

Online Businesses Viz a Viz Sustainable Economic Development amidst Covid-19 Pandemic among the Meranaw in the Philippines

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ABSTRACT - Online businesses become the trend in this COVID-19 Pandemic. It is what specifically helps those none-government employees who are not expecting a monthly salary. This sustains their everyday living as means of survival. This study attempts to understand the role of online businesses for a sustainable economic development. It is for a fact that these online businesses have been a source of income among Meranaw in the Philippines primarily because of the availability of internet amidst COVID-19. Melody and Robert (2011) assert that the internet's phenomenal development has created opportunities for people to get involved in an international online trade. The perceptions of the nation's Meranaw internet merchants are also a focus of this investigation. In order to interpret the data collected, it used a cross-sectional survey research design and a qualitative descriptive approach. The number of respondents for the study was collected using the fishbowl technique and simple random sampling. This study results include the struggle of the online sellers in their online businesses, and the challenges they encountered as they do online selling. The opportunities brought by the COVID-19 Pandemic to the respondents were also acknowledged. This is the same with the extent of viability these online businesses brought to the respondents. Undeniably, in today's time especially on the sprouting years of the pandemic, online businesses become a tool towards sustainable economic development among Meranaws. In light of the findings, this paper further proposes recommendations to ensure a robust action plan to help those online sellers. Hopefully, this study can be one of references to consider on the importance of the topic to ensure sustainable economic development in an online business.

Key Words - Online Businesses, Sustainable Economic Development, COVID-19 Pandemic, Meranaw, Philippines

1. INTRODUCTION

Pandemic has caused economic depletion all over the world which made other countries suffer. This becomes a revenue for them to make different strategies in relation to the economic problem amidst COVID-19 pandemic. Here in the Philippines, online business suits one of the strategies to counter the so-called economic crisis. This is with the reason that starting a physical business is hard to establish during pandemic due to the lock down issued by the Government. People are required to stay within their homes for safety purposes. In fact, the lock down takes a long period of time than expected to return in normal situation wherein the support of the government cannot suffice the daily needs of the people. This becomes the primary motivation of the researcher in pursuing such study on how online businesses become helpful in a sustainable economic development of the country.

Filipinos are currently spending an average of P1,311 per month for a company's platform alone, according to a press release from iPrice (2021). The second quarter of 2020 saw a 53 percent increase in time spent by Philippine consumers using shopping apps on Android phones compared to the first quarter of the year, making it the nation with the most increase in this usage. According to data released, there were 4.9 billion sessions in shopping apps overall. This only confirms that Filipinos have increased their online shopping by 57 percent in the first half of 2020 compared to the same period the previous year. This is the largest increase in online shopping in Southeast Asia.

In Mindanao area, specifically in Lanao del Sur, it is a fact that the Local Government Unit continues to support their constituents by providing relief goods, but this is still not enough to support their daily needs. In these difficult times, most of the constituents in Lanao del Sur are unemployed that the primary sources of their living are based on businesses. Meranaw for instance were engaged to the online business to have an additional source of income.

Thus, the study does not only aim at finding out the demographic profile of the respondents in terms of age, sex, civil status and income, but the researcher also aims to lay down the struggles, challenges, opportunities

encountered in the online businesses in the COVID-19 pandemic. Further, it tries to study the possible solutions on the identified struggles and challenges among Meranaws in the Philippines.

2. LITERATURE REVIEW

The following research and articles provide support for this study:

According to a Perez article, A. He outlined five best practices to assist your business venture get off to a flying start in his article from 2021, "The Rise of the Have a Go Entrepreneur: How to set up an Online Business for Success During the Pandemic." The first one is finding one's point of differentiation. Accordingly, a product or service must not only be appealing to customers in order for a business to succeed, but it must also offer something special. It may be difficult to compete directly with other brands that may be much more well-known, so take the time to establish your unique selling proposition early on. The second is conducting your own market analysis. The analysis of the market you will be joining and the customer behavior inside it is crucial once you have decided where your business will satisfy consumer demand. Third, making the most of your limited resources. Utilizing social media is essential to network, promote your products or services at no cost, establish your brand, and begin developing your reputation. Creating a business plan comes in fourth. Making a business plan will help you establish the short- and long-term goals of the company and provide a roadmap for how to get there. This will guarantee that everyone participating in the project is on the same page and working toward the same objective, and might range from how you intend to sell your product to investments in expansion. Know your responsibility last. Along with developing a strong product, brand, and strategy when starting your own business, it's crucial to see to it that all administrative and legal requirements are met.

When researching Shinozaki, S. and L. N. Rao. In a study published in 2021 and titled "COVID-19 Impact on Micro, Small, and Medium-Sized Enterprises under the Lockdown: Evidence from a Rapid Survey in the Philippines," researchers looked at the initial effects of the ECQ and lockdown measures on MSMEs using data from a quick, nationwide survey that was carried out between the end of March and the middle of April 2020. They discovered that, on average, 73.1% of MSMEs had to shut down shortly after the COVID-19 outbreak and the enactment of the lockdown measures. This was more pronounced for small firms (76.4%) and those in services (72.7%). They were immediately confronted with supply chain disruptions (average 47.3%), delays in the delivery of goods and services (average 50.5%, especially for medium-sized businesses [71.8%] and agriculture [49.7%]), and a sharp decline in domestic demand (average 35.2%, particularly for small businesses [39.1%] and manufacturing [41.8%]). Only 2.3% of MSMEs, on average, said the business environment has not changed since the outbreak. A better business climate than before the pandemic was reported by some MSMEs (on average 9.3%), particularly in microenterprises (14.5%) and agriculture (20.7%), as a result of the increased demand from households and businesses for healthcare and other necessities. The study's findings discussed above only hint at the difficulties faced by physical firms in the Philippines.

Along with Sonobe, Takeda, Yoshida, and H. Truong T. The COVID-19 Pandemic's Effects on Micro, Small, and Medium-Sized Enterprises in Asia and Europe was investigated in 2021. In their study, "Their Digitalization Responses," they sought to better understand how the pandemic affected MSMEs, particularly in terms of employment, sales revenue, and cash flow. They discovered that in the initial months following the COVID-19 epidemic, MSMEs in developing Asia saw significantly lower employment and sales income. Naturally, the decline in employment was more pronounced for non-permanent workers, although regular or permanent workers also experienced a considerable decrease. Despite significant country-specific variations, between one-fourth and one-half of the sample MSMEs experienced a brief shutdown at this time, and between one-third and two-thirds were experiencing a cash deficit at the time of the survey. As a result, the pandemic had very negative effects on both the viability of company and employment. Numerous sample businesses did, however, generate revenue from online sales prior to the pandemic, and many of them, particularly young businesses, businesses focused on exports, businesses with cash flow problems, and businesses that have already used online sales, plan to increase their proportion of online sales during the pandemic.

Another is Rosli, N. Rosli's research. et.al. captioned "Online Business among Small and University Students: Benefits and Challenges and the Successful Story of a Young Entrepreneur," where the results of their study showed the advantages that university students can get when they engage in online business, such as low costs, a variety of marketing strategies, little impact from geographic restrictions, and quick and easy information transfer. Students are faced with challenges by online enterprises, such as the unwillingness of clients to incur the risk of buying

things from the internet. Although operating an online business can be difficult, many university students are willing to take on the challenge and succeed as young entrepreneurs because they recognize its advantages.

Furthermore, M. Matz's research was examined. He assessed the impact of COVID-19 on the digitalization of the retail business in 2021 and how it affected consumers' choice to shop online vs offline. An online survey was used to gather information on the participants' perceptions of online shopping as well as how much the novel disease Covid-19 affected their decision to purchase online as opposed to offline. 117 valid replies to the survey were received by the researcher. The information gathered shows that Covid-19 had a significant impact on participants' online shopping behavior. The majority of interviewees reported significantly more frequent shopping since the Covid-19 outbreak. Additionally, the data reveals important motivating factors that lead consumers to shop online as opposed to offline. Convenience seems to be the main driving force behind online shopping.

3. MATERIALS AND METHODS

The study used a cross-sectional survey research design and interpreted the data using a qualitative descriptive approach. The 156 study participants who were identified as having an online business were gathered using the fishbowl technique and simple random sampling. Data were gathered using self-structured instrument which was sent via google form, and some were personally delivered and asked by the researcher which she even translated in Meranaw for further understanding of the respondents.

The study was carried out in Mindanao's Lanao del Sur. The Philippines' Lanao del Sur province, which includes the provinces of Maguindanao and Lanao del Sur in central Mindanao, is part of the Bangsamoro Autonomous Region in Muslim Mindanao. City of Marawi serves as its capital. 15,055.51 square kilometers, or 5,812.96 square miles, make up the province's land area. Its population as determined by the 2020 Census was 1,195,518. This represented 27.14% of the total population of the Bangsamoro Autonomous Region in Muslim Mindanao, 4.55% of the overall population of the Mindanao island group, or 1.10% of the entire population of the Philippines. Based on these figures, the population density is computed at 79 inhabitants per square kilometer or 206 inhabitants per square mile.

For the demographic profile of the respondents in terms of their age, sex, civil status, and monthly income, frequency and percentage statistical tools were used. To treat data pertaining to the respondents' responses as appropriate, Corresponding Mean and Weighted Mean were also employed.

4. RESULTS AND DISCUSSIONS

The following findings were forwarded: on the profile of the respondents, it was depicted that greater majority of them (80 or 80.0%) were females, while 20 or 20.0% were males. Majority, 50% of the respondents belong to the age bracket of below 35 years old.

This is followed by the age bracket 35-40 or 33%. above 40 years old which has a percentage of 17% completing the 100 respondents with a total of 100%. For the civil status, sixty-three (or 63.0%) were married, and thirty-seven (or 37.0%) were single. The data suggest that since greater majority of the respondents were married, they feel the responsibility to earn more for their families. Lastly, for the income of the respondents, there are 66 or 66% percent of the respondents who are receiving an income of below P11,000 per month. It was followed by 25 or 25% percent of respondents who have an income of P11,000 up to P20,000 a month. While the remaining 9 or 9% percent of the respondents are receiving a monthly income from P21,000 up to P30,000.

As to the struggles of the Meranaw online sellers in their online businesses, the first top three indicators where respondents agreed are: rank 1st, there are bogus buyers who keep on inquiring about your products which they will not buy in the end, $\text{sins}, x' = 3.24$, interpreted as *agree*; 2nd rank, some, not most of the customers keep on lowering the prices of your products, $x' = 3.21$, read as *agree*; and lastly, customers who want free delivery, $x' = 3.10$, interpreted as *agree*.

On the challenges the respondents encountered as they do online selling, the respondents agree on all three (3) indicators listed: there are times where internet connection is slow, and messages were received late, $\text{sins}, \bar{x} = 3.10$, interpreted as *agree*; there is a sleep deprivation because an online sellers have to check their cellphones all the

time, $x' = 3.10$, read as *agree*; and lastly, the challenge of producing quality and appealing pictures to be posted online, $x' = 3.08$ read as *agree*.

In light of the aforementioned discovery, Rosli, N. et.al. According to a study published in 2020 titled "Online Business among University Students: Benefits and Challenge and Successful Story of a Young Entrepreneur," there are many advantages for university students who engage in online business, including low startup costs, access to a variety of marketing strategies, little impact from geographic restrictions, and quick and easy information transfer. Students are faced with challenges by online enterprises, such as the unwillingness of clients to incur the risk of buying things from the internet. Although operating an online business can be difficult, many university students are willing to take on the challenge and succeed as young entrepreneurs because they see its advantages.

On the other hand, there are opportunities brought by the COVID-19 Pandemic among the respondents. The indicator which ranked first, the pandemic makes it helpful to have more customers online, $x' = 3.83$, interpreted as *strongly agree*; second, the pandemic helps online businesses to sell more and increase profit, $x' = 3.82$, read as *strongly agree*; followed by the indicator with the same corresponding mean of $x' = 3.82$, it is easy to deliver because many are riders who also need the job.

The research by Matz, M., supports the aforementioned conclusion. (2021), where he noted the impact of COVID-19 on the digitalization of the retail sector as well as how it impacted consumers' choice to purchase online as opposed to offline. An online survey was used to gather information on the participants' perceptions of online shopping as well as how much the novel disease Covid-19 affected their decision to purchase online as opposed to offline. 117 valid replies to the survey were received by the researcher. The information gathered shows that Covid-19 had a significant impact on participants' online shopping behavior. The majority of subjects reported significantly more frequent shopping since the COVID-19 outbreak. Additionally, the data reveals important motivational elements that lead people to shop online as opposed to offline. Convenience seems to be the main driving force behind online shopping.

Also included in the questionnaire is the solutions to be suggested in relation to the struggles and challenges encountered by the respondents included in the study. The indicator which ranked first, all necessary details of the customer are asked to make sure that customers asking are indeed interested to buy, $x' = 3.83$, interpreted as *strongly agree*; second, patience has to be doubled in order to have more profit, $x' = 3.79$, read as *strongly agree*; and third, all chats and messages have to be replied, and posting all the products have to be continued, $x' = 3.76$, interpreted as *strongly agree*.

5. CONCLUSIONS AND RECOMMENDATIONS

It can be concluded that study showed that some of the respondents belong to families where their livelihood was unsustainable for their needs with less than 11 thousand monthly incomes. This concludes their engagement to online businesses especially in the time of COVID-19 pandemic. Another significant finding is that there are identified struggles and challenges encountered by these online sellers which resort to an intervention by means of possible solutions which can help them ease the said struggles and challenges. This also concludes the difficulty of Meranaws in the Philippines who are into online businesses. However, efforts must be doubled and make use of these struggles and challenges as to respond to customers' needs and act upon it to earn more profit.

Thus, in view of the findings drawn from this study, the following are recommended: first, with the opportunities brought by the pandemic for online businesses, these online sellers must continuously keep their design of products up to date, make sure to include all available information on the products they sale including the possible asked questions of the customers for an easy and friendly experience of online buying. In this sense, their patience of waiting and the convenience it brings to them will be worth it. Second, thinking with the head of customers so satisfaction can be achieved for both individuals involved; if possible, there must be a customers' review and rate products so online sellers know what to improve. Third, let the customers know how many days their package will arrive, where it currently is. This way their excitement will occur, and they will want to buy products again. Lastly, there is a need to ensure a robust action plan to help those online sellers. The government must help on this matter by supporting them in advertisement and other ways that will make them boost their internal and external strengths. This will simply mean helping them gaining more confidence and customers. Positively, this study can be one of references to consider on the importance of the topic to ensure sustainable economic development in an online business.

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