

Impact of Covid-19 on Business and Future Trends

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Abstract

Covid-19, a pandemic which came from nowhere has impacted one and all. The life of people has disrupted and no one is in a position to tell his or her mental state or what future has in store for them. Business houses are affected largely as the industry came to a standstill since social distancing needs to be maintained and production is not possible in this scenario. None of us had ever expected such a situation. Corporate world is facing lot of difficulties to come out of this situation and are changing their strategies to sustain in the market. The objective of this paper is to understand the issues faced by business houses and the measures they are taking to come out safely. Many companies have been able to take advantage of the situation and grown. The study has been undertaken to view how Covid-19 has impacted differently to different type of businesses. To find facts qualitative data from newspapers, internet, magazines and websites for news was collected. The opinion polls and interactive sessions with small entrepreneurs who have been able to pave their way during this critical time and have been able to stabilize their hold in the market was done whose results are worth noticing. The study gives motivation to keep calm in this time of crises with the hope that it will pass soon.

Keywords: Covid-19 impacts, Lockdown, Opportunities, Pandemic, Strategical changes, Threats.

1. Introduction

In March, 2020 India was confronted by a shocking atmosphere where the basic culture of India was taken away. India is known for its culture of having a societal atmosphere where all meet and celebrate variety of festivals together. A disease came and all were forced to be alone to survive. As the cases began to increase the Government of India immediately took the decision to lockdown as a precaution seeing the state of other countries. This lockdown continued and still exists in phases at different levels in different states. The lockdown does not mean restriction to go out rather it means bringing everything on standby. All businesses; in production sector or service sector, travelling, education, social life, film and television sector and whatever field one could think of came to stop.

The most effected of these was business sector as it directly impacted economy of the country. With the stopping of production the need for employees reduced which generated unemployment issue. Reduction in sales forced some firms who had a good

position in the market to shut down as they could not meet the fixed costs associated with their business and many upcoming businesses were not allowed to show their worth and they left without being even noticed. Everyone talk about the challenges which this new situation has created but it is important to understand that it has widened the outlook. The thought process has changed leading to changed perception towards using those means which have not been given due relevance in the past. Online teaching mode being used in education is one such example of changed outlook. This concept existed in past but no one tried it as all were comfortable and satisfied with the traditional ways of education. Similarly in business people were using social media platforms for building firms image but for trading its usage got speed in this pandemic.

2. Literature Review

Covid-19 has hit the business sector badly. Startups are on the verge of closing, employment opportunities have fallen. To understand these effects bibliometric and science mapping approaches were used. The bibliometric study reveals that "In a short time span (four and a half months), 107 unique documents were published in Scopus and WOS from 71 different journals, 272 different institutes, and 61 different countries" (Verma and Gustafsson, 2020). The production of products was strictly stopped in most of the countries while some countries allowed the production of necessary items to continue to fulfill the basic requirements of the people. The companies which were dealing in information supply kept operative during this time of crises. So it is essential to understand the information intensity of products or services, value chain and essentiality of the products to have a better understanding of covid-19 effects (Seetharaman, 2020). Covid-19 has affected all sectors of the society, may be primary sector like agriculture, secondary sector like manufacturing or tertiary sector comprising of education, finance, health care, pharmaceuticals, hospitality, sports, real estate, information technology or food industry. Need is to find measures to help the sectors which are in the stage of collapsing and develop strategies for all sectors to revive in future and reestablish their hold (Nicola, 2020). The impact of covid-19 has made people realize that one needs to adjust to such type of changes as they crop up in some way or the other. Such crises had occurred in past and might occur in future too. So, people should learn to adopt to change. Due to covid-19 a sudden break came in everyone's life. If business is to be talked about it was observed that the pandemic made it difficult for the firms to estimate the demand properly. The supply chain is a decision which needs proper focus and strategy but in current situation nothing is normal and no strategies working. It is essential to focus on technology and go for sustainable supply chain to cope up with this unexpected changed market where all is unstable and unpredictable (Donthu & Norwegian, 2020).

3. Emergence of Pandemic

It is said that Covid-19 has its emergence from China and then it spread all over the world. Since it is infectious in nature but cannot be detected easily and has the ability to be transferred through the medium of contact or air, it spread like fire and by the time it

got recognition it took the world into its clutches. There are different theories regarding its evolution. Some say it is the result of some nuclear experiment which China was doing and the gas leaked which impacted all, while others say it is due to infected bats. The reason maybe any but we are all under a difficult situation and need to come out with courage and patience. Invention of medicine is going but vaccine will take time and till then need is to take protective measures. All sectors of society are putting their efforts to deal with this situation and are facing lot of challenges.

3.1 Impacted Sectors by Covid-19

Covid-19 has not spared anyone. To categorize some, we can broadly say that some of the impacted sectors are;

- Educational sector as all educational institutes were closed as a precaution immediately when this disease was detected and thereafter classes are though going online but have its own challenges.
- Service sectors like transport, hotels, Airlines, taxis were not allowed to operate.
- Recreational services like package tour providing agencies had no work as no one was ready to move out because of fear of getting infected.
- Even medical practitioners like dentists or other doctors having their clinics stopped opening their clinics.
- Event industry which lost its businesses as gathering became a threat and people stopped organizing functions.
- Cinemas and malls were shut down by government
- A daily worker who earns daily for his living lost his livelihood.
- Ladies, especially the working women who got double burden to do household affairs and operate online for official work.
- Elderly people, especially the ones with medical issues were restrained to move out as they are considered most prone to catch the disease. They start developing depression issues as they are habitual to social interactions and this is like putting them behind the bars.
- Common man whose routine, hectic life is brought to standstill.

4. Methodology

Though different people have been affected differently but impact on businesses affects all. Content analysis was made to understand the impact of this pandemic on different categories of businesses and how they have dealt with it. Have they moved out from the situation by adopting proper strategical measures or lost in front of the issues created. The study is all about the journey of different businesses during this critical scenario and finding out the challenges faced by them and measures adopted by them. It focusses on finding out through research that for which sectors the situation has been an opportunity and for whom a threat. The study was carried out on the basis of information freely available at different sites, newspapers and also through interaction with people to know their aspects on this burning issue.

4.1 Data collection

The data for study was made available through the medium of news, websites and communication with people. Word of mouth technique was very useful in tapping the sources of information. Business families who were in direct contact shared their experience and by linking one with other source good survey was possible.

4.2 Findings

The study clarifies the fact that Covid-19 has brought a drastic change in the way business are run. Neither the environment is same as before nor the availability of resources. The needs of consumers have also changed due to the availability of economic resources with them. People are refrained from going out which reduces the need for designer and fancy clothing or accessories which have always been a large market segment to cater to. Marketers are formulating new strategies to lengthen their existence in the market. New uses of products are portrayed before consumers which can satisfy the current needs of the consumers and appeals them. Many companies have changed or added a new range of products to get enough returns to sustain in market. It was observed that some firms have done really good in this time of crises and grown by opting for right opportunities at the right time. To elaborate it further analysis of the impacts was studied on different businesses individually rather than considering all as one.

5. Different Impact on different businesses

5.1 Opportunities generated by Covid-19 for businesses

- Small scale women owned home businesses have shown a positive response and believe that their businesses have been unaffected by the lockdown as they generally operate from home and run the business solely without much of help from other sources or extra infrastructure so they do not feel any financial burden. Since their market is small it has been easy for them to manage it in this situation also and satisfy their customer's needs.
- In online businesses a growing trend can be observed as people are avoiding going out due to social distancing and other restrictions. Stores providing home delivery like Amazon, Zomato and many more were highly in demand.
- Stores running apps like Paytm, Googlepay which allow ease to consumers in making cashless payments demand has also grown.
- Companies manufacturing products like masks, hand sanitizers and equipment like BP machines, oximeter which are highly demanded have grown over this period.
- Private academicians who have designed content for various courses have high demand since the schools and colleges are operated online and the e-content is needed to fill the requirement of detailed information.
- Work of doctors has increased. Their guidance is required which they provide through virtual mode.

- Retail business has prospered which deals in essential commodities as they were operative throughout this pandemic period.

5.2 Threats associated with Covid-19 to businesses

- Travel business has suffered a setback as people were initially not allowed to travel due to lockdown and still they travel only when it is necessary. Moreover, government has not allowed free travel as only limited travel modes are operative and that too with restrictions.
- Event organizers are another business sector which has been highly impacted as their business is completely closed because of immobility of people due to lockdown and social distancing norm laid by government.
- All malls and cinema halls have also faced an adverse impact. The entire businesses of marketing, advertising, film industry, television industry all have suffered heavy loss.
- Food outlets have been affected as now people prefer to eat at home to avoid any type of contact.
- Exports industry is another industry which is impacted adversely by the lockdown.
- Health centers, gymnasiums, clubs, slimming centers and beauty parlors were impacted as people were supposed to keep social distancing and avoid going to these places, though they may be offering good schemes.

Some businesses have been successful but majorly the revenues have fallen which has badly hit the economy of the country. Major loss has occurred to hotel, restaurant, tour, manufacturing and exports business and maximum benefit has gone into the hands of startups which are offered funding to fill the gaps which were created by changed business environment.

The different impacts on different businesses can be further categorized as less impacted, medium impacted and highly impacted sectors

Least impacted	Medium impacted	Highly impacted
e- commerce market places like amazon, Flipkart	Banking	Airlines, Travel and tourism
Entertainment , Games and Online streaming channels like Netflix, ,prime	Healthcare	Cuisine
Logistics and delivery like Alibaba	Education	Share Market, Oil and Gas
Video Conferencing like zoom , google meet	Automobile	Construction
Pharmaceuticals	Building material	Cinema
Consumer products like soap, Toothpaste	Real estate	Mining

6. **Strategical changes made by businesses/ Measures taken**

Businesses which have been able to bring a change in their strategical outlook and accepted to change themselves have been able to overcome the hurdles. The changes which prominently have come into notice are the inclusion of new product lines which are need of the hour. Many companies have started manufacturing sanitizers, masks of different varieties which they never dealt with. Retailers are also seen keeping masks and sanitizers irrespective of business they deal in. Women running small businesses like clothes or accessories have added new variety and products in their scope of dealing. They provide their customers home delivery of all that the customer needs. People running food businesses have also added variety in their menu as people desire for variety but don't go for eating out. In small towns and cities where home delivery facility was not available, retailers dealing in consumer products, medicines, vegetables and all other sort of goods are providing the facility to ease down the job of purchasing by the consumers. Many companies have gone for allowing the facility of work from home so that work does not stop and precautions are kept at the same time, while others have given flexibility of time and attendance. They call the employees in rotation. Since lockdown has made many people out of job, companies in order to curtail this problem have reduced the salary of employees and not removed anyone from the payroll. Hotel and other service providing businesses are working on formulating new strategies so that they can restart their businesses keeping government guidelines and safety of people into mind. Businesses are going for adopting social media more in their dealings. Unlike in the past where social media was use only to create brand image but now the objective is to interact with consumers and provide easy accessibility to them.

7. **Conclusion**

It is difficult to say how this pandemic came, how it will be impacting and for how much time its effects will remain. This phase came all of a sudden and before one could realize all was changed. No town, city, state or even country has been unaffected. Entire economy, education, businesses, social life all has come to a standstill. How it happened and when it will finish is unknown but one thing is for sure life will not remain the same. It has impacted all sections of the society. Since economy of the country has been badly hit measures need to be taken to develop socio-economic policies for the benefit of all sectors of the society so that the economy is revived and new growth opportunities come up. People are changing and trying to find solutions which will help in bringing a positive impact and make their life easy. Through the medium of this research one it is suggested that self-dependency is the only measure to survive. Governments are moving towards adopting the idea of "Atmanirbhar" by making the products within the country rather than buying from outside, like from China and are motivating people to do the same and leave dependency. Another finding suggests that people need to take precautions since it is the only measure because anyone can be caught by this virus, but if people take measures as guided by doctors it can be prevented and if anyone does catch this virus it shall be less harmful.

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