

FINANCIAL VIABILITY AND PERFORMANCE OF SMALL AND MEDIUM ENTREPRENEURS IN THE COVID19 PANDEMIC USING DIGITAL MARKETING.

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Abstract

The Covid-19 caused a great damage to the global economy along with the public health. The small and medium sized enterprises and their entrepreneurs SMEs were hit very badly during this time. The majority of the small or medium sized enterprises had to either close or face the significant drop in their revenue during the times of pandemic. Adapting the digital technology was very difficult for the small or the medium firm to establish their business but still the online sales help these entrepreneurs to improve the revenues during the pandemic. These SMEs were the most impacted sector in the globe during the lockdown. As there was significant reduction in this sale and which was very disappointing to the entrepreneurs throughout the globe. Due to which the government and other private sectors came forward to support the SMEs and in later part of 2020 these SMEs were very efficient in terms of delivery, approaching the clients and giving the quick responses. Therefore there are many success stories of these SMEs in the emerging market as most of these EMEs were operated in the informal way and were able to develop the economy and also overcome the challenges by adopting the various digital and many advanced technologies to improve and bring more innovations in their business by re-engineering process. Hence the economic progression was normalized throughout the globe after 2020. The aim of this research is to explore problems faced by the SMEs during the COVID-19 and how technology adoption could help them in sorting out the problems using the digital marketing.

Keywords: COVID-19, SMEs, IoT, cloud computing, innovations, digital marketing.

I.INTRODUCTION

Small and medium-sized firms make up a sizable fraction of all businesses in a nation, a region, and globally. They can employ more than 50% of all social workers now employed in the globe and generate up to 65% of all new employment globally.[1,2,3] Small and medium-sized businesses frequently take use of local labour, helping state agencies with their human resource

issues. SMEs frequently lack large financing sources from investment banks and have little funding. By 2025, India dreams to have a \$5 trillion economy. Without sustained expansion of small- to medium-sized businesses, it is impossible to realize this dream. It is difficult for SMEs to survive even under ideal circumstances. The majority of them are strapped for cash and other resources. Small and medium-sized businesses will struggle to survive in the COVID-19 arena while having their own capabilities. More than 360 lakh people are employed in the production of clothing, tobacco products, textiles, food products, furniture, metals, equipment, and other items. The workers in numerous SMEs were unable to produce the products as a result of the lockdown. They were placed under lockdown to prevent the corona virus from spreading. The employment of individuals at SMEs has been negatively impacted by the entire India lockdown. Due to COVID-19, both productivity and employment have been severely impacted in small- to medium-sized businesses. The bilateral animosity between China and India has also escalated as a result of this COVID-19 lockdown. SMEs in India are not solely reliant on themselves. The expansion of the country's overall economy is primarily attributed to small and medium-sized businesses SMEs. However, those small and medium-sized businesses are having a lot of difficulties in expanding. They lack money and other resources, and those SMEs must contend with fierce competition from large multinationals. Utilizing technology and other tools can assist SMEs in overcoming a variety of obstacles. [4,5]Every country's economy depends largely on its small and medium-sized businesses SMEs, which also make significant contributions to the GDP of their respective countries. ICT adoption is not an option for SMEs in the pandemic due to rising competition. ICT adoption is required because it can offer essential business information, support maintaining commercial relationships, allow access to new markets, and support corporate diversification. The implementation of new technologies can give SMEs practical advantages and advance their sectors. Internal elements like employee training and compatibility play a significant role in the successful adoption of technical resources. The organizational framework plays a significant role in how well SMEs adopt new technology.

[6,7,8]The Covid-19 pandemic significantly altered the business and made sustainability a top priority for the business world. Numerous well-known global brands went out of business entirely as a result of the COVID-19 pandemic's devastating effects on both human lives and financial stability. This is because many people around the world, especially in developed nations, are confined to their homes, which causes an economic slowdown. Risks started to increase for business operations that threaten environmental stability and necessitate any kind of physical presence. Layoffs of employees, financial hardship, employee health issues, a decline in revenue and turnover, and a decline in consumer expectations are the five main issues SMEs face during COVID-19. The government devised a stimulus for SMEs to survive by deferring debt repayments to banks in order to prevent a sharp decline in sales turnover. In addition, the government assists in resolving complaints including, among other things, the distribution of faulty goods. As a result, SMEs actors continue to implement business strategies to ensure reliable income. Actors in SMEs are anticipated to be able to make data-driven business judgments and to use caution when pursuing business financial management. As a result, SMEs have implemented technologically advanced and ecologically friendly strategies that produce sustainable performance as part of their social obligation. In this aspect, SMEs have prioritized adapting their product and process portfolios, being proactive, engaging in

environmentally responsible activities, and using technological advancements to sustain themselves. Technology advancements support sustainability objectives, resource efficiency, and pandemic response. SMEs must implement new environmentally friendly technology in order to achieve sustainable operations and results. Technological advancements and sustainable performance have a complicated and multifaceted relationship. The type of innovation that impacts business operations and has an impact on particular resources is one of the most crucial elements. The competitive advantage will grow as a result of this circumstance, and performance will be sustained. In the pandemic situation, all SMEs made technical investments to implement sustainable green practices, such as green supply chain management, green innovation, and green marketing, to ensure sustainable performance. Good organizational procedures and strong leadership are crucial contextual elements that must be present for SMEs to be successful and sustainable. [10,11]The right technology assistance and coordinated processes must be in place for SMEs to accomplish the defined performance goals and preserve a competitive edge, even though they may begin with zeal and a clear vision. The COVID-19 restrictions and lockdown had a significant negative impact on the SMEs sector. Due of the need for a physical presence, this industry had difficulty adapting to the new environment and figuring out how to be sustainable.

In this survey paper chapter 1 explains the impact of Covid-19 throughout the globe and the economic impact on the SMEs and other sectors and also listed few problems that was faced during the pandemic. In chapter 2, four researches and survey papers were analyzed to find the problems and the solutions that the SMEs implemented during the pandemic and in chapter 3 and chapter 4 demonstrate the usage of the various edge technologies to improve the performance of SMEs and also concluded that these technologies helped SMEs to enhance their sales and also to gain profit. Chapter 5 is containing the conclusion and then followed by references.

II.LITERATURE SURVEY

2.1 Technology adoption results in sustained growth

Kumar, M et al[12] explains are some ways that small and medium-sized businesses can achieve sustainable growth under the influence of technology adoption.

Marketing: A major concern for both small and large businesses is marketing. The groups first relied on print media and other conventional marketing avenues. Finance is the key area of concern for small and medium-sized businesses. Utilizing internet tools like social networking and e-commerce channels can aid SMEs in achieving sustainable growth. SMEs can reach a larger audience with fewer resources by utilizing internet tools. Since the beginning of their existence, products and services can be more widely distributed thanks to e-marketing resources.

Sustainable approach: Because technology reduces the need for physical resources and other costs, using online and internet resources also aids businesses in strengthening their sustainable efforts. People can communicate through virtual platforms with the use of technology, and SME owners can advertise their goods and services online. Even many large multinational corporations are turning to internet distribution and promotion channels because they offer value for their money and aid in attaining sustainability objectives.

New access to information: The main limitations for small and medium-sized businesses are time and resources. Small and medium-sized businesses have access to new information that would not otherwise be available. Access to important information may be made possible by the use of technology and internet resources. SMEs may use the internet to find new markets and business opportunities. Without using internet resources and technology properly, it is difficult to enter a new market.

Effective advertising and communication: Internet and technology use can aid small and medium-sized businesses in proper communication and effective advertising. For small businesses, advertising is an expensive endeavour. Utilizing the internet and other forms of technology can aid those businesses in expanding their client relationships and global communication.

2.2 Opportunities for social enterprises in times of crises.

In Anik et al[13] some social entrepreneurship researchers saw the COVID-19 outbreak as a chance to pinpoint social problems that could be resolved by what Mair, Battilana, and Cardenas (2012) might refer to as "social entrepreneurship." held a three-day event called "The COVID-19 Virtual Idea Blitz" that included more than 200 people from ten different nations and five different continents. The event allegedly produced favourable results, despite the fact that participants were searching for a constructive way to express their worry about the virus. One team, for instance, organized the distribution of almost 21,000 masks to those in need. When the virus first emerged and masks were scarce in many towns, this was a significant societal issue. A study recommends that in order to address the issues brought on by COVID-19 and brings about good change, social entrepreneurship and value co-creation strategies must be adopted. This claim is based on earlier research that indicates social enterprises dual purpose makes them particularly helpful in uncertain economic times. For instance, some academics argue that federal budget cuts to non-profit social service financing are what gave rise to the social business sector in the United States. The requirement for institutional alliances is a final obstacle for social entrepreneurs. Institutional relationships and collaborations have traditionally been critical for social entrepreneurs, and they might now be much more so. According to Weaver, the vast majority of the 115 social enterprises included in the study collaborate on tasks like finance, convening, service delivery/implementation, monitoring/evaluation, and acquiring non-financial resources. Because they help with resource acquisition, institutional collaborations may also affect the strategies used by social entrepreneurs to generate both social and economic benefit.

2.3 Problems faced by SMEs and the solution using technology

Weaver, Rasheda L [15] explained that SMEs encountered issues throughout the entire business, whether on the supply-side or demand-side. The lack of labour had harmed the businesses on the supply side. Since many migrant workers are returning to their hometowns, they are no longer available for employment. The COVID-19 illness had impacted many of them. Government had declared a lockdown, making it impossible for people to move around. Transportation, factories, and schools were shuttered. Capacity utilization had decreased. The demand for goods and services provided by SMEs were decreasing. The majority of customers were using their disposable money to purchase goods, but because of COVID-19, the majorities of consumers were suffering job loss or wage reductions, which were reducing their purchasing power.

The income level of the customers is decreasing due to which demand for product and services is shrinking. Customers are also sceptical about the delivery of the products because they do not want any physical interaction. Hence, they are not ordering the products and there were also few of the problems which SMEs had to face at the pandemic and overcame in the later parts in Figure 1.



Figure 1. SMES during COVID-19

During COVID-19, SMEs adopted technology that could aid them in resolving their issues. Effective use of social media, e-commerce, and other technical platforms makes it possible. Facebook, LinkedIn, blogs, Twitter, YouTube, and Instagram are examples of social media technologies. Alibaba, Magento, Shopify, Weebly, and other e-commerce platforms are among the platforms used for technology 4.0 (artificial intelligence, 3D printing, machine learning, robotics, drones, etc.), cloud computing, and other technical advancements.

2.4 SMEs improving the management capacity

The government must assist managers in effectively addressing issues that businesses face and reducing risks in daily operations. The administrator's oversight in capital management is the cause of their poor business management. Ayedee, D. etal[14] found the main cause of firms frequently experiencing losses and making it challenging to grow the market is a lack of financial resources combined with poor capital management in organizations. Due to the restricted management capabilities of businesses, overspending frequently occurs, resulting in waste in the importation of raw materials, employee labour expenses, fixed asset costs, external procurement prices, etc. According to Figure 2, level 4 (agreement) stands at 43%. This outcome showed that business management is learning useful market information.

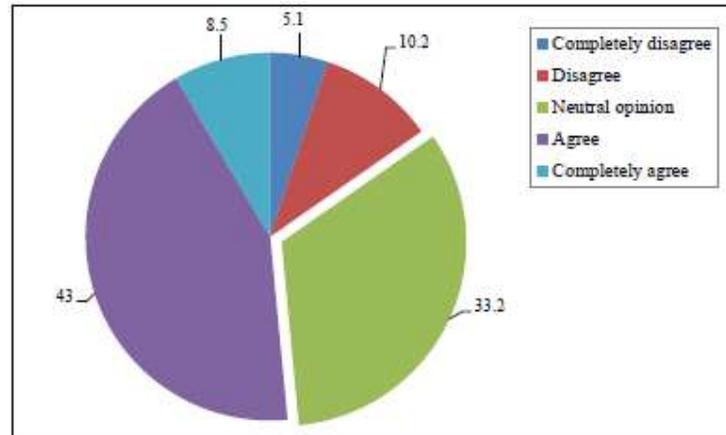


Figure 2. Enterprises enhancing the business management capacity

Table 1 demonstrated how important business management skills are for all businesses, especially SMEs. An SME manager plays a big job because of the small scale and scarce resources. To make prompt judgments that result in high efficiency, business managers need to continually update information and market requirements. Many companies back up their data to various devices in order to protect information. However, businesses increasingly frequently utilize information management software to organize their tasks and safeguard the data. Business records and data are stored more systematically and permanently when management software is used; data searches are also made simpler with just one touch.

Table 1. Enterprises enhancing the business management capacity

Scales	Frequency	Percent	Valid Percent	Cumulative Percent
Completely disagree	12	5.1	5.1	5.1
Disagree	24	10.2	10.2	15.3
Neutral opinion	78	33.2	33.2	48.5
Agree	101	43.0	43.0	91.5
Completely agree	20	8.5	8.5	100.0
Total	235	100.0	100.0	

III METHODOLOGY

This section provides an overview of a number of cutting-edge technologies that small firms can use to boost productivity, increase operational effectiveness, and establish or maintain competitive advantage. By implementing these technologies, SMEs in emerging markets and developing economies (EMDEs) can better position themselves to compete in the fourth industrial revolution, to survive in the current difficult business and economic environments, and to inclement global crisis like the ongoing COVID19 global health pandemic.

Some of the technologies that were used to improve the financial and performance of the SMEs during the Covid-19 pandemic one among them is digital marketing.

Digital Marketing

The use of the internet for marketing, often known as e-commerce or digital marketing is a fairly well-established practice. Numerous books have provided thorough documentation of the internet's potential as a marketing tool. Although there isn't enough evidence to back up a strong correlation, digital marketing does have a positive effect on the expansion of the global market. Numerous studies have emphasized the value of digital marketing, particularly for businesses that are export-oriented. However, it can be difficult to develop clear product difference and to offer enough services that maintain value and client loyalty in the case of conventional sectors.

This study was a component of a wider study of SMEs to gather and consolidate data on the difficulties its members encountered during the Covid-19 pandemic. It was predicated on the supposition that the use of digital tools, particularly for marketing programs, had risen during the pandemic. A specially planned questionnaire that was pre-tested and revised for simplicity of use served as the foundation of this study's methodology. All 2,000 SMEs of small, medium, and large-sized businesses were asked to complete the questionnaire. Google Forms was employed to carry out the survey. Only 750 SMEs decided to take part in the study after the link to it was initially emailed to all 2000 possible respondents which is depicted in Figure 3.

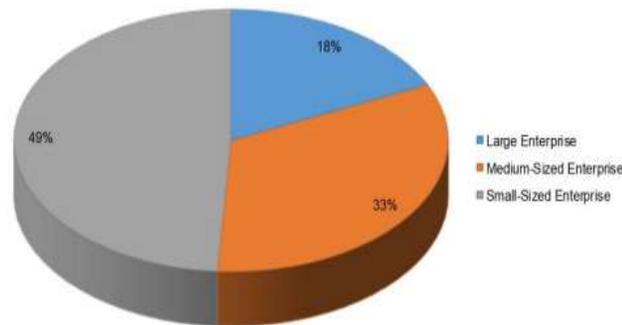


Figure 3. Proportion of respondents by company size

In order to engage with their current consumers and increase their presence in new markets, SMEs used digital marketing strategies as the logical solution and with government support. In essence, digital marketing offered a lifeline to maintain marketing efforts during the COVID-19 pandemic's difficult days.

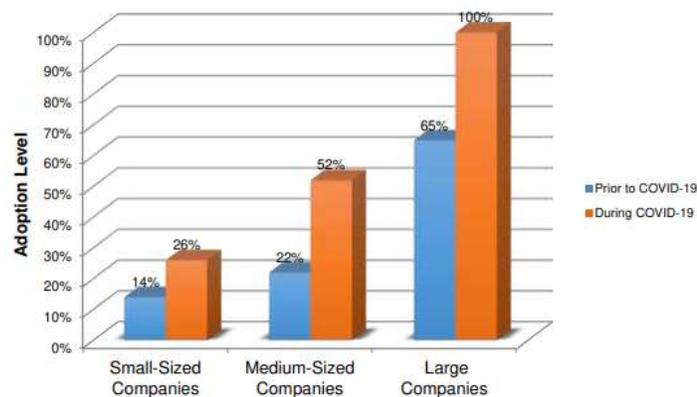


Figure 4. Adoption of digital marketing prior to and during the COVID-19 pandemic

Prior to the COVID-19 epidemic, many SMEs used digital marketing tactics (Figure 5), while large-sized manufacturers tended to use it more frequently than SMEs did. Nevertheless,

regardless of the size of the organization, the use of digital marketing among SMEs has increased since the start of the COVID-19 epidemic. This information was taken from the survey questionnaire. It was feasible to assess the level of digital marketing application both before and during the epidemic period thanks to respondent' self-reporting.

IV RESULTS AND DISCUSSIONS

The study's findings indicate that SMEs have adopted digital marketing to varied degrees, with larger businesses investing more in the technology than SMEs did. Although the COVID-19 pandemic expedited the use of digital marketing technologies, bigger businesses still have an advantage in this area. Due to the inadequate digital spending across many of the furniture SMEs, it appears that the government's targeted support programmes aimed at enhancing digital marketing among SMEs during the COVID-19 pandemic have not reached the expected degree of targeted adoption.

The following correlations were noted at a significance level of (P 0.01) based on the correlation analysis between the various digital marketing tools using Pearson's correlation coefficient (Pcc). First off, businesses with their own websites utilize SEO more frequently (Pcc=0.657). This is crucial to enhancing the effectiveness of the relevant website. Second, using product newsletters to reach a large number of potential buyers is substantially connected with email marketing (Pcc=0.712). Third, article marketing and affiliate marketing are positively connected with banner marketing among furniture businesses (Pcc=0.781 and 0.709, respectively). Other SMEs who employ SEOs are more likely to simultaneously engage in email marketing (Pcc=0.712) and article marketing (Pcc=0.604).

Table 2. The Relative Importance of Digital Marketing Tools for SMEs

Tools of Internet Marketing	Mean	Std. Dev
Website	4.56	0.76
Social Media Marketing	4.2	1.44
Search Engine Optimization (SEO)	3.70	1.56
Email Marketing	3.30	1.76
Article Marketing	2.93	1.38
Advertorials by Google & Facebook	1.45	1.23
YouTube Channel	1.23	1.20

V CONCLUSION

The COVID-19 epidemic had a substantial impact on the SME sector. SMEs encountered significant financial risks and problems carrying out their operational tasks throughout this crisis. Many researches showed that SME managers handled the challenges brought on by the pandemic in a variety of ways. The literature has demonstrated the significance of outside assistance for SMEs' performance following exposure to the COVID-19 pandemic's effects. This study's major objective is to emphasize the significance of "technology" in boosting the influence of SMEs' innovation practices in response to the COVID-19 crisis and its impact on company performance and the chances of their survival.

Although SMEs already had started adopting digital marketing strategies to some extent before the COVID-19 epidemic, their adoption escalated as a result of the pandemic. However, depending on the size of the company, different companies used digital marketing platforms at different rates. The three most popular digital marketing techniques for businesses were company websites, email marketing, and social media marketing. Facebook, Twitter, and Instagram were the sites that were used the most frequently for social media marketing. The internet and other e-commerce tools have made it possible. By enabling small and medium-sized entrepreneurs access to virtual technical offices, the internet and e-commerce have decreased the use of traditional brick-and-mortar offices. Finally, it concludes that all the problems of SMEs sorted with practical usage of technology adoption.

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