

BUSINESS STRATEGIES OF MICRO, SMALL, AND MEDIUM ENTERPRISES IN RESPONSE TO THE COVID-19 PANDEMIC

Maria Ilna C. Tabinas¹, Angelita L. Paradero², and Leomarich F. Casinillo^{3*}

^{1,2}Department of Business Management

³Department of Mathematics

Visayas State University, Visca, Baybay City, Leyte, Philippines

*e-mail: leomarichcasinillo02011990@gmail.com

Abstract

The COVID-19 pandemic health protocols have adversely impacted the economic profit and business operations of micro, small, and medium enterprises (MSMEs). This study aimed to evaluate the business strategies employed by MSMEs as they are facing the public health crisis in Bato, Leyte, Philippines. A random sample of 200 MSMEs were surveyed using a structured questionnaire. Some descriptive statistics and Chi-square test for independence were used to summarize and determine the relationship among variables, respectively. Results showed that dominantly more of the MSMEs are operated by owner-managers during the pandemic. On average, most (97.5%) of the enterprise operating are micro and operates for about 3 years. About 63.5% of the MSMEs during the pandemic has adopted a new strategies to cope with COVID-19's negative impact and most of them are micro in nature. The major business strategies adopted to survive the adverse impact of the pandemic are as follows: following health protocols (50%), finding suppliers in nearby towns (33.8%), seeking alternative sources (26%), increasing prices of items sold (24.5%), and local outsourcing (22.5%), among others. It is concluded that age is a significant factor in implementing business strategies ($p\text{-value} < 0.019$). This implies that owner-managers with higher age (average is 40 years old) are more likely to adopt business strategies. Moreover, as they are experiencing vulnerability to the pandemic such as economic profits being significantly reduced, then they are more likely to implement strategies ($p\text{-value} < 0.001$). Short and long term plans are considered in order to survive and sustain its business operations. Hence, the study recommends that the government should help and enhance the capability of enterprises in managing risk as well as ensuring MSME's continuity amidst the pandemic.

Keywords: Business strategies, enterprises, chi-square test, COVID-19 pandemic, Philippines

Introduction

As a worldwide adversity, the COVID-19 pandemic has a striking impact on the global economy, particularly, in business. According to Gustavsson and Larsson (2020), the pandemic endangers the survival and operations of micro, small and medium-sized businesses globally. In other words, the pandemic is not just a health crisis but an economic problem as well (Ahmed et al., 2020; Cetin & Kara, 2020; Fegert et al., 2020). In fact, its impact is affecting the social group and economic aspect at their financial foundation.

In the study of Caballero-Morales (2021), it is stated that during the pandemic, businesses have very limited inputs or resources, and have problems in their supply chain process as well as difficulty in having clients. Apparently, the adverse impact of the pandemic has varied from country to country, hence, it is more likely to increase the scarcity and income inequalities on a global scale aspect. According to the study of Aladejebi (2020), the majority of MSMEs have closed for good temporarily or decreased their workforce or capacity of clients/customers because of COVID-19 health restrictions.

As for the continuous impact of the pandemic, business organizations need to rethink

some possible changes to survive and continue to operate. The business organization must focus on developing their strategies to stabilize in the new normal and find solutions for the pandemic-related issues affecting their clients/consumers' behavior (Donthu & Gustafsson, 2020). As the MSMEs continue to drop their demands as well as their revenue, the country will continue experiencing an economic loss (Affandi et al., 2020; Purba et al., 2021; Shinozaki & Rao, 2021). In that case, when the solution is found, the flourishing recovery of these enterprises will be important in kick-starting the betterment of the economy.

As per reported by the United Nations Industrial Developing Organizations (UNIDO 2020), it was stressed that the MSMEs in the country Philippines are the major driving force of the country's economic system. In fact, MSMEs comprise about 99.5 percent which is considered as the majority of firms that contribute, on average, 36% of total value-added in the country (UNIDO, 2020). However, as the COVID-19 pandemic strikes the country, the MSMEs are the most likely vulnerable to economic shocks. On the face of it, the researchers would like to determine how the selected MSMEs have coped with the sudden turnaround that the pandemic has caused specifically in the rural municipality of Bato, Leyte, Philippines.

This COVID-19 pandemic is a baffling reminder that world issues, like any other, seldom occurring adversity, have occurred in the past time and naturally continue to go on in the future to come. And this not only brought adversaries in the aspect of the economy but all of the societies in any country, which has resulted in striking changes in the operations of different businesses as well as the consumer's behavior (Donthu & Gustafsson, 2020).

The study of MSMEs operations during the COVID-19 pandemic in the Philippines is well-researched, however, the emphasis on the rural areas in the country has never been done particularly in Bato, Leyte. Additionally, the different business strategies that are suitable for rural areas in small communities in response to the pandemic have never been tackled in literature. Moreover, in times of uncertainty brought by the pandemic, the researchers would like to gain information on the business plan of action employed by the selected MSMEs in Bato, Leyte to cope with the effects and changes. In fact, Bato is one of the towns in Leyte where several cases of COVID-19 infections were reported. On the face of it, business operations in Bato were affected by following the government health protocols.

In that case, this current study in MSMEs is realized. Henceforward, this study aims to determine the different business strategies that were implemented by the MSMEs in order to survive the pandemic crisis. The study also evaluates some factors that influence significantly the implementation of the said business strategies. Moreover, the study identifies some short-term and long-term plans to adapt changes during the pandemic. The results of this study aims to help MSMEs in the country shed light on effective business strategies in order to overcome crisis. Furthermore, the findings of this current study may aid the policy-making bodies in the country to develop some rules and regulations that favor the well-being of MSMEs' during the health crisis without harming their operations.

Methodology

Research Design

This study utilized survey research in the form of a questionnaire to gather relevant data. The research survey was fashioned to reach each participants' and MSMEs' characteristics that include the COVID-19 impact on their operations, short-term and long-term plans of the selected enterprises. The purpose of this research study is to mitigate impacts and build sustainability for unforeseen crises in the pandemic and beyond.

The Sampling Design, Participants, and Ethics

The population of this study was a total of 750 establishments operating and registered in the DTI Go Negosyo office as of December 2020 in Bato, Leyte, Philippines. Apparently, of the 750 establishments as per total assets classification, 98.2% (738) are micro enterprise, 1.6% (11) are small enterprise, and 0.2% (2) belong to medium enterprise. The participants of the study were considered as key decision-maker that were categorized as the owner or owner-manager of the identified MSMEs. The sample size of the study was 200 which was derived from Slovin's formula with a confidence level of 95% (marginal error of 5%). After that, a proportional random sampling was done in terms of total asset classification with respect to their percent contribution. The total respondents of the study were regarded as sufficient sample size to come through an acceptable population that is valid. Moreover, the said sample size would permit reasonable generalization to the total establishments in the municipality. Table 1 shows the distribution of participants.

Table 1. Distribution of participants

Type of Enterprise	Population	Percent (%)	Sample size
Micro	738	98.2	196
Small	11	1.6	3
Medium	2	0.2	1
Total	750	100	200

Before the conduct of the study, a permission letter and ethical clearance were sent to the Municipal Mayor's office of Bato, Leyte. After the approval, the research survey took place on May year 2021. Moreover, the participants were asked for a consent in accordance with Data Privacy Law.

Research Questionnaire and Data Collection Procedure

This study employed a developed structured survey questionnaire which is based on the study of Andriyani et al. (2021), and Hadiyati and Hendrasto (2021) that has undergone a pilot survey and validation with the MSMEs in the country of Indonesia. The questionnaire was divided into three parts: the first part was the demographic profiling of the respondents and the establishments themselves, the second part was about the effects of COVID-19 on the business operations and the last part dealt with the business strategies employed by each respondent, specifically on their short term and long term plan to adapt and be resilient in times of unprecedented uncertainties. As a structured survey, possible answers were already provided and respondents only need to check (some questions had multiple answers). The survey questionnaires were given to the owner or owner-manager of each identified MSME in Bato, Leyte. The survey was done from May 18 to 30, 2021 to give ample time for dissemination and retrieval. The researchers asked for the help of 2 enumerators in the distribution of the questionnaires. Since the master list from the DTI Negosyo Center indicated the name of the owner-manager of the establishment, it was easier to gain access. The enumerators observed the minimum health protocols and briefly explained the content and agenda of the survey.

Data Analysis and Presentation

Data analysis for the demographics of the respondents and business establishments was done by descriptive statistics in terms of frequency, percentages, and graphs. In determining the relationship of the demographic characteristics of the respondents and the profile of the establishments as to the business strategies employed, a correlation analysis (Chi-square test for independence) was utilized. Chi-square test for independence was used in this study since the variables are categorical in nature. In terms of the short-term and long-term plans of the MSMEs, the same were grouped according to their similarities, and frequency analysis was also

applied. Calculation of the analysis was done via statistical packages for social sciences (SPSS).

Results and Discussion

This section shows the results derived in the conduct of the study and discusses its outcomes and implications in relation to the objectives which is to go through the business strategies employed by selected establishments in Bato, Leyte, Philippines.

Profile of Participants

Figure 1 presented the classification of the participants by age. About, 26% of the respondents belonged to the age bracket of 31-40 years old. This was closely followed by those in the 41-50 years old bracket who constituted 25%. Respondents in the age bracket 20-30 years old constituted 24%, closely followed by those in the 50 years and above category. A relatively small group of respondents, those below 20 years old, comprised about 1%. This result was not in agreement with the study by Mehrotra et al. (2020) which stated that in business, the age bracket of 41 and above comprised the majority compared to the younger group of 16-40 years old.

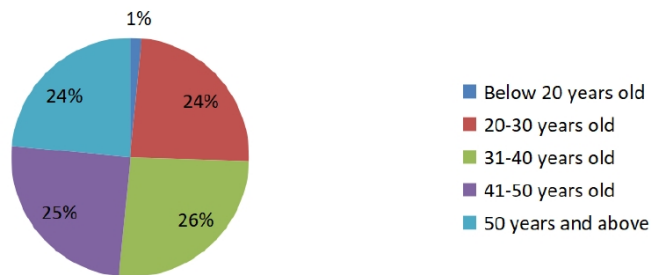


Figure 1. Classification of respondents by age.

In terms of gender, 53% were females while 45% were males. A seemingly negligible group of respondents preferred not to be recognized (1.5%) and the LGBTQ comprised about 1% (Figure 2). The finding was in affirmation with the study of Mehrotra et al. (2021) which showed that the majority of the enterprises were women-led. The study of Shinozaki and Rao (2021) further confirmed that key decision-makers were mainly female.

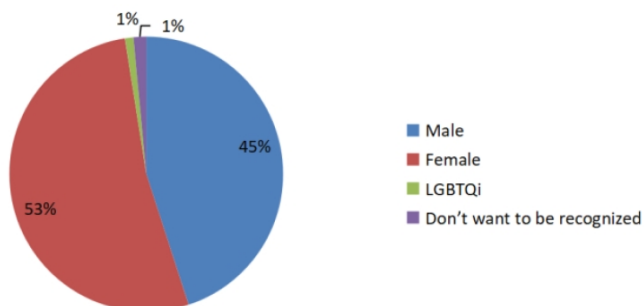


Figure 2. Classification of respondents according to gender.

As could be seen in Figure 3, the majority of the respondents were holders of a baccalaureate degree or college graduates (60.5%). This was followed by non-college graduates who constituted 39% and a negligible 0.5% of this portion is unanswered.

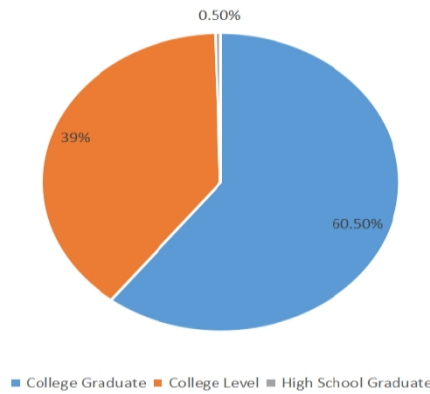


Figure 3. Educational attainment of respondents.

Profile of the Business Enterprises

Table 2 presents the profile of the business enterprises in Bato, Leyte. The majority of the enterprises were micro-enterprises 97.5% while 1.5% were small-scale. In regards to the number of employees, results showed that 88% of the micro-enterprises in Bato, Leyte employed about 1-9 employees. A sizeable number of businesses in Bato, Leyte have been in operation for more than 10 years. Recently in operation (below 3 years) constituted about 24.5%. This result was also observed by Shinozaki and Rao (2021) that 59.6% of the surveyed MSMEs are start-ups of which the majority belonged to microenterprises and in-service (0 to 5 years). An equal number of businesses have been in operation between 3-5 and 6-8 years, respectively. Generally, it can be seen that the enterprises in Bato, Leyte were relatively young and appears to be highly vulnerable to stress as in this case, COVID-19 Pandemic or any other form of stress or disruptive factor of similar magnitude as COVID-19.

Table 2. Profile of the respondents’ business enterprise

CLASSIFICATION OF ENTERPRISES BASED ASSET SIZE	FREQUENCY	PERCENTAGE (%)
Micro	195	97.5
Small	4	2.0
Medium	1	.5
Number of Employees		
0-9 employees	176	88.0
10-99 employees	22	11.0
100-199 employees	2	1.0
Number of years in operation		
Below 3 years	49	24.5
3-5 years	27	13.5
6-8 years	27	13.5
9-10 years	13	6.5
Above 10 years	84	42.0

Effect of COVID-19 on Enterprises’ Operation

Figure 4 reflects the replies or responses of businesses operators in Bato, Leyte on the query on whether or not their business operations have been impacted by the COVID-19 Pandemic, a resounding “Yes” reply was obtained. This result was in complete agreement with the findings from the study of Boronos et al. (2020), which stated that the pandemic has put businesses under unprecedented pressure. The same stated that with lesser resources to ride out the crisis, small and medium enterprises have been highly vulnerable to the impact of the crisis.

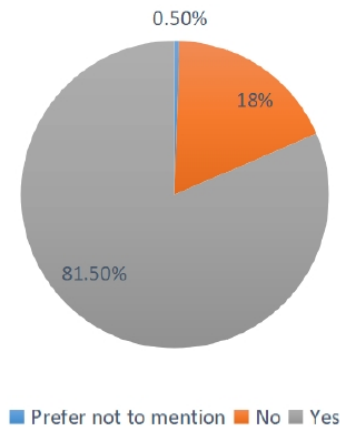


Figure 4. Respondent reflection on the effect of COVID-19 pandemic.

Nature of effects of COVID-19 Pandemic in Business Operations

Eleven (11) possible effects of the COVID-19 Pandemic were pre-identified in the survey questionnaire. Respondents were made to check whether such factors affected their business operations. Analysis of responses made has shown that indeed the pre-identified effects of COVID-19 in business operation were greatly felt.

Frequency wise, the five most popular effects were decreased in the number of costumers (57%), decreased in total sales volume (54%), running out of supply (49%), opened but with limited operations (46%), and lastly declined in the volume of sales per customer (45%). Most of these effects aligned with the survey conducted by Shafi et al. (2020) with selected MSMEs in the country which mentioned that costumers footfall had a sharp reduction by 86%, a "domino effect" on the constraints of supplies was felt by 58% of the respondents and the decline of sales per customer was felt by 75% of the total respondents.

Table 3. Specific effects of Covid-19 pandemic on business operations

EFFECTS	FREQUENCY	PERCENTAGE (%)
1. Decreased number of costumers	114	57
2. Decreased in total sales volume	108	54
3. Run out of stocks (supply chain constraint)	98	49
4. Open but with limited operations	92	46
5. Decline in the volume of sales per customer	91	45.5
6. Depletion of cash reserves and capital	73	36.5
7. Increased in transport cost and cost of supplies	71	35.5
8. Problem in wages and salary of employees	54	27.0
9. Reduction of production	43	21.5
10. Accepting and paying fees online	41	20.5
11. Sell products online	36	18.0
12. Total closure for months	31	15.5
13. Maximize social media platform	30	15.0
14. No available impact materials/ services	29	14.5
15. Offered new products and services	26	13.0
16. Opened new partnerships with new suppliers	20	10.0
17. Others	2	1.0

Effects of COVID Pandemic on the Business' Sales Revenue in 2019 vs 2020

Generally sales revenue of micro-enterprises/ businesses in Bato, Leyte was undoubtedly affected by the pandemic as shown in Table 4. A highly noticeable decrease in sales revenue of 75% was found in this study comparing 2020 sales revenue versus that of 2019. Thirteen

percent reported "no change" while 9 percent indicated an "increased in sales revenue". The "no change" response could not be specifically explained since there was no disaggregation of the kind or nature of the businesses. Starting March 2020, micro-enterprises had no sales during the onset of the Enhanced Community Quarantine (ECQ) which is due to the temporary closure of business Mehrotra et al. (2020). The main reason why there was a significant sales revenue reduction could be attributed to the fact that most of the businesses were relatively young, thus, showing their high vulnerability to business stress factor of the COVID-19 magnitude.

Table 4. Impact of COVID-19 pandemic on the sales revenue of businesses

STATUS SALES REVENUE	FREQUENCY	PERCENT
Decreased	150	75
Increased	18	9
The same	26	13
Prefer not to say	6	3
Total	200	100

Specifically, the percentage change (decreased) in sales revenue of businesses on Bato, Leyte for the year 2020 vis-a-vis that of 2019 is shown in Table 5. It can be noted, that dramatic change in sales revenue was detected within the ranges of 20-30% (17%) and in 41-50% (16.5%). About 17 percent of the enterprises have somehow been "shielded" as they have indicated "No Change". However, the "No change" reply cannot be clarified since the kind or nature of the business was not dis-aggregated or identified. This result is in line with the findings of Fairlie and Fossen (2021) that business sales have drastically decreased during the COVID-19 pandemic.

Table 5. Change of revenue of businesses from the year 2019-2020

REVENUE CHANGE FROM 2019-2020	FREQUENCY	PERCENTAGE (%)
Same	34	17
1-10%	24	12
11-20%	20	10
21-30%	34	17
31-40%	19	9.5
41-50%	33	16.5
51-60%	9	4.5
61-70%	12	6.0
71-80%	8	4.0
81-90%	4	2.0
91-100%	3	1.5
Total	200	100

Effects of Covid-19 Pandemic on Net Income of Businesses

In general, since there was a negative reduction in "sales revenue" a concomitant reduction in "Net Profit" was also found in this study (Table 6). About 72 percent of the respondents recorded a dramatic decrease in net profit. Surprisingly, about 15 percent indicated "No Change" and about 10 percent claimed to have an increase in net profit. Again, as there was no dis-aggregation of the kind business, the "no change" cannot be explicitly explained.

Table 6. Impact of Covid-19 pandemic on the net profit of businesses

STATUS OF NET PROFIT	FREQUENCY	PERCENT
Prefer not to say	6	3
Decreased	145	72.5
Increased	20	10
The same	29	14.5
Total	200	100

Specific changes (decreased) in “Percent of Net Profit” were indicated in Table 7 from 2019-2020. As noted significant changes in “Percent of Net Profit” were detected within the ranges of 1-10% (15%); 11-20 (11%); 21-20 (15.5%); 31-40 (9.5%); 41-50 (16%) and from 51-60 (8%). Higher ranges recorded relatively low frequencies of occurrence. Again, about 17 percent have recorded “No change” in their “Percent of Net Profit” during the COVID-19 pandemic. The result is in accordance with the study of Rutkowska-Tomaszewska et al. (2021), that during the COVID-19 pandemic, the business sector is experiencing a reduced net profit.

Table 7. Perception on levels of effect of Covid-19 in net profit change of businesses

NET PROFIT CHANGES (%)	FREQUENCY	PERCENTAGE (%)
The Same	34	17.0
1-10	30	15.0
11-20	22	11.0
21-30	29	14.5
31-40	19	9.5
41-50	32	16.0
51-60	16	8.0
61-70	8	4.0
71-80	5	2.5
81-90	2	1.0
91-100	3	1.5
Total	200	100

Chi-square test for independence

Table 8 shows the relationship among various factors vital to the survival of micro-businesses in Bato, Leyte amidst the COVID-19 Pandemic. It can be noted that the age of the business operator significantly influenced the capacity of the business to adapt to the changes brought about by the COVID-19 Pandemic. It means that higher age (average is 40 years old) are more likely to adopt business strategies amidst the pandemic. Meanwhile, gender and educational attainment showed no such influence. The enterprise's size, number of employees, and number of years in operation did not show a significant correlation in implementing strategies during the crisis. Invariably, COVID-19 Pandemic highly affected business operations. Net sales revenue and concomitant profitability were definitely shaken by the COVID-19 Pandemic or any other business stressor with a similar magnitude of impact as the COVID-19 Pandemic.

The article by Radipere and Dhliwayo (2014) tackled the relationship of business age and business size as to the business performance. The results depicted that there was no significant relationship of business size with the enterprise's performance at a p-value of 0.373. He concluded that even starting as a micro, small or medium enterprise, the variable of business performance would be equally applied to these businesses. In contrast, business age has a significant relationship with a business performance at a p-value of 0.006. It was analyzed that in the life-cycle approach of the firm, learnings due to experience played a great role in the business' performance. Likewise, in the study of Aladejebi (2020), it is stated that entrepreneurs need to develop new and innovative ways to prevent the decline in the life cycle.

Table 8. Relationships of implementation of business strategies and their profile

DETERMINANTS OF IMPLEMENTATION OF BUSINESS STRATEGIES AMIDST PANDEMIC	CHI-SQUARE TEST FOR INDEPENDENCE		
	χ^2 -COMPUTED	DF	P-VALUE
Socio-Demographic Profile			
Age	11.751**	4	0.019
Gender	5.257 ^{ns}	3	0.154
Educational Attainment	1.304 ^{ns}	1	0.253
Business Profile			
Enterprise according to assets	0.240 ^{ns}	1	0.624
Number of employees	1.041 ^{ns}	2	0.594
Number of years operating	5.575 ^{ns}	4	0.233
Effects of Pandemic			
Status of Net Sales Revenue	19.572***	3	<0.001
Status of Net Profitability	16.677***	4	0.002

Note: *** -highly significant at 1% level ** -significant at 5% level * -significant at 10% level ns -not significant

Business Strategies in Response to COVID-19 Pandemic

Figure 5 shows the answer of the participants when queried about whether or not they have adopted new strategies to cushion COVID-19’s negative impact. While more than 63% of the participants answered in the affirmative, a relatively significant number seemingly continued to operate during the pandemic while implementing innovative strategies for their business survival amidst the economic crisis. According to Verma and Gustafsson (2020), several types of research in literature have shown that businesses are adopting new strategies (short term and long term) to maintain their operations as well as developing the economic profit. Moreover, it is necessary to adopt business strategies for micro enterprises in order for them to survive the seldom and few costumers during the COVID-19 pandemic to sustain the operating costs.

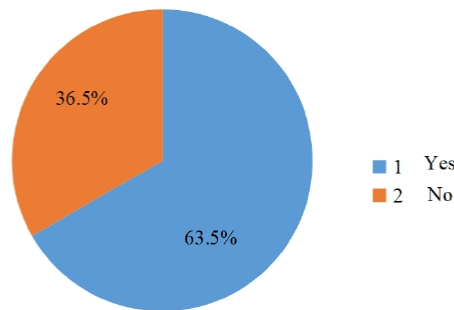


Figure 5. Percentage of business operators adopting new strategies

Specific Business Strategies Adopted to Cushion COVID-19 Impact

Business strategies applied or adopted by Bato, Leyte business operators are shown in Table 9. The most popular among the pre-identified strategies is to "Follow Health Protocols". This is a clear indicator that indeed "Health is better than Wealth" or a non-negotiable issue. Finding or connecting to suppliers in nearby areas strongly follows as this is vital to operational sustainability. The other strategies can be further gleaned from the same table being arranged from highest to lowest frequency level. It should be noted that the strategy choices offered are anchored on wide practicability or applicability in maintaining business health or soundness. The same strategies were mentioned in the survey by Shafi et al. (2020) which ¾ of the MSMEs have observed three main precautionary measures like physical distancing, washing or sanitizing

of hands, and wearing of masks for the protection of the staff and 24.5% of the MSME's have increased the prices of their items sold to cope with the challenges of the pandemic.

Table 9. Specific business strategies applied by business operators in Bato, Leyte

BUSINESS STRATEGIES APPLIED/ADOPTED	FREQUENCY	PERCENTAGE (%)
Followed health protocols	100	50
Find suppliers in nearby towns	66	33.8
Seeking alternative sources	52	26
Increased prices of items sold	49	24.5
Local outsourcing	45	22.5
Applied for loan	40	20
Seeking alternative market	40	20
Offered free delivery service	34	17
Reduced number of employees	28	14
Offered new service	28	14
Increased sales in credit rather than cash	16	8
Sold assets	14	7
Others (Online services)	4	2

Note: Respondents answers are multiple response.

Short Term Plans

Frequency analysis of the pre-identified short-term plans to adapt to the changes brought about by the COVID-19 pandemic based on the choices made by the respondents as shown in Table 10. The result showed that business operators in Bato, Leyte opted to just "concentrate on most valuable products and services for the time being" while anxiously waiting for the pandemic to simmer down. While this writer was still having reservations about COVID-19 simmering down in not so distant from now, the above decision to just concentrate on selected products and services meanwhile appeared the most resilient, and most adaptive businessman could shine amidst the shadow of uncertainties. Other choices and their corresponding frequencies were indicated in the same Table. In fact, short-term plans will help businesses to operate and survive even facing unprecedented economic behavior (Irfan et al., 2021).

Table 10. Short term plans of business operators

SHORT TERM PLANS	FREQUENCY	PERCENTAGE (%)
Concentrate on the most valuable products for the time being	119	59.5
Skills development of the employees	57	28.5
Maximize social media platforms	49	24.5
Apply from government assistance recovery	36	18.0
Tie-up with another local establishment	34	17.0
Others	5	2.5

Note: Respondents answers are multiple response.

Long Term Plans

The prior identified choices of long-term plans were provided in the questionnaire for respondents as to what is most appropriate to adapt to the changes brought about by COVID-19 Pandemic was reflected in Table 11. As shown, the most popular adaptive choice was to "develop new products and services to offer to costumers or clients (45.5%)". In closed second was to "diversify the services and products to offer (41%)". "Expanding services to nearby towns" was also chosen by about 24 percent of the respondents. Obal and Gao (2020) stated that a business must have a long-term plan that provides increased productivity and profitability despite times of crisis.

Table 11. Long term plans of business operators

LONG TERM PLANS	FREQUENCY	PERCENTAGE (%)
Develop new products or services to offer	91	45.5
Diversifying of services and products offered	82	41.0
Expanding services to nearby towns	48	24.0
Adding-up physical stores	23	11.5
Others	9	4.5

Note: Respondents answers are multiple response.

Forms of Assistance

Since business operators were highly vulnerable to business stresses' just like the COVID-19 pandemic, they deserved to be provided government assistance to partly soften or cushion COVID-19's business impact (Madeira et al., 2020; Mogaji, 2020). Participants were offered six possible choices and indicated which one was most valuable to them given the COVID-19 pandemic situation. In that case, Table 12 shows that, on average, 52.5% of the participants that MSMEs need assistance from the government particularly the DTI to implement some programs that may help them combat the adverse impact of the pandemic. According to the study of Hanson et al. (2020), the government must provide payment assistance to enable the business to keep their operations and survive amidst the health and economic crisis brought by the pandemic.

Table 12. Forms of assistance that could be provided to MSMEs

ASSISTANCE	FREQUENCY	PERCENTAGE (%)
1. DTI to implement programs about risk management and business continuity plans thru the promotion of relevant business practices such as risk reserves and business interruption solutions	105	52.5
2. NGOs that work directly with MSMEs to design of implement low-cost and innovative communication collaterals to increase awareness of the impacts of the pandemic	74	37.0
3. Information drives about the use of digital platforms for e-commerce and social commerce platforms and providing digital facilities and techniques	59	29.5
4. Extend voluntary loan moratorium on loan repayment of at least 6 months in accredited institutions that cater to MSMEs	54	27.0
5. Offer to accredited financial institutions a loan restructuring facility to cater to the needs of MSMEs	41	20.5
6. Others	7	3.5

Note: Respondents answers are multiple response.

Conclusion

It is concluded that most of the enterprises in Bato, Leyte are generally "Micro" in terms of asset size and the number of employees. Majority of the MSMEs in Bato, Leyte has adopted business strategies to combat the adverse effect of the COVID-19 pandemic crisis. Results showed that most of these "Micro" enterprises in Bato, Leyte has been affected by the COVID-19 pandemic, in particular, sales revenue and net profit have been dramatically reduced. The correlation analysis has revealed that age was a demographic characteristic that was significant insofar as MSME's operations were concerned. Similarly, the same analysis has significantly confirmed that the implementation of business strategies in response to the pandemic is influenced by the reduced sales revenue and net profit. In addition, the results of the correlation test showed that if an enterprise increased the implemented number of business strategies there was a corresponding increase of sales revenue and profitability and vice-versa. In fact, owners and managers of MSMEs in Bato, Leyte have adopted adaptive measures to cushion or mitigate

the impacts of the pandemic, and both short and long-term plans are in place to adapt to the pandemic.

Conclusively, the study has shown that Micro enterprises are the most vulnerable to the adverse impact of the pandemic. On the face of it, "Micro" enterprises in Bato, Leyte need the assistance they can get from the Department of Trade and Industry (DTI) to mitigate the effects of pandemics and be resilient in times of uncertainty. It is, therefore, necessary that the government through DTI should enhance the capability of enterprises in managing risk, ensuring business continuity by promoting important business practices.

The study recommends that short-term plans like concentrating on the most valuable products and skills development of employees must be considered by the operators while long-term plans are in a place like developing new products and services to offer and diversifying of services and products offered despite the recurring problem brought by the COVID-19 pandemic. Additionally, it is recommended that MSMEs should also consider maximizing the "digital world" in promoting their products and services. Furthermore, to supplement the results of the current study, one may consider the well-being of owner, manager, and employees during the pandemic for future research.

References

- Affandi, A., Sarwani, A. S., Erlangga, H., Siagian, A. O., Purwanto, A., Effendy, A. A., & Juhaeri, G. (2020). Optimization of MSMEs empowerment in facing competition in the global market during the COVID-19 pandemic time. *Systematic Reviews in Pharmacy*, 11(11), 1506-1515. <https://pesquisa.bvsalud.org/global-literature-on-novel-coronavirus-2019-ncov/resource/pt/covidwho-1040799>
- Ahmed, D., Buheji, M., & Fardan, S. M. (2020). Re-emphasising the future family role in "care economy" as a result of covid-19 pandemic spillovers. *American Journal of Economics*, 10(6), 332-338. <http://doi.org/10.5923/j.economics.20201006.03>
- Aladejebi, O. (2020). Managing small businesses in Nigeria during covid-19 crisis: impact and survival strategies. *IOSR Journal of Business and Management*, 22(8), 24-34. <http://doi.org/10.9790/487X-2208012434>
- Andriyani, D., Nailufar, F., Yurina, Y., Ratna, R., & Rahmah, M. (2021). Analyzing the Sustainability of Micro, Small and Medium Enterprises during Covid-19 Pandemic in Bireuen Regency, Indonesia. *International Journal of Business, Economics, and Social Development*, 2(3), 119-126. <https://doi.org/10.46336/ijbesd.v2i3.159>
- Boronos, V., Zakharkin, O., Zakharkina, L., & Bilous, Y. (2020). The Impact of The Covid-19 Pandemic on Business Activities in Ukraine. *Health Economics and Management Review*, 1, 76-83. <http://doi.org/10.21272/hem.2020.1-07>
- Caballero-Morales, S. O. (2021). Innovation as recovery strategy for SMEs in emerging economies during the COVID-19 pandemic. *Research in international business and finance*, 57, 101396. <https://www.sciencedirect.com/science/article/pii/S0275531921000179>
- Cetin, C., & Kara, A. (2020). Global surveillance, travel, and trade during a pandemic. *Turkish journal of medical sciences*, 50(SI-1), 527-533. <https://journals.tubitak.gov.tr/medical/abstract.htm?id=27227>
- Donthu, N., & Gustafsson, A. (2020). Effects of COVID-19 on business and research. *Journal of business research*, 117, 284-289. <https://doi.org/10.1016/j.jbusres.2020.06.008>
- Fairlie, R., & Fossen, F. M. (2021). The early impacts of the COVID-19 pandemic on business sales. *Small Business Economics*, 1-12. <https://link.springer.com/article/10.1007/s11187->

021-00479-4

- Fegert, J. M., Vitiello, B., Plener, P. L., & Clemens, V. (2020). Challenges and burden of the Coronavirus 2019 (COVID-19) pandemic for child and adolescent mental health: a narrative review to highlight clinical and research needs in the acute phase and the long return to normality. *Child and adolescent psychiatry and mental health*, 14(1), 1-11. <https://link.springer.com/article/10.1186/s13034-020-00329-3>
- Gustavsson, S., & Larsson, S. (2020). Marketing Innovation for SMEs during COVID-19 Pandemic: A case study of the hospitality industry in Norrbotten. Undergraduate Thesis. Retrieved from <https://www.diva-portal.org/smash/get/diva2:1439188/FULLTEXT01.pdf>
- Hadiyati, E., & Hendrasto, F. (2021). Entrepreneurial Marketing Strategy of Micro, Small and Medium Enterprises in Pandemic Covid-19 Era. *International Journal of Economics & Business Administration (IJEBA)*, 9(2), 178-191. <https://ideas.repec.org/a/ers/ijebaa/vixy2021i2p178-191.html>
- Hanson, S. G., Stein, J. C., Sunderam, A., & Zwick, E. (2020). Business Continuity Insurance: Keeping America's lights on during the pandemic. White Paper of Becker Friedman Institute. https://bfi.uchicago.edu/wp-content/uploads/BFI_White-Paper_Zwick1_4.2020.pdf
- Irfan, M., Ahmad, M., Fareed, Z., Iqbal, N., Sharif, A., & Wu, H. (2021). On the indirect environmental outcomes of COVID-19: short-term revival with futuristic long-term implications. *International journal of environmental health research*, 1-11. <https://doi.org/10.1080/09603123.2021.1874888>
- Madeira, A., Palrão, T., & Mendes, A. S. (2020). The impact of pandemic crisis on the restaurant business. *Sustainability*, 13(1), 40. <https://www.mdpi.com/2071-1050/13/1/40>
- Mehrotra A., Gayatri L.C, Srivastava M., Narain N. and Mishra S. (2020). Impact of COVID-19 Pandemic on Micro, Small, and Medium enterprises (MSMEs) The Philippines Report June, 2020. Retrieved from <https://www.microsave.net/wp-content/uploads/2020/08/Impact-of-COVID-19-on-Micro-Small-and-Medium-Enterprises-MSMEs-1.pdf>
- Mogaji, E. (2020). Financial vulnerability during a pandemic: insights for coronavirus disease (COVID-19). *Mogaji, E*, 57-63. <https://dx.doi.org/10.2139/ssrn.3564702>
- Obal, M., & Gao, T. T. (2020). Managing business relationships during a pandemic: Conducting a relationship audit and developing a path forward. *Industrial Marketing Management*, 88, 247-254. <https://doi.org/10.1016/j.indmarman.2020.05.025>
- Purba, M., Simanjutak, D., Malau, Y., Sholihat, W., & Ahmadi, E. (2021). The effect of digital marketing and e-commerce on financial performance and business sustainability of MSMEs during COVID-19 pandemic in Indonesia. *International Journal of Data and Network Science*, 5(3), 275-282. <http://doi.org/10.5267/j.ijdns.2021.6.006>
- Radipere, S., & Dhliwayo, S. (2014). The role of age and business size on small business performance in the South African small enterprise sector. *Problems and Perspectives in Management*, (12, Iss. 4), 7-12. https://scholar.google.com/scholar?cluster=12593907801248365682&hl=en&as_sdt=0,5
- Rutkowska-Tomaszewska, E., Łakomiak, A., & Stanisławska, M. (2021). The Economic Effect of the Pandemic in the Energy Sector on the Example of Listed Energy Companies. *Energies*, 15(1), 158. <https://www.mdpi.com/1996-1073/15/1/158>
- Shafi, M., Liu, J., & Ren, W. (2020). Impact of COVID-19 pandemic on micro, small, and medium-sized Enterprises operating in Pakistan. *Research in Globalization*, 2, 100018. <https://doi.org/10.1016/j.resglo.2020.100018>

- Shinozaki, S., & Rao, L. N. (2021). COVID-19 Impact on Micro, Small, and Medium-Sized Enterprises under the Lockdown: Evidence from a Rapid Survey in the Philippines. ADBI Working Paper 1216. <http://dx.doi.org/10.2139/ssrn.3807080>.
- United Nations Industrial Development Organization (UNIDO). (2020). Impact Assessment of Covid-19 on the Philippine's Manufacturing Firms Survey Results May-June. https://www.unido.org/sites/default/files/files/2021-03/UNIDO%20COVID19%20Assessment_Philippines_FINAL.pdf
- Verma, S., & Gustafsson, A. (2020). Investigating the emerging COVID-19 research trends in the field of business and management: A bibliometric analysis approach. *Journal of Business Research*, 118, 253-261. <https://doi.org/10.1016/j.jbusres.2020.06.057>