

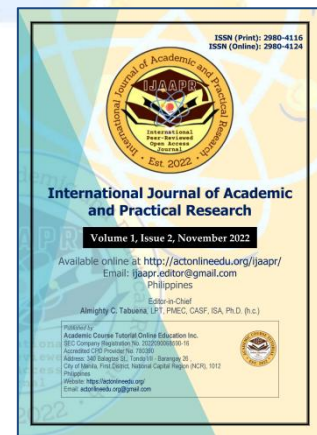


## Research Article

# A Case Study of the Common Difficulties Experienced by Small Entrepreneurs Amidst the Coronavirus Outbreak

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## Abstract

*This study aimed to develop and confirm the results of the experience of local firms closed during the coronavirus outbreak, also known as COVID-19, by small entrepreneurs. This descriptive-qualitative methodology offers the researcher many opportunities for collecting the data. Future entrepreneurs may be mindful that some businesses will last so long that they will not have to close in the face of adversity. Future entrepreneurs can utilize their skills in case something bad happens. In conducting this kind of study, many people can use it to manage a business. They were knowledgeable about these specific topics, which can make long-term survival more difficult.*

### Keywords

coronavirus, difficulties, entrepreneur, experience, small business

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## INTRODUCTION

### Background of the Study

Small enterprises are significant contributors to deforestation and climate change due to their small size and prominence in the economy (Atienza & Tabuena, 2021; Roxas et al., 2017). As such, small businesses are under increasing societal pressure to become more environmentally sustainable. However, how can small, resource-constrained companies in developing nations become environmentally sustainable in their overall strategic posture while remaining financially viable. Since the vast majority of economic research on environmental issues has so far concentrated on big companies from industrialized developed countries, the reasons why small firms became environmentally friendly remain poorly known (Ferronato & Torretta, 2019).

Furthermore, small enterprises in developing nations are often capital-limited and work in underdeveloped institutional settings, making it impossible to implement environmental protection policies because they will be viewed as disruptive and incur unnecessary costs. However, the advantage of being small, as opposed to big businesses, is that it gives a company more freedom to be pragmatic and creative regarding their business's strategic directions, including the implementation of environmentally friendly strategic alignment (Kaletnik & Lutkovska, 2020). In this case, the study's goal was to create and validate an outcome experience of small businesses that closed due to the coronavirus outbreak, specifically the experiences of small entrepreneurs. The qualitative methodology offers the researcher many opportunities for collecting the data using different methods. Also, it is highly accurate since the researcher can gather the data and cross-check its accuracy. Furthermore, it enabled the researcher to collect the same data using different methods, enhancing its reliability.

In this light, future entrepreneurs will know what businesses can last so that they will not have to close amidst unfortunate events. Future entrepreneurs can put their skills to use in the event of a disaster. In conducting this kind of study, many people can use this as a model to manage a business. Being knowledgeable about these topics can benefit others in the long run. The researcher concludes that it is hard for small entrepreneurs to catch up again. With all the rough times everyone faces, with this study's help, all people can learn more things as they state their personal experience of what happened.

### Literature Review

Economic recession studies and their effects on local businesses started on May 4, 2020, when Shafi et al. (2020) investigated Pakistan's small-to-medium-sized enterprises to culminate the COVID-19 disease outbreak. The COVID-19 seems to have had a significant influence on the Pakistani industry, and what they see now is undoubtedly shared by the rest of the civilized world. As a consequence of the low-lying industry, the company's financial well-being is the most harmed. Ozili (2020) investigated COVID-19 in terms of its worldwide economic effect. It shows how lockout days hinder business production and productivity gains when no one is involved due to the economy's pre-existing domino effect.

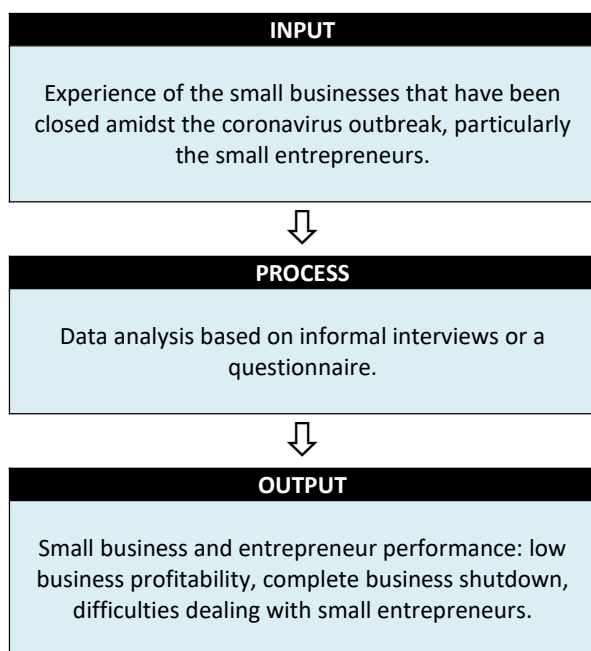
The study will examine the economic collapse, especially among small companies, amid the Coronavirus outbreak using grounded theory in the same way that Tuckerman et al. (2020) did, beginning with a question or collecting qualitative evidence from their personal or real-life answers. According to the data, the COVID-19 virus poses a worldwide epidemic risk. The COVID-19 pandemic's impact on Pakistan's small-to-medium-sized enterprises demonstrates that the businesses have been negatively affected, resulting in lower prices, profits, and, most importantly, economic cycles. The methodologies used in the associated analysis differed. Most of them were those that used the world meter or world statistics. According to Demiessie (2020), the COVID-19 health emergency has now morphed into an economic and labor financial meltdown, impacting the supply and productivity of products and services and consumer and investment demand. Moreover, data analysis showed that the trade surplus among countries is declining. Foreign investment has reduced, and global unemployment is projected to increase (Abé Ndjié, 2020).

Almost all of the above studies discuss the significant effect of COVID-19. It clearly demonstrates how COVID-19 disrupts the flow of economic cycles, job rates, and demand when the lockdown period is imposed. However, these experiments would differ from the researcher's because the researcher's work is about the operation. The testing approach to be used as things improve is real-time, casual interviews with small businesses, which is superior to the research that found that they only use the world meter or the world statistics.

## Theoretical and Conceptual Framework

The theory of reasoned action was created in 1975 by Icesk Ajzen and Martin Fishbein (Fishbein & Ajzen, 1975). It makes an effort to connect attitudes, behavior, and human action. This theory can be used to forecast people's behavior based on their intentions and current attitudes (Mishra et al., 2014). On the other hand, it is also anchored in accordance with the Grounded Theory by Anselm Strauss and Barney Glaser (1967). Like qualitative research, the researcher's study will begin with a question or the collection of qualitative analysis from their personal or real-life responses. When the researcher evaluates the data acquired from the collected data, the answers will hold the key to achieving the desired results. The theory's function is to promote the goal of answering the research questions. Since we all know that the thing that is occurring right now is a new situation for us, the researcher used simple theories since they are similar in that they analyze people's experiences and draw conclusions about the process's specific functions.

**Figure 1**  
*Conceptual Framework of the Study*



In line with the common difficulties faced by small entrepreneurs during the coronavirus outbreak, there is a need to prepare instructional materials that would collect the small entrepreneurs' answers from the business through informal interviews or questionnaires that would record the small business's or small entrepreneurs' performance, such as the following: low business profit, completely shutting down the business, and difficulties dealing with the small e-commerce.

## Statement of the Problem

This study aimed to develop and validate an outcome perception of the small businesses that closed amidst the coronavirus outbreak, particularly among small entrepreneurs. Furthermore, this study aimed to accomplish the following:

1. Establish a general plan for future entrepreneurs who are starting their companies in the near term.
2. Assess the strategies used by potential sovereign entrepreneurs when starting a company.
3. Recognize the importance of future entrepreneurs doing what is best for the economy in the event of a disastrous accident.

## METHODS

### Research Design

This study made use of a descriptive research design and a case study that aimed to answer the questions of how the coronavirus outbreak affected half of the market and business sectors and how they coped in the tragic state that occurred. Descriptive survey research is a method that combines quantitative and qualitative data to give us precise information (Nicdao et al., 2022; Tabuena & Hilario, 2021). By examining process changes and environmental factors, the researcher was also able to define and diagnose processes using the case study research design (Zeisel, 2006). In addition, it aimed to respond to the perspectives of small businesses on the effects of the coronavirus epidemic and what obstacles they have faced during the coronavirus outbreak in 2020.

### Sample and Sampling Technique

In some instances, the demographic dynamics are such that the distributions of the subgroups are grossly unequal. As a result, the convenience sampling methodology could be used in the above study. In order to get market research data, researchers may use convenience sampling, which is the practice of selecting respondents from a convenient pool (Fleetwood, 2023; Tabuena et al., 2021a). Due to how quick, simple, and affordable it is, this is the sample technique that is employed the most frequently. Frequently, members are easy to contact if they want to be included in the sample. The subjects are selected solely for their ease of recruitment. Since there are so many entrepreneurs in Banawe, Quezon City has a bunch of options. This method is considered the most straightforward and least time-intensive since, in the situation of this study, there is a company from which the researcher can collect data from various places.



## Research Instrument

The study made use of a questionnaire. It is an open-ended type of question about the difficulties experienced by small entrepreneurs amidst the coronavirus outbreak for the descriptive part of the study. An open-ended question was asked about how businesses run and manage their employees in the midst of the tragic state that the country is currently in. Each question is perfectly related to the research that can answer the perspective of those entrepreneurs who are facing tragedy at this time. Their answers can be the basis for a future entrepreneur's decision on what they will do when this tragic event happens to them.

## Data Gathering Procedure

The research instrument in descriptive research could be a survey questionnaire validated by two experts (Abrogar, 2022; Punzalan, 2022), specifically the instructor and coordinator at Espiritu Santo Parochial School of Manila, Inc. Another method is to hold informal interviews as part of the case study, validated by the subject's instructor and the coordinator. This quantitative data analysis technique is used to collect reliable information from people on a one-on-one basis. It should be an optional question, in which the respondent can choose the best answer for them. The researcher used a formal survey to conduct the research. Following the completion of the research, the researcher gathered data on the challenges faced by the respondents or their companies in the event of a pandemic.

## Data Analysis

The data was analyzed using descriptive interpretation based on the interview. If the data is evaluated using a questionnaire, it will be measured using the frequency distribution percentage or the average. However, if the interview measures it, a narrative analysis will respond to the respondents' real-life statements. This qualitative data approach is intended to highlight important points in the research as well as substantial aspects of the respondents' stories that will resonate with the readers (Sutton & Austin, 2015).

## Ethical Considerations

The researcher will be in charge of ensuring the safety of the entrepreneurs participating in the study. It will also guarantee confidentiality and anonymity when the participant's identity cannot be linked with personal responses (Tabuena et al., 2021b). The researchers will inform the participants about their rights. In terms of data analysis, no information will be disclosed during the data collection process.

## RESULTS AND DISCUSSION

### Establishing a General Plan for Future Entrepreneurs Who are Starting Their Companies in the Near Term

**Table 1**

*Frequency and Percentage Distribution of Years in Operation*

Years	Frequency	Percentage	Rank
1 year	5	58.80%	1
1 - 2 years	3	29.40%	2
3 years - above	2	11.80%	3
<b>Total</b>	<b>10</b>	<b>100.00%</b>	

Table 1 shows the years that have passed for the small entrepreneurs in the industry. 1 year, resulting in 58.80%, means that out of 10 respondents, five of them were in the industry for a year. Second, 1-2 years received 29.40%, implying that three out of ten respondents had been in the industry for a year. Lastly, the 3 years and above category rated 11.80%, which means out of ten respondents, two had been in the industry for three years and above. The majority of the respondents were in their beginning years. Though the study will assist in achieving its objectives through small entrepreneurs who have been in business for at least two to three years.

**Table 2**

*Frequency and Percentage Distribution According to the Industry*

Industries	Frequency	Percentage	Rank
Food Industry	2	11.80%	3
Electronics Industry	3	29.40%	2
The Health, Beauty and Fitness Industry	1	10.00%	4
Automobile Industry	4	48.80%	1
<b>Total</b>	<b>10</b>	<b>100.00%</b>	

Table 2 shows the different industries that the respondents belong to. The automobile industry had the highest rate of growth, with 48.80% of researcher respondents stating that the automobile industry was in high demand prior to the pandemic, followed by the electronics industry, which shows 29.40% in the table, then the food industry, rated at 11.8%, and the health, beauty, and fitness industry, rated at 10.00%. In this case, small business entrepreneurs were dependent on and competitive in the automobile industry, but they were conservative and restricted to the health, beauty, and fitness industries.

**Table 3**

*Frequency and Percentage Distribution According to the Business' Annual Revenue*

Annual Revenue (PHP)	Frequency	Percentage	Rank
5,000-10,000	5	64.70%	1
10,000- 15,000	3	23.50%	2
15,000 and above	2	11.80%	3
<b>Total</b>	<b>10</b>	<b>100.00%</b>	

Table 3 shows the percentage distribution of responses based on their company's annual revenue last year, in 2019. Five respondents gave a score of 64.70%, indicating that their annual revenue prior to the pandemic ranged from 5,000 to 10,000 (PHP). They were followed by three respondents rated at 23.50%, indicating that their revenue prior to the pandemic ranged from 10,000 to 15,000 (PHP). Finally, the two respondents rated at 11.80%, indicating that their revenue prior to the pandemic was between 15,000 (PHP) and above. This is in contrast of the preferred industry among the small business entrepreneurs shown in Table 2. If they preferred on the automobile and electronic industry, as shown in Table 3, there is a low annual revenue among them compared to the food industry and the health, beauty, and fitness industry, which are necessities during the pandemic.

**Table 4**

*Frequency and Percentage Distribution According to the Business' Annual Revenue*

Status	Frequency	Percentage	Rank
Decreasing	5	58.80%	1
Break-Even	3	29.40%	2
Increasing	2	11.80%	3
<b>Total</b>	<b>10</b>	<b>100.00%</b>	

Table 4 shows the percentage distribution of the response to the outbreak and how the business's revenue was in 2020. Five respondents rated 58.80%, stating that their revenue was decreasing when the pandemic occurred. Followed by the three respondents rated at 29.40%, their revenue was break-even. Meaning their income is equal, and there is neither profit nor loss. Lastly, the two respondents rated at 11.80%, stating that their revenue when the pandemic happened was increasing. This data supports the findings in Table 2 and 3. Meaning, in establishing a plan for future entrepreneurs who are starting their companies in the near term, they must focus on the needs of the consumers depending on the state of ones country or region, either on a pandemic state or other state that declared by government officials. This is important as this is part of the planning stage in developing a business, particularly for small business entrepreneurs.

**Table 5**

*Frequency and Percentage Distribution According to the Number of Branches Location (>1)*

More Than 1 Branch Location	Frequency	Percentage	Rank
Yes	2	11.80%	2
No	8	88.20%	1
<b>Total</b>	<b>10</b>	<b>100.00%</b>	

Table 5 shows the percentage distribution of the responses on whether their business has more than one location. Eight respondents scored 88.20%, indicating that they do not have more than one location or that their company has only one branch. Two of the respondents rated at 11.80%, meaning they do have one more location for their business. It is helpful for them to acquire more than one (1) branch location as they increase their revenue. Though it is difficult for some to have more than one (1) branch location, it is recommended on the part of the planning stage in developing a business, particularly for small business entrepreneurs.

### **Assessing the Strategies Used by Potential Sovereign Entrepreneurs When Starting a Company**

#### *Company Challenges Encountered Amidst the Pandemic and Its Impact on the Market*

When the pandemic happened, the respondents' or their company's problems in terms of the COVID-19 crisis reduced their clientele. Customers are fleeing their marketplace as a result of the lockdown. Another issue they faced due to the lockdown was restricted product availability given the limited purchases that were introduced to reduce the crowd outside. Worst of all, their company had to close its doors. Particularly during the lockdown, which led to a customer shortage, their operations had to be halted because they would be in the middle of paying their bills and would not have customers.

The impact of the coronavirus outbreak on the industry, notably for small business owners, reduces outgoing stocks, which affects the company's sales. It lowers revenue and makes adjustments to the tight budget's expenses. The economy suffers as a result of the lockdown, with businesses forced to close their doors due to a lack of customers. Some of the respondents had declared bankruptcy and were attempting to resurrect their small businesses.



### *Company Coping Strategies and Entrepreneurs' Perspective on the Tragic State*

The small businesses cope with this tragic state by being unable to do anything because the business industry is closed. The company just hoped that the reopening of the industry would resume and be safe for the public. They were helping one another's businesses earn money by reselling and being distributors. They also used other platforms, such as Shopee and Lazada, to gather buyers and conduct virtual transactions. Then they focused on marketing to reach more people than my immediate area.

Their perspective on the effect of the outbreak on other entrepreneurs like them dramatically affects the entrepreneur. Because the industry has been severely impacted by the pandemic, some entrepreneurs have been forced to close their doors in order to avoid further financial loss. Just keep going and think in a positive rather than a negative way. With low sales, this pandemic is part of this journey. We should not give up selling because this too shall pass. Entrepreneurs are expected to be dynamic and adapt to any changes. If you do not know how to reiterate, then your business is going nowhere. The pandemic has directly impacted profitability, especially for small businesses. However, it was also when many people began doing online business, which is both a positive and a negative thing because there are many competitors in the online market.

### **Recognizing the Importance of Future Entrepreneurs Doing the Best for the Economy in the Event of a Disastrous Accident**

#### *Advice and Expectations for Future Entrepreneurs*

The respondent's recommendations to future entrepreneurs are that they should always prepare their company or their business for things like this. Save their money in case something like this happens to avoid bankruptcy. They should always take the risk and not give it up if they want it to grow. To focus more on marketing, be their type of person; be dynamic but also people-centered. It might be expensive, but it will be worth it in the long run.

This study's primary purpose was to validate the upshot experience of the small businesses that have been closed amidst the coronavirus outbreak among small entrepreneurs. The effect of the coronavirus outbreak does affect the market, particularly for small entrepreneurs. It lessens the outgoing supplies that affect the company's revenue. Because of the tight

budget, it reduces income and necessitates adjustments to expenses. Due to the lockdown, the economy decreased to the point that they had to shut down their business due to a lack of customers. Some of the respondents had gone bankrupt and were attempting to resurrect their small businesses.

Furthermore, in the said research, the other findings were that entrepreneurs are expected to be dynamic and adapt to any changes; if you do not know how to reiterate, then your business is going nowhere. The effect of the pandemic is terrible, especially for small businesses in terms of sales, but it was the time when many people started doing online business, which is also a good thing and also a bad thing since there are many competitors in the online market.

## **CONCLUSION AND RECOMMENDATIONS**

Based on the results of the economic crash of small businesses despite the coronavirus outbreak, the researcher derived and formulated the following conclusions under the statement of the problem; based on the discussions' findings, the respondents' or their companies' problems in the event of a pandemic are listed. Their clientele has shrunk as a result of the COVID-19 epidemic. Customers are avoiding their marketplace as a result of the lockdown. Another impassable obstacle they encountered as a result of the lockdown was a limitation on the availability of goods due to the limited transactions carried out to decrease the crowd outside. Worst of all, their enterprise had to be closed down. Due to a lack of customers, especially during the lockdown, their operation had to be halted because they would be inept at paying their bills.

Small enterprises can't handle this tragic state because the corporate sector has been closed down. The company had only hoped that the reopening of the sector would restart and be secure for the people. They were helping each other make a profit by reselling and becoming distributors. They have used other websites, such as Shopee and Lazada, and other social media sites to gather customers and conduct virtual transactions. Then they concentrated on marketing to attract more people. The respondent's advice to aspiring entrepreneurs is always to plan their company or their business for stuff like this. Save their capital in case anything like this happens to stop bankruptcies. They are always supposed to take the risk and not give it up if they want to grow. Be their kind of people; be dynamic but still human-centered. More emphasis on marketing; it may be expensive, but it will be worth it in the long run.



In the light of the findings and conclusions of the study, the following recommendations are at this moment offered: more research into the need for and effectiveness of the presentation and content of this

research is necessary, as is an excellent argument for market research relevance and the significance of entrepreneurship and community education.

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### Author(s)' Statements on Ethics and Conflict of Interest

**Ethics Statement** The author/s hereby declare that research/publication ethics and citing principles have been considered in all the stages of the study. The author/s take full responsibility for the content of the paper in case of dispute.





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