

## A STUDY ON THE IMPACT OF COVID-19 ON SMALL RETAILERS IN NAVI-MUMBAI

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### Abstract:

*COVID-19 pandemic outbreaks have led many countries to impose restrictions and movement controls. In Navi Mumbai, the small business sector is one of the most directly affected by the movement's control order. In fact, the impact is more significant among small retailers than its larger counterparts. Small Retailers experience business cancellation or closure and reduced income due to the closure of several supporting sectors such as wholesaler and transportation. There is still a lack of study on the impact of a pandemic outbreak on small retailers in developing countries, especially in relating to business continuity and recovery strategy. It is crucial to explore how small retailers experience crisis and what decision they make for business survival. This study represents the perspectives of small retailers in the Navi-Mumbai area, about their business continuity strategy during pandemic.*

**Key words:** *COVID-19 Pandemic, Small retailers, Business Continuity Strategy, Business Recovery Plan*

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### **Introduction**

This study examines the impacts of COVID-19 on small businesses in the Navi-Mumbai region. The survey sample included 55 small retailers' persons. According to the results, small businesses in all sectors in the region have been affected negatively by COVID-19. The COVID-19 has had negative effects on 74% of participants' business; this means that most of them have suffered huge losses, to the extent that some of them have suffered huge losses more than the profit of the several months before COVID-19. Based on the survey result, sales on debt have increased so much that the average of these sales in debt is 86.4%. The majority of participants pointed out that during the outbreak of coronavirus, most people paid more attention to the price of the product than to the quality.

Social distancing restrictions and demand shifts from COVID-19 shuttered many small retailers and businesses in the first month of widespread. Fairlie (2020) finds that 22 percent of small business owners were inactive in April 2020 with disproportionate impacts on African-American, Latinx, immigrant, and female business owners. What happened in the second month of social distancing restrictions? Were there further closures or a rebound? This paper provides the first analysis of impacts of the pandemic on the number of active small

businesses in the United States using nationally representative data from the May 2020 CPS – the second month capturing effects from mandated restrictions. The number of active business owners in the United States is down by 2.2 million or 15 percent from February 2020, but up 7 percent since the low in April. The continued losses in May and partial rebound from April were felt across nearly all industries and were not sensitive to using alternative restrictions on hours worked and measures. African-American business owners continue to be the hardest hit by COVID-19 experiencing a drop of 26 percent in business activity from pre-COVID-19 levels. Latinx business owners fell by 19 percent, and Asian business owners dropped by 21 percent. Immigrant business owners experienced substantial losses of 25 percent. Simulations indicate that industry compositions partly placed black, Latinx and immigrant businesses at a higher risk of losses. All of these demographic groups, however, experienced partial rebounds in business activity from April lows. These findings of the continued early-stage losses to small businesses have important policy implications and may portend longer-term ramifications for job losses and economic inequality.

**Aim:**

To study the impact of Covid-19 on Small Retailers in Navi-Mumbai

**Objectives:** The objectives of this research are:

1. To analyze the effects of Corona-Virus on the financial situation of the small retailers.
2. To investigate the effect of this disease on the rate of unemployment.
3. To study the impact of Corona-Virus on overall sales of small retailers.

**Hypothesis:**

H0 : Small Retailers in Navi Mumbai have not been affected by the Covid-19 crisis to a greater extent

H1 : Small Retailers in Navi Mumbai have been affected by the Covid-19 crisis to a greater extent

**Research Methodology:-**

Data Collection:

- Primary Data
- Secondary Data

**Primary data collection:** Through structured on-line interviews and questionnaires through mailers

**Secondary data collection:** Through published articles on the subject, published life stories of young entrepreneurs, and web-based research.

Sample size: 55

Sampling Method: Purposive sampling of 55 Small Retailers in Navi Mumbai.

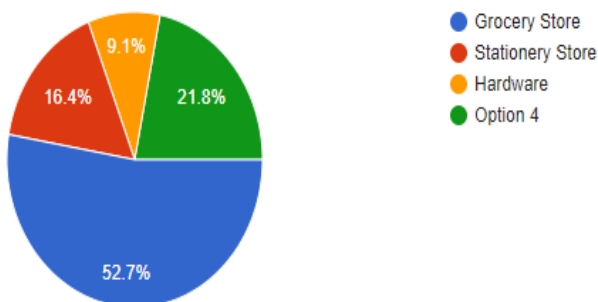
**Limitations of the Study:-**

- There are a number of constraints associated with this study. Some of these constraints were planned to limit the scope of the study such as the geographical demarcation and focus on 55 Small Retailers.
- It should therefore be noted that the outcome of the study is not representative of all Small Retailers of India.

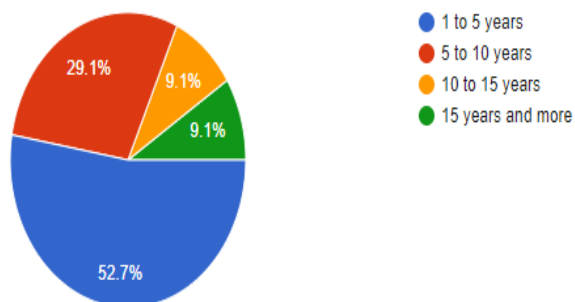
- It can therefore be argued that the outcome of this study is limited to a particular group of Small Retailers in the demarcated area.
- The study is restricted to Navi-Mumbai

**Data Analysis and Interpretation**

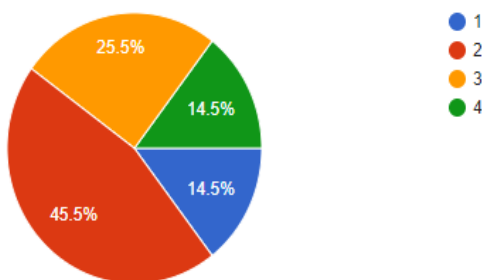
Type of Business



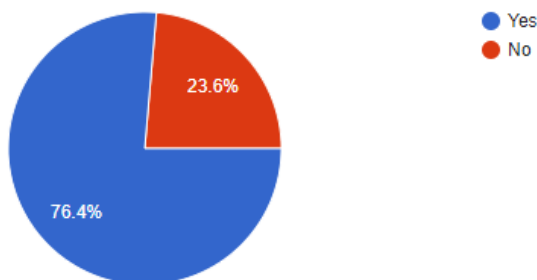
Q1. Since how many years you are into this business.



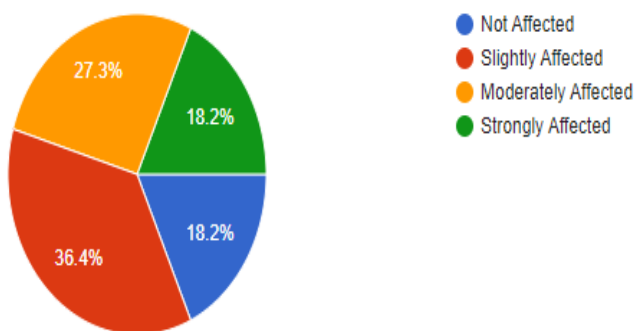
Q2. How many employees are working in your store?



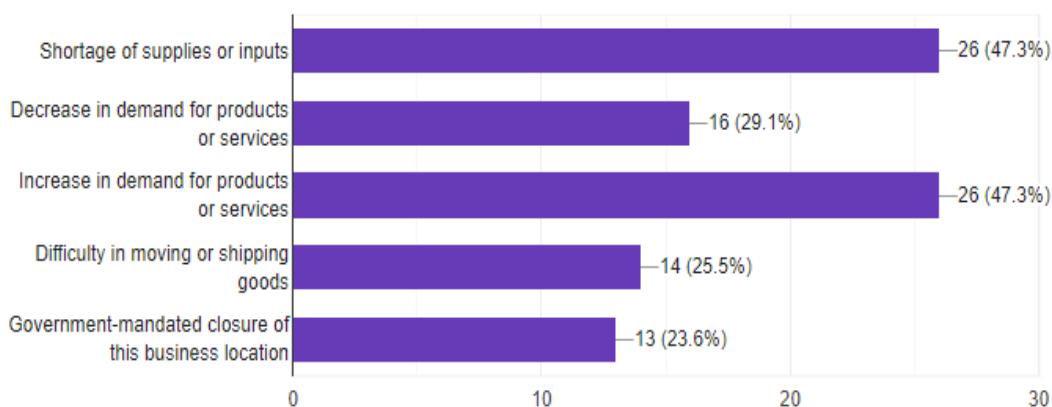
Q3. Was your business in operation as of March 2020?



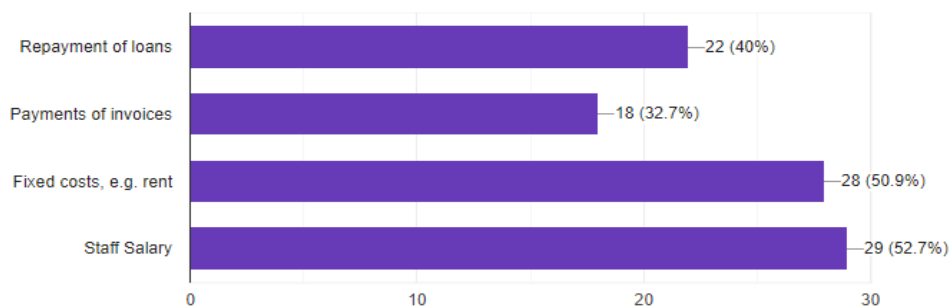
Q4. How have your business operations been affected by COVID-19 pandemic.



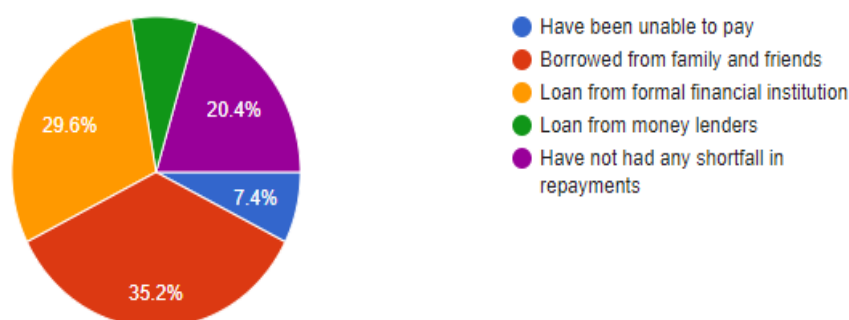
Q 5. Which of the following did your business location experience.(can tick multiple options)



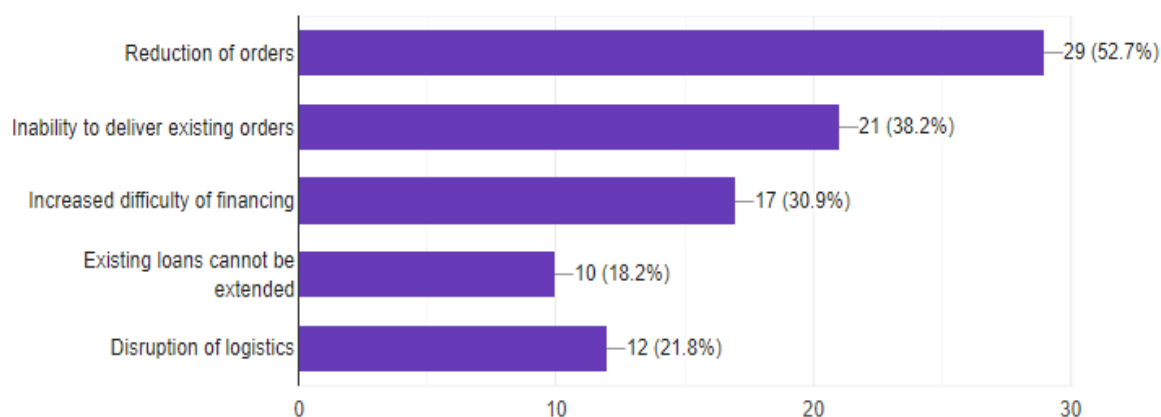
Q 6. Please indicate the most significant financial problems you faced during the COVID-19 phase. (can tick multiple options)



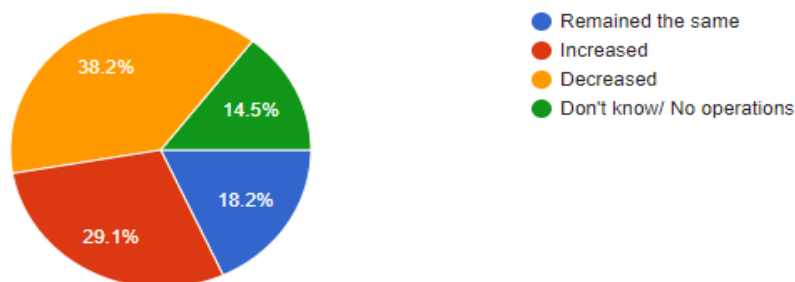
Q 7. In what ways you tried to make up shortfall in Loan Repayment or other Financial obligations due to COVID-19



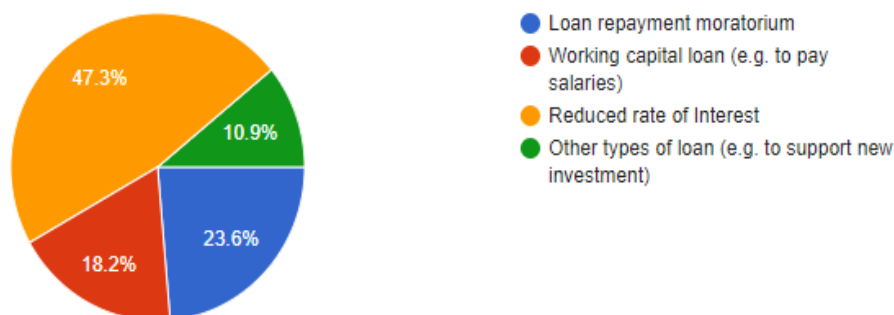
Q 8. Any other business problems you faced during the COVID-19 phase.(can tick multiple options)



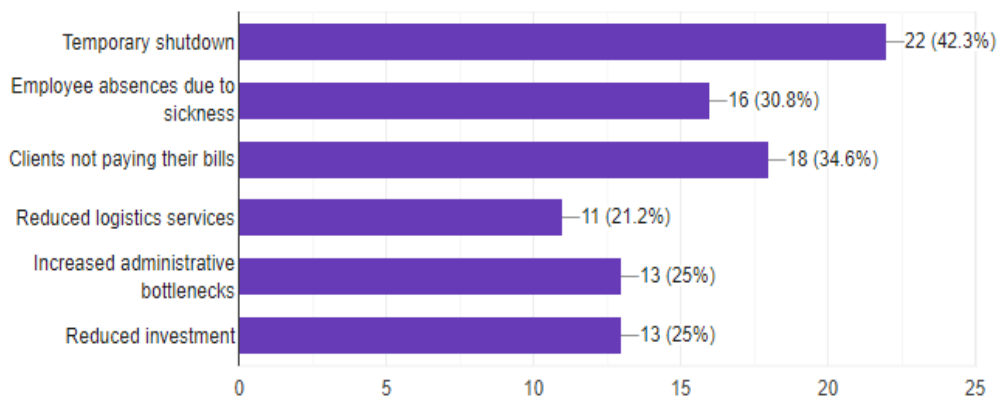
Q 9. Was there any Impact on monthly sales of your goods during COVID as compared to Pre-COVID.



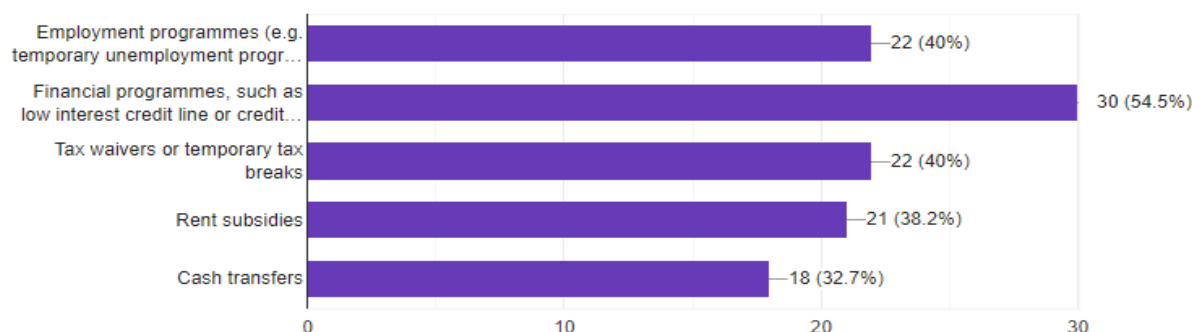
Q 10. What type of Financial Support you were expecting to manage impact of COVID-19.



Q 11. Has the coronavirus (COVID-19) pandemic affected your enterprise in any of the following ways?



Q 12. Please select the top three government measures that would be most helpful as you cope with the COVID crisis.



### Findings:

1. More than half of the small retailers were operational since less than 5 years.
2. Many small retailers faced shortage of supplies and demand for many goods were not met due to shortage.
3. Payment of salary was the biggest issue faced by many small retailers.
4. Many small retailers also faced reduction of orders during pandemic.
5. The Sales of many small retailers also declined during the pandemic.
6. Most of the small retailers faced temporary shutdown of their business.
7. Majority of small retailers expected certain kind o financial support from the government during such crisis.

### Hypopthesis Testing

**H0** : Small Retailers in Navi Mumbai have not been affected by the Covid-19 crisis to a greater extent has been **Disproved**.

**H1** : Small Retailers in Navi Mumbai have been affected by the Covid-19 crisis to a greater extent is **Proved**.

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