HOW DO VALUE PROPOSITION AND BRAND ORIENTATION INFLUENCE BUSINESS SURVIVAL IN THE PRESENCE OF GOVERNMENT SUPPORT?

Othman N.H., Halim N.F., Hasbollah, H.R., Abd. Aziz N.A.*

Abstract: During crises, businesses often struggle with performance challenges, where a well-defined value proposition and brand orientation are crucial for survival. Despite the importance, research on how these factors impact franchisee survival, especially with government support as a moderating factor, remains scarce. This study addresses this gap by examining how government support interacts with value proposition and brand orientation to affect franchisee survival in Malaysia. Data were collected through a survey of 246 homegrown franchisee owners across multiple sectors using purposive sampling and were analyzed with IBM SPSS 26 and SmartPLS 4.0 software. The results indicate that a robust value proposition significantly enhances franchisee survival, with government support amplifying this effect. These findings underscore the critical role of a clear value proposition in ensuring franchisee continuity during crises and provide valuable insights for policymakers and government agencies to devise effective strategies for business sustainability.

Key words: Franchise, business survival, government support, value proposition, brand orientation

DOI: 10.17512/pjms.2024.30.2.12

Article history:

Received August 26, 2024; Revised September 08, 2024; Accepted October 16, 2024

Introduction

Franchising has emerged as the fastest-growing business segment, playing a crucial role in the recovery and development of the world economy, contributing three

*Nor Hafiza Othman, Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia:

☐ email: hafiza.o@umk.edu.my ORCID: 0000-0001-6672-3568

Nurul Faizah Halim, Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia;

⊠ email: a21e030p@siswa.umk.edu.my,

ORCID: 0000-0002-8444-5394

Hasif Rafidee Hasbollah, Global Entrepreneurship Research and Innovation Centre and Faculty of Hospitality, Tourism and Wellness, Universiti Malaysia Kelantan, Malaysia;

☐ email: rafidee@umk.edu.my, ORCID: 0000-0003-2012-9971

Nurul Ashykin Abd Aziz, Faculty of Industrial Management, Universiti Malaysia Pahang Al-Sultan Abdullah, Malaysia;

⊠ email: ashykin@ump.edu.my, ORCI: 0000-0001-9753-3257

2024 Vol.30 No.2

POLISH JOURNAL OF MANAGEMENT STUDIES Othman N.H., Halim N.F., Hasbollah, H.R., Abd. Aziz N.A.

percent to the Gross Domestic Product (GDP). According to the International Franchise Association (2023), franchises encompass 805,000 establishments and employ 8.7 million people, fostering entrepreneurship and driving progress in micro, small, and medium enterprises, particularly through knowledge spillover effects, efficient supply chains, and the promotion of technological advancements (Alon et al., 2021). In Malaysia, franchises contributed RM30 billion to the GDP in 2022 (Ministry of Domestic Trade and Consumer Affairs, 2022), with 1154 registered franchises (Bernama, 2023), providing stable employment opportunities to 80,000 individuals with total wages of 1.4 billion (Britshi, 2021) — consequently, the survival of the franchise business warrants further investigation.

In Malaysia, the pandemic precipitated widespread business failures, exacerbated by the Movement Control Order's mobility restrictions. The Department of Statistics Malaysia (DOSM) (2020) reported that 67.8% of companies experienced zero revenue and faced imminent closure within six months, with 9,675 businesses shut down between March 18 and June 9, 2020, followed by approximately 22,794 closures between June 10 and September 2020. The franchise sector bore a significant brunt, with 10,875 franchises permanently shuttering as of August 2020 (Bui et al., 2021). While franchisors faced challenges, franchisees grappled with immense struggles and chaos, compromising their financial and operational capacities and placing their businesses at risk of collapse (Lee and Choi, 2023). Yet, empirical analyses on survival, particularly from the franchisee's perspective, remain scarce.

To navigate the crisis successfully and ensure continued profitability, franchises must prioritize customer satisfaction, particularly through refined value propositions and branding strategies. Bui et al. (2021) emphasized that the survival of franchises heavily relies on aligning branding and value proposition, given the pivotal role consumer spending plays during crises. Thus, the clarity of the value proposition and brand orientation is essential for survival despite limited research in the franchise industry. Franchisees' limited capacity to innovate and manage these essential aspects weakens their impact on survival outcomes. Additionally, resource constraints and inadequate preparation during crises limit organizations' strategic options, underscoring the crucial role of government support in fortifying franchise resilience (Eggers, 2020).

Furthermore, governments worldwide have pledged to implement comprehensive policies, interventions, and support mechanisms to assist businesses in weathering the storm induced by the pandemic. Several studies have highlighted that government support significantly contributes to enhancing business resilience during crises (Adam and Alarifi, 2021; Hernández et al., 2021) and vice versa (Minah, 2023). However, there remains a limited understanding of the effectiveness of government support in safeguarding franchisee businesses and facilitating their survival amidst the current crisis. Therefore, the study aims to explore the interaction effect of government support on the relationship between value proposition and brand orientation in ensuring franchisee business survival.

Literature Review

Franchising is an entrepreneurial activity that operates on the principle of a business partnership between two independent entities. The franchisor, owner of the business format, authorizes the franchisee to generate profit by utilizing its brand name and business model (Chien et al., 2024). Successful franchising hinges on effective entrepreneurship exhibited by both parties, sustaining the business. With the rise of franchise business models as a prominent method for fostering entrepreneurial development and economic growth in developed and developing nations (Bui et al., 2021), it is crucial to emphasize the discovery of avenues that ensure the continued success of franchisee businesses.

Franchisee survival refers to the likelihood of a successful business maintaining its operations or deciding to remain in business, which is inversely related to business exit, market exit, bankruptcy, or business failure (Othman et al., 2023). Business survival can also be defined as market continuation, retaining ownership, solvency (Josefy et al., 2017), continuous wealth creation (Ugwuzor, 2017), and value generation (Németh, 2008). To achieve business longevity during crises, franchisees must efficiently utilize their internal strategic resources and managerial capabilities to maintain business operations.

Based on Austin (2020) and Chatterjee et al. (2024), an organization must generate and acquire value to achieve business success. Value proposition incorporates the requirements of management, employees, and customers with product and survival value (Rintamaki et al., 2021). The majority of articles stress the necessity for franchises to survive by satisfying consumer preferences (Bui et al., 2021). The impact of the value proposition on firm performance is significant (Chatterjee et al., 2024). Hence, to ensure profitability and operational longevity, the franchise must incorporate customer satisfaction into its decision-making processes, specifically regarding pricing strategy and ongoing product development) and service enhancement (Sakolnakorn and Tepsing, 2013). Therefore, this study hypothesizes that:

H1: Value proposition has a positive relationship with business survival.

Moreover, franchisees are encouraged to prioritize branding as strategic franchise resources, alongside developing a more robust business model for survival. An essential aspect of recovery involves brand management, where branding fosters an emotional connection between customers and the franchise organization. Thus, businesses with strong corporate brands can rapidly recover from crises (Othman et al., 2023). To develop brand value in line with evolving customer preferences, the entire organization must undergo a reorientation process prioritizing branding aligned with the firm's objectives rather than solely focusing on marketing operations (Isa et al., 2020). Literature suggests that the brand orientation approach heightens customer awareness of the brand and cultivates greater customer loyalty, ensuring ongoing business operations and long-term organizational viability. Brand orientation is a strategic and marketing concept influenced by external factors such as the competitive environment, brand collaboration, customer behavior, and internal

2024 Vol.30 No.2

POLISH JOURNAL OF MANAGEMENT STUDIES Othman N.H., Halim N.F., Hasbollah, H.R., Abd. Aziz N.A.

antecedents like organizational resources, structure, culture, size, and age (Othman et al., 2023). Thus, brand orientation posits that marketing activities constitute a strategic orientation (strategy) aiming to unite internal and external stakeholders (customers) to establish an outstanding brand. Therefore, this study hypothesizes that:

H2: Brand orientation has a positive relationship with business survival.

However, the pandemic crisis has weakened business operations and limited business modifications, increasing the risk of business failure. Therefore, franchisees require external support from the government to mitigate the risk of organizational demise. External assistance enhances the capacity of resources and capabilities, thereby determining the probability of business survival (Landini et al., 2020). Government financial aid, technical assistance and policy regulation are all potential forms of support for SMEs to sustain their business operations during a crisis (Adam and Alarifi, 2021; Najib et al., 2021). However, the significant impact of government support may vary depending on the business setting, sector, and geography. Yet, little is known about the effectiveness of government support in moderating franchisee resources to achieve franchisee business survival. Therefore,

H3: Government support strengthens the relationship between value proposition and business survival.

H4: Government support strengthens the relationship between brand orientation and business survival.

Besides that, the Resource-based View (RBV) theory serves as the underpinning framework for understanding why certain enterprises navigate crises more successfully than others, emphasizing the importance of a firm's strategic resources and capabilities in determining its survival probability (Shafi et al., 2020). According to Hernández et al. (2021), survival can be defined as an organization's capacity to adapt to internal and external changes and restore its performance. Teece et al. (2001) distinguish between tangible and intangible resources, wherein tangible resources encompass financial, physical, and capital assets. On the other hand, intangible assets, such as value proposition and brand orientation, represent the strategic attributes and traits of an organization that are strategically significant. These include organizational processes like formal structure, planning, controlling, and coordination systems (Teece and Lowe, 2001). Given the massive impact of crises, franchisees often seek external resources, particularly government support, to navigate environmental strains effectively.

Drawing from theories and literature on franchise survival and success factors, a conceptual framework is developed to empirically examine the relationships between franchisee survival ability, value proposition (VP), brand orientation (BO), and government support as a potential moderator (see Figure 1).

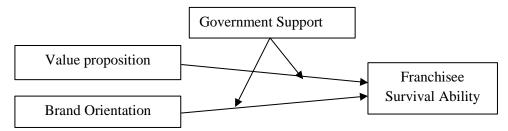


Figure 1: Conceptual Framework

Research Methodology

Research Design

This study employed a quantitative approach with a cross-sectional design. A total of 246 owners of homegrown franchisee businesses in Malaysia were selected through purposive sampling. Eligible participants were franchise businesses actively operating from the outbreak of the pandemic in 2019 to the present. Based on calculations using G*Power, with a significance level of 5%, a statistical power of 95%, and an effect size of 0.15, the minimum required sample size is 107. Given that this study involved 246 respondents, the sample size is sufficient and exceeds the minimum requirement.

Instrument

The main instrument in this study was a questionnaire with items adapted from several previous studies. Specifically, eight items assessing business survival (BS) were adapted from Najib et al. (2021) and Adam and Alarifi (2021). The measurement of value proposition (VP) comprised 12 items adapted from Rintamäki et al. (2017). Brand orientation (BO) was assessed with 14 items adapted from Piha et al. (2021), while government support (GS) was measured using 15 items adapted from Yang and Yu (2022). In total, 49 initial measurement items were rated on a seven-point scale.

In this study, business survival is defined as the organization's ability to maintain its operations and performance during a crisis through its strategic resources and capabilities. Value proposition is operationally defined as the perceived quality, functional, economic, and symbolic value that an organization's products or services deliver to consumers. Brand orientation is defined as the implementation of brand-oriented strategies that develop and nurture the franchisee's brand attitude through interactions with consumers, competitors, and employees. Lastly, government support refers to the financial and non-financial incentives and assistance received by franchisees to help manage and sustain their operations during a crisis.

The items in the questionnaire were validated through expert reviews involving three academic experts in the franchising industry and three franchisee owners. The experts provided feedback and rated the items using a reviewer rubric. Subsequently, the ratings were analyzed using the Content Validation Index (CVI). Items with a CVI below 80% of the aggregate agreement among the experts were removed

(Yusoff, 2019). As a result, two items were deleted, leaving 47 validated items ready for data collection.

Following that, a pilot study was conducted among 30 franchisee owners to test the effectiveness of the research instrument (Edwin and Hundley, 2002). The survey was administered, and the internal consistency reliability test, calculating Cronbach's Alpha (CA) value, was performed using IBM SPSS 26 software. The CA values for business survival, brand orientation, value proposition and government support were 0.968, 0.974, 0.960 and 0.975, respectively. These CA values, all exceeding 90%, indicate excellent internal consistency reliability (Oktavia et al., 2018). Additionally, Pearson Correlation analysis was employed to validate each of the items. Overall, the results showed that all calculated item validity coefficients (t-values) were greater than 0.361, indicating that the items are highly valid and useful (Oktavia et al., 2018).

Data Analysis

In this study, data analysis was conducted using IBM SPSS 26 and SmartPLS 4.0 software. Table 1 presents the demographic of the respondents. The majority of franchisee owners had fewer than 5 employees, accounting for 43.9% of the total respondents, while those with 5 to 29 employees represented 52.4%. A small proportion of the respondents had between 30 and 75 employees, making up only 3.7% of the respondents. In terms of location, most franchisee businesses were situated in cities (52.8%), followed by those in towns (41.9%). Rural areas had the lowest representation, comprising only 5.3% of the total sample.

Table 1. Respondent Demographic

		Frequency	Percent
Total Number of	Below 5 employees	108	43.9
Employee	Between 5 to 29 employees	129	52.4
	Between 30 to 75 employees	9	3.7
Location by Area	City	130	52.8
	Town	103	41.9
	Rural	13	5.3

Research Results

This study employed a partial least square path modelling technique for multivariate analysis of latent variables. The research model evaluation involved two steps: evaluating the measurement model and assessing the structural model. The bootstrapping method (with 5000 resamples) was used to determine the loading and path coefficients (Hair et al., 2019). Four hypotheses were examined: the direct relationship between value proposition and business survival, the direct relationship between brand orientation and business survival, and the moderating impact of government support on the relationship between brand orientation and value proposition with business survival among franchisees.

Measurement Model Assessment

According to Ramayah et al. (2018), indicator reliability refers to the proportion of indicator variance explained by the latent variable, which should have loadings greater than 0.708. Composite reliability (CR) values should exceed 0.70, and average variance extracted (AVE) values should be more than 0.50 for all constructs. As shown in Table 2, all constructs have items with loadings above 0.708, CR values exceeding 0.7, and AVE values greater than 0.50. Additionally, all variance inflation factor (VIF) values are lower than five, indicating that the model has no serious potential for a collinearity problem.

Table 2. Measurement Model Results

Construct	Items	Loading	VIF	CA	CR	AVE
		(>0.708)	(<.5)	(>0.70)	(>0.70)	(>0.5)
Business	BS2	0.706	1.621	0.902	0.928	0.722
Survival (BS)	BS3	0.882	3.286			
	BS4	0.911	5.114			
	BS5	0.912	4.906			
	BS6	0.820	2.021			
Brand	BO12	0.745	1.709	0.858	0.897	0.637
Orientation	BO13	0.851	2.625			
(BO)	BO14	0.863	2.512			
	BO7	0.770	1.992			
	BO9	0.755	2.081			
Value	VP10	0.791	2.219	0.901	0.920	0.591
Proposition	VP2	0.747	2.056			
(VP)	VP3	0.821	2.562			
	VP4	0.799	2.221			
	VP5	0.725	1.945			
	VP6	0.728	2.306			
	VP7	0.817	2.494			
	VP9	0.711	1.972			
Government	GS10	0.774	2.511	0.937	0.946	0.639
Support	GS11	0.766	2.412			
(GS)	GS12	0.782	2.853			
	GS13	0.841	3.372			
	GS14	0.839	2.878			
	GS15	0.808	3.162			
	GS16	0.715	2.398			
	GS5	0.803	3.147			
	GS6	0.861	4.511			
	GS7	0.798	2.792			

In this study, to assess discriminant validity, the researchers employed cross-loading criteria. According to Ramayah et al. (2018), all latent variable (LV) cross-loadings are greater than the loadings on other LVs, meeting the cross-loading criteria for

discriminant validity. Table 3 demonstrates that each construct's loadings on its assigned LV are larger than those on all other latent variables, with values not falling below 0.1.

Table 3. Cross Loading

	ВО	BS	GS	VP
BO12	0.745	0.141	0.218	0.474
BO13	0.851	0.154	0.307	0.516
BO14	0.863	0.183	0.325	0.515
BO7	0.770	0.166	0.327	0.488
BO9	0.755	0.097	0.180	0.482
BS2	0.181	0.706	0.243	0.226
BS3	0.200	0.882	0.336	0.220
BS4	0.151	0.911	0.336	0.140
BS5	0.115	0.912	0.345	0.172
BS6	0.171	0.820	0.383	0.249
GS10	0.358	0.232	0.774	0.243
GS11	0.233	0.286	0.766	0.308
GS12	0.114	0.328	0.782	0.211
GS13	0.234	0.337	0.841	0.279
GS14	0.273	0.321	0.839	0.307
GS15	0.279	0.274	0.808	0.254
GS16	0.249	0.268	0.715	0.235
GS5	0.326	0.341	0.803	0.318
GS6	0.345	0.368	0.861	0.383
GS7	0.407	0.342	0.798	0.385
VP10	0.521	0.181	0.210	0.791
VP2	0.404	0.163	0.226	0.747
VP3	0.504	0.234	0.296	0.821
VP4	0.576	0.199	0.307	0.799
VP5	0.486	0.144	0.320	0.725
VP6	0.411	0.113	0.296	0.728
VP7	0.420	0.195	0.292	0.817
VP9	0.462	0.189	0.341	0.711

The researchers applied the HTMT criterion, described by Hair et al. (2019), which defines it as 'the mean value of the item correlations across constructs relative to the (geometric) mean of the average correlations for the items measuring the same construct.' An HTMT value significantly different from 1.00 or a lower threshold value, such as 0.85 or 0.95 (referred to as the cutoff ratio) (Ramayah et al., 2018), indicates compliance. According to Table 4, the upper limit of the 85% confidence interval for HTMT correlations among constructs is less than 8.95 and significantly different from 1.00, meeting the HTMT criteria. Consequently, the measurement model demonstrates no issues with discriminant validity. The validation model has thus been satisfied, enabling further analysis of the structural model.

Table 4. Heterotrait-Monotrait Ratio (HTMT) Matrix

	BO	BS	GS	VP
ВО	1	0.213	0.382	0.701
BS	0.213	1	0.417	0.256
GS	0.382	0.417	1	0.400
VP	0.701	0.256	0.400	1
GS x BO	0.136	0.087	0.236	0.143
GS x VP	0.139	0.131	0.183	0.070

Structural Model Assessment

The magnitudes and significance levels of the path coefficients represent the derived hypotheses. Using a PLS algorithm and a resampling bootstrapping technique, the significance levels of the path coefficients were determined, following the methodology outlined by Hair et al. (2019). The moderation assessment was conducted using the 'Orthogonalizing Approach' proposed by Henseler and Chin as described in Ramayah et al. (2018). This methodology extends the indicator technique outlined by Ramayah et al. (2018) by generating product indicators for all interaction terms. Bootstrapping was then performed to test the hypotheses, and Table 5 presents the findings, including path coefficients, standard errors, significance levels of t-values, and p-values.

Table 5. Structural Model Results

14010 01 001 40041 41 1/10 401 1100 4100					
	Coef.	Standard	t- values	p-	Conclusion
		deviation	(>1.96)	values	
		(STDEV)		(<0.05)	
VP -> BS	0.141	0.068	2.061	0.020	H1: Supported
BO -> BS	-0.017	0.070	0.247	0.403	H2: Not Supported
Moderating Effect					
GS x VP -> BS	0.144	0.086	1.974	0.041	H3: Supported
GS x BO -> BS	-0.157	0.096	1.638	0.051	H4: Not Supported

The first hypothesis suggests that value proposition positively relates to business survival. The results validate this hypothesis, revealing a statistically significant relationship (β =0.141, p<0.05). Meanwhile, the second hypothesis posited that brand orientation affects business survival is not supported β =-0.017, p>0.05). This indicates that brand orientation does not significantly impact business survival. The third hypothesis posits that government support moderates the relationship between value proposition and business survival.

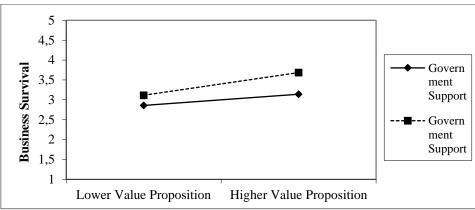


Figure 2: Moderating Effect of Government Support on Value Proposition and Business Survival

As illustrated in Figure 2, the interaction term between value proposition and government support is positive and statistically significant (β =0.144, p<0.05). This implies that government support was found to strengthen the relationship between the value proposition and business survival. Hence, the third hypothesis is supported. Additionally, the moderating effect of government support on the relationship between brand orientation and business survival was found to be insignificant, leading to the fourth hypothesis being unsupported (β = -0.157, p > 0.05). This suggests that adding a moderating variable in this context does not provide meaningful insights. Specifically, it indicates that government support does not enhance the impact of brand orientation on business survival.

Discussion

This study aims to evaluate the impact of value proposition and brand orientation on business survival among franchisees during the crisis, along with the moderating role of government support in these relationships. The first hypothesis is supported, revealing a positive and significant relationship between value proposition and business survival. These findings highlight that a strong value proposition is crucial for franchise businesses to attract new customers and retain existing ones. This dual effect ensures a stable revenue stream, which is vital for business survival. Rintamäki et al. (2021) provide support for this notion, illustrating how a compelling value proposition not only enhances customer satisfaction but also strengthens business resilience, particularly during crises. Additionally, customers are more likely to remain loyal to brands that consistently deliver value, further enhancing business stability.

The second hypothesis was formulated to understand the relationship between brand orientation and business survival. However, the results indicate no significant relationship between these factors, thus not supporting the second hypothesis. This finding can be attributed to the conditions of crises or pandemics, where economic

constraints have significantly altered consumer purchasing behavior, resulting in shifts in buying habits and choices. As noted by Selamat et al. (2024), franchisees are required to operate their businesses according to established systems. The limited autonomy granted to franchisees to innovate in response to environmental changes during a crisis reduces the benefits derived from brand orientation, potentially affecting their ability to survive. The situation is further complicated by uncertainty and restricted mobility during the pandemic, making reliance solely on brand orientation insufficient for franchise businesses.

The third hypothesis was formulated to explore the moderating influence of government support on the relationship between value proposition and business survival. The findings indicate that government support significantly reinforces this relationship. Specifically, vulnerable franchisees with limited resources during the pandemic seek government assistance to effectively strengthen value proposition activities. This enables them to better address customer needs, increase revenue, and navigate through the crisis. Numerous studies, including those by Zhang et al. (2023) and Adam and Alarifi (2021), have underscored the positive impact of government support on enhancing business survival. In the context of franchise businesses, the infusion of external resources notably enhances the organization's capacity to develop value proposition activities, fostering resilience amidst challenges.

Moreover, government support plays an insignificant role in moderating the relationship between brand orientation and business survival, leading to the lack of support for the fourth hypothesis. This can be attributed to the nature of brand orientation, which primarily emphasizes long-term strategic efforts aimed at building brand equity. In contrast, the government support examined in this study focuses on crises and involves short-term initiatives provided to franchise businesses. This aligns with Yanuarni et al. (2023), who found that government support serves as an insignificant moderator of business performance. Consequently, these results suggest that brand orientation does not guarantee successful franchise outcomes in a crisis context despite its potential as a powerful tool for long-term business survival. This study contributes to the body of knowledge by demonstrating that during crises and periods of uncertainty, external assistance, viewed as valuable resources, can enable businesses to enhance their capabilities through the implementation of value-added practices, thereby improving survival rates and performance.

In line with the Resource-Based View (RBV) theory, which emphasizes the strategic utilization of valuable resources, government support can play a pivotal role in driving business strategies and efforts, particularly during crises. The findings suggest that franchisees should collaborate closely with franchisors to bolster branding efforts, enhance the value of services and products, and innovate new practices and concepts to reinforce brand behavior. Additionally, the pandemic has underscored the importance of digital platforms like Facebook, Instagram, and Twitter for marketing, customer engagement, and brand awareness. They provide a direct line of communication with customers and a means to promote products and

2024 Vol.30 No.2

POLISH JOURNAL OF MANAGEMENT STUDIES Othman N.H., Halim N.F., Hasbollah, H.R., Abd. Aziz N.A.

services (Donthu and Gustafsson, 2020). Therefore, the utilization of these digital platforms has not only helped franchise businesses survive during the pandemic but has also paved the way for more flexible and resilient business models in the future.

Conclusion

This study investigates how value proposition and brand orientation impact the survival of franchisee businesses during crises while also considering the moderating influence of government support. The research reveals a significant positive correlation between value proposition and business survival, emphasizing the crucial role of a compelling value proposition in attracting and retaining customers. However, when exploring the link between brand orientation and business survival, no substantial association is found. Furthermore, the study confirms the important role of government support in strengthening the relationship between value proposition and business survival, whereas brand orientation shows the opposite effect. In conclusion, the present study provides compelling evidence for the significance of external assistance, particularly government support, in bolstering businesses' survival strategies during crises. By emphasizing the synergy between government aid and value-added practices, the authors have advocated for a proactive approach to leveraging external resources for enhanced resilience and long-term sustainability.

This study identifies several implications for future research aimed at enhancing franchisee survival during crises. It highlights the crucial role of a robust value proposition in securing franchisee business continuity during turbulent periods. Franchise businesses should prioritize the creation and upkeep of an engaging value proposition to effectively attract and retain customers, particularly in times of crisis. Future studies could delve deeper into the specific components of an effective value proposition and their contributions to business survival. Moreover, there is a need for franchise businesses to reconsider their dependence on brand-oriented strategies. Future studies might explore innovative approaches to tailor brand strategies to crisis scenarios while considering the evolving landscape of consumer behaviour and market dynamics. This would involve examining the adaptability of brand strategies in response to shifting consumer preferences and needs during crises. Therefore, when franchise businesses steadfastly fulfil their commitments to customers, they fortify their survival and sustain growth, even amidst formidable challenges like a pandemic.

Acknowledgements

This study was supported by the Ministry of Higher Education (MOHE) for funding the research grant (Ref No: FRGS/1/2021/SS01/UMK/03/4).

References

- Adam, N. A., Alarifi, G., (2021). Innovation practices for survival of small and medium enterprises (SMEs) in the COVID-19 times: The role of external support. *Journal of Innovation and Entrepreneurship*, 10(1), 1-22.
- Alon, I., Apriliyanti, I. D. and Henríquez Parodi, M. C., (2021). A systematic review of international franchising. *Multinational Business Review*, 29(1), 43–69.
- Austin, E. C., (2020). Business survival growth model (BSGM) canvas vs business model canvas (BMC). European Journal of Business and Innovation Research, 8(1), 52–68.
- Ayub, M. S., Mifli, M. and Majid, A., (2022). The impact of government stimulus packages towards business survival during Covid-19 among small and medium enterprises in Sabah. *Asian Journal of Research in Business and Management*, 4(1), 98–109.
- Bernama., (2023, Julai 1). KPDN targets the franchise industry to grow 20-30 percent this year. *Bernama.com*. https://www.bernama.com/en/business/news.php?id=2154195
- Britshi, Z., (2021, Oct 14). Franchise industry offers 80,000 jobs with RM1.4 billion wages, 391 new local franchise outlets opened globally –PM Ismail. *Malaysia World News*. https://www.malaysiaworldnews.com/franchise-industry-offers-80000-jobs-with-rm1-4-billion-wages-391-new-local-franchise-outlets-opened-globally-pm-ismail/
- Bui, T. T. H., Jambulingam, M., Amin, M. and Hung, N. T., (2021). Impact of COVID-19 pandemic on franchise performance from franchisee perspectives: The role of entrepreneurial orientation, market orientation and franchisor support. *Journal of Sustainable Finance and Investment*, 13(1), 264–282.
- Chatterjee, S., Rana, N. P. and Dwivedi, Y. K., (2024). How does business analytics contribute to organisational performance and business value? A resource-based view. *Information Technology and People*, *37*(2), 874-894.
- Chien, S. Y., (2024). Entrepreneurial orientation, dynamic capability, and franchisee performance: The role of market responsiveness. *Entrepreneurship Research Journal*, 14(1), 339-366.
- Donthu, N., Gustafsson, A., (2020). Effects of COVID-19 on business and research. *Journal of Business Research*, 117(9), 284-289.
- Edwin, van T., Hundley, V., (2002). The importance of pilot studies. *Nursing Standard*, 16(40), 33–36.
- Eggers, F., (2020). MafTABLEsters of disasters? Challenges and opportunities for SMEs in times of crisis. *Journal of Business Research*, *116*(2020), 199-208.
- Ghantous, N., Christodoulides, G., (2020). Franchising brand benefits: An integrative perspective. *Industrial Marketing Management*, 91(11), 442–454.
- Hair, J. F., Risher, J. J., Sarstedt, M. and Ringle, C. M., (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24.
- Hernández, Y., Rueda Galvis, J. F. and Vásquez Capacho, J. W., (2021). Business Survival, A Literary Review of Internal and External Determinants. *Criterio Libre*, 18(32), 261–279.
- Hossain, M. Z., Yasmin, T., (2022). Factors affecting public sector innovation during COVID-19 pandemic in Bangladesh: an analysis on three cases. *International Review of Public Administration*, 27(1), 1-14.
- International Franchise Association., (2023). 2023 Franchising economic outlook. *International Franchise Association*. https://www.franchise.org/sites/default/files/2023-03/2023-Franchising-Economic-Report.pdf

- Isa, N. F., Annuar, S. N. S., Gisip, I. A. and Lajuni, N., (2020). Factors influencing online purchase intention of millennials and Gen Z consumers. *Journal of Applied Structural Equation Modeling*, 4(2), 21–43.
- Josefy, M. A., Harrison, J. S., Sirmon, D. G. and Matz Carnes, C., (2017). Living and dying: Synthesizing the literature on firm survival and failure across stages of development. *Academy of Management Annals*, 11(2), 770–799.
- Landini, F., Arrighetti, A. and Lasagni, A., (2020). Economic crisis and firm exit: do intangibles matter? *Industry and Innovation*, 27(5), 445–479.
- Lee, J. H., Choi, H. M., (2023). Sustainable restaurant franchising: Franchisor social support for franchisee resilience and intention to retain business during the COVID-19 pandemic. *Journal of Hospitality and Tourism Management, 54*(February), 415–425.
- Minah, M., (2022). What is the influence of government programs on farmer organizations and their impacts? Evidence from Zambia. *Annals of Public and Cooperative Economics*, 93(1), 29-53.
- Ministry of Domestic Trade and Consumer Affairs., (2022). MDTCA Annual Report 2022. *KPDN.gov.my*. https://www.kpdnhep.gov.my/en/media-kpdnhep/publication/annual-reports
- Najib, M., Rahman, A. A. A. and Fahma, F., (2021). Business survival of small and medium-sized restaurants through a crisis: The role of government support and innovation. *Sustainability (Switzerland)*, 13(19), 1–6.
- Németh, G., (2008). Corporate abilities. In Proceedings papers of business sciences: Symposium for young researchers (FIKUSZ). https://dlwqtxts1xzle7.cloudfront.net/69456433/NemethG-libre.pdf
- Oktavia, R., Irwandi, I., Rajibussalim, T., Mentari, M. and Mulia, I. S., (2018). Assessing the validity and reliability of questionnaires on the implementation of Indonesian curriculum K-13 in STEM education. *Journal of Physics: Conference Series*, 1088(2018), 1-7.
- Othman, N. H., Hasbollah, H. R., Abd Aziz, N. A., Aziz, Z. A. and Halim, N. F., (2023). Brand orientation and business resilience: A confirmatory factor analysis among homegrown franchisees in Malaysia. *Journal of Propulsion Technology*. 44(6), 1-7.
- Piha, L., Papadas, K. and Davvetas, V., (2021). Brand orientation: Conceptual extension, scale development and validation. *Journal of Business Research*, 134(2021), 203-222.
- Prihandono, D., Wijayanto, A. and Cahyaningdyah, D., (2021). Franchise business sustainability model: Role of conflict risk management in Indonesian franchise businesses. *Problems and Perspectives in Management*, 19(3), 383-397.
- Ramayah, T. J. F. H., Cheah, J., Chuah, F., Ting, H. and Memon, M. A., (2018). Partial least squares structural equation modeling (PLS-SEM) using smartPLS 3.0. An updated guide and practical guide to statistical analysis. Pearson.
- Rintamäki, T., Kuusela, H. and Mitronen, L., (2017). Identifying competitive customer value propositions in retailing. *Managing Service Quality: An International Journal*, 17(6), 621-634.
- Sakolnakorn, T. P. N., Tepsing, P., (2013). The problems and management strategy of local convenience stores for business survival in violent situations in lower-south Thailand. *Asian Social Science*, 9(11), 300–307.
- Selamat, F., Maupa, H. and Taba, M. I., (2024). Affordable loss of SMEs franchisee: The role of perceived uncertainty and learning from crisis experience. *Jurnal Muara Ilmu Ekonomi dan Bisnis*, 8(1), 47-62.

- Shafi, M., Liu, J. and Ren, W., (2020). Impact of COVID-19 pandemic on micro, small, and medium-sized Enterprises operating in Pakistan. *Research in Globalization*, 2(Dec), 1-14.
- Teece, D. J., Lowe, R. A., (2001). Diversification and Economies of Scope. *International Encyclopedia of the Social and Behavioral Sciences*, 3574–3578.
- Ugwuzor, M., (2017). Survivor Behaviour Management and Organizational Survival. *International Journal of Commerce, Business and Management*, 6(6), 22–30.
- Yang, J., Yu, M., (2022). The Influence of Institutional Support on the Innovation Performance of New Ventures: The Mediating Mechanism of Entrepreneurial Orientation. *Sustainability (Switzerland)*, 14(4), 1-15.
- Yanuarni, E., Iqbal, M., Astuti, E. S., Mawardi, M. K. and Alfisyahr, R., (2023). Determinants of business recovery: The role of government support as moderator: A study on tourism SMEs affected by Lombok earthquake, Indonesia. *Human Systems Management*, 43(1), 79-97.
- Yusoff, M. S. B., (2019). ABC of content validation and content validity index calculation. *Education in Medicine Journal*, 11(2), 49–54.
- Zaato, S. G., Ismail, M., Uthamaputhran, S., Owusu-Ansah, W. and Owusu, J., (2021). The Influence of Entrepreneurial Orientation on SMEs Performance in Ghana: The Role of Social Capital and Government Support Policies. *Lecture Notes in Networks and Systems*, 194(2), 1276–1301.
- Zhang, F., Yang, B. and Zhu, L., (2023). Digital technology usage, strategic flexibility, and business model innovation in traditional manufacturing firms: The moderating role of the institutional environment. *Technological Forecasting and Social Change*, 194, 122726, 1-14.

JAK PROPOZYCJA WARTOŚCI I ORIENTACJA NA MARKĘ WPŁYWAJĄ NA PRZETRWANIE PRZEDSIĘBIORSTW PRZY WSPARCIU RZĄDU?

Streszczenie: W czasie kryzysów przedsiębiorstwa często borykają się z wyzwaniami dotyczącymi wydajności, gdzie dobrze zdefiniowana propozycja wartości oraz orientacja na markę są kluczowe dla przetrwania. Mimo ich znaczenia, badania nad wpływem tych czynników na przetrwanie franczyzobiorców, szczególnie w kontekście wsparcia rządu jako czynnika moderującego, są rzadkością. Niniejsze badanie wypełnia tę lukę, analizując, jak wsparcie rządu oddziałuje na propozycję wartości i orientację na markę, wpływając na przetrwanie franczyzobiorców w Malezji. Dane zostały zebrane w ramach ankiety przeprowadzonej wśród 246 właścicieli rodzimych franczyz działających w różnych sektorach, stosując celowy dobór próby, a następnie przeanalizowane za pomocą oprogramowania IBM SPSS 26 oraz SmartPLS 4.0. Wyniki wskazują, że silna propozycja wartości znacząco zwiększa szanse na przetrwanie franczyzobiorców, a wsparcie rządu wzmacnia ten efekt. Odkrycia te podkreślają kluczową rolę jasno określonej propozycji wartości w zapewnianiu ciągłości działania franczyz w czasie kryzysów i dostarczają cennych wskazówek dla decydentów oraz agencji rządowych w opracowywaniu skutecznych strategii zapewniających trwałość biznesu.

Słowa kluczowe: franczyza, przetrwanie przedsiębiorstw, wsparcie rządu, propozycja wartości, orientacja na markę