

Propensity to Use Dynamic Capabilities on Virtual Entrepreneurs' Perceived Long-Term Survival

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A B S T R A C T

With the outbreak of COVID-19 the economic condition of developing countries faces several issues. In this pandemic situation, the survival of SMEs needs to be highlighted as they gave a great contribution to the national economy of a nation. This study focuses on the propensity to use dynamic capabilities on informal virtual entrepreneurs' perceived long-term survival. Among the available studies which are carried out to investigate the impact of pandemic conditions on the survival of ventures in different industries, this study especially focuses on informal virtual entrepreneurs to guide and emphasizes their propensity to use dynamic capabilities for perceived long-term survival. This study is quantitative research and primary data collected from informal virtual entrepreneurs, especially those who are dealing with the Instagram platform. And we were able to collect data from 123 informal virtual entrepreneurs by using a convenience sampling technique. The findings of this study further provide a clear view to the readers of how the dimensions of dynamic capabilities are linked with the perceived long-term survival of virtual entrepreneurs. The contribution of the findings in this study will be beneficial, especially for SMEs who are struggling with a current pandemic situation and let them have a chance to rethink their capabilities to overcome upcoming challenges and to move with the virtual platform as well with their dynamic capabilities. Furthermore, the findings of this study will guide SMEs to contribute to the national economy, especially in a developing country like Sri Lanka.

Keywords: Dynamic capabilities, Informal virtual entrepreneurs, Perceived long term survival, SMEs

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1. Introduction

In the past, mankind had to face different circumstances and challenges and the way they faced those challenges and what they used to overcome such challenges will be a great lesson for future generations as well. COVID-19 pandemic situation also can be emphasized as one of the huge challenges, faced by the people who lived in the 21st century. According to the Central Bank Report (2020) Sri Lankan economy contracted by 3.6 percent in 2020 on a year-on-year basis in the backdrop of unprecedented disturbances to socio-economic activities due to adverse impacts of the COVID-19 pandemic. Therefore it led entrepreneurs to re-think the survival of their venture. According to Helfat (2007), dynamic capabilities can be identified as the capacity of an organization to purposefully create, extend, or modify the tangible, intangible, and human resources as well as capabilities, to which the company owns, controls, or has access to on a preferential basis. But, small businesses face special challenges as they have fewer options in terms of resources, capabilities, and market power (Zahra et al., 2006). Hence, they are vulnerable to competition (Wang et al., 2011) and environmental changes (Nasri & Charfeddine, 2012), making dynamic capabilities especially important for SMEs (Wang & Ahmed, 2007). When considering entrepreneurial and dynamic capabilities, they are intertwined in subtle and complex ways, and they impact differently on small firms: entrepreneurial capabilities facilitate small firms' entry into the mainstream market, but it is a dynamic capability that enables evolution and growth in such a market (Woldesenbet et al., 2011). Therefore, in this background, the overall objective of this study is to investigate the Propensity to use dynamic capabilities by virtual entrepreneurs for perceived long-term survival in a vulnerable business environment.

1.1. Problem statement

According to Bowman (2009), can be identified that dynamic capability is not a resource but a process or else a routine that will have an impact on the resource base of the firm. And also, dynamic capabilities include the capacity to identify the need or opportunity for change, formulate a response to such a need or opportunity, and implement a course of action (Jose, 1997). According to Wade and Hulland (2004) maintaining flexibility and adapting to a changing environment are the most critical factors for SME success. In this study, the author has especially focused on informal virtual entrepreneurs to identify how their propensity to use dynamic capabilities for perceived long-term survival. In the past few years, Instagram is getting popular among companies (Kamilla, 2020). Also, as a result of the Covid-19 impact, for instance, consumers are increasingly turning to online purchases (Trong & Tran, 2021). Especially different platforms of social media enable entrepreneurs to continue their business activities efficiently and to build up good connections with their customers. The entrepreneurs of today leverage these tools to expand their business reach and disseminate information about the products and services that they offer (Samsudeen, & Kaldeen, 2020). In the 21st century, it is becoming increasingly important for companies to meet the challenges of social media, as it is one of the simplest and perhaps the most effective channels for building relationships with consumers (Sánta et al., 2020). An entrepreneur needs to adopt different circumstances that occurred within the turbulent business environment as it affects their survival. According to Gabriele (2019), in rapidly changing technological, regulatory, and competitive environments, dynamic capabilities are required in exploiting new opportunities aroused within the external environment (Santoro et al., 2019). And the value of dynamic capabilities for any kind of business lies with its ability to alter the resource base, that is, to create, integrate, recombine, and release resources (Eisenhardt & Martin, 2000). But, most of the empirical research on dynamic capability is limited, yet slowly accumulating, for example, Ambrosini & Bowman (2009) suggest that extant studies have yet to establish. The need for a common

conceptualization of dynamic capabilities and entrepreneurial growth intention represents a major gap in the literature (Sachitra et al., 2020). Hence, it is high time to focus more on the Propensity to use dynamic capabilities by virtual entrepreneurs for perceived long-term survival in a vulnerable business environment.

2. Literature review

2.1. Dynamic capabilities

The term "dynamic capability" refers to the ability to renew competencies to achieve alignment with the changing business environment in certain innovative responses which are required when time-to-market and timing are critical, the rate of technological change is rapid, and the nature of future competition and markets is difficult to predict (Teece et al., 1997). The view of dynamic capabilities is further explained as the business's ability to integrate, develop, and reconfigure both internal and external competencies in response to dynamic settings (Eisenhardt & Martin, 2000). Moreover, Eisenhardt & Martin (2000) identified dynamic capabilities as business processes that employ resources, particularly those that integrate, reconfigure, improve the value of, and free up resources to respond or even generate changes in the market. Most of the scholars who studied the link between dynamic capabilities and resource-based view (RBV) concluded that dynamic capabilities help organizations to survive in vulnerable business environments (Eisenhardt & Martin, 2000). Dynamic capabilities capture knowledge gained from the previous exploration of distinct competence (Hernández, 2020). A business process that employs resources, especially the procedures to integrate, creates, and reconfigures their resources and competencies, as a result, ensure success in changing business contexts (Darawong, 2018). Dynamic capabilities are a modern evolutionary approach, merely considering greater resources is insufficient to explain improved business performance (Eisenhardt & Martin, 2000). Moreover, it is an approach that can utilize organizational resources more effectively as well (Eisenhardt & Martin, 2000).

2.2. Dynamic capabilities and virtual entrepreneurs perceived long-term survival

In a volatile environment, dynamic capabilities focus on firms being sensitive to changing situations and reconfiguring their current resources (Lawson & Samson, 2001). The foundation of dynamic capacities relates to three key areas of action perceiving, seizing, and changing (Eisenhardt & Martin, 2000). Competitive advantage alone is insufficient for firms to thrive in today's volatile business environment (Darawong, 2018). It is necessary to be able to foresee opportunities and handle those utilizing existing resources (Eikelenboom & Jong, 2019). Moreover, dynamic capabilities are especially important for informal businesses' survival in the huge competition and existence with larger competitors in the field of business (Eisenhardt & Martin, 2000). Existing resources must be adjusted, and new resources must be created when it is necessary for ventures' to survive in the long term (Almaiah, Al-khasawneh, & Althunibat, 2020). To search for possibilities in the marketplace, resources must be mobilized concurrently (Teece, 2018). No venture or economy cannot forecast exactly changes in a vulnerable business environment. Upgrading and re-evolving resources may also assist to solve difficulties in the future (Hernández, 2020).

A small firm with a competitive advantage cannot be replicated (Khin, 2019). Dynamic Capabilities enable businesses to sustain in an uncertain and fluctuating market environment (Woldesenbet et al., 2015). Not only that, dynamic capabilities assist organizations in being more robust in the face of unforeseeable unpredictability (Teece, 2018).

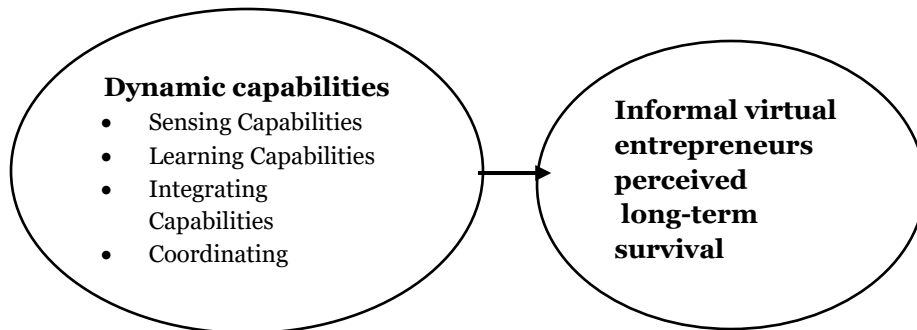
In a developing context, the dynamic capabilities framework assists entrepreneurs in combining technology, business, and strategy to lead businesses to a competitive edge (Rashid & Ratten, 2020). Reaching a competitive advantage is not a short-term process and it creates market leaders (Teece, 2018). Therefore, dynamic capabilities have the potential to lead ventures to long-term survival.

A virtual entrepreneur is someone who can produce or build new businesses and possibilities by utilizing virtual technology to live the life they choose (Conway, Clifford, 2012). The capacity to manage and operate a firm remotely is referred to as virtual entrepreneurship (Conway, Clifford, 2012). Due to the lockdown and travel restrictions taken by the governments of the countries to mitigate the transferring risk physical business activities closed (WHO, 2021). Therefore, during this COVID 19 pandemic, most businesses moved to virtual platforms (Bashmakova et al., 2021). This became a trend and created new avenues for doing commercial transactions that are aided by digital technology and continuing (Bashmakova, et al., 2021). Most of these small businesses may find it difficult to continuously renew their resource base to react to a changing environment (Wang & Ahmed, 2007). In Sri Lanka, 75% of total enterprises are small and medium ventures and it contributes to 52% of the country's GDP (Jayasinghe, 2020). From that percentage, most of the businesses are informal ventures and they make a considerable contribution to the GDP annually (Jayasinghe, 2020). Therefore, investigating the propensity to use dynamic capabilities on virtual entrepreneurs' perceived long-term survival is beneficial with the prevailing condition in Sri Lanka.

2.3. Theories of study variables

The dynamic capability view is a concept that addresses the critical role of capabilities in building, integrating, and reconfiguring resources to deal with a highly volatile environment (Eisenhardt & Martin, 2000). Resource-based view is the usual concept that uses to explain about reaching a competitive advantage (Eisenhardt & Martin, 2000). However, in rapidly changing contexts, the dynamic capability view explains firm competitiveness better than the resource-based view (Eisenhardt & Martin, 2000). With less market power and low sensitivity to external pressures and environmental changes, the most important characteristics for small informal business success are flexibility and adaptability to a changing environment (Wang & Ahmed, 2007). Concerning the dynamic capability view and previous literature findings, four dimensions were identified to explain dynamic capabilities for developing the conceptual framework of the current study. These are sensing capabilities defined as the capacity to recognize, analyze, and seek opportunities in one's surroundings (Dang, Zhang, & Morgan, 2015), learning capabilities known as identifying new production possibilities, as well as better, quicker, and more efficient job completion (Bowman, 2009), integrating capability integrating defined as the ability to combine new knowledge into new operational capabilities by establishing a shared understanding and collaborative sense-making. (Teece, 2007) and coordinating capability is defined as the ability to coordinate and deliver tasks, resources, and activities in the new operational capabilities. (Pavlou & Sawy, 2011). Concerning that figure no 1; conceptual framework of the study was developed.

2.4. Conceptualization



Source: Author constructed, 2021

Figure 1: Conceptual Framework

2.5. Hypotheses development

2.5.1. Sensing capabilities

For the potential benefits of resources to be transformed into realized, outcomes in today's dynamic and globally competitive environments (Teece, 2018). It is necessary to have a distinct sensing capability (Eisenhardt & Martin, 2000), which is defined as the ability to spot, interpret, and pursue opportunities in the environment (Pavlou & Sawy, 2011). Previous studies indicated that the sensing capability allows virtual entrepreneurs to recognize changing opportunities in the external environment, allowing them to improve their performance to compete with the market competition (Eisenhardt & Martin, 2000). Based on that, following hypothesis was derived.

H1: Sensing capability is positively related to informal virtual entrepreneurs' perceived long- term survival

2.5.2. Learning capability

Learning allows for the identification of new product opportunities as well as the better, faster, and more efficient completion of jobs (Bowman, 2009). Given that learning is a strategic capability that is difficult to replicate (Eikelenboom & Jong, 2019) and that strong learning capability leads to higher firm performance (Rashid & Ratten, 2020). According to Liao, Welsch & Stoica, (2003) and Eisenhardt & Martin (2000), smaller firms with a developed learning capacity are more efficient in overcoming the competency traps that lead to a firm's lack of responsiveness. And increased flexibility to act should allow firms to take advantage of changes in their resource base and expedite the harvesting of resource-related benefits generated because of such change (Rashid & Ratten, 2020). Based on that following hypothesis was derived.

H2: Learning capability is positively related to informal virtual entrepreneurs' perceived long- term survival

2.5.3. Integrating capability and coordinating capability

The combination and coordination of knowledge-related assets generate value that cannot be duplicated in the market (Teece, 2018). The capacity to incorporate new information into new

operational capabilities by generating a common understanding and collaborative sense-making is described as integrating capability (Pavlou & Sawy, 2011). The capacity to organize and deliver tasks, resources, and activities in the new operational capabilities is characterized as the coordinating capability (Pavlou & Sawy, 2011). Whereas the integrating capability is concerned with increasing group understanding, the coordinating capability is concerned with arranging individual tasks and activities (Pavlou & Sawy, 2011). Thus, coordinating capability helps companies to access and distribute resources at a cheaper cost while also responding to changes with better flexibility (Zahra et al., 2006), which tends to provide higher returns (Eisenhardt & Martin, 2000). When seeing a company as a store of information, the capacity to effectively integrate this knowledge indicates a source of competitive advantage (Teece, 2018). Because “the value of a company's knowledge and learning can only be achieved by properly integrating that information into business processes” (Yu et al., 2010). These are especially essential for informal virtual entrepreneurs who confront more severe criteria for the successful and efficient orchestration of people, resources, and skills owing to resource constraints (Eisenhardt & Martin, 2000). Here, the focus on coordinating and integrating capabilities help virtual entrepreneurs to survive in the market. Thus, the following hypotheses were derived.

H3: Integrating Capability is positively related to informal virtual entrepreneurs' perceived long-term survival

H4: Coordinating Capability is positively related to informal virtual entrepreneurs' perceived long-term survival

2.5.4. Dynamic capabilities

When compared to large enterprises with more numerous resources, informal virtual entrepreneurs cannot readily create dynamic skills (Rengkung & Leonardus Ricky, 2018). With less market power and a greater sensitivity to external pressures and environmental changes, the most important characteristics of small businesses' success are flexibility and adaptability to a changing environment (Wang & Ahmed, 2007). As a result, dynamic skills are especially important for informal virtual enterprises' competition and success since, unlike their bigger counterparts, informal virtual enterprises competition may find it difficult to refresh their resource base regularly to adapt to a changing environment (Wang & Ahmed, 2007). Concerning the four dimensions of the study, a general hypothesis for investigating the relationship between the propensity to use dynamic capabilities and informal virtual entrepreneurs' perceived long-term survival as follows.

H5: Dynamic capabilities are positively related to informal virtual entrepreneurs' perceived long-term survival

3. Methodology

The current study was carried out to study the propensity to use dynamic capabilities for informal virtual entrepreneurs' perceived long-term survival. After reeving the existing literature, conceptual framework of the study was developed and based on four hypotheses were postulated to test in this study. The theoretical population of this study is informal virtual entrepreneurs in Sri Lanka. Due to the practical limitations of data collection, informal virtual entrepreneurs who use the 'Instagram' social media platform to do their business activities were selected as the study population. Data was collected from January 2021 to March 2021 when the 2nd wave of Covid 19 rise in Sri Lanka. Primary data of the study were collected from informal virtual entrepreneurs in Sri Lanka by distributing a structured questionnaire. The unit of analysis in this study is individual informal entrepreneurs. This study adopted the dynamic capabilities typology proposed by (Pavlou & Sawy, 2011), which focuses on the four dynamic

capability dimensions of sensing, learning, integrating, and coordinating, and these constructs were measured using validated instruments from prior relevant research. All the constructs used a five-point Likert scale where respondents marked their agreement scaling from strongly disagree (1) to strongly agree (5). Based on that questionnaire was developed. Due to the ease of obtaining data, the survey was created using Google Forms and distributed directly among selected social media platforms called Instagram. The questionnaire was distributed among 150 informal virtual entrepreneurs by using a convenience sampling method and 123 responses were received indicating an 82% response rate. Data was analyzed by using SPSS 25 version.

4. Analysis

4.1. Sample composition

Table 1: Sample Composition

Category	Subcategory	Frequencies	Percentage
Age	18-24	36	29.3
	25-31	75	61.0
	32-38	11	8.9
	More than 39	1	0.8
Gender	Male	63	51.2
	Female	60	48.8
Educational Qualification	G.C.E A/L	4	3.3
	Degree level	100	81.3
	Postgraduate Dip. Level	7	5.7
	Master level	12	8.9
Business engagement type	Full time	20	16.3
	Part-time	83	67.5
	As a hobby	20	16.3
Province	Central Province	9	7.3
	North Central Province	5	4.1
	North-western Province	6	4.9
	Sabaragamuwa Province	18	14.6
	Sothern province	51	41.5
	Western province	2	1.6
	Uwa province	32	26

Nature of the business	Food and beverage	14	11
	Fashion	35	28
	Accessories	47	39
	Services	27	22
Business age	0-1 years	42	34
	2-3 years	53	43
	4-5 years	8	7
	More than 5 years	20	16

Source: Survey Data, 2021

Data was gathered from 123 virtual entrepreneurs doing their business activities by using Instagram's social media platform. According to table no 02, the 18-24 age limit represent 36 respondents and the highest no of respondent represent from 25-32 age category. One respondent represents from more than 39-year age limit category. Male 63 (53.2%) and female 50 (48.8%) virtual entrepreneurs' responses represent the overall sample of the study. Most respondents (100) belong to degree level education subcategory and as a percentage, it is 81.3%. 12 responses represent master level, 7 responses represent postgraduate diploma level, and 4 responses represent G.C.E O/L educational level subcategory. According to table, no 02, 83 respondents do their virtual business venture part-time, and as a percentage, it is 67.5%. 20 respondents doing virtual business as hobby and 20 respondents doing business venture as full-time employment. According to most respondents represent Sothern province and it is 51 (41.5%). 32 respondents represent Uwa province, 18 from Sabaragamuwa province, 9 from Central province, 6 from North-western province, 5 from North Central province, and 2 respondents from the Western province. According to the nature of business, 14 respondents engage in food and beverages-related ventures, 35 engage in fashion-related ventures, 35 engage in accessories-related ventures and 27 respondents engage in service-related ventures. According to the age group of business 42 respondents' businesses in the 0-1-year age category, 53 belongs to the 2-3 years age category, 8 belongs to the 4-5-year age category, and 20 respondents engage their business for more than 5 years. Informal virtual entrepreneurs' business age group is 0-1 year.

4.2. Reliability and validity

For measuring internal consistency, Cronbach's alpha (CA) values were used. According to Bagozzi and Yi (1988), a threshold level of 0.6 or higher is required to demonstrate satisfactory reliability. The current study indicates all variables Cronbach's alpha values are greater than 0.6 and Composite Reliability greater than 0.7 based on the table no 03 results this study achieved internal consistency According to (Fornell & Larcker, 1981) to achieve convergent validity if the (Average Variance Extracted (AVE) threshold level should be more than 0.5, composite reliability is better than 0.7, and standardized factor loadings of individual items in their respective constructs are greater than 0.6. Based on results of table 2, convergent validity was established in this study.

Table 2: Reliability and Validity

	CA	CR	AVE	Sensing capability	Learning capabilities	Integrating capabilities	Coordinating capabilities	Informal virtual entrepreneurs perceived long term survival
Sensing capability	0.802	0.872	0.641	0.800				
Learning capabilities	0.866	0.853	0.619	0.679	0.786			
Integrating capabilities	0.862	0.871	0.643	0.661	0.603	0.801		
Coordinating capabilities	0.851	0.821	0.600	0.602	0.617	0.792	0.774	
Informal virtual entrepreneurs perceived long term survival	0.852	0.902	0.789	0.706	0.732	0.728	0.771	0.888

Source: Survey Data, 2021

CA: Cronbach's Alpha, CR: Composite Reliability, AVE: Average Variance Extracted

To establish discriminant validity, Fornell & Larcker (1981) suppose that the square root of each latent variable's AVE should be larger than the latent variable correlations. According to table 3, every latent variable's square root of AVE is greater than the correlations of the latent variables. As a result, it is clear that the researchers were instrumental in delivering discriminant validity.

4.3. Hypotheses testing

For testing, the hypothesis person correlation was performed. Table 04 given below illustrated the relationship among the main study variables in this research. According to the survey data analysis can be recognized that;

H5: Dynamic capabilities are positively related to informal virtual entrepreneurs' perceived long-term survival

Table 3: Correlations among Study Variables

Variable	Informal virtual entrepreneurs perceived long-term survival
Propensity to use dynamic capabilities	.764**

** $p < .01$, * $p < .05$ (Source: Survey Data, 2021)

4.3.1. Relationship between the dimensions of dynamic capabilities and informal virtual entrepreneurs' perceived long-term survival

Table no 04 illustrated the relationship between the dimensions which are used to measure the propensity to use dynamic capabilities on informal virtual entrepreneurs' perceived long-term survival. According to the results gained through this study, it can be determined that there is a strong positive relationship between dimensions of dynamic capabilities and informal virtual entrepreneur perceived long-term survival. Integrating capability and coordinating capability are strongly correlated with the venture's long-term survival while sensing capability and learning capability are moderately correlated.

Table 4: Relationship between the Dimensions of Dynamic Capabilities and Informal Virtual Entrepreneurs' Perceived Long-Term Survival

Dimension	Sensing Capability	Learning Capability	Integrating Capability	Coordinating Capability
Informal virtual entrepreneurs perceived long-term survival	.584**	.523**	.725**	.736**

** $p < .01$, * $p < .05$ (Source: Survey Data, 2021)

In measuring the degree to which the variables are related to the author of this study has used a standardized estimate which was known as Pearson's correlation analysis. The Correlations range values can be examined in a range where it lies from -1 to +1. The sign of correlation coefficient represents the symbol of "r" and interprets the relationships with the terms of "positive or negative". According to Sekaren & Bougie (2010) the value gain in a correlation coefficient analysis can be describe as perfect negative if the r-value = -1, perfect positive if the r-value = +1, no relationship if the r-value = 0, strong relationship if the r-value = 0.6 – 1, moderate if the r-value = 0.3-0.6 and weak relationship if the r-value = 0 – 0.3. Based on table 05 results develop H1, H2, H3, H4, and H5 hypotheses were accepted.

5. Discussion and implications

According to Remedios Hernández-Linares not all dynamic capability dimensions are equally important for SME performance (Hernández-linares et al., 2020). Nevertheless in this study, the author can identify that the relationship between each dimension which is used to measure dynamic capabilities with perceived long-term survival of virtual entrepreneurs is not equal. The first hypothesis of this study indicates that sensing capability is positively and significantly related to informal virtual entrepreneurs' long-term survival. The sensing capabilities of an entrepreneur are referred to as the individual's analytical capacity to sense and filter future opportunities (Rashid & Ratten, 2021). The results of the analysis proved that it was moderately correlated with the long-term survival of informal virtual entrepreneurs. Usually, for the success of any type of business organization, the owners need to be very careful in identifying and exploiting new opportunities aroused within the external environment to gain maximum benefits from them. Therefore, an entrepreneur must try to improve his or her sensing capability to overcome any type of challenge and convert those challenges into opportunities for long-term survival.

According to Hernández-linares et al., (2020), learning capability may be particularly valuable, as higher flexibility to act should enable SMEs to take advantage of changes to their resource base and facilitate the reaping of resource-related benefits generated through such change. The evidence gained through previous research and according to the results gained through the analysis of this study supports prove that learning capability is positively and significantly related to virtual entrepreneurs of their long-term survival. But the relationship between learning capability and the perceived long-term survival of virtual entrepreneurs is not so strong when compared to integrating capability and coordinating capability. Updating with new knowledge is essential for entrepreneurs to overcome different challenges flexibly and it will strengthen this capability. In a pandemic situation, an entrepreneur needs to be more creative and innovative in finding solutions to overcome challenges. In this study, the author has collected data, especially from the entrepreneurs who deal with their customers and suppliers in a virtual platform as they need to enhance their learning capability to move with new technology. The third hypothesis of this study emphasized that integrating capability is positively and significantly related to informal virtual entrepreneurs' perceived long-term survival. According to some of the recent research findings that can identify those performances knowledge management practices of SMEs, have found a strong and positive correlation between integrating capability and organizational performance (Shaw & Sergueeva, 2019). Even according to this study author can identify that there is a strong positive correlation between Integrating Capability and virtual entrepreneur perceived long-term survival. It implies that the survival of a venture depends on the capability of an entrepreneur to integrate new knowledge into the venture. According to (Yu et al., 2010), the value of a firm's knowledge and learning can only be realized by effectively integrating that knowledge into the business process. Therefore, the findings imply that the Integrating Capability of an entrepreneur will be a great support for survival in the long run.

And the coordinating capability can be identified as a critical capability that an entrepreneur must especially focus on as each business organization deal with the scarcity of resources. This is especially important for SMEs, which, due to their resource limitations (Yang et al., 2012). According to the results of this study coordinating capability is strongly correlated with the perceived long-term survival of virtual entrepreneurs. That finding of coordinating capability implies the necessity for it towards the survival of a venture as we are living in a society where people demand a variety of products and services to fulfill their requirements.

But an entrepreneur needs to decide how to allocate scarce resources in producing products to fulfill their customer requirements while increasing satisfaction in order to retain them as loyal customers. Therefore, it is essential to improve the coordinating capability of any type of entrepreneur as it affects their survival. Further findings of the research finally proved that the dynamic capabilities are positively and significantly related to virtual entrepreneurs' perceived long-term survival. And the implications of the findings of this study will provide a guideline for future researchers as well to conduct more in-depth analysis, especially under the qualitative approach as this study concerns only the quantitative approach.

6. Conclusion

Through the results of this study author was able to confirm that coordinating capabilities, and integrating capabilities, have strong significant positive relationships with informal virtual entrepreneurs' perceived long-term survival. Moreover, learning capability and sensing capability have significant positive relationships with informal virtual entrepreneurs' perceived long-term survival. Furthermore, study results confirmed that overall dynamic capabilities have strong positive significant relationships between virtual entrepreneurs' perceived long-term survival. The study's findings emphasize the aspects of dynamic capabilities are related to the long-term survival of virtual entrepreneurs. This study will be useful for informal virtual entrepreneurs and for other formal entrepreneurs who are trying to move towards virtual platforms from traditional platforms especially in dealing with the present pandemic crisis and will allow them to rethink their capacities to deal with future problems. Furthermore, the findings of this study will help them in contributing to the national economy, particularly in developing countries such as Sri Lanka.

7. Limitations and future research

The sample of this study was limited to 123 respondents due to time and cost restrictions, and a bigger sample might enhance statistical power and provide more robust conclusions (Hair et al., 2010). As a result, future research with a larger sample size showing underrates with offline venture owners is necessary. Based on theories and empirical data, the current study employed only four indicators. And this study addresses only developing economies' perspectives, but it does not address the actual difficulties encountered by businesses in other countries. To comprehend the disparities in small company entrepreneurship, future studies should dive deeper into understanding the distinctions between emerging and developed nations.

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