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A Study On How Covid-19 Made A Significant Impact On Family Own Businesses

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Abstract:

The COVID-19 pandemic had a severe impact on family-owned businesses, especially in hospitality, retail, and tourism, leading to temporary closures and the need to adapt to new health regulations and remote work. Despite these challenges, many demonstrated resilience by adopting new business models and forming partnerships. Supporting their financial recovery is now essential.

Introduction:

Family-owned businesses, known for their deep community ties and personalized service, were heavily impacted by the COVID-19 pandemic. Many had to temporarily close due to government regulations, with those in hospitality, retail, and tourism suffering the most due to reduced foot traffic and disrupted supply chains. Even businesses that remained open faced challenges like adapting to new health regulations and remote work. Despite these difficulties, many showed resilience by adopting new business models, such as online sales, or partnering with other companies. Supporting their recovery is now essential as they continue to navigate the pandemic's effects.

Literature Review:

Chirico et al. (2019): Found that family-owned businesses in India are more likely to innovate, especially in developing new products and services, indicating their adaptability to changing market conditions and pursuit of growth opportunities.

Thomas's study: Highlighted the significant contribution of family-owned businesses to GDP and employment, emphasizing their economic impact.

Paul's study: Examined the evolution of family business literature and explored the factors influencing family-owned and managed businesses.

STATEMENT OF PROBLEM:

Family-owned companies have been significantly impacted by the COVID-19 pandemic, with many of them having to temporarily closed down or deal with other difficulties like supply chain disruptions, decreased foot traffic, and they have to implement new health and safety precautions. The issue is that these companies are frequently tiny and underfunded, which makes it challenging for them to recover from the losses they have incurred. These companies frequently have strong family ties and provide individualized customer service, both of which may be challenging to maintain in the context of the new normal of social isolation and distant employment. Many family-owned enterprises are therefore at risk of closing permanently, which might have a long-lasting effect on regional economies and communities.

Annexure :

- 1)HOW DID COVID 19 AFFECT YOUR BUSINESS?
- 2)ARE YOU BACK TO THE BUSINESS HOW YOU WERE BEFORE 2 YEARS?
- 3)ARE YOU PREPARED TO FACE ANY SUCH PANDEMIC IN THE FUTURE?

Data Interpretation and Analysis:**1. THIAGARAJAN AGRO PRODUCTS LTD****• HOW DID COVID 19 AFFECT YOUR BUSINESS?**

The business took the difficulties as challenges and came up with solutions for every problem which did not affect the operation. The business was running more profitable during the pandemic because the public demanded for more product as it comes under the category essential item.

• ARE YOU BACK TO THE BUSINESS HOW YOU WERE BEFORE 2 YEARS?

The business is making more profits now than before 2 years ago.

• ARE YOU PREPARED TO FACE ANY SUCH PANDEMIC IN THE FUTURE?

Yes, Mr.Thineth is ready to face any obstacles because he believes in his hardwork and plan. Moreover, he is into the food industry which does not get affected during pandemics.

2. MILAN GARMENTS SHOP

OWNER- Mr. Amar

• HOW DID COVID 19 AFFECT YOUR BUSINESS?

The pandemic affected the business sales drastically. People did not consider clothes as essential and due to government rules of lockdown and quarantine they were locked inside their house. There were only 10% sales in 2 years. They also reduced the number of workers and who remained, reduced their salary to 50%.

• ARE YOU BACK TO THE BUSINESS HOW YOU WERE BEFORE 2 YEARS?

Slowly the business is coming on the track and its blooming month over month. Within next 6 months the business will start operating in a more successful way than it was 2 years. ago. Also, the removed workers are hired again and the salary of the workers have been increased.

- ARE YOU PREPARED TO FACE ANY SUCH PANDEMIC IN THE FUTURE?

Yes, now Mr. Amar has decided to do savings and open his business online too. He is all ready to face any other pandemic with patience and ease.

3.RAJU GROCERY

Owner-Manish

- HOW DID COVID 19 AFFECT YOUR BUSINESS?

COVID-19 had a significant impact on the business, as we had to temporarily shut down our store for a few weeks due to lockdown restrictions.

- ARE YOU BACK TO THE BUSINESS HOW YOU WERE BEFORE 2 YEARS?

Yes, they are back to the business how they were before 2 years ago because now people regularly come to their grocery shop for purchasing their day-to-day needs.

- ARE YOU PREPARED TO FACE ANY SUCH PANDEMIC IN THE FUTURE? According to Mr. Manish he don't think there will be any pandemic in future, because such extreme events happen once in 100 years.

4.RAYAN ENTERPRISES

Owner- Zakir

- HOW DID COVID 19 AFFECT YOUR BUSINESS?

The business was shut during the covid. And because of this the customers were not purchasing and also, they reduced their expenses.

- ARE YOU BACK TO THE BUSINESS HOW YOU WERE BEFORE 2 YEARS?

Not yet. They are still recovering from the loss that was incurred.

- ARE YOU PREPARED TO FACE ANY SUCH PANDEMIC IN THE FUTURE?

For now, they are not ready to face any such pandemic because still they have not recovered from the losses.

5.VICTORY ALUMINIUM COMPANY

OWNER- Syed Ibrahim and Meera Sahib

- HOW DID COVID 19 AFFECT YOUR BUSINESS?

The covid did not affect the business a lot.

- ARE YOU BACK TO THE BUSINESS HOW YOU WERE BEFORE 2 YEARS?

Yes, the business is back in the field and is doing much better that the last 2 years.

- ARE YOU PREPARED TO FACE ANY SUCH PANDEMIC IN THE FUTURE?

Yes, they know the tactics to face any such pandemic. But they hope that nothing like that hits everyone again.

Name of the business	Type of industry	Year of establishment	No.of days business shutdown
THIAGARAJAN AGRO PRODUCTS LTD	OIL	1977	0 DAYS
MILAN GARMENTS SHOP	GARMENTS	1975	304 DAYS OUT 730 DAYS
RAJU GROCERY	GROCERIES	2003	30 DAYS
RAYAN ENTERPRISES	SHOE	2002	121 DAYS
VICTORY ALUMINIUM COMPANY	ALUMINIUM	1994	121 DAYS

Objectives:

- To analyze the performance of Indian family run businesses during and after the Covid -19.
- To analyze the success or failure of Indian Family run businesses during Covid19
- To study how they tackled the hindrances and overcame with the loss.
- To study how they operated their business after Covid 19.

Findings:

- Thiagarajan Agro Products Ltd. (oil) faced no shutdown due to being an essential business.
- Raju Grocery benefited from already having an online presence during the lockdown.
- Rayan Enterprise (shoes) and Milan Garment (textiles) had prolonged shutdowns (121 and 304 days) due to being non-essential.
- Victory Aluminum also shut down for 121 days for safety, despite taking orders remotely.
- All businesses plan to continue operating in the future, followed social distancing, and are better prepared for future pandemics.

Suggestions :

- Garment and shoe businesses should prepare for future pandemics.
- Indian family-run businesses should establish an online presence for better resilience.
- All family-run businesses should take precautionary measures in advance of potential pandemics.
- The Indian government should provide incentives and distribution support to family-run businesses, especially those dealing in non-essential goods.
- Indian consumers are encouraged to support family-run businesses.

Conclusion:

Family-run businesses have faced significant challenges during the COVID-19 pandemic, including reduced demand, disrupted supply chains, and the need for new safety protocols. Many have had to make tough decisions like reducing staff and expenses while adapting their business strategies. Despite these hurdles, they have shown remarkable resilience by launching new products, shifting to online sales, and establishing remote work. Their strong community ties and loyal customer bases have also provided support. As the pandemic continues, family-owned businesses are expected to play a key role in economic recovery and building more resilient communities.

References:

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2. *Amore, M. D., & Minichilli, A. (2021): Examines how family-owned businesses in Italy responded to the pandemic, highlighting their ability to quickly adapt to changing circumstances through innovation and strategic shifts.
3. *Kraus, S., Clauss, T., & Breier, M. (2020): Analyzes how family businesses in different sectors adapted their business models during the pandemic, with a focus on digital transformation and diversification strategies.
4. *Ward, J. L. (2016): Provides an overview of the unique strengths and vulnerabilities of family businesses, offering insights into their ability to navigate crises.
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