



# To study the impact of Covid -19 on Businesses and the road to economic Recovery

By

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## **Abstract :**

It has been noticed that corona virus has had an impounding and an everlasting impact on the various businesses. Not only the large scale enterprises are suffering from its impacts but also the small scale enterprises are gone off track from their vision of where they had to be.

The horizon of the impacts of corona virus cannot be measured as they are quiet wide and enshrouding. This health eroding disease has not only killed many people but has also made them financially very weak. In addition to its impact on public health, coronavirus disease 2019 (COVID-19) has caused a major economic shock. In this paper, we explore the impact of COVID-19 on the business sectors and how these businesses have paved their path towards having themselves developed. The COVID-19 outbreak is a sharp reminder that pandemics, like other rarely occurring catastrophes, have happened in the past and will continue to happen in the future. Even if we cannot prevent dangerous viruses from emerging, we should prepare to dampen their effects on society. The current outbreak has had severe economic consequences across the globe, and it does not look like any country will be unaffected. This not only has consequences for the economy; all of society is affected, which has led to dramatic changes in how businesses act and consumers behave. It has indeed become so difficult for the various businesses to restructure themselves as proper because this disease has caused an everlasting impact on the way the businesses would carry themselves.

**Key Words:** Economic Development , catastrophes, impounding, substantial, dampen.

## **Introduction :**

The business world is a field filled with companies who do and support businesses. This world of business has boomed and flourished a lot in the past three decades especially. With the age of IT and technology, many start-up companies are entering the field, hoping to break into the main market.

Globalization, competitive pressure, and the quest for productivity are major reasons and drive, causing the business world's structure to change drastically. Change is an important word in this rapidly changing business world, so people need to constantly adapt, perform, and overcome in order to survive.

But along with this aspect, we all know that the main motive of pursuing business is to earn a profit. And there have been several scenarios where a business person has resorted to unfair means to increase their product demand and gain more and more profit—all of these results to get exposure to various types of risks and hazards. Not having ignored the effects of COVID – 19 on business. The COVID-19 pandemic has followed by social distancing, and the lock-down has hit the business market so hard. Even the well-

established ones need to re-look how they manage and operate their business to keep the financial wheel turning.

### Objectives of the study

- 1- To study what impact COVID -19 had on the business sector and its effects on various businesses.
- 2- To evaluate the extent to which the graph of profits has affected the growth and survival of the business.
- 3- To elaborate why and which sectors were affected the most during the Pandemic situation.

### Literature Review:

**Anirudh Panjal (2019)** mentioned that the COVID-19 outbreak is a sharp reminder that pandemics, like other rarely occurring catastrophes, have happened in the past and will continue to happen in the future. Even if we cannot prevent dangerous viruses from emerging, we should prepare to dampen their effects on society. The current outbreak has had severe economic consequences across the globe, and it does not look like any country will be unaffected. This not only has consequences for the economy; all of society is affected, which has led to dramatic changes in how businesses act and consumers behave. This special issue is a global effort to address some of the pandemic-related issues affecting society. In total, there are 13 papers that cover different industry sectors (e.g., tourism, retail, higher education), changes in consumer behaviour and businesses, ethical issues, and aspects related to employees and leadership.

**Mansi Parekh (2020)** we offer some initial examination on how Covid-19 pandemic can influence the developments of CSR and marketing. We argue that Covid-19 pandemic offers a great opportunity for businesses to shift towards more genuine and authentic CSR and contribute to address urgent global social and environmental challenges. We also discuss some potential directions of how consumer ethical decision making will be shifted to due to the pandemic. In our discussion of marketing, we outline how we believe marketing is being affected by this pandemic and how we think this will change, not only the context of marketing, but how organizations approach their strategic marketing efforts. We end the paper with a identifying several potentially fruitful research themes and directions.

**Research Methodology and Data Collection:** The research paper is descriptive in nature and written with the help of primary data collected and secondary data available. The questionnaire was prepared and was circulated and data was collected .The data analysis was done and the interpretations and findings are noted down to come to some concrete conclusion .The research was undertaken with a sample size of 50 . The questionnaire was dispersed to a random sample selected by the researchers. The questionnaire was prepared, and the data was collected on a random basis.

### Theoretical view:

Unfortunately, the start-ups and small businesses impacted brutally, as they have scarcer funds to manage crises. However, some say that great companies often come out during market downturns. Many innovative entrepreneurs have stepped up to help with some old or new techniques and products. With the sudden change in the market due to COVID-19, the businesses needed to change their perspective on entrepreneurship. While some businesses have come to a standstill, there are a few opportunities that have knocked our doors. Investors are showing interest in funding potential COVID-19 solutions and also in industries that could thrive in the post-pandemic world.

When we talk about healthcare, there are a lot of people who are in need to consult doctors. Keeping that in mind healthcare at your fingertips is in high demand. Using wearable, data, and VR, one can make care more accessible and convenient at the comfort of their homes.

As the COVID-19 situation has not resided completely; people prefer to buy either local or online. Easy access to groceries on e-commerce platforms with safe delivery assurance is the major go during and even post COVID.

With virtual reality and virtual events, the 'real world' goes online. Though OOT platforms like Netflix and Prime were gaining popularity before the crises, the demand has gone up more than the expectation. Besides, with the venues shut down, people are finding peace at virtual stimulation of these entertainment events.

**Negative Impact on Businesses:** Over 82% of small businesses had a negative impact and showing adverse effects on health during Covid-19. The reports shared by Times of India, business Journals and Magazines shows that 95% of small firms are collectively facing the consequences and has got impacted. The national Lockdown is imposed and should be continued for health aspects, but businesses are ruined due to this pandemic. Even with progressive unlocking, 70% of businesses remained disrupted till August 2020 and 40% till the end of February 2021.

**Facts and Figures of Impact on Indian Economy:** In the gloom everywhere, we also have silver lining. There are many reasons to feel good, optimistic and cheerful. State Bank of India research predicts a contraction of over 40% in the GDP in Q1 FY21. For the states, the total loss due to COVID-19 is estimated at 13.5% of the total Gross state domestic product. The Ministry of Statistics released India's GDP estimates for Q4 FY20 at 3.1% while the overall GDP for FY20 is 4.2%.

**Positive Impact on Businesses:** Gradually people have accepted and started adapting COVID and this Pandemic situation very efficiently. Government is taking huge initiatives to bring back everything to normal. Social distancing and masks are the primary rules to be safe. The care and share has started. People have started giving time to families may it be by force. The recent SAARC video conference on COVID 19 has resulted in the establishment of a fund for regional cooperation to combat the pandemic. The giant country India contributed USD 10 million to the fund. Medical systems and its dedication cannot be ignored. We have understood the gaps and now we all will be working towards filling them and coming out of this serious disease soon. There will be many discoveries and innovations in all affected sectors or spheres at national, regional and global contexts. People are attracted towards traditional and healthy food. The consumption habits have improved lot.

A drastic reduction in waste and plastic has been observed. Need a policy on indigenous medicine is much appreciated. Freedom to Indian companies to manufacture medicines is also welcomed by people in huge number. The usage of cars have been reduced to a greater extent due to lockdown and quarantine period restrictions which has lead the positive implications like Greenhouse gases reduction and saving mother earth from climate change.

## Global Impact:

1. Hospitality sector has shut its doors worldwide.
2. Most of countries now in recession
3. New Vacancies are Still very low in many countries
4. Commercial Flights are below normal levels
5. The global Tourism Industry is Crumbling
6. Boost to Online Shopping.
7. Pharma companies the major survivors
8. World Economy is struggling hard with rising Unemployment issues
9. Difficult period for Job seekers and Start ups.
10. Big shifts in Stock Markets, the FTSE dropped 14.3% in 2020, its worst performance since 2008.

## Major Findings from the Research:

1. 74% people believe that Covid-19 has a huge impact on business.
2. 76% people believe that the quality of business practices and process is deteriorated.
3. 52% People have shown major impact on Travel Industry.
4. 64% people agreed on Covid -19 have reduced the job opportunities.

5. 76% people accepted the fact that Covid -19 has reduced the profit level of businesses.

**Conclusion:** It has been found out that COVID-19 has had a great impact on the business sector. Businesses are running short of finance s as to proceed with their functions. Every perspective of business has come down to a standstill position not knowing in which direction to proceed with. The Covid-19 pandemic has disrupted business schools worldwide mainly through the shift to emergency remote teaching. This disruption is going to lead to a decade-long technology-led remaking of business education. As far as the road towards the economic development is concerned the businesses are trying their level best to through these tough times by gathering funds from various sources so as to facilitate their growth and development and strive for achieving success that has been lost due to the substantial development of this life threatening disease known as Corona Virus.

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## Annexure :

### Questionnaire

- Q 1 To what extend has Corona Virus affected business as per your knowledge?
- Q 2 Has the quality of the business deteriorated?
- Q 3 Has the sense of doing the business changed as per your knowledge?
- Q 4 Which sector of business has been affected the most?
- Q 5 Why do u feel the selected sector has been affected the most?
- Q 6 Has COVID-19 increased the risk of doing the business?
- Q 7 Has raising capital fir any business been put to stake?
- Q 8 Has the profits reduced than what it was earlier?
- Q 9 To what extent has COVID- 19 motivated individuals to start their own business?
- Q 10 What effect has work from home had on the purpose of doing the business?
- Q 11 Has COVID-19 reduced the job opportunities for the upcoming generation?
- Q 12 What are the challenges faced by the business owners?
- Q 13 What measures should be taken to improve the conditions of the businesses.