

Adaptation and Survival of Community Enterprises During COVID-19 Pandemic

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ABSTRACT

Abstract—The purpose of this research was to study the adaptation and survival of community enterprises during COVID-19 Pandemic of community enterprises in Bangkok. This research used mixed methodology approach both qualitative research and quantitative research. Statistics used in data analysis, the researcher used descriptive statistics to describe the demographic characteristics and opinions on the adaptation and survival of community enterprise. The results showed that the level of impact of community enterprises from the epidemic situation of COVID-19, overall was moderately affected. The results of the in-depth interviews have guidelines for revisions consisting of people, resources, innovations and ideas, marketing, operations and finance. The adaptation approach concludes that community enterprises need to reduce unnecessary expenditure on all parts of both employees' personal and organizational levels, and turning unused assets into income. Community enterprises must turn to online marketing platforms, producing products to meet the needs of consumers during the Covid-19 period and increasing channels to facilitate customers to retain customers. Including community enterprises affected financially should receive assistance from relevant government agencies to achieve financial liquidity.

Keywords—Adaptation and survival, Community enterprises, COVID-19 Pandemic

INTRODUCTION

From the situation of the Covid-19 epidemic, it has a huge impact on business operations, especially the operations of community enterprises that aim for people in the community to use their existing wisdom to develop and create products for sale and build an income for themselves and the community. The impact of the coronavirus disease 2019 epidemic on Thailand's economy, Bank of Thailand predicts that in the year 2021, economy growth of only 1.3 percent, compared to the previously expected growth of 2.8 percent. The impact of the novel coronavirus pandemic has spread to other economic sectors, including the manufacturing sector, the export sector, the agricultural sector, the political sector and the world's geopolitics is further complicated by such problems. This effect is a chain throughout the system whether it's a lot of unemployed labor. It is expected that Thailand's economic situation is expected to be affected by the COVID-19 crisis for a while. At the micro level, the situation resulted in an increase in the number of unemployed people, lower household income and higher cost burden. As a result, households are concerned about their own economic and living conditions. (National Statistical Office, 2020).

Community enterprises are owned by people in the community and work together to create products that come from integrated community processes. Enterprise operations emphasize the use of local knowledge and wisdom combined with international wisdom and community innovation to create added value for raw materials and resources available in the community. The objectives are aimed at generating income for families, communities, and between communities in accordance with the Sufficiency Economy approach (Department of Agricultural Extension, 2021). It can be seen that community enterprises do not focus on maximum profit, but focus on cost reduction and generating income for members and people in the community to be self-reliant and sustainable. The government's policy has set out to promote careers for community enterprises, local product groups in order to stimulate the economy and the needs of the people. This will make the economy in the community have to inherit and maintain the wisdom of the local identity to advance and spread (Office of Small and Medium Enterprises Promotion, 2020).

Considering the impact of the coronavirus outbreak, community enterprises are also affected. But with proper adaptation, community enterprises will survive and may become macroeconomic supporters. Such adjustments

include the reduction of unnecessary expenses, turning unused assets into income including marketing adjustments where community enterprises have to turn to online marketing. Entrepreneurs can apply online platforms as an additional channel to distribute products in times of crisis, while everyone has to keep social distancing like this, Community enterprises must adapt to survive by developing strategies that are suitable for the environment and bringing innovation to production and management systems within the business. Including the application of online channels for product purchase and communication to increase competitiveness and adapt to survive under the new normal (Pongpeng, 2021; Onsamlee, 2021).

For this reason, community enterprises must adapt to survive and develop their competitiveness. This research will study the adaptation and survival of community enterprises during COVID-19 Pandemic of community enterprises in Bangkok, only the districts that are in the area of responsibility of Suan Sunandha Rajabhat University consist of 18 districts with a total of 85 community enterprise groups. The study was considering the internal factors and related environmental factors, including guidelines for adapting under new normal circumstances.

LITERATURE REVIEWS

Community Enterprise

Community Enterprise comes from the word “Enterprise”, which means entrepreneurship or business, combined with the word “Community”, which means a group of people who have a common way of life, live in the same area and have common interests. When the word “enterprise” is combined with the word “Community” to be “Community Enterprise”, it literally means that it is an enterprise or operation performed by a group of people in the community for mutual benefit. (Department of Agricultural Extension, 2019).

In addition, Section 3 of the Community Enterprise Promotion Act B.E. have a common way of life and come together to operate such businesses whether it is a juristic person in any form or not a juristic person to generate income and for the self-reliance of the family inter-community. Therefore, a community enterprise is an operation or community business that is jointly owned by people in the community by using local knowledge, suitable technology and creativity. The operation of community enterprises therefore creates added value for raw materials and resources available in the community by producing goods or services to meet self-reliance and income generation for families in accordance with the Sufficiency Economy Guidelines, whereby a group of people or a group of persons who operates may be a juristic person or not a juristic person. The Department of Agricultural Extension (2013) explains that community enterprises have seven key components: 1) the community is self-employed, 2) the product comes from community processes, 3) having creative and innovative of the community 4) having a base of local wisdom combined with universal wisdom 5) having an integrated operation 6) having a learning process as the core and 7) having self-reliance.

The development of community enterprises for economic benefits both at the community level and at the national level according to the 12th Economic Development Plan (2017-2021) in the strategy of strengthening communities and society as a stable base of the country, resulting in an initial approach to cultivating entrepreneurs in the target communities. This is to strengthen entrepreneurs by developing knowledge in management, marketing, knowledge about the production of products that are unique to the community to meet the needs of community business in the production of goods and services at the foundation level, promote a high survival rate and encourage professional management.

Adaptation theory

The Roy Adaptation Model is the most widely known adaptation theory. This concept describes a person's adaptive system as holistic adaptive system and open system consists of imported the input, the coping process, the output, and the feedback process, where each component interacts as one. When stimuli caused by changes in the external and internal environments pass through the adaptation system. It stimulates the person to adapt in response to that stimulus by using two coping processes, namely the control mechanism. and cognitive mechanisms. These two mechanisms always work in tandem. As a result, the person exhibited four aspects of adaptive behavior as follows.

1. Physical adaptation (physiological mode) is an adaptation to maintain the stability of the body. This adaptive behavior responds to the basic needs of human life such as air, food, water, excretion, activity and rest, protection, and the functioning of various body systems.

2. Self-adaptation (self-concept mode) is an adaptation for mental and spiritual stability. It is a combination of feelings and beliefs about one's self in terms of appearance, thoughts, personality, spirituality, beliefs and religion.

3. Adaptation in role function (role function mode) is an adaptation for social stability. The acting according to their roles in the society in which they exist and according to the expectations of society. The roles and duties of a person are divided into 3 levels: Primary roles such as gender roles, Secondary roles are the social roles of a person related to their primary roles, such as mother and wife roles, and Tertiary role, which is a temporary role that occurs in certain stages of life where a person has to act according to that role, such as the role of volunteering to be able to act according to their own role.

4. Dependency adaptation (interdependence mode) is an adaptation that prioritizes interpersonal interactions, relationship-based focusing on the person's social context in relation to the individual, group of people and society.

Therefore, adaptive behavior is an expression or response of a person when receiving environmental stimuli can be divided into two types that are adaptive response and ineffective responses. Adaptive response behavior is a positive response that promotes strength of a person. in order to achieve the goal of survival, growth, able to continue the race, progress and can adjust the environment to meet the needs. Ineffective responses are responses or behaviors to stimuli in a way that does not promote the strength of the system but disbalances the system. One of the adaptation goals could not be achieved (Uratmanee, 2016). It shows that when a stimulus affects a person, individuals will have to adapt by showing behaviors that allow themselves to survive. In business as well, when the environment changes, community enterprise entrepreneurs need to adapt to keep their business running.

McKee et al., 1989 (McKee et al., 1989) argues that the process by which entrepreneurs process information from the external environment and use that information to adapt. Adaptation involves adjusting competitive strategies and strategizing to suit various environments. No entrepreneur can survive without adaptation and entrepreneurs need to adapt to the social environment. The degree of adaptation depends on different environmental factors and adaptation is relevant to a business in many dimensions, such as production of goods, services, marketing, distribution channels, personnel, finance, and facilities. In addition, the theory of survival in the dimensions of entrepreneurs by Jovanovich. Bojan (Jovanovic, 1982) summarized several factors that affect the survival of entrepreneurs, including the factors of entrepreneurship education, family background, research and development capability, size factor. and the age factor of the business.

METHODS

This research is a mixed methodology research using both qualitative research and quantitative research.

- Quantitative research It is an operation to obtain information on the needs and expectations of community enterprises to enhance competitiveness and adaptation under the new normal in terms of business management services, production, marketing and accounting by using a questionnaire to collect information and analyzed with a statistical package. Target population including community enterprise entrepreneurs which are in the responsibility of Suan Sunandha Rajabhat University, totaling 18 districts, namely Dusit District, Phra Nakhon, Nong Chok, Bang Khen, Min Buri, Lat Krabang, Yannawa, Samphanthawong, Phayathai, Huai Khwang, Bang Khun Thian, Phasi Charoen, Bang Phlat, Khlong Toei, Don Mueang, Sai Mai, Bang Na and Thawi Watthana include community enterprises in each district. There is a total of 85 groups. Data were collected using questionnaires that examined the content validity and reliability of the questionnaires.

- Qualitative research is conducted to support quantitative research results and develop application patterns by using in-depth interviews from entrepreneurs of community enterprises to provide comments and suggestions on the results of the study. The target population is community enterprise leaders and community enterprise by using a purposive sampling of 5-10 people with in-depth interview methods.

Statistics used in data analysis, the researcher used descriptive statistics to describe the demographic characteristics and opinions on the adaptation and survival of community enterprise. The statistics used in the analysis are frequency, percentage, mean and standard deviation.

RESULTS

Quantitative study results

General information of key informants consisted of 12 people, 6 males and 6 females, aged between 24-65 years old, has a period of business 5-30 years who were community entrepreneurs in the 6 main product categories, consisting of food, beverages, clothing and apparel, appliances and decorations, crafts and souvenirs, and non-food and medicinal herbs.

The findings of the impact on community enterprises and adaptation guidelines can be summarized as follows.

1. The level of impact of entrepreneurs from the epidemic situation of COVID-19: Overall, it was found that community business was moderately affected which averaged at 55.28%. When considering each aspect, it was found that the impact was in terms of income, employment, business adjustment, financial liquidity, working capital and the lockdown measures from the government affected the business at a high level, about 71%-80%.

2. The situation of the enterprise - When the situation tends to become more severe, the government has adjusted the measures by dividing the area for epidemic control and having different measures that may affect the business operations of entrepreneurs in areas with a large number of outbreaks. The analyzing of business status during the COVID-19 epidemic found that community enterprise entrepreneurs Able to operate only some activities, representing 55.12%, able to operate normally, representing 20.25, temporarily closed due to government orders 18.24% and permanently closed 6.39%

3. Method for adapting to the Covid-19 Crisis: Overall, it was found that community enterprises used the method to reduce the cost of the business, accounting for 70.14%, such as reducing consumption expenses or ordering employees to work from home, followed by adjusting the way of doing business accounting for 55.65%, such as sales online and earning through additional means of income accounting for 33.45%. In addition, the results of the research also found that the way of adjusting the business, it was found that most entrepreneurs have adjusted their business methods to use online services and earn extra income to increase their business, especially by increase online sales channels. Due to the increasing severity of the epidemic, the government has measures to ban eating in restaurants and has measures for employees to Work from Home of both government sector and the private sector. As a result, people are unable to travel to shop online, so online trading channels are very popular. When analyzing the survey results by business type, it was found that the trade sector especially in the retail and wholesale sectors and the service sector are being used online services the most. followed by the manufacturing sector

4. Getting help from the government or related agencies: From the survey, it was found that entrepreneurs needed measures in all aspects from the government at a very urgent level, especially to accelerate the distribution of vaccines and vaccination boosters, accounting for 80.42%, followed by measures to stimulate government spending, such as the half-person program, government welfare card and the more you use the more you get accounting for 78.51% and financial assistance measures such as debt moratorium, debt repayment waiver accounting for 75.25%.

5. Continuing business operations: If the situation of the corona virus epidemic 2019 still has no tendency to decrease or be able to return to the normal situation. This may result in some operators being unable to support their business to continue their business. From the survey results, it was found that community enterprises were able to sustain their business for more than 3 months, representing 55.75% of the sample.

Qualitative study results

The results of this study were based on in-depth interviews from 8 key informants on business adaptation and survival by using the PRIMO-F Analysis model, each aspect can be summarized as follows.

1. *People* Personnel of the community enterprises, the adaptations were reduction unnecessary expenses in all parts both for employees' personal and corporate by allowing some employees to take some off days to reduce the cost of this organization but earn money for other employees. Including allowing some of the reduced workforce participate in government aid measures to have income to compensate and let employees who take time off work to earn extra income from available resources. The results of internal conditions from 12 key informants obtained from in-depth interviews was analyzed by using the PRIMO-F Analysis model. In each aspect can be summarized as follows.

2. *Resources* Raw materials and equipment used in the production process can be obtained from sources not far from the community and have a good relationship with supplier because the price is adjusted higher according to the economic situation. Including, community enterprises should turn unused assets into income or selling unnecessary things to bring money to circulate during necessary periods.

3. *Innovations and Ideas* Adopting online revenue methods and using a method of delivering products to customers instead of having to travel to buy more products by themselves, focusing on delivery in nearby areas, resulting in the need to educate Doing business online for entrepreneurs. In addition, promoting the initiation of products that meet the needs of customers during the Covid situation, such as masks made from raw materials in the community, production of vitamin mixed drinks etc., which focus on uniqueness and different from competitors.

4. *Marketing* Marketing adjustments were that community enterprises must turn to online marketing. Community enterprises can apply online platforms as additional channels to distribute products in a crisis such as Facebook, Line, Instagram. The entrepreneurs who do not have knowledge of doing business online can learn on online from various agencies where open a variety of training courses to increase marketing skills on online platforms and generate more sales which answers both buyers and sellers while everyone has to social distancing like this.

5. *Operations* The customers of the business will be greatly reduced. because of the measures that the government came out to control the spread of COVID-19, causing customers to be unable to travel from the area to buy products at the store. Community enterprises should have measures to maintain the safety of employees and customers in the store as required by the government, such as forcing employees to wear masks and gloves during customer service. There are customers who come to buy products in front of the shop but can't sit and eat. Quality packaging has been improved to build confidence in using the service. In addition, community enterprises should increase distribution channels by collaborating with business partners such as food delivery business, to increase income and convenience in consuming goods and services from the store. There is an area for food delivery staff to wait for the restaurant to arrange food items that customers order through the application system.

6. *Finance* Due to the covid-19 situation that is prolonged and has no tendency to return to normal. As a result, the income of the business decreased, having more expenses incurred from the COVID-19 situation, and lack of liquidity. Most enterprises still lack funding sources for business adaptation, lack of sufficient knowledge of accounting and financial analysis. In addition, some businesses still lack of support from good funding resources. Community enterprises should reduce unnecessary expenses, especially fixed costs. In addition, community enterprises affected financially should receive assistance from relevant government agencies to provide financial liquidity such as assistance from government measures supporting loan sources at low interest rates or there is an extension of time for repayment.

CONCLUSION AND FUTURE WORK

Conclusion and discussion

The results showed that the level of impact of community enterprises from the epidemic situation of COVID-19, overall was moderately affected. When considering each aspect, it was found that the impact was in terms of income, employment, business adjustment, financial liquidity, working capital and the lockdown measures from the government. As a result, many community enterprises have to close their businesses and some that still exist but need to adjust. This is in line with McKee et al. (1989) argues that no entrepreneur can survive without adaptation and the degree of adaptation depends on different environmental factors and adaptation is relevant to a business in many dimensions, such as production of goods, services, marketing, distribution channels, personnel, finance, and facilities. Including, it is consistent with Onsamlee (2021) study on adaptation of community enterprises in the epidemic conditions of Coronavirus infection in 2019, the research found that community enterprises are related to the production of goods, services, and others which arising from the adoption approaches of the community economic or the sufficiency economy in their operation.

The results showed that adaptation of community enterprises in the epidemic situation of the Coronavirus 2019 in order to survive or minimize the negative impact on the business. The results of the in-depth interviews have guidelines for revisions consisting of people, resources, innovations and ideas, marketing, operations and finance. The adaptation approach concludes that community enterprises need to reduce unnecessary expenditure

on all parts of both employees' personal and organizational levels, and turning unused assets into income. Community enterprises must turn to online marketing platforms, producing products to meet the needs of consumers during the Covid-19 period and increasing channels to facilitate customers to retain customers. Including community enterprises affected financially should receive assistance from relevant government agencies to achieve financial liquidity. This is consistent with the entrepreneurial adaptation concept, which McKee (McKee et al., 1989) argues that entrepreneurs need to adapt to the social environment. The degree of adaptation depends on different environmental factors. Adaptation is relevant to businesses in many dimensions, such as production of goods, services, marketing, distribution channels, personnel, finance, and facilities (Suwunniponth, 2021). As well as this is consistent with Onsamlee (2021) study on Adaptation of Community Enterprises in The Epidemic Conditions of Coronavirus Infection in 2019 research shows that community enterprises are be able to survive and may also be macroeconomic supporters. The adaptations would start from the reduction of unnecessary expenditures, the conversion of unused assets into income, as well as the marketing adjustments in which online and delivery models must be adopted, being the effective choices for both buyers and sellers while keeping social distance.

The future work should study from community enterprises in other areas to obtain comprehensive information and compare the adaptation in each area. As well as should be should study lessons learned from community enterprises that have successfully adapted.

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