



Knocked down, but up again:

**How resilient are female
online entrepreneurs?
Learning from the
COVID-19 shock**

Picture Source: YSSE

Research Team:

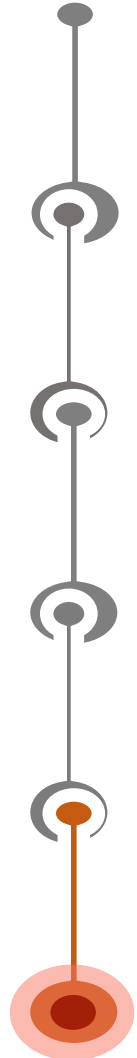
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Presentation Outline:



- **Background**
- **Methodology**
- **Literature**
- **Entrepreneur Demographics & Business Characteristics**
- **Impact of Covid-19 on businesses**
- **Conclusion & Recommendation**

Background



COVID-19 has created a dire situation for almost all types of businesses, irrespective of their size

Informal e-commerce businesses have low overhead costs, small production facilities and flexible product range – which is likely to help them scale down when a crisis hits, and bounce back to operations quickly

Yet, they share all the vulnerabilities of small businesses

How resilient are these new age small businesses to shocks such as COVID-19?

200 female online entrepreneurs were contacted

122 participated



April

Round 1

14 - 21 April

103 participated

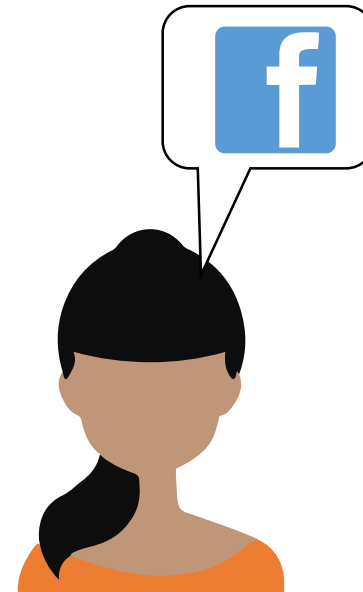


May-June

Round 2

May 31 - June 11

Methodology



The sample was selected by searching the web for female owned small businesses and using Facebook's automated suggestions of similar pages.

The sample does not include larger e-commerce platforms.

Online questionnaires were administered (both Bangla and English).

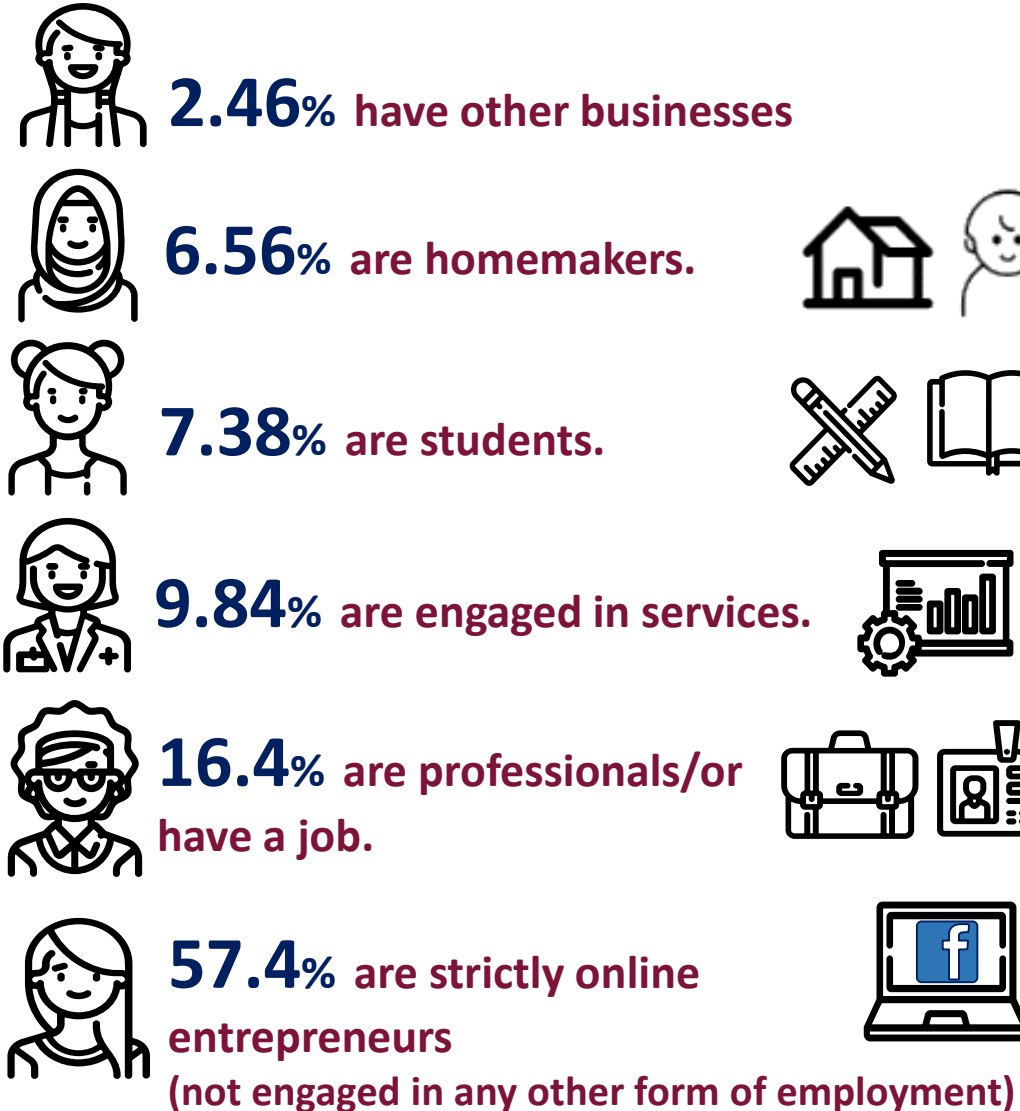
In-depth interviews over phone to follow up or verify data

Literature Review

- **Micro, small, and medium enterprises (MSMEs) are especially vulnerable to shocks as they have a narrower range of available coping mechanisms (UNDP, 2013).**
- **Following a natural disaster, small businesses are more prone to a liquidity crisis; a high probability of reduced access to resources due to low technical and financial capacities (Runyan, 2006. Pathak et al., 2017. Patankar 2019)**
- **The growing sector for informal variant of e-commerce in Bangladesh is particularly dominated by women (CGAP)**
- **A study on micro-merchants in Bangladesh showed that SMEs will face a shortage of working capital post-pandemic, while they are relying on personal savings for the time being (Innovision, 2020).**
- **One in four start-ups in Bangladesh have shut down their business by July 2020 (Lightcastle Partners 2020).**

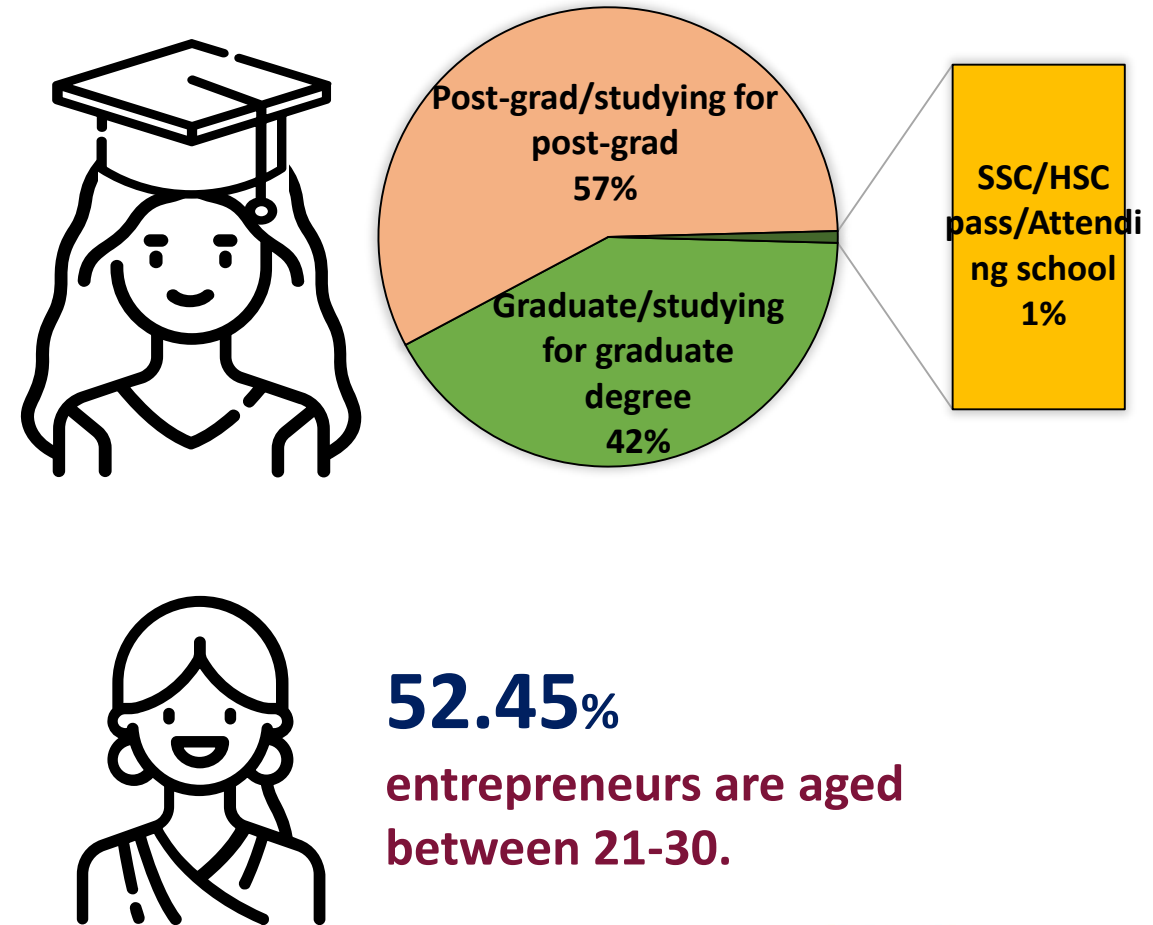


Alternate Occupation

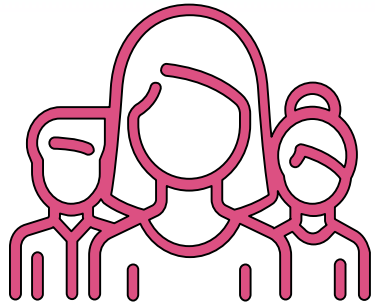


Entrepreneur Demographics

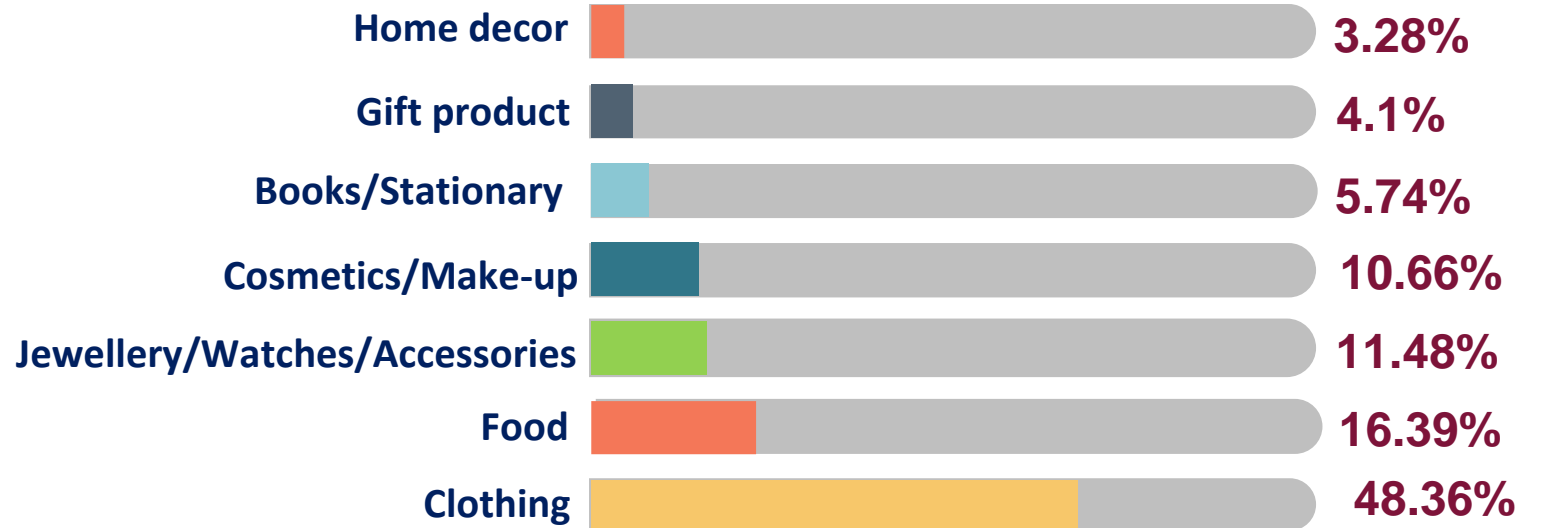
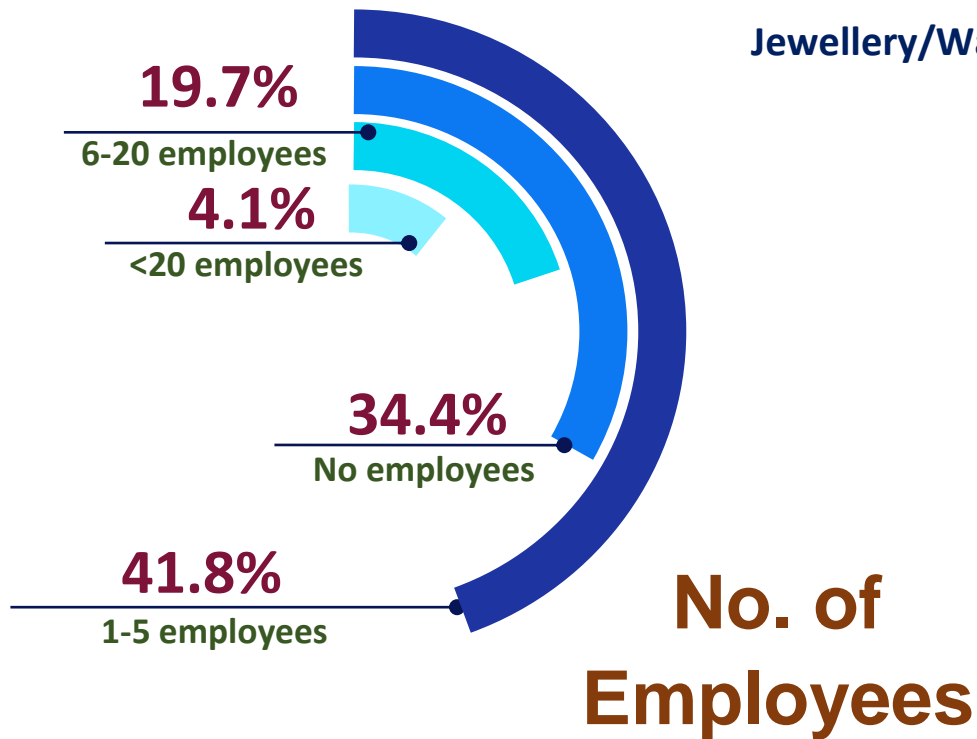
Age and Education



Business Characteristics



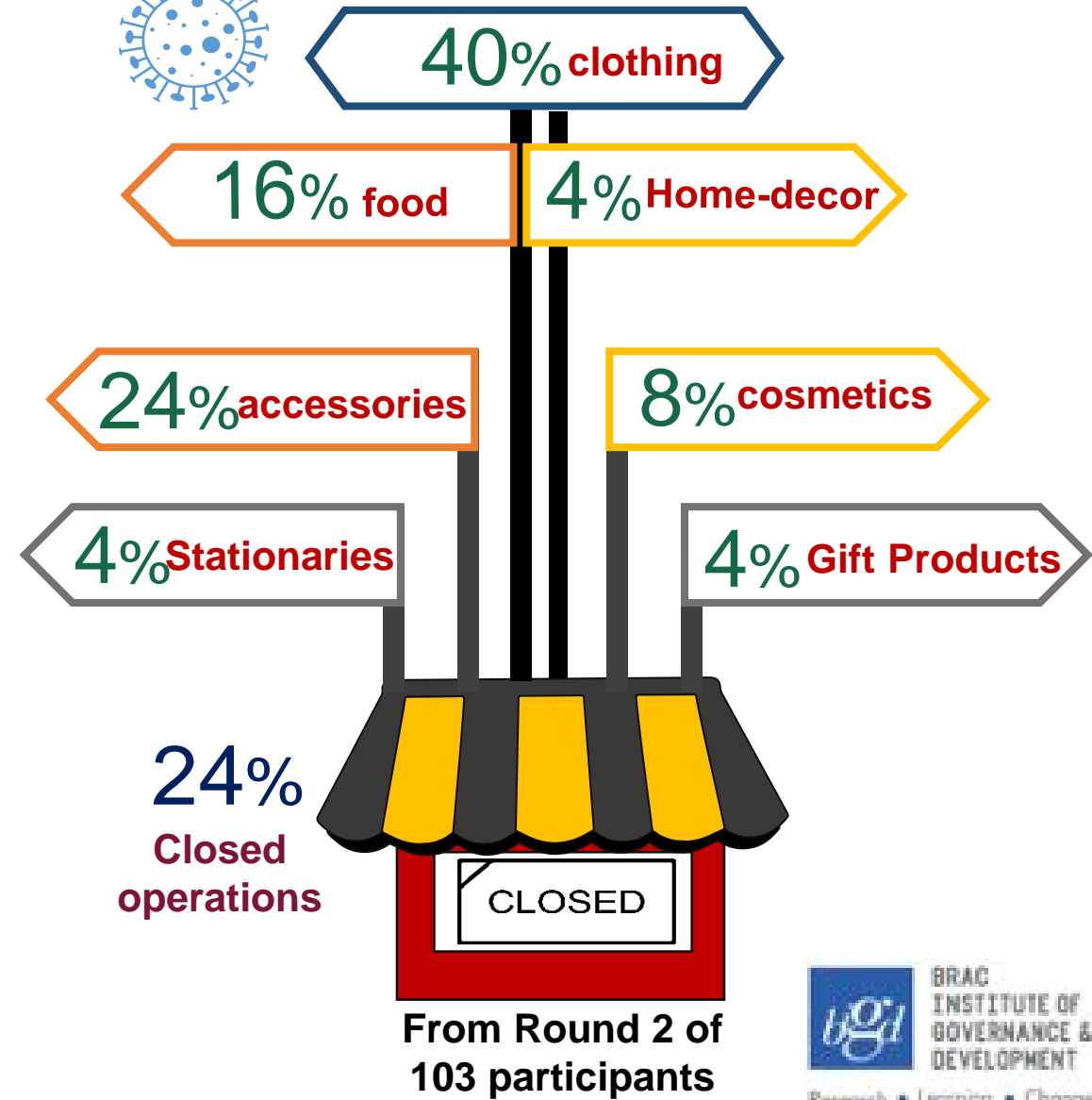
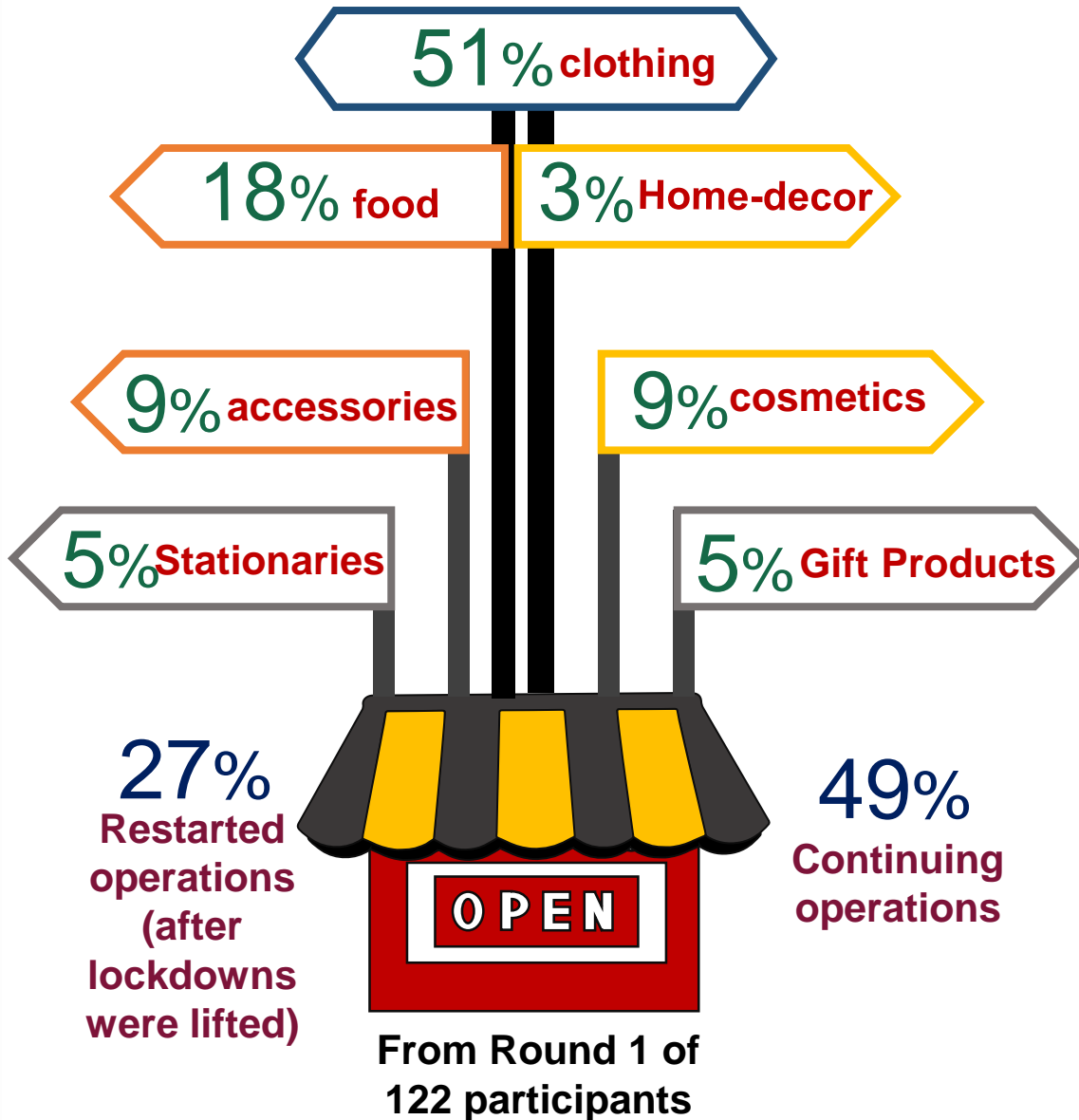
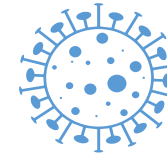
From Round 1 of
122 participants



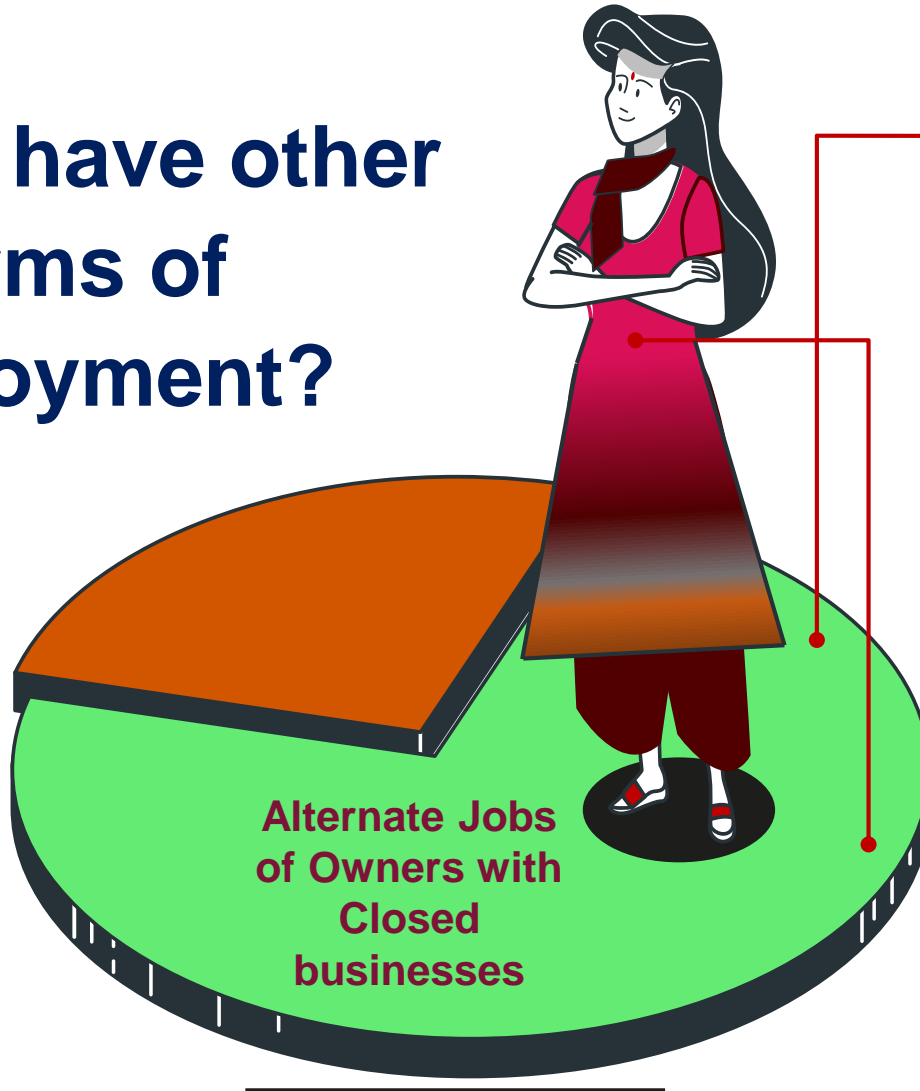
Types of Products Sold



Are they Still in Business?



Do they have other forms of employment?



32% Online business only



24% Professional Job



24% Services



16% Home makers



4% Other business



Perceived Impact of COVID-19 on Business

Findings from both rounds

Respondents felt there was no Impact on Businesses



Respondents felt there was a negative Impact on Businesses



Respondents felt there was a positive Impact on Businesses

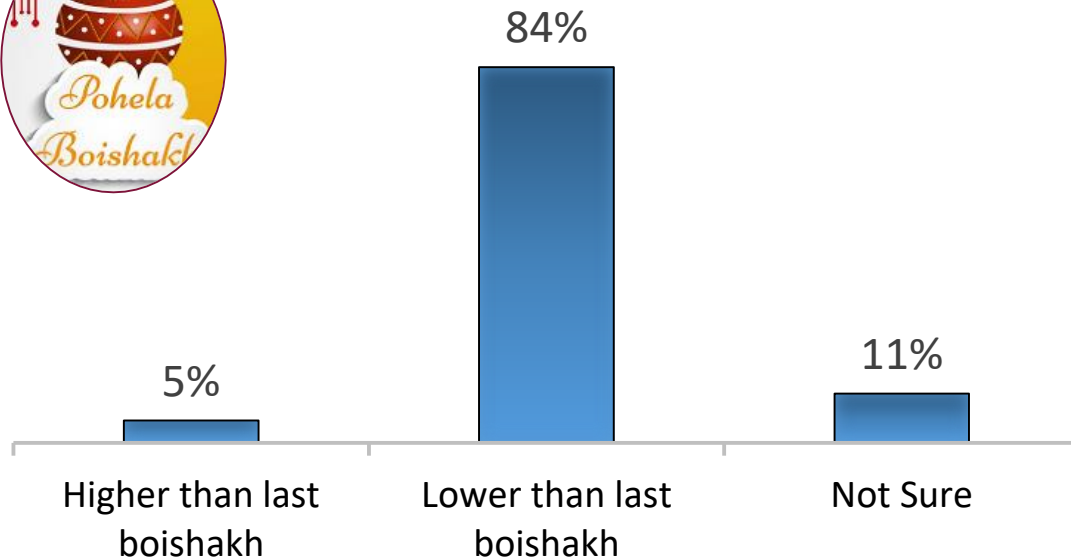


Impact of COVID-19 on sales

Findings from both rounds

Revenue Earnings

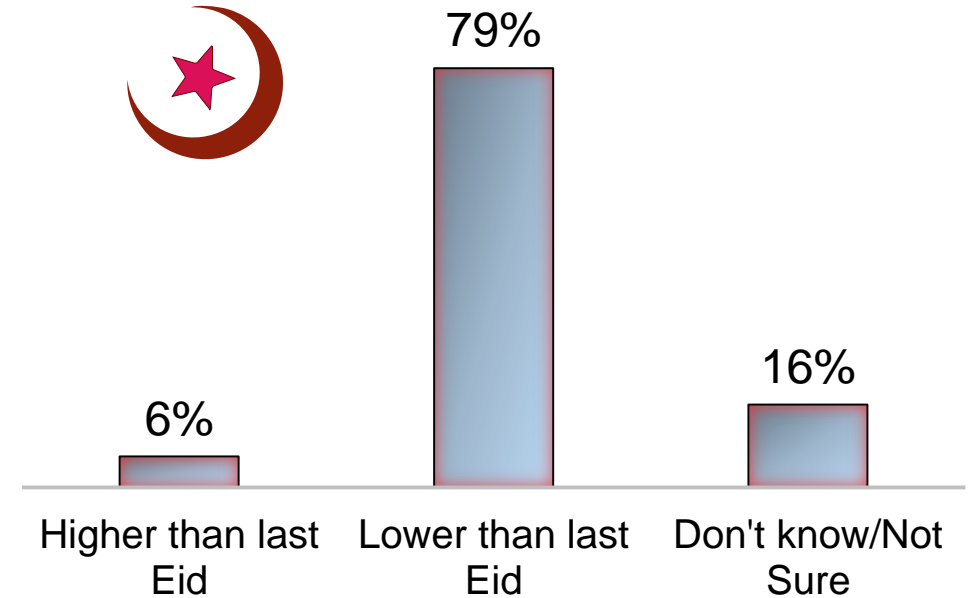
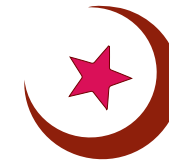
(Compared to previous *Pohela Boishakh* sales)



From Round 1 of 122 participants

Revenue Earnings

(Compared to previous Eid sales)



From Round 2 of 103 participants

Knock-on effects of Covid-19

Findings from both rounds

Round 1

1

Predictions made: **193**
people would be
unemployed

Round 2

2

Findings: **121 employees**
were laid off within this
one month



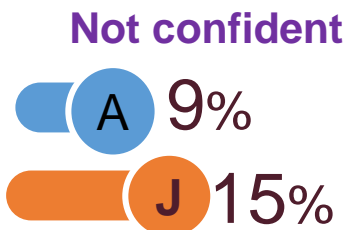
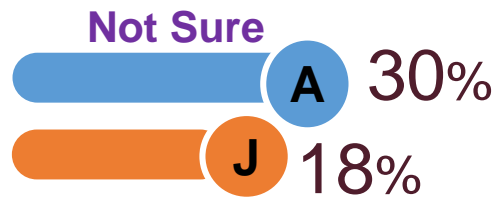
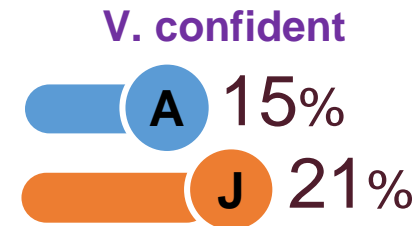
3

Further Predictions on
employment: **Around 547**
people's employment at
stake

Bouncing Back

Owner's perception on adjusting to the new normal

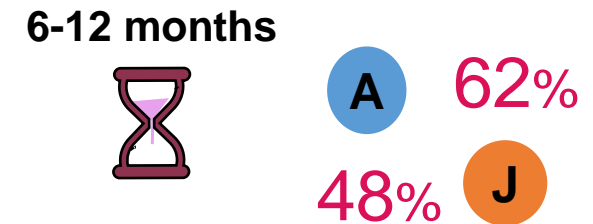
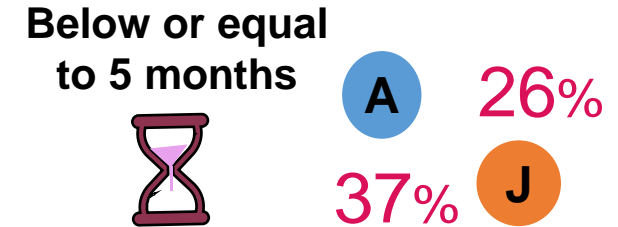
Confidence level about overcoming the shock



A April

J June

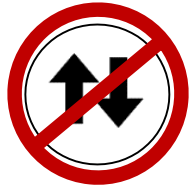
Perceived recovery time



Coping mechanisms

Findings from both rounds

Offering Discounts



No change
 April 16.5%
 June 26.2%

April 12.6%
 June 33%



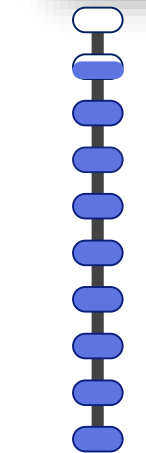
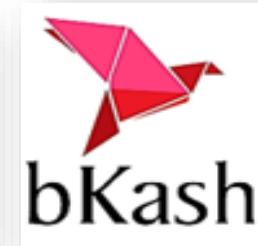
Laying off employees
 April 9.7%
 June 13.6%

Cancelling orders
 April 46.6%
 June 36.9%

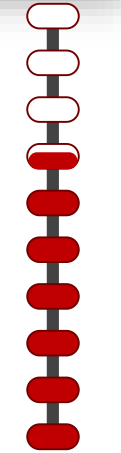


Payment Methods

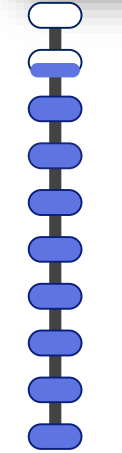
Before Lockdown After Lockdown



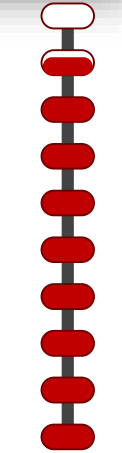
88.5%



68%



83.3%



88.5%

Access to resources

Findings from both rounds



Through other family members

53%



Through an entrepreneur forum

46%

44%



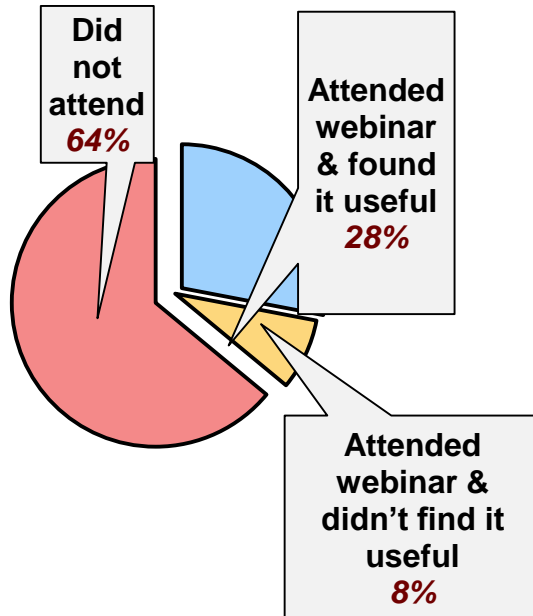
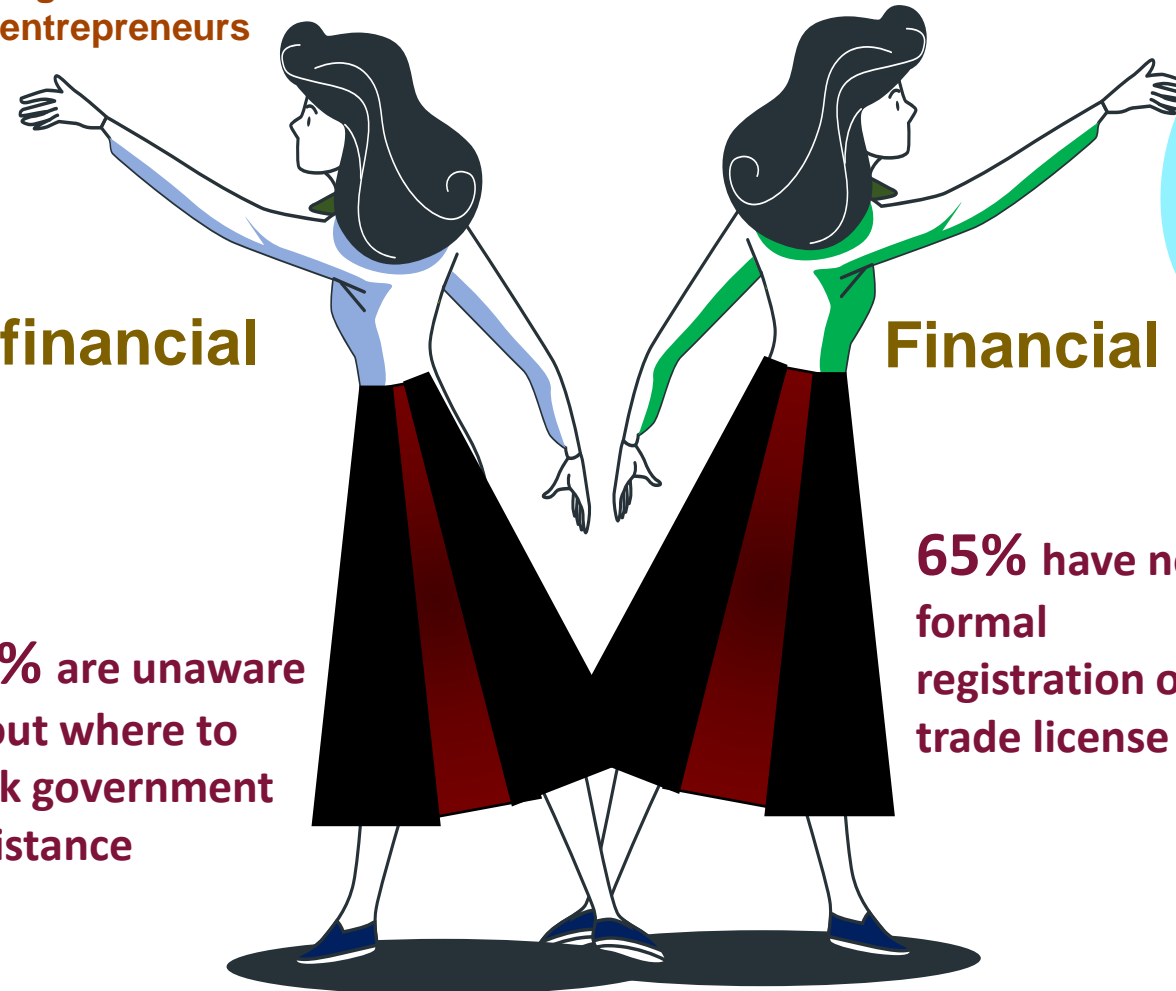
Through other known entrepreneurs

19% Loans from family/friends



Non-financial

Financial



63% are unaware about where to seek government assistance

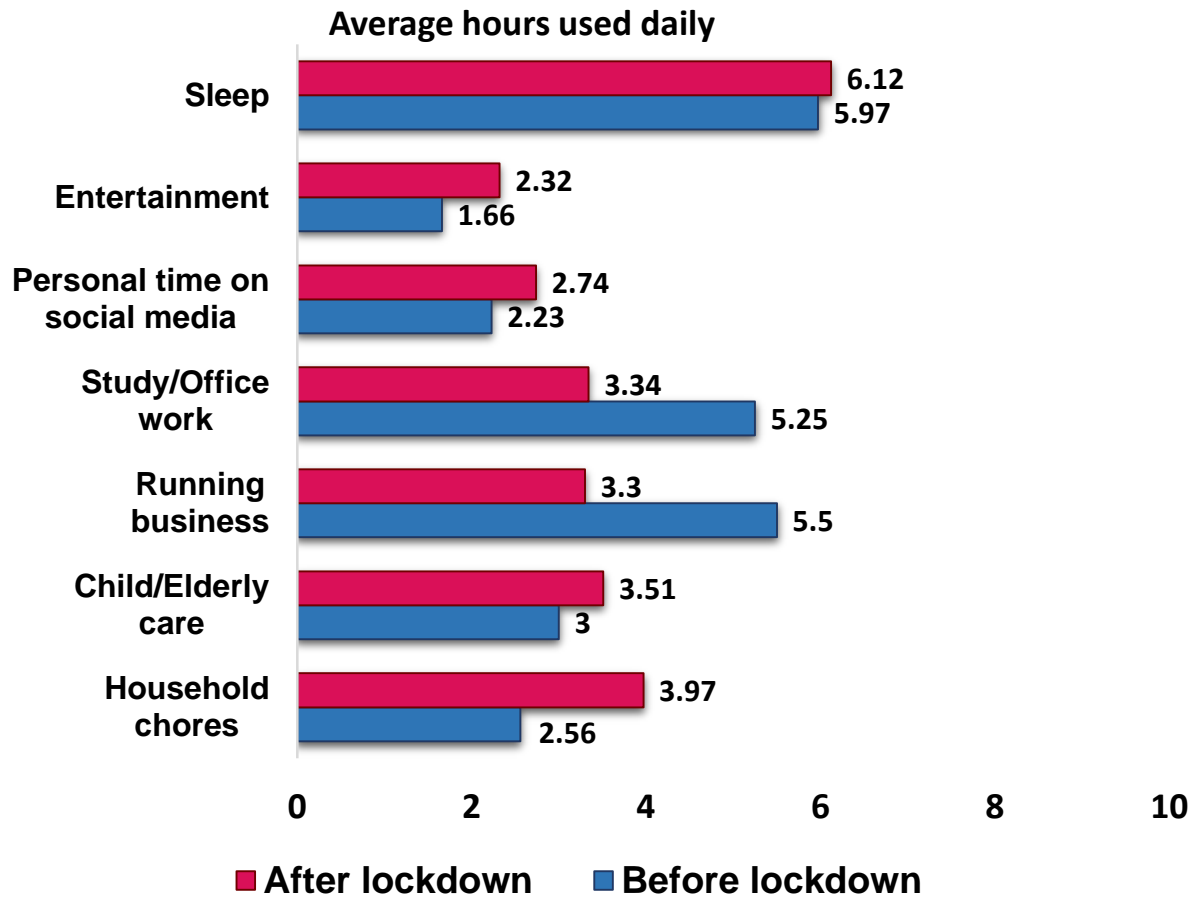
65% have no formal registration or trade license

Personal Savings 68%

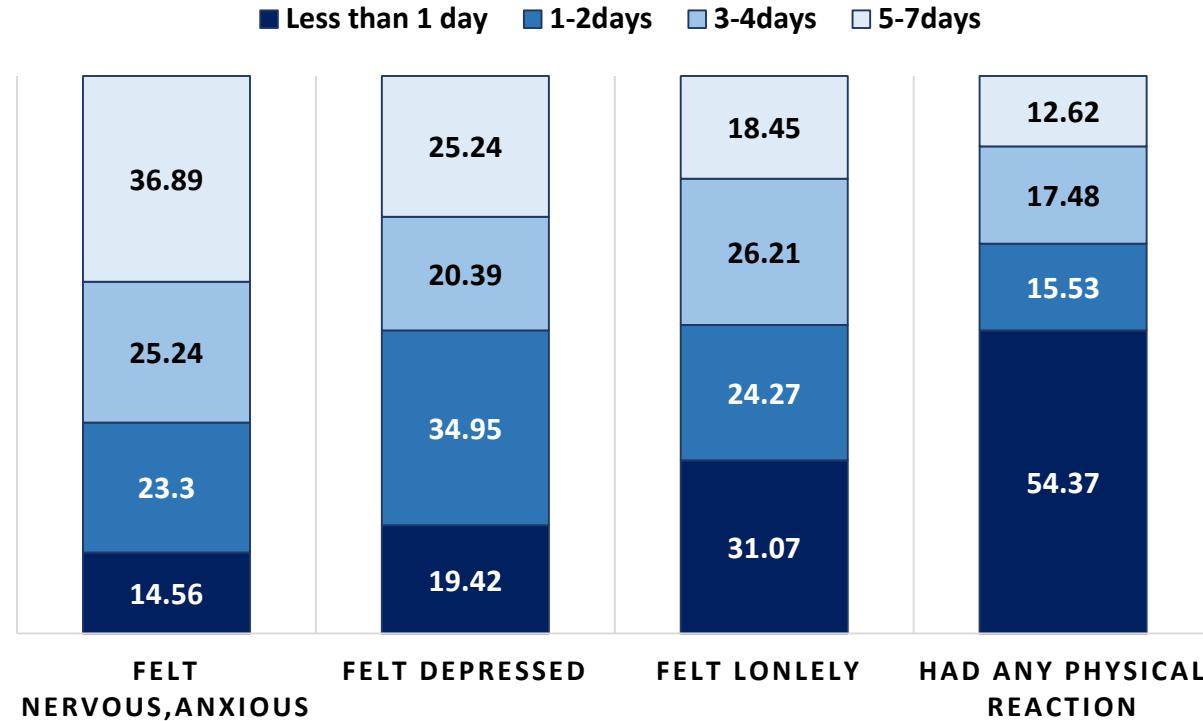


Entrepreneur Well-being and time use

Average Daily Time Use (hrs)



Mental Health Assessment



Entrepreneur Resilience

Findings from both rounds

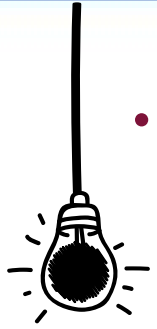


Adaptability, Agility, Flexibility & Recovery Capacity

- Some capability to sustain longer
- Prevent their circumstances from worsening by adopting coping mechanisms
- Close down temporarily with the confidence to come back in businesses within a reasonable time period.

Vulnerability

- No access to formal financial support
- Difficulty in maintaining work-family balance and their poor mental health during this crisis period also might hamper the resilience of these businesses.



- **Our hypothesis about flexibility and adaptability of these businesses was correct**

- **Vulnerability: Lack of financial inclusion**
- **Entrepreneurs who decided to close down had smaller businesses and have fall back options**
- **Negative effect on employment**
- **Sustained confidence for recovery**
- **Online groups and forums provide non-financial support**
- **The women entrepreneurs are struggling with their work life balance since lockdown**
- **Symptoms of poor mental health**



Conclusion

Findings from both rounds





Thank You