured into in a short time is something that can be considered impossible. It is a cultural change in life that is changing from a lifestyle of poverty to a very challenging world of entrepreneurship. It is therefore not surprising if the asnaf entrepreneurs who tried to be formed end up failing.

#### **b) Digital Entrepreneurship Literacy**

Literacy refers to an individual's ability to master various skills, have neat strategies and planning, and think and analyze critically and creatively (Koo et al., 2010). Digital platforms such as social media can influence the entrepreneurial and business segments in a more structured and widespread manner. Thus, the high level of literacy and digital participation among entrepreneurs can significantly affect the competitiveness and improvement of performance and innovation of an enterprise (Olanrewaju et al., 2020). According to Omar et al (2019), digital technology is a platform that can increase the marketability of a product and innovation to the global level. This finding is in line with a study by Suriantie and Aishah (2017), who found that the optimal use of social media and digital technology can increase the revenue and productivity of a sale. Lister (2018) reported that more than 50 million businesses used business pages on social media platforms such as Facebook and Instagram through direct sales. This strategy has provided encouraging return value as nearly 60 percent of social media users were inclined to follow, subsequently making purchases online (Pickard-Whitehead, 2018).

Digital Entrepreneurship (DE) is a strategy for creating and using new technologies to transform conventional businesses into new business models that are more competitive and competitive with current market demands (European Commission, 2015). It involves utilizing technology and digital media for marketing and business purposes to obtain optimal access and revenue while simultaneously reducing costs efficiently. According to Valigursky et al. (2021), the development of the IR4.0 era demands entrepreneurial transformation to step out of the existing comfort zone, further challenging the potential and skills of the self to increase competitiveness in national and world markets. Thus, influential social media platforms such as Facebook, Instagram, Tik Tok, and Youtube can provide opportunities for entrepreneurs to explore, generate and develop entrepreneurial activities more effectively. These opportunities are coupled with digital sales platforms such as Shopee and Lazada, which are gaining ground among today's customers. Furthermore, according to Faradillah

et.al (2015), digital entrepreneurship driven by entrepreneurial talent and skills can cause the development and empowerment of entrepreneurs. Thus, this study adopts the same model to evaluate the relationship between digital entrepreneurship and entrepreneurial characteristics in the empowerment of zakat asnaf entrepreneurs in Melaka.

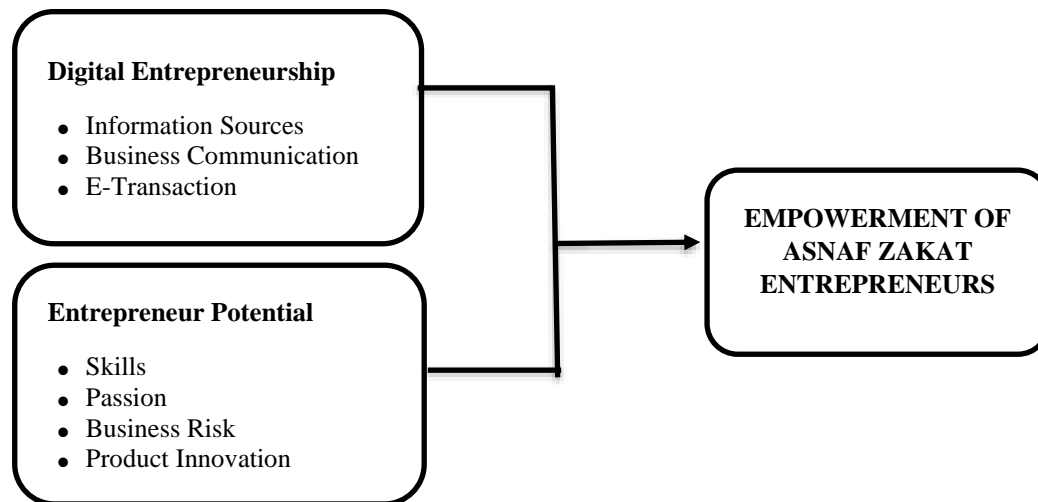


Figure 1: The Relationship between Digital Entrepreneurship and Entrepreneurial Potential Towards the Empowerment of Asnaf Zakat Entrepreneurs in Melaka

### c) Competitiveness of Asnaf Zakat Entrepreneurs

Entrepreneurial success factors focus on internal factors related to individual aspects of entrepreneurs and external factors involving aspects of business structure and environment (Martinelli, 1994). The interior characteristics that can shape the entrepreneurial nature of an individual are the lifestyle and culture of daily association. Kets & Manfeld (1977) state that entrepreneurs' characteristics are formed due to the hardships of life experienced. This difficulty generates the desire to progress that an entrepreneur needs to have. Delmar (2000) stated that personal characteristics include the ability to face risk, the ability to control self-confidence and the nature of wanting to be independent. From external factors, Martinelli (1994) believes that cultural aspects and institutional support can encourage the formation of entrepreneurs. This view is in line with Zuraini (2000), who found that knowledge factors in business, attitude, motivation to succeed, and knowledge of capital and input materials required influence business performance and entrepreneurial success. Thus, Menzies et al (1999) summarized the entrepreneur as an individual who can produce business change through innovation, incorporate new resources, dare to take risks, identify problems and improve operations. For Littunen (2000); Bird (1999), entrepreneurs need to master innovation involving creating new products and qualities, designing new methods, adding new market segments and resources, and organizing organizations.

To produce competent and competitive entrepreneurs, Sanep (2014) proposed the implementation of the Technology Transfer Model-MPT (Technology Transfer Model) in the asnaf entrepreneur development program by zakat institutions. Although there is no guarantee that 100% of asnaf entrepreneurs who go through this process will succeed, with the existing limitations and challenges, this model is one of the best alternatives for producing successful asnaf entrepreneurs. MPT is a process by which basic understanding, information, and business innovation move from institutional researchers to individuals in the private or quasi-private sectors (Parker & Zilberman, 1993). Technology transfer also involves the



reorganization of business, the reorganization of officers, and the movement of a capability (Lundquist, 2003). In addition, technology transfer is done through licensing mechanisms, knowledge sharing, joint ventures, and collaboration and patenting. The Asnaf Entrepreneur Development Model based on MPT was proposed by (Ab Wahab et. al., 2008). He presented five phases an asnaf must go through to become an entrepreneur. This phase aims to ensure that this group is genuinely qualified, capable, and has the potential to progress and succeed. The phases are

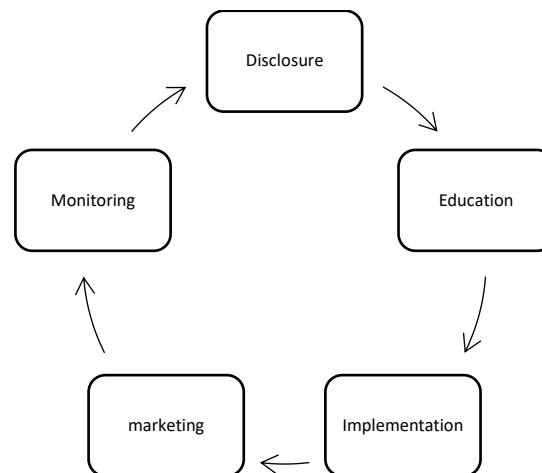


Figure 2: Asnaf Entrepreneur Development Process Based on Technology Transfer Model

1. Disclosure: This phase provides exposure to the asnaf on the activities of vast open entrepreneurial opportunities and entrepreneurial motivation.
2. Education: The scientific and educational approach is the most effective mechanism for implementing an entrepreneurial culture. Education also covers skills, knowledge, and attitudes to enable an individual to plan for the future and problem-solving skills.
3. Implementation: Those who can become entrepreneurs will get capital assistance which is an essential mechanism in planning and generating the asnaf economy towards becoming entrepreneurs and then out of the cocoon of poverty.
4. Marketing: It is critical to ensure that the entrepreneur's efforts do not stop in the middle. Most of these groups can produce high-quality products and services comparable to other products.
5. Monitoring: This phase ensures that efforts to produce more entrepreneurs and remove the asnaf from the cocoon of poverty become a reality.

The effectiveness of asnaf entrepreneur development programs is usually a bit problematic in the monitoring phase. The lack of credibility and skills of the asnafs in running the business, and minimal monitoring by zakat institutions, made many of them stop in the middle of the road. Moreover, they find it challenging to adapt to the new lifestyle of the entrepreneurial world. Not to mention the challenge of new norms that require them to make a complete change in themselves and the business segments they venture into. Thus, a more proactive paradigm shift must help guide them to live the new norms of life after the COVID-19 pandemic and the IR4.0 era. Accordingly, the assessment of literacy level and the construction of digital entrepreneurship guidelines can shape the entrepreneurial personality in the asnaf and improve their quality and commitment to change lives in the face of challenges and changes in the current world.

### **Research Methodology**

This study uses a mixed-mode methodological approach, namely qualitative and quantitative is done to produce quality research and achieve the objectives outlined. Thus, this study uses a survey design through a questionnaire instrument to identify the level of digital entrepreneurship literacy in asnaf zakat entrepreneurs in Melaka. Next, this research will implement the case study design to develop digital entrepreneurship guidelines through expert interviews and library reviews. Briefly, this study will go through 4 main phases as follows:

#### **Phase 1: Library Review**

This phase will be conducted qualitatively through a literature review to collect the necessary data on digital entrepreneurship, the zakat asnaf entrepreneur program, and the entrepreneurial literacy model. It involves documentation-based research, which collects data by examining documents related to the problem under study. This approach uses books, articles, and written materials in addition to the Google scholar, Sciencedirect, Emerald, and Scopus databases.

#### **Phase 2: Build Instruments (Questionnaires and Interviews)**

Based on the initial pattern, a set of questionnaires will be constructed consisting of questions related to the objectives of the study, which are divided into three parts of questions, namely: Part A: Background of Respondents, Part B: Respondents' Involvement in Digital Entrepreneurship, and Part C: Literacy Respondents Towards Digital Entrepreneurship. Next, a pilot study will determine the validity and reliability of this set of questions. This pilot study involved 30 respondents with the same characteristics as the actual respondents. Once the pilot study questionnaire is on the accepted Cronbach's Alpha internal consistency value, this questionnaire will be distributed to the actual respondent. At the same time, this study will develop an interview protocol to obtain in-depth data related to research problems using a semi-structured interview approach. This research chose the semi-structured interview method because it has the flexibility that allows the researcher to modify the questions to understand the phenomena studied. Furthermore, in this study, the researcher will conduct interviews with parties related to the issues studied.

#### **Phase 3: Actual Study**

The actual study will be conducted quantitatively on the respondents using a questionnaire to obtain information on digital entrepreneurship involvement and literacy level. Based on the table of Krejci and Morgan (1970), the selected sample size was 150 people. Researchers will distribute approximately 200 questionnaires as an alternative to potentially corrupted data and non-returned questionnaires. The selection of the study sample was made using the purposive sampling technique. Questionnaires will be distributed to zakat asnaf entrepreneurs registered with the Malacca Islamic Religious Council. After that, the interview process will be conducted on several respondents consisting of officers in the Zakat Division, Malacca Islamic Religious Council, to obtain views and research on digital entrepreneurship guidelines to increase the competitiveness of zakat asnaf entrepreneurs in Malacca.

#### **Phase 4: Data Analysis and Formulation**

The successfully collected questionnaire data will be analyzed descriptively using Statistical Package for the Social Sciences (SPSS) for Windows version 23.0. This study used descriptive



statistics to describe the state of the data available in the study sample. It is a process of collecting data, making conclusions, and presenting the findings in a form that is easy to understand by the target group. Through this SPSS 22.0 software, the mean value (mean), standard deviation, variance, and others for a variable can be analyzed and formulated. In addition, organizing and compiling the interview data is done to link the data and assessment. In this phase, the findings obtained through these two instruments will be analyzed and formulated to achieve the study's objectives.

### **Analysis and Discussion**

The COVID-19 pandemic led to adverse implications for all aspects of community life, either directly or indirectly, from the threat of epidemics to social restrictions by the government that limit economic activities and affect the income of households and businesses in rural areas (Philipson et al., 2020). According to Dube & Kathende (2020), when closure orders and social restrictions occur, not all sections of society can remain silent at home without engaging in any economic activity to generate their family income. Most communities, especially those who depend on the informal economy for their livelihood through small businesses, especially the agricultural and retail sectors, could not continue their business activities during the period. Katooro (2020) argues that closure measures and social restrictions in most countries have posed severe threats and effects on income decline, job loss, and insolvency, especially for those involved in the Small and Medium Industry (SMI) sector. The main challenges traders face are cash flow problems resulting from the risk of loss of daily income, operational disruptions, layoffs, and supply chain disruptions (Omar et al., 2020). Bartz & Winkler (2016) saw that micro-enterprises show slower growth rates than giant companies recovering and growing faster after an outbreak. Micro-enterprises in rural areas face more significant challenges given their remote location from the community center, infrastructure constraints, labor availability, and limited financial reserves (Fabeil et. al., 2020).

Cook (2015) concluded that 75 percent of businesses without a sustainability plan are potentially fully affected within three years after a disaster or crisis occurs. This situation needs to be given serious attention as most small and medium industry entrepreneurs, especially among asnaf entrepreneurs, are the most affected by the threat of this epidemic. The ambiguous business potential coupled with the current pandemic situation that is still worrying has weakened their enthusiasm and commitment to do business. From an entrepreneurial perspective, this situation is referred to as tolerance for ambiguity (TOA), an individual's acceptance of a vague, risky, and challenging problem. Those with low TOA tend to give up, are easily depressed, and often make hasty decisions when faced with tough situations (Okhomina, 2010). Thus, this element of TOA plays an important role in determining the competence and credibility of an entrepreneur. Azizuddin et.al (2019) study on asnaf entrepreneurs in Kelantan concluded that the value of TOA is low when faced with this COVID-19 pandemic. Most asnaf entrepreneurs are not ready to take risks because they are still worried about the current situation.

Even so, most asnaf entrepreneurs are still tied to traditional business implementation, which is direct contact with consumers. The threat of the COVID-19 pandemic has affected business viability due to various constraints that had to be faced. So, it is time for these asnaf entrepreneurs to step into the digital business segment to expand their business potential while ensuring the continuity of their business in the future. This initiative aligns with the government's efforts to implement a short-term economic recovery plan (6 months) from June to December 2020. Through the recovery plan, the government and the private sector

will provide financing grants worth almost RM140 million to help and encourage SMEs to switch to digitization or online business. Through this recovery plan, the parties involved can foster innovation and develop local venture capital talent, especially among small traders. Appropriate measures must be taken immediately by asnaf entrepreneurs to ensure the viability of their business in the face of the effects of the COVID-19 pandemic. Asnaf entrepreneurs need to be more creative and innovative to make all the challenges faced opportunities to increase competitiveness and business efficiency. These new norms require them to make sweeping changes to themselves and their business segments. Thus, a more proactive paradigm shift is vital to help and guide them to live new norms of life after the COVID-19 pandemic and the IR4.0 era. Online business is one of the powerful platforms for facing the challenges of the COVID-19 pandemic while realizing the aspirations of IR4.0. However, several strategies need to be implemented to ensure the effectiveness of this business, such as

- a) Use e-commerce platforms such as Shopee, Lazada, Grab, FoodPanda, and others to market and conduct business transactions.
- b) Use digital media platforms such as Facebook, Whatsapp, Instagram, and Youtube to promote product and business marketing.
- c) Leverage government assistance initiatives for SME entrepreneurs to start and grow businesses, such as Micro Business Recovery Financing (CBRM), Special Assistance Fund (SRF), All Economic Sector Fund (AES), Micro-Enterprise Fund (MEF), Agro Food Fund (AF) as well as Automation and Digital Funds (ADF).
- d) Provide more flexible and attractive payment options to facilitate business transactions such as e-Wallets and cash back.
- e) Adapt the latest technologies, strategies, and skills as a product and business rejuvenation process.

Through this strategy, asnaf entrepreneurs can compete again to increase the success of their business. Thus, they can realize the fundamental goal of zakat in transforming asnaf into a productive entrepreneur and a zakat payer. The support of various parties is also needed to ensure that these asnaf entrepreneurs continue to be enthusiastic about continuing their respective businesses.

### **Conclusion**

The threat of COVID-19, followed by the Movement Control Order, has affected the business operations of asnaf entrepreneurs in Melaka. This unforeseen situation puts the asnaf entrepreneurs in a dilemma to continue the business they have been doing for so long. Therefore, continuous efforts to develop and change the lives of asnaf for the better need to be expanded. The zakat has provided various provisions that are sufficient to disseminate further the implementation of this program. This initiative enable more qualified asnaf to strive to change the fate of themselves and their families. However, MAIM must make improvements to ensure that this program produces more successful asnaf entrepreneurs. Encouragement, guidance, and support from the zakat can help program participants better develop themselves and their businesses. Asnaf needs to take this valuable opportunity by working harder and providing strong cooperation and commitment to the industry. The paradigm shift of asnaf entrepreneurs to transform the business model will shape the mentality and credibility of asnaf entrepreneurs who are more competent and competitive in facing the post-pandemic challenges of COVID-19 and IR4. 0. This study conceptually explores the concept of digital entrepreneurship literacy among asnaf entrepreneurs in Melaka.

Therefore, a systematic field survey is vital to assess digital entrepreneurship literacy and its relationship to empowering the business potential of asnaf entrepreneurs, especially in Melaka. Further analysis will be carried out in order to identify the potential of asnaf entrepreneurs and then formulate a digital entrepreneurship model framework to improve their competitiveness in the current business

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