WHEN THE GOING GETS TOUGH: NARRATIVES OF TRADITIONAL BUSINESS SURVIVAL THROUGHOUT CRISIS

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Abstract

The COVID-19 Pandemic has resulted in severe difficulties, especially for those who are traditional business owners. Thus, there are different challenges that business owners have experienced. This study was designed to identify the coping mechanisms of traditional business owners when a pandemic hit them. The participants in this study were ten selected traditional business owners from Santiago City. The researchers used a narratology design that focuses on the life of a person to obtain a precise and correct response. In addition, the researchers used an open-ended interview method through an interview guide. The study found that the traditional business owners experienced business closures, the emergence of online selling, a downtrend in sales, heightened business compliance to safety protocols, financial difficulties and emphasizing products and services, strengthening customer relationships and loyalty, adapting personalized public health measures, aligning the traditional business to innovative business trends and promotion through virtual channels are their ways to cope up and keep their business afloat amidst COVID-19 Pandemic.

Keywords: Traditional Business, Covid-19 Pandemic, Coping Mechanisms.

1. Introduction

A local shop that provides services or goods to local clients is considered a traditional business. It is a setup in which clients must physically visit the business to purchase things (Shopaccino, 2020). A business owner, also known as an entrepreneur, is someone who can establish a new firm, take on the risks that come with it, and then enjoy the advantages, whether they are profitable or not. However, in the aftermath of the Coronavirus pandemic, companies have experienced massive losses, and entrepreneurs around Santiago City are struggling to keep their enterprises afloat (Julianne, 2020).

The Covid-19 Pandemic has changed how people in Santiago City work, live, and connect. Because of how infectious the illness is in social situations, government authorities have enacted a slew of restrictions and regulations to curb its spread. However, this change from physical to digital sales has long been a component of certain firms’ business plans, thus, they are untouched by the Pandemic.

In this context, the innovative Covid-19 Pandemic has challenged entrepreneurs’ previous business learning beyond a broad understanding of crisis or failure. As a
result, entrepreneurial activities held at Covid-19 may provide entrepreneurs with fresh learning opportunities that are critical to the company's existence (Afshan et al., 2020).

During Covid-19, new entrepreneurship research is critically required to steer the entrepreneurial viewpoint to maintain and scale-up firms. The impetus for this research stems from the present Pandemic, which has wreaked havoc on micro, small, medium, and large-scale businesses. During this crucial period, entrepreneurs sought financial assistance, changed company models, shifted to digitalization, and so forth. The Pandemic has opened up new areas for study into support measures for maintaining entrepreneurial activity in the face of pandemics (Nasar et al., 2021).

Because businesses have been hard struck financially because of their limited resources and experience, new strategic methods for small and medium-sized firms (SMEs) could assist raise the possibility of surviving the Pandemic's effect. A strategy with dimensions might be of interest based on a shared understanding of issues that could affect how firms cope with their existence (Gregurec et al., 2021). Thus, this research study aims to contribute to entrepreneurial owners, academics, and colleague researchers at COVID-19 in Santiago City. It aids in the knowledge of pandemic-sensitive business trends, which may help enterprises owned by the people of Santiago City. The researcher would also explore entrepreneurial learning obtained during the COVID-19 Pandemic, the challenges they experienced, and the coping mechanism undertaken to transform businesses.

1.1. Statement of the Problem

This study aims to unveil the coping mechanisms of traditional business owners amidst COVID-19 Pandemic in Santiago City, specifically the following:

1. What are the experiences of the traditional business owners during the COVID-19 Pandemic?
2. What are the problems associated with the lived experiences of the traditional business owners amidst COVID-19 Pandemic?

2. Materials and Methods

The method used in this study was narratology design. Narratology study focuses on the life of a person. This is an approach to qualitative research that focuses on exploring respondents’ lived experiences. Particularly with the paper's topic, it is more efficient to study the problem with the qualitative research method to get exact answers to the research interview from different viewpoints. Therefore, this research design is appropriate for the study as it aims to determine the coping mechanisms of traditional business owners amidst COVID-19 Pandemic.
2.1. Participants

The participants of this study were ten (10) chosen traditional business owners from the City of Santiago who struggled during the COVID-19 Pandemic and what coping mechanisms they used to survive. The researchers used a purposive sampling strategy that relies on their judgment when choosing members to participate in their interviews based on the study's objective.

2.2. Research Environment

The study was conducted in the City of Santiago. The researchers chose traditional business owners to know their coping mechanisms when the COVID-19 Pandemic arises.

2.3. Research Instrument

This research used the open-ended interview method through a researcher-made interview guide to know the coping mechanisms of the participants to obtain genuine opinions and perceptions from the participants.

2.4. Data Gathering Procedure

The researchers used a depth interviews to conduct this study and collect the needed data and information. The researchers sought permission first and inquired about the respondent's most convenient time to conduct the interview. The interview was administered in a manner in which the participant felt comfortable and was reassured of anonymity. The researchers used voice recorders to record every detail of the interview with the participant's consent.

3. Results and Discussion

Experiences of the Traditional Business Owners During the COVID-19 Pandemic

Concept Map on the Experiences of the Traditional Business Owners During the COVID-19 Pandemic
THEME 1: Rock-strewn business

The pandemic made it more difficult for the owners to keep their businesses stable and running. But, on the other hand, the unprecedented event has also awakened entrepreneurs' qualities, allowing them to be resourceful and vigilant.

SUBTHEME 1: Keeping business operations afloat

While it was challenging for the business owners to battle with all the difficulties posed by the COVID19 Pandemic, it is apparent that they do all their means to make ends meet to keep the business in operation. On the brink of losing their trade, the business owners make various ways to keep the business running. A participant shared that:

"just continue to sell, they said "just go with the flow", whatever they think can help them to survive"

"Think of an alternative way in order to have a continuous income, because we used to have income"

The impact of the Pandemic to businesses is undeniable, affecting all facets of the business, which required owners to revisit their operations and resort to short-term strategies to keep the business running and as a survival means. According to Chaus (2020), The Global pandemic has impacted almost all the functions of businesses like sales, marketing, imports and exports, investments, human resources, operations, etc. The majority of the companies are facing a downfall in their sales and suffering from significant losses. The global Pandemic has been very harsh to the majority of the company, forcing them to review their business management strategies. Focusing on improving the short term business management strategies can help the organization to survive during this Pandemic.

SUBTHEME 2: Overcoming intricate business schedule

During the peak of the global infection rate of the virus, the government mandated that people be restricted from physical contact. In contrast, businesses struggled to conduct the usual “business operations”, resulting in meager income.

"when there was a lockdown, as in nothing came out, nothing, you couldn't sell. When alerted at level 3, people said, "Not everyone can go out at their age, or if you don't have a vaccine, you can't go out." So not everyone here in Santiago is vaccinated, so the others won't buy, and they'll just buy from nearby in their house, or they'll just stay, so that the person who goes to Santiago will be a little slower."
In worst cases, business owners experienced having so few buyers to almost none because of the government restrictions and protecting the people from getting infected with the disease. Goislin & Wiley (2020) discussed how the pandemic restrictions have affected schedules and business closure and stated that closures have a significant social and economic impact. In terms of business closures, it has caused unemployment and economic harm. Hence, one of the major hindrances businesses face during infection control protocols is having the usual schedule and operations of businesses disrupted.

**SUBTHEME 3: Pursuing creative and innovation Entrepreneurship**

In search for other ways to keep the entities surviving, the business owners were also compelled to be creative and innovative in running the business. They tried to engage themselves in other strategies and other platforms to gauge the interest of consumer’s despite the Pandemic. In fact, participants said that:

"*We tried rolling, selling house to house like that--delivery, and we tried to deliver for free when the gas was not yet expensive."

"*At first it was online, online (online selling) because it wasn't a trend before, but when there was a pandemic, even those who didn't know how to use a gadget learned that it was because everyone needed it."

"*I didn't just sell; I used to just sell shoes and slippers. I already have a mask for what people buy. Spray Max Glows to clean the cr plate like that, especially the mask. I added others, not just slippers”

According to Caballero-Morales (2021) The quarantine and disruption of non-essential activities as a measure to contain the COVID-19 Pandemic has negatively affected all economies around the World. This has had a deeper impact on small and medium enterprises (SMEs) in emerging economies because they have very limited resources and vulnerable supply chain and business-to-business/business-to-client relationships. In this context, it is expected that after the Pandemic many of these enterprises will disappear as the “new normality” will require changes in business and infrastructure management. To reduce this risk, innovation is identified as a key aspect of business recovery in the ongoing and post-COVID-19 pandemic period. These results provide insight regarding innovation as a survival tool for SMEs during and after the COVID-19 contingency, and the use of digital resources is identified as the main facilitator for networking and research-based design of innovative products within the “social distance” context.
SUBTHEME 4: Facing the virtual business world

One of the identified ways to adopt businesses to the aftermath of the Pandemic is to transition the business to virtual platforms, in order to reach the customers through safe and protected interaction. A participant verbalized that:

"What did I do is like on Facebook I just did on my cellphone (it’s online selling) yes online selling. I asked my son/daughter to sell it online it helped me a bit, it helped me somehow."

According to Anthony and Petersen (2021), enterprises are surviving in a digital transitioning society. The creation of strategic alliances is a critical result of this constant change during the coronavirus 2019 (COVID19) pandemic. A medium of conducting business where organizations can share their main capabilities in order to strive in a pandemic is the creation of Virtual Enterprises. The impacts of the COVID-19 Pandemic on organizations have significantly changed rendering many business models obsolete (Zangiacomi et al., 2020). Hence, digitalization has become increasingly vital for Virtual Enterprises seeking to survive and achieve competitive advantages amidst the COVID-19 Pandemic.

SUBTHEME 5: Turning crisis-induced adversity onto opportunity

Although the Pandemic has caused a lot of disadvantages particularly to businesses, there is also a silver lining amidst the adversity because of the opportunities that has been given for the business owners, may it be in form of expansion or adding a virtual platform for the entrepreneurs, enabling them to expand their knowledge and venture to better Pandemic designed practices. A participant shared that:

"what's matter now, it's online, that's the only thing that's hitting now"

"just sell it online, like that. (for what) So that, even if there is a pandemic again, there's a source of income for daily needs."

In the study of Kim (2020), COVID-19 has affected everyone’s daily lives. People have been asked to stay at home to slow down the Pandemic. In this aspect, businesses have been susceptible to make substantial transformations. Workplace operations of many businesses went virtual. The effect of the digital transformation on productivity and corporate culture has been studied extensively. Consumer insights during the Pandemic indicate that the market is transitioning to e-commerce. The rise of online shopping provides new opportunities for harnessing success after COVID-19.
A. Problems Associated with the Lived Experiences of the Traditional Business Owners Amidst COVID-19 Pandemic

Concept Map on the Problems Associated with the Lived Experiences of the Traditional Business Owners Amidst COVID-19 Pandemic in terms of their Business Operations

THEME 2: Problems encountered on Business Operations

As the nation continues to battle the spread of COVID19, the heads of states and countries implemented health necessary regulations and restrictions which people have to adhere to, and as a result, business operations were troubled and faced business closures, emergence of online selling, downtrend in sales and heightened business compliance to safety protocols.

SUBTHEME 1: Business Closures

Entities were forced to temporarily close during the lockdowns, hampering trade and business conduct. This has caused the business owners stop their operation, a participant stated that:

"During the pandemic, at the height of pandemic we were closed for several months."

Barrot et al., (2020) studied the effect of business closure during the Pandemic and found that the global health crisis caused by the outbreak of the Covid-19 virus has led many countries to implement drastic measures of social distancing in the absence of a vaccine or a cure. Social distancing measures are meant to limit interactions between people in order to curb the virus' propagation. They include shutting down public spaces and schools, as well as closing restaurants, shops, and certain economic activities. Despite their expected benefits for public health, social distancing rules also disrupt economic activities by shrinking consumption, and
restricting labor supply. An extrapolation of these preliminary findings suggests business closures might have cost significant amount, although saved lives so far.

**SUBTHEME 2: Emergence on Online Selling**

The advent of online selling can be traced years back, however, it is undeniable that online selling has bloomed more during the Pandemic due to restricted physical interaction and the convenience it has brought to the consumers. Online selling has become a ray of sunshine in dark times for the business owners who experienced business halt, a participant shared that:

"I find a way, I did online selling and plant stands since plantitas are trendy, that's why plant stands are in demand."

According to Madias & Szymkowiak (2022), during the Pandemic, there is an increase of online shopping. To clarify, consumers are aware of the risk of crowded spaces and they are trying to minimize their visits to public spaces, at the same time, in many countries shops were forced to close for specific time period in order to avoid gatherings of people, this resulted in enterprises to seek out for new solutions to keep selling their products. As mentioned above, social media has been used as a selling channel for some enterprises due to their functionalities. Due to the lack of time and budget, small and medium enterprises started using social commerce functionalities in order to keep being profitable without cost and in a short period of time. To clarify, Covid-19 and the lockdown were two unexpected events, having said that, businesses were not prepared on changing their strategies so social commerce was used as a solution as it provides the enterprises with functionalities that can be implemented without the need of excessive planning and organizing.

**SUBTHEME 3: Downtrend in Sales**

Inevitably after being hindered to perform the usual business operation due to government restrictions, businesses have observed a decline in sales. This is because not only are the consumers conscious with the repercussions of traditional buying but also because buying from nearer traders is more cost efficient, as concurred by a participant:

"Our sales went down a bit and then what was a bit of lacking"

"We're unsalable, and there's no one here. They must opt to buy in Talipapa rather than ride an expensive tricycle fare."

According to delBaldo et al (2022), the changes caused by the pandemic crisis have seriously affected economies and the business environment, with the small and medium-sized enterprises (SMEs) tackling new problems and vulnerabilities. Indeed,
the crisis has sharpened the difficulties faced by SMEs generated by globalization and by the existing conditions on domestic markets, increased competition, access to financing resources, the existence of bureaucratic and legislative barriers, and internal weakness linked to human and managerial resources. A dramatic drop in income has led to a lack of cash flow, with SMEs facing challenges in accessing funding sources and being more vulnerable to “social distancing” than other types of companies.

SUBTHEME 4: Heightened Business Compliance to safety Protocols

As restrictions have been imposed to the public, the businesses have suffered from loss of usual operational hours and decreasing profit, a participant mentioned that:

“Avoiding too much customer-seller interaction have made it difficult for us to sell our products, unlike before when it is normal”

This result is backed by the study of Sharma & Borah (2020) whereas, they have stated that restrictive measures to combat the Pandemic have affected the supply and demand segments, leading to a diminished production capacity, disruption of supply chains, and lack of financial, human, and material resources, making it ever more difficult for businesses to adjust with the new normal demanded by the current situation.

THEME 3: FINANCIAL DIFFICULTIES

Financial difficulties are intertwined with the above themes revealed in this study. As business owners are already struggling with operations, comes the financial difficulties particularly having frozen capital, meager profit and limited funding assistance.

Concept Map on the Financial Difficulties Associated with the Lived Experiences of the Traditional Business Owners amidst COVID-19 Pandemic
SUBTHEME 1: Frozen Capital

As returns become unprogressive and slow, the capital becomes stagnant, almost frozen as admitted by a participant:

"It is a bit sluggish”

"Weak, it has weakened since the pandemic”

"We don’t get the return that we used to have, business slack off”

This effect is undeniable as indeed without the ability to perform as before, businesses may have their finances stagnant. The closure of business premises on March 2020 has brought about a massive impact on this sector, mostly on tourists purchasing their products. The Covid-19 crisis contributed to the cash flow problem among SMEs. In that respect, entrepreneurs had to find a new approach to regain the capital they have invested in their businesses (Noor, Lamng, Ramli, Rahman & Afrizal, 2021)

SUBTHEME 2: Meager Profit

Subsequent to having lesser sales than before, the business owners also faced having meager profit. Due to uneventful business operation, the entity became unprofitable; hence, a participant relayed that:

“Weak, it has weakened since the Pandemic. Of course, consumers don't have what you used to have, and canteens are our customers who don't do face-to-face transactions, so our sales slowed down”

“We're unsalable, and there's no one here”

The effect of Pandemic in the economic sphere particularly in profitability is truly observed as according to Alao et al (2020), the Pandemic has brought major disruptions worldwide, with further impacts yet to be felt. For many businesses, operations are curtailed or dramatically shifted, and supply chains are disrupted. Businesses are dealing with lost revenue and disrupted supply chains and there has been significant volatility in financial markets.

SUBTHEME 3: Limited Access to Funding Assistance

All throughout battling the negative effects of the Pandemic to the small entities, the owners found it hard to seek assistance from external players, which could have been a crucial aspect in keeping the business afloat, hence a participant said that:
"We do not know where to seek financial assistance"

Khan (2022) studied the Financing constraints and firm-level responses to the COVID-19 Pandemic and found that the stringent government-enforced lockdowns, restricted mobility, and business closures worldwide have stalled production, disrupted global supply chains, affected consumer demand, caused mass layoffs, and ultimately caused a decline in revenue, earnings, and cash flow for numerous businesses.

This deterioration in economic conditions has posed severe challenges to the survival, liquidity, and solvency of small businesses, thereby prompting many governments to engage in various policy interventions primarily aimed at helping firms manage the crisis determine that financially constrained businesses were more likely to experience liquidity and cash flow problems and more likely to experience increased credit risk, as proxies by the probability of being overdue in meeting their obligations to financial institutions. Furthermore, it is determined that financially constrained firms were less likely to have access to the traditional bank funding to address pandemic-induced liquidity and cash flow problems and were more likely to use alternative financing sources, such as trade credit, government grants, and informal sources.

**THEME 4: Coping Mechanisms of the new Traditional Business Owners**

In spite of the hardships experienced during the Pandemic, the business owners managed to maneuver the business in order to survive against all odds. Their identified coping mechanisms includes emphasizing products and services, strengthening customer relationship and loyalty, adapting personalized public health measures, aligning traditional business to innovative business trends and promotion on virtual channels.

**B. Coping Mechanisms of the Traditional Business Owners**

*Concept Map on the Coping Mechanisms of the Traditional Business Owners amidst COVID-19 Pandemic*
SUBTHEME 1: Emphasizing Products and Services

As soon as the business owners realized that they needed a differentiated strategy in order for the entity to survive the adversities of the Pandemic, they began utilizing their unique selling propositions as one of their key ways in battling difficulties, hence a participant shared that:

"low price (having a low price). Yes, low price. That's what we do"

"We advertise our best products using FB"

Stressing the strength of the products being sold and providing quality service is undeniably a means which will allow businesses to stay on track and minimize the impact of the Pandemic. According to Crick & Crick (2020), the Covid-19 crisis can be regarded as a difficult situation for microenterprises due to its abruptic threats. The results suggest that there is no systematic or formal management to crisis employed by micro-enterprises; nonetheless, their responses towards crisis are more ad-hoc to reduce the impact. Entrepreneurs seemed to demonstrate their ability to survive in their business by undertaking several business continuity approaches and recovery strategies, especially in terms of product delivery and marketing.

SUBTHEME 2: Strengthening Customer Relationships and Loyalty

Building rapport and good relationship with customers precedes customer loyalty. And with customer loyalty, business owners are least bothered of plummeting sales and profit. Hence, building this kind of bond with customers is a good strategy for entrepreneurs amidst Pandemic, as verbalized by a participant:

“Getting in their good side and building good relationship makes them come back”

Rendering quality service to develop customer loyalty is an old but gold narrative in business, and it is now said to be an adaptive measure in this time of Pandemic according to Nautwima & Asa (2022). Quality service is a measure of the customers’ perceptions of the expected service against the actual service performance. Therefore, companies aspiring to outcompete their rivals adopt it as a tactic to satisfy both the internal and external business customers. The study amended the SERVQUAL model by moderating the impact of COVID-19 to develop a conceptual framework that future studies can adopt and/or adapt to examine the phenomenon and underscore that customer satisfaction varies with changes made to the service. In this respect, amending services, precisely amid COVID-19, to adhere to the mitigating measures imposed by the government to curb the spread of the virus is said conclusively impact service quality.
SUBTHEME 3: Adopting Personalized Public Health Measures

Apart from the imposed health measures by the local government, it has also been identified by the business owners that it is a must that they have their own health measure not only for the sake of the customers, but also in consideration of the employees and to ensure that the business will continue to function without any of the personnel getting infected of the disease, thus, a participant said that:

"also, to keep ourselves safe and not get quarantined, because it will cost us more if we get infected, the business will be affected"

According to Gultom, et Al (20220), it is necessary to implement Human Resource Management that is good and following current conditions. When discussing human resources for business, it means that the appropriate HRM mission and practices should be designed to address the Company's short- and long-term needs and how to try to meet them. Hence, even during the Pandemic, it is a must that Human resource management must be adoptive with the current situation and restrictions in order to cope up with the changing business landscape brought about by the challenges.

SUBTHEME 4: Aligning the Traditional Business to Innovative Business Trends

Apparently, most of the traditional businesses had a tough time coping with the effect is of the Pandemic as it is hard to reach customers who preferred to stay at home and avoid exposure to the virus, as a result, most consumers opted to buy online rather than visiting traditional stalls. This practice paved way for the traditional business owners to develop their skills and adopt to digitization, allowing them to broaden their perspective in conducting business operation, as such, a respondent verbalized that:

"We learned to use the cellphone, and internet, I asked help so I can use it and sell"

According to Nasution & Febiaty (2022), the emergence of ecommerce is a market digitization process, especially during the current Pandemic. Small and Medium Enterprises are one of the main actors in the process of digitizing the market. Changes in the conventional marketing system require Small and Medium Enterprises to also change the marketing system for their products to survive in the market.

SUBTHEME 5: Promotion on Virtual Channels

Congruent to preceding result, one of the strategies employed by the business owners is utilizing the availability and rampant use of social media and other virtual platforms in order to survive the Pandemic. One of the participants stated that:
“Think of an alternative way in order to have a continuous income, we used Facebook posting, or TikTok live (showing the products), for instance, so we can still advertise our products”

Similar to preceding findings, utilizing available virtual channels indeed helps out businesses in continuing hampered traditional marketing and selling. The digitization and use of electronic based commerce indeed helps navigate the business towards survival amidst the Pandemic. Nowadays, Small and Medium Enterprises across the world are increasingly relying on eCommerce channels to create and capture value. The growth in eCommerce operations is being fueled by several global and technological developments. With the emergence of mobile commerce, most technologies are available through mobile applications and websites accessible through mobile phones. These sites have the functionality to develop links to operations, sales and marketing, and finance functions for businesses across the world. As businesses face the future, it is therefore imperative for to master best chance at responsiveness and continued survival: eCommerce (Bravo et al., 2022).

4. Conclusion

Based on the results of this study the following conclusions were drawn:

1. During the onslaught of the COVID19 Pandemic, the business owners experienced a rock-strewn time, especially in keeping the business afloat, keeping up with the government restrictions and adopting the transition of businesses to digital platform.

2. In terms of the problems associated with the lived experiences of the traditional business owners, accordingly, the entrepreneurs struggled against decline in sales, financial difficulties, and enforced health protocols. Also, the coping mechanisms of the business owners are emphasis of products and services, strengthening customer loyalty, and adopting to the new changes brought about by the Pandemic, particularly digitization.

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