

OPEN ACCESS

Volume: 10

Special Issue: 1

Month: October

Year: 2022

E-ISSN: 2582-6190

Impact Factor: 4.118

Received: 11.09.2022

Accepted: 18.10.2022

Published: 21.10.2022

Citation:

Davis, Jeny, and Priya Antony Chiramel. "Impact of Covid 19 on the Growth of Home Based Businesses." *ComFin Research*, vol. 10, no. S1, 2022, pp. 15–19.

DOI:

<https://doi.org/10.34293/commerce.v10iS1-Oct.6143>



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Impact of Covid 19 on the Growth of Home Based Businesses

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Lock down is a temporary measure taken by Government to slow down the spread of the virus and to take appropriate steps to combat Corona in India. Businesses have suffered huge losses and people have lost their jobs because of the massive economic slump caused by Covid 19. To survive the situation, most of the individuals found the idea of starting home based businesses. There were a lot of pandemic-friendly businesses. The present study aims to understand what are the home based businesses which have shown success during the period and its future potential. Data were collected from a sample of 200 respondents from Thrissur district.

Keywords: Home based Businesses, Covid 19**Introduction**

The COVID-19 pandemic outbreak has forced many businesses to close, leading to an unprecedented disruption of commerce in most industry sectors. Retailers and brands face many short-term challenges, such as those related to health and safety, the supply chain, the workforce, cash flow, consumer demand, sales, and marketing. However, successfully navigating these challenges will not guarantee a promising future, or any future at all. At the same time, online communication, online entertainment, and online shopping are seeing unprecedented growth.

It is apparent to anyone that the current pandemic has had enormous - but hopefully short-term—effects on all our lives. Countries have closed their borders, limited the movement of their citizens, and even confined citizens in quarantine within their homes for weeks.

All countries that can are trying to stimulate their economies to keep as much as possible of their necessary infrastructure intact and to keep citizens productive or ready to become productive once the pandemic has been overcome. In order to keep society from deteriorating, people not only need jobs or a way to support themselves but also need access to what they view as necessary products and services. Countries around the globe have adopted very different approaches to handle the current stress on the job markets and infrastructure. Some countries have chosen to support businesses in order to help them keep the workforce intact, but others with less financial strength cannot do the same. Countries also have directly supported their citizens in various ways.

Review of Literature

1. Acikgoz and Gunay (2020) commented that the economic impact of the pandemic concluded that this had serious, adverse effects on collaborators, clients, supply chains and financial markets, resulting in a global economic recession. However, the uncertainty regarding the end of the pandemic prevents a forecast of the scale of this recession which has caused changes in all domains.
2. Faulkner (2001) studied the positive effects of crises in the field of innovation and identifying new markets. There are certain situations which became the opportunity for many people to contribute new ideas.
3. Brockner and Erika (2008) presented the crisis as an opportunity for more flexible work and open management. However, the lasting effects of COVID-19 on the economy depend on how the authorities, firms and families react to the changes caused by the disruption, and consequently, to the unavoidable recession, given that coronavirus has provoked a major fall in gross domestic product (GDP), the worst observed in the last 100 years.

Statement of Problem

To meet the challenges posed by the pandemic, businesses around the world had to react in agile and decisive ways. As we move into the next phase, now is the time for businesses to seek out and seize the opportunities emerging in the recovery. The present study aims to identify the type of businesses which has shown growth during Covid - 19 and the challenges they faced.

Objectives

1. To identify the reason for starting home based businesses during Covid-19
2. To identify the challenge while doing home based business during Covid -19

Research Methodology

Population: Thrissur district

Sampling Technique: The respondents were selected through purposive sampling technique.

Sample size: 200 respondents were selected

Tools for Analysis: Percentage analysis

Limitations

1. The data was collected from a limited geographical area. Hence the findings and conclusion has its own limitations
2. Time was another limiting factor

Analysis

Table 1 Age

Age	Frequency	Percentage
18-28	25	12.5%
28-38	25	12.5%
38 – 48	50	25%
48 – 58	100	50%

Table 2 Gender

Gender	Frequency	Percentage
Male	120	60%
Female	80	40%

Table 3 Type of Business Started during Lockdown

	Frequency	Percentage
Sell handmade products	55	27.5%
Sell digital products online	35	17.5%
Teach online classes	30	15%
Online consulting	25	12.5%
Farming	35	17.5%
Other businesses	20	10%

Table 4 On Average, how long would you Spend Working in your Business Each Week?

	Frequency	Percentage
Less than 15 hours	30	15%
15- 30 hours	70	35%
30 - 45 hours	60	30%
More than 45 hours	40	20%

Table 5 Why did you start a Home Business?

	Frequency	Percentage
Lifelong ambition	15	7.5%
I saw an opportunity in the market	35	17.5%
My job was not secure	70	35%
To meet the expenses	50	25%
To earn more money	20	10%
I'm retired	10	5%

Table 6 Please rate the following in Order of your Greatest Challenges as a Home based Business with 1 being your Greatest Challenge

	Frequency	Percentage
Maintaining a work life balance	25	12.5%
Finding customers	45	22.5%
Marketing	10	5%
Internet access	30	15%
Controlling business cost	35	17.5%
Maintaining and accessing business technology	30	15%
Others	25	12.5%

Table 7 What are your Future Business Plans?

	Frequency	Percentage
Increase the size of the business	50	25%
Continue to develop at the same rate	50	25%
Decrease the size of the business	25	12.5%
Acquire more skills to expand the business.	25	12.5%
Add products/services	30	15%
Others	20	10%

Table 8 Home made Businesses growth Expectation during the Coming Years

	Frequency	Percentage
No it will stay at the same level	60	30%
Yes, I expect growth	75	37.5%
No, I expect to see it decline	65	32.5%

Table 9 How do you promote your products/services

	Frequency	Percentage
Media (brochure and leaflets)	10	5%
Online - own websites	20	10%
Online - via third party websites	15	7.5%
Other people’s shops	45	22.5%
Social media	60	30%
Trade shows/fairs/markets	10	5%
Word of mouth	40	20%

Findings

- Age: 50% of respondents belongs to the age category of 48 - 58
- Gender: 60% of respondents are males and 40% of respondents are females.
- Type of business started during Lockdown: 27.5% of respondents engaged in selling of home made products.
- Time spent on these businesses: 35% of respondents have spent 15 - 30 hours
- Reason for starting home based business : 35% of respondents opined that their job is not secure.
- Main challenge while doing the home based business : 22.5% of respondents responded that finding customers is the main challenge while doing the home based business.
- Future business plan: 25% of respondents responded that their business size will increase and 25% of respondents responded that their business will continue at the same rate.
- Business growth expectation during coming years: 37.5% respondents expect a growth in their business.
- Promoting the products: 30% of respondents responded that they promote their products through social medias.

Suggestions

- Expand the product line to offer complementary products or services.
- Create a website to advertise/sells the products
- Join forces with another business to promote the home based business.

Conclusion

The impact of COVID-19, particularly on the business world, couldn't have been predicted but has been an incredible learning experience—especially for aspiring entrepreneurs. Social distancing and remote work have forced traditional in-person businesses like restaurants, brick-and-mortar retail and event services to get creative with solutions and stay viable while also opening a world of opportunities for business owners to meet consumers' new and evolving needs. These kind of pandemic helped the people to bring their own talent in front of the world in different ways in business.

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