

COVID-19 PANDEMIC AND BUSINESS

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***Abstract:** The pandemic was a great reminder that outbreaks happen. During the Covid-19 pandemic, many businesses reached rock bottom; this actively demonstrated that many businesses either shut down or temporarily closed. The consequences that followed this outbreak were severe. Thus, new approaches and challenges arose to bring back or re-build the economic crisis that spread throughout the world, especially small businesses. The purpose of this paper is to examine how the economic crisis around the world affected businesses and what were the measures taken.*

***Key words:** covid-19 and business ; shutting down of businesses; economic crisis; measures as result of covid-19; global pandemic.*

***Резюме:** Пандемията напомни, че е възможно възникването на огнища. По време на пандемията Covid-19 голяма част от бизнеса достигна дъното; това се прояви ясно чрез временното или напълно затваряне на предприятията. Последствията от тази пандемична криза бяха тежки. Но по този начин възникнаха нови подходи и предизвикателства за връщане към дейност или възстановяване от икономическата криза, която се разпространи в целия свят, и особено в малкия бизнес. Целта на настоящата статия е да проучи как икономическата криза по света е повлияла на бизнеса и какви мерки са били предприетите*

***Ключови думи:** covid-19 и бизнес, затваряне на бизнеса, икономическа криза; мерки в резултат на covid-19; глобална пандемия.*

1.INTRODUCTION

Overnight the world turned upside down. The coronavirus appeared in a stronger and more vicious form, the Covid-19. Covid-19 first appeared in Wuhan, China; the particular reason for this circumstance was that, allegedly, the virus spread due to a man-eating a bat. Many rumors were circulating, not ever receiving a valid reason as to where this virus originated. Lockdowns immediately happened, people panicked and started locking themselves at home, social distancing then started to occur, families were separated, people would no longer get into physical contact because of the sudden scare that occurred. This crisis caused all businesses to shut down, with the exception of the healthcare business and grocery stores. Startups were dramatically affected, causing them to shut down or temporarily close. Assuming that we want a better tomorrow for ourselves and our children, how can small businesses be revived? The goals of the research is to prove how the pandemic negatively affected many businesses, and to show some approaches used to try and minimise the damage in the economy.

2. CHALLENGES FOR THE BUSINESS WORLD

The pandemic affected small businesses and large business franchises, such as hotels, bars, restaurants, clothing brands, etc. “In September, Yelp released its latest economic impact report showing that 60 percent of the business closures on its platform were permanent.” (*Ramirez, 2020*) Furthermore, it was said that even government assistance was not enough to help small businesses recover. Understanding that people’s perspectives drastically changed over the pandemic period, not only did the business world struggle, but it was also affected by the change in the consumer’s behavior. A large number of people struggle during the Covid-19 pandemic. “*Vox*

talked to three small-business owners who had to permanently shut down their ventures due to Covid-19's economic challenges and learned what they plan to do next" (Ramirez, 2020). Small businesses are crucial for the economy, so when small businesses hit rock bottom, the economic status started to fall. Every country had a different system as of the lockdown, but the overall concerns were all the same worldwide. The world's economy is in great danger.

Fig. 1 illustrates how various countries from different continents have higher percentages of people who believe that Covid-19 had a significant impact on their country's economy rather than their personal finances—indicating that each country's business impacts the global economy. In other words, all businesses have a significant impact on the global economy. In particular, small businesses are an essential factor in the economy and its stability.

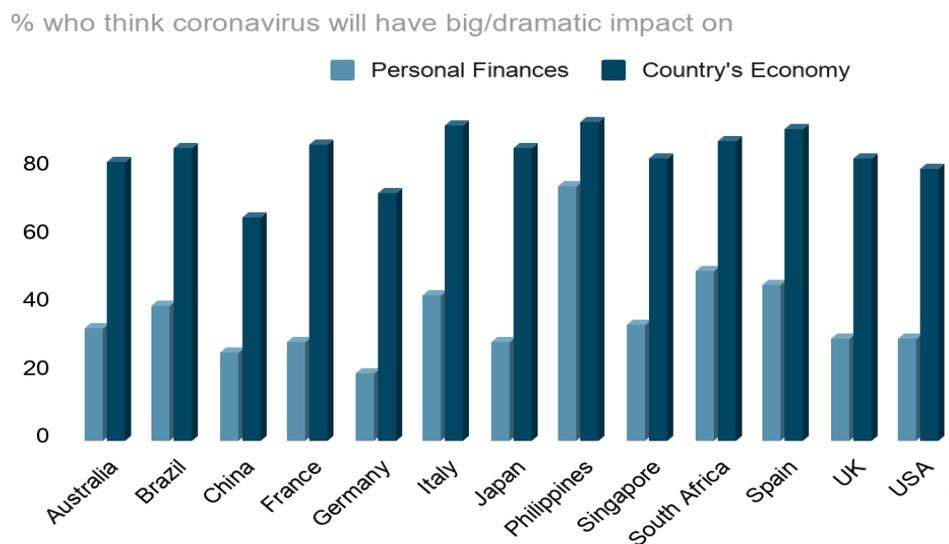


Fig. 1. Economic Confidence By Country, Source: (Mander, 2020)

3. POTENTIAL APPROACHES

Supporting small business start-ups in the time of the pandemic is very important. While many cannot support others, nevertheless businesses, the government should help maintain small businesses. On the contrary, as previously stated in the Vox blog, the governmental funds were not enough to maintain the businesses. Evidently, business plans are the key to a successful business; although they are amended all the time, business plans help set business goals to grow. Thus, having a well-structured business plan along with a tactful marketing plan is the weapon to any business' success. Hence, the marketing of each business should not be left behind. Many marketing strategies have been proven to raise a business's numbers, regardless of whether it's a small business or a big brand name. How can marketing save businesses from shutting down? "This can be accomplished through adjusting marketing campaigns and scheduled content timelines, evaluating the language and imagery used in advertisements and marketing materials and awareness of consumers' increased anxiety at this time." (*DiResta u. a., 2020*).

Insight on Marketing Strategies "95% of consumers say they're now spending more time on in-home media consumption activities." (*Mander, 2020*)

This statement proves that consumers spend most of their time on social media; consequently, business owners or entrepreneurs can use social media to their advantage and promote their product or service by providing content that will help relieve the anxiety and stress people are experiencing due to Covid-19.

Data In a survey conducted in the USA by the authors of the report "The impact of COVID-19 on small business outcomes and expectations", they asked business owners if their business is currently operational, and if not, what is the reason.

Table. 1 Survey for Temporary Closings and Employment Rate

Category	Rate	Reason
Permanently Closed	1.8%	Covid-19
Temporarily Closed	41.3%	Covid-19
Temporarily Closed	1.3%	Other Reasons
Still Operating	55.5%	-

“Over the entire sample, the number of full-time employees had fallen by 32% between January 31 and late March 2020. The number of part-time employees was 57% lower than at the end of January. Overall employment declined significantly, totaling a 39% reduction from January headcount.” (*Bartik u. a., 2020*)

This survey indicates that a large percentage of businesses were temporarily closed on account of Covid-19. Many businesses could not financially afford to remain operating throughout the pandemic.

4. CONCLUSION

Covid-19 destroyed many countries' businesses, amongst them the Bulgarian SME (small medium-sized enterprises). Bulgaria went on complete lockdowns several times, this means that Bulgarian SME's suffered a great deal of damage. Furthermore

the Bulgarian government offered support to the SME's. "The Bulgarian support measure is a guarantee scheme on existing or new loans to support companies affected by the coronavirus outbreak (so-called "Intermediated SME Loan Guarantee Program")". (o. A., 2021) To sum up, everything that has been stated so far, the business sphere struggles massively throughout the Covid-19 pandemic. Although marketing is an integral part of a business to keep going, it is not the only factor. Being able to market a service or a product of luxury will less likely be chosen by consumers; the particular reason for the circumstance is that due to the high rates of unemployment and little businesses operating, people prioritize, at that time, the necessities over the luxuries. The world is undergoing an economic crisis, but on the bright side, it allows business owners or entrepreneurs to think more outside of the box, become more creative with their businesses, and adapt to critical situations as such.

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