

# Women Entrepreneur's Boutique Business In Sub-Urban Kolkata Amidst Corona Pandemic: The Socio-Economic Determinants, Challenges Encountered & Survival Strategies

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## Abstract

Women entrepreneurs in India have the potential to escalate economic growth that has yet to be realized. In addition, entrepreneurship can boost women's empowerment, which has a multiplier effect on their own lives, families, and society. Corona pandemic has had a grim impact on all types of businesses worldwide, including women entrepreneurs running small and medium-sized businesses in India. Sixty-three female entrepreneurs operating boutique businesses in sub-urban Kolkata were interviewed for this study. The study employs a multiple regression model to investigate how various socio-economic factors have impacted the revenue earning of these entrepreneurs during this corona pandemic. Moreover, the study also explores the challenges these entrepreneurs faced and their strategies to survive the pandemic. According to the survey, revenue earning has grown with increasing experience, education level, and married women entrepreneurs. The research also reveals how lack of client orders, supply chain disruptions, reduced worker availability, financial crunch, and additional household duties during the pandemic harmed their business. Furthermore, the study also portrays how these entrepreneurs have adapted to this unprecedented time by realigning their business model to meet immediate needs, such as releasing new products like face masks, hand gloves, head caps, PPE kits, etc.; embracing digital sales and delivery channels; leveraging WhatsApp and Facebook as a marketing tool; reorienting supply chains, and ensuring home delivery of products by maintaining all hygienic protocols. The study offers valuable suggestions to policymakers for developing effective policies to support women entrepreneurs in reviving their businesses.

**Keywords:** Boutique Business, Challenges, Corona Pandemic, Determinants, Survival Strategies, Women entrepreneur.

## I. Introduction

Women entrepreneurs in India have the potential to escalate economic growth that has yet to be realized. In India, women account for around 48% of the overall population. However, just 14% of them pursue entrepreneurial endeavors, according to the Seventh Economic Census, 2019. According to the Global Entrepreneurship and Development Institute Report 2015, India ranks significantly below developed markets such as the US and the UK and developing markets such as Brazil, Russia, and Nigeria regarding female entrepreneurship. Moreover, in women-owned businesses, the average number of employees is

a pitiful 1.67, and many are micro-household enterprises. Apart from their inherent entrepreneurial urge and the need to augment their family income, there are several reasons women choose to start their businesses in developing nations like India. Women's entrepreneurship provides the path for women to attain personal achievement, independence, and control over resources while challenging common perceptions of women's place in society (Goffee and Scase, 1983). Thus, entrepreneurship can boost women's empowerment. Furthermore, women's employment generates substantially high social returns since they spend most of their earnings on their children's health and education,

benefiting future generations. If women-owned businesses are provided with equal access to inputs, they create economic outcomes comparable to those produced by firms run by males, according to the Bain & Company and Google Report on 'Women Entrepreneurship in India' (2019). Taking the initiative and starting a business will allow women to play a more prominent part in the economy rather than a supporting function. By 2030, India's working-age population would have surpassed one billion people, and up to 400 million women's economic potential may go untapped if enough job opportunities are not created. Corona pandemic has had a grim impact on all types of businesses worldwide, including women entrepreneurs running small and medium-sized businesses in India. Most of those firms saw a steep fall in income, and many were forced to shut down. However, some women entrepreneurs altered their business models to make them more relevant to survive the pandemic. Accelerating the number and scale of women-owned businesses in India can create enormous employment opportunities for the nation.

Studying how the corona pandemic has impacted women-led businesses, the challenges they've faced, and the transformational business strategies they've used to overcome those challenges will serve as a lesson for budding entrepreneurs on how to realign their business models to survive unprecedented market situations. The study will also assist the government in fine-tuning policies to foster the growth of women entrepreneurs in the nation. Research on women's entrepreneurship is also crucial for addressing gender equality, women's empowerment, and the sustainable economic development of the nation.

The relevant literature on women's entrepreneurship in India shows that both pull and push factors are responsible for its growth. When it comes to push factors, they function as an element of need, forcing women to start businesses to supplement the family income. Pull factors are associated with their feelings of independence and self-esteem, entrepreneurial zeal, and a desire for more income & social prestige (Brush, 1990; Buttner and Moore, 1997). Technical abilities, experience, financial resources, family support, a family history of doing business, and the entrepreneur's

educational level all contribute to the dynamic growth of women entrepreneurs (Isliam et al., 2011, Startiene and Remeikiene, 2015; Subrahmanya, 2015). Another factor contributing to women choosing a business is occupational flexibility regarding hours worked (Orhan and Scott, 2001). Lack of financial support is another significant barrier to women's business growth (Mustafa F. et al., 2021). According to the Global Entrepreneurship Monitor Report 2014, around 43% of female entrepreneurs mention financial difficulties as a factor for business failure, compared to 26% of male entrepreneurs. Because of their lack of financial assets and significant reliance on informal finance, women faced difficulty dealing with the effects of a sudden financial crisis due to the unprecedented corona pandemic (Orser, 2020). In many situations, women-owned businesses suffer due to their modest size and inexperience in the commercial world. Women's limited networking during the pandemic also reduced their ability to get crisis management assistance (Henry, 2020; Orser, 2020, Mustafa F. et al., 2021). There were also challenges to adapting to the new conditions for many women entrepreneurs since they had to take on additional caregiving and household tasks due to the school closures and the increasing need for healthcare (Chmura, 2020; Roomi & Parrott, 2008). However, many female entrepreneurs responded to the pandemic with agility and optimism, shifting their company models along three dimensions—skillsets, operations, and technology—to remain competitive (Chawla M. & Sahni P., 2020).

Despite several government initiatives to promote women's entrepreneurship in India, it is still in its infancy. There has also been very little research on the influence of this pandemic on women's boutique business. This article can fill the research gap by contributing valuable insights into theorizing strategic business models of women entrepreneurship to survive the pandemic. This can motivate further research in this domain of study for the days to come.

The objectives of the studies are to

- investigate how various socio-economic factors influenced the boutique businesses of women

entrepreneurs during the corona pandemic,

- understand the problems these entrepreneurs experienced in running their businesses during this challenging period,
- explore different innovative business strategies that these entrepreneurs adopted during this time to survive the pandemic,
- propose policy recommendations to aid women entrepreneurs and policymakers in dealing with such an unprecedented crisis.

The plan of the paper is as follows – Section I introduces the article by outlining the study's motivation, a brief review of the literature, identification of the research gap, and the study's objectives. Section II portrays data sources and the research methodology used in the study. Section III does empirical data analysis, and Section IV concludes.

## II. Data & Methodology

A snowball sampling technique was adopted for generating data by interviewing sixty-three female entrepreneurs operating small-scale boutique businesses in sub-urban Kolkata using a semi-structured questionnaire. The study employs a multiple regression model to investigate how various socio-economic factors have impacted the revenue earning of these entrepreneurs during this corona pandemic. The study tries to estimate the coefficients of the explanatory variables of the following regression equation

$$Y_j = \alpha + \sum \beta_i X_{ij} + u_j \quad (i = 1, 2, \dots, 5 \text{ \& } j = 1, 2, \dots, 63)$$

Where  $Y_j$  = Average monthly sales revenue (in Rs.) of the  $j^{\text{th}}$  entrepreneur during the last one year (the explained variable considered in the study)

$X_{ij}$  = Value of the  $i^{\text{th}}$  explanatory variable considered in the study for the  $j^{\text{th}}$  entrepreneur,  $\alpha$  = Constant term,  $\beta_i$  = Coefficient of the  $i^{\text{th}}$  explanatory variable

$u_j$  = Error term &  $u_j \sim N(0, \sigma^2)$

Table 1 shows the explanatory variables considered in the study

Table 1: Explanatory variables considered in the study

Name of the variable	Notation	Measurement
Experience	$X_1$	Years of doing business
Education	$X_2$	Years of schooling
Marital Status	$X_3$	1 = if married; 0 = Otherwise
Access to credit from formal sources	$X_4$	1 = if Yes; 0 = Otherwise
Family Support	$X_5$	1 = if the entrepreneur receives family assistance with child care and other household chores, as well as mental support for running the business ; 0 = Otherwise

Source: Author's plan of study

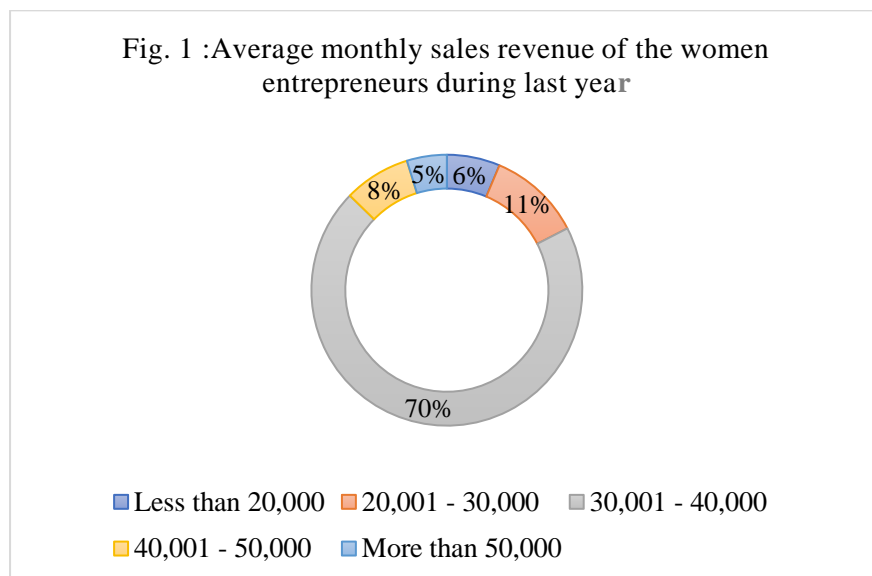
The data's normality is assessed by the Shapiro-Wilk test and also by examining the histogram of the standardized regression residual's frequency and the probability-probability (PP) plot of the regression standardized residual. The scatter plot graph between the regression standardized predicted value and the standardized regression residuals are used to assess heteroscedasticity. The Variance Inflation Factor (VIF) checks for multicollinearity among the explanatory variables. The reliability of the model is tested

in terms of Cronbach's Alpha test statistic. Furthermore, the study has used charts and diagrams to explore various challenges these entrepreneurs faced in surviving the pandemic.

If one considers the demographic and socio-economic profile of the respondents, around 60% of the female entrepreneurs are married. Only 19% of them have read beyond graduation level. 54% of the respondents have 5-10 years of business experience. Of those surveyed, just 37% obtained business loans from formal

sources, while 55% received support from family members in running their businesses. These women entrepreneurs sell a variety of traditional boutique items, including designer sarees, shawls, shirts, punjabis, kurtas, fashionable bags, bedsheets, elegant hand-made jewelry, and colourful diyas. However, they also offered face masks, hand gloves, head

caps, personal protective equipment (PPE) kits, and hand-made soaps and sanitizers in addition to those conventional products last year. Figure 1 summarizes these entrepreneurs' average monthly sales income over the previous year. According to the data, most of these businesses make an income each month ranging from Rs 30,001 to Rs 40,000.



Source: Author's calculation based on survey data

### III. Analysis of Data

The Shapiro-Wilk test result is summarized in Table 2. This test's null hypothesis is that the chosen sample originates from a population

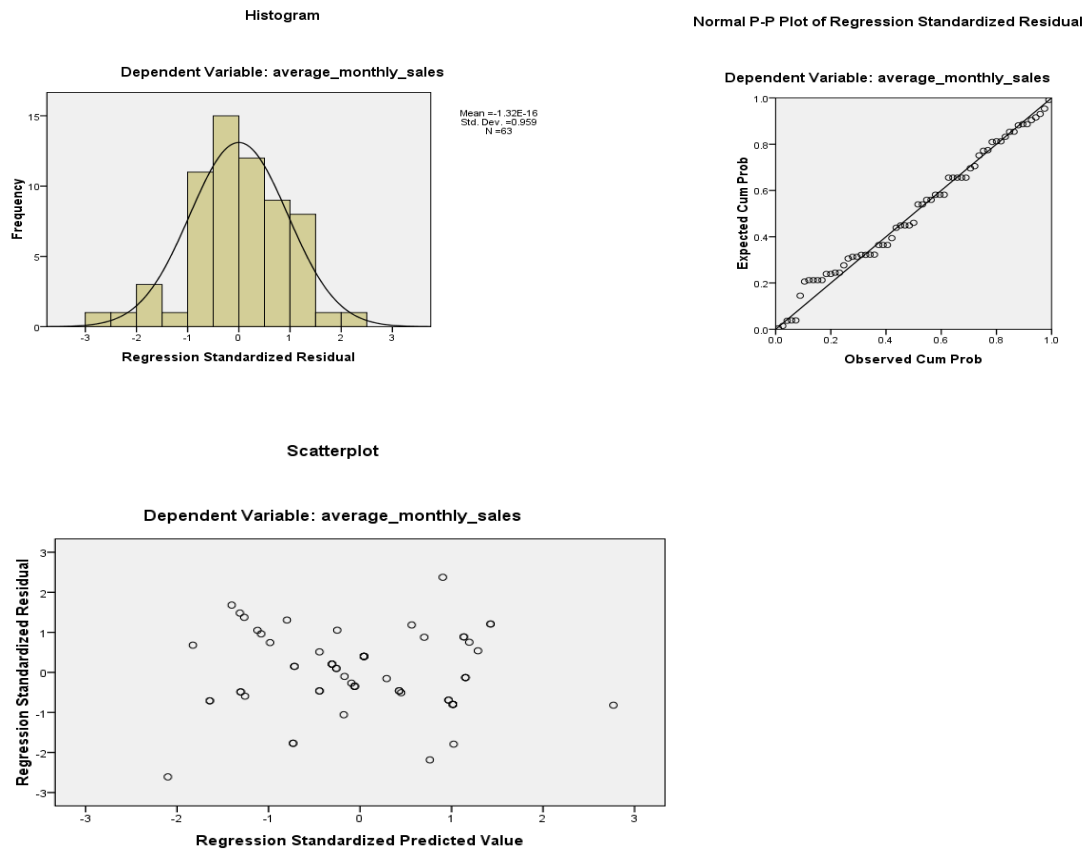
with a normal distribution. The test rejects the null hypothesis when the p-value is less than or equal to 0.05. Thus, the outcome presented in Table 2 verifies the data's normality.

Table 2: Shapiro-Wilk test of normality

Test Statistic	df	p-value
0.969	63	0.113
Source: Author's calculation based on survey data		

The histogram and normal probability plot of regression residuals in Figure 2 show that residuals are approximately normally distributed. The normal P-P plot of regression standardized residuals shows that the observed points are very close to the normal diagonal line with no strong deviations. This also verifies that the residuals are normally distributed. Considering the scatter plots show a rectangular pattern of dots, indicating that error variances are homoscedastic.

Figure: 2 Histogram, Normal P-P Plot of Regression Standardized Residuals & Scatterplot



Source: Author’s calculation based on survey data

In this study, Cronbach’s alpha value based on standardized items is 0.81, suggesting high internal consistency. In addition, the mean value of the Variance Inflation Factor (VIF) is

2.04, confirming that multicollinearity among the explanatory variables considered for the analysis is not an issue. Table 3 shows the results of multiple regression.

Table 3: Result of Multiple Regression

Model Summary						
Explained variable: Average monthly sales revenue						
Number of observations: 63						
F Value	Significance	R Square	Adjusted R Square	Root MSE		
61.968	0.000	0.845	0.831	1025.4		
Coefficients						
Explanatory Variables	Unstandardized Coefficients		t value	Sig.	Collinearity Statistics	
	Beta	Std. Error			Tolerance	VIF
Experience	314.02	54.378	5.77	0.000	0.4001	2.494
Education	567.86	290.144	1.96	0.055	0.396	2.562
Marital Status	1237.81	264.866	4.67	0.001	0.563	1.775

Access to credit from formal sources	487.26	357.08	1.36	0.178	0.525	1.905
Family Support	109.19	254.64	0.43	0.669	0.677	1.476
Source: Author's calculation using own survey data						

As seen in Table 3, the F-statistic is significant at the 1% level, confirming that the model fits well. The value of Adjusted R Square is 0.831. This demonstrates that the five explanatory factors were chosen for this study explain 83.1% of the variation in the entrepreneur's average monthly sales revenue over the previous year.

Table 3 shows that, with other explanatory factors staying constant, an increase in the respondents' years of experience by one year leads to a rise in the average monthly sales revenue of Rs 314.02, which is significant at 1% level. Experience is an essential component of human capital since it promotes individual's performance in learning by doing business. Furthermore, past experiences have assisted entrepreneurs in adapting desired strategies to remain relevant in the face of a market slump caused by the pandemic. Thus, experienced entrepreneurs are better equipped to adapt to an uncertain entrepreneurial landscape.

The level of education attained by the entrepreneur is another key factor in determining their ability to generate income from sales. As shown in Table 3, with the other explanatory factors being constant, the increase in the respondents' years of education by one year results in a rise in the average monthly sales revenue of Rs 567.86, which is statistically significant at the 10% level. More informed entrepreneurs may better understand the market situation and make better judgments by utilizing real-time market data. Furthermore, better education improves communication and problem-solving abilities and assists businesses in reaching out to more clients through effective marketing and sales channels.

For female entrepreneurs, their spouses' support is crucial in providing financial capital, sharing financial risk during tough times, and, most importantly, maintaining a healthy work-life balance. The study shows that other explanatory variables remain unchanged, married women entrepreneurs have earned Rs

1237.81 more sales revenue on average per month during the last year than others. The result is significant at the 1% level.

Access to formal finance is another critical issue impacting women entrepreneurs' businesses. Financial institutions frequently see them as less creditworthy, believing that they will fail to operate the firm in the long term. Furthermore, many women still do not own any property, making it difficult for them to obtain cash because they lack collateral for receiving a loan. Women frequently lack access to essential financial services such as checking and savings accounts. As a result, many female entrepreneurs support their enterprises through personal savings, family and friend loans, and microloans. Microloans are often modest and short-term, preventing women entrepreneurs from making long-term investments in their enterprises. Table 3 reveals that women entrepreneurs who obtained a formal loan earned Rs 487.26 higher income from sales on average per month in the previous year than those who did not obtain formal credit. However, the outcome is not statistically significant.

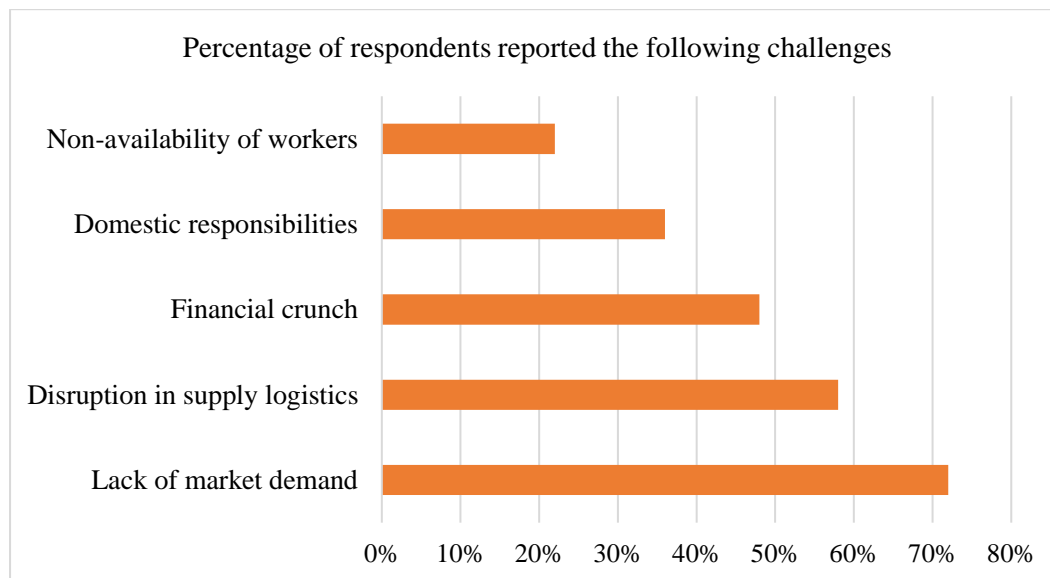
Families have always played an important part in women's business. Sometimes, women entrepreneurs may choose not to have their own families owing to job obligations and difficulty managing work and family. On the other hand, a family may offer moral and psychological support when a woman decides to become an entrepreneur. The family often plays a vital role in assisting female entrepreneurs in balancing work and family duties, such as child care. Furthermore, being born into a business family might provide women with employment opportunities. A business family might inspire their daughters to pursue an entrepreneurial career by launching a new venture. Business families can also help to form a company's identity by instilling entrepreneurship-related values and behaviours. Table 3 in this study shows that women entrepreneurs who receive adequate family assistance made Rs 109.19 more income from sales per month on average

in the last year than those who do not receive family support. This result, however, is not statistically significant.

According to the respondents, the pandemic resulted in a 47% decrease in sales revenue in the preceding year, and the significant problems they experienced during this period are summarized in Fig 3. More than two-thirds

(72%) of respondents stated a lack of market demand impacted them; 58% claimed they suffered from interruptions in supply logistics, followed by a financial crunch (48%), additional domestic responsibilities during the lockdown (36%), and a labour shortage (22%).

Fig 3: The major challenges faced by the women entrepreneurs during the pandemic



Source: Author's calculation based on survey data

Many female entrepreneurs responded to this unprecedented time with agility and optimism, realigning their business model to meet the challenges in terms of

- releasing new products like face masks, hand gloves, head caps, PPE kits, hand-made soaps, sanitizers, etc.;
- embracing digital sales and payment methods;
- leveraging WhatsApp and Facebook as a marketing tools;
- reorienting supply chains, and,
- ensuring home delivery of products by maintaining all hygienic protocols.

The following are the key messages that these entrepreneurs intended to communicate to all aspiring and prospective female entrepreneurs:

- The start-up period in women's entrepreneurship is arduous and generally characterized by a torrent of questions about what it takes to make it large, finding work-life balance,

knowing finance, marketing, and, of course, how to deal with the traditional notions of women's role in the society. It is, nevertheless, important to keep moving forward. The secret to success is cultivating a mindset that accepts failure with the intent of correcting it. So doing is the most effective way to learn.

- An investment in a business that compliments her personal life and hobbies should be made. Nothing can stop one from making her dream a reality if she is passionate about it. One should learn the basics and lay out an innovative plan for success.
- Every business benefits from an efficient and adaptive workforce. One does not require much; all that is needed is the presence of the right people.
- While money is necessary to keep a business afloat, it is also critical to discover alternative resources to reduce



reliance on raising cash from external sources to support the business.

- Family and government support are crucial for women-owned businesses to develop and thrive.
- Networking with like-minded individuals, listening to their struggles and triumphs, as well as sharing one's own experience may instill confidence in one's ability to do business. In addition, one can also acquire inspiration and new business ideas.
- There has been a significant transformation in the mindset of Indian women during the last few decades. If women's entrepreneurship is ignored, India's economic progress will stagnate. On the other hand, unleashing women's untapped potential in entrepreneurship will result in inclusive and sustainable development.

#### IV. Conclusion

Low female entrepreneurship rates reflect a wider gender gap in economic opportunities (Korreck, 2019). Women entrepreneurs may help spur economic growth and job creation. NITI Aayog and SIDBI launched the Women Entrepreneurship Platform (WEP) at the 8th Annual Global Entrepreneurship Summit 2017. Women Entrepreneurship Platform (WEP) is a platform for inspiring women entrepreneurs to start a business, empowering them with information and ecosystem support, and providing hands-on support in setting up and scaling up their businesses. There are several initiatives and plans for women's entrepreneurship on the WEP website. As a result, women entrepreneurs and partner groups may exchange best practices and promote evidence-based policy decisions. The Central Government has launched schemes such as the Bharatiya Mahila Bank, the Dena Shakti Scheme, the Mudra Yojana, and the Shree Shakti Loan for Women Entrepreneurs to encourage women's entrepreneurship. While the industries are reeling from the Covid-19 pandemic, the Bengal government's 'Bangashree' scheme has encouraged rural women entrepreneurs to fight back by expanding and renovating existing industrial units. The West Bengal government worked hard to preserve and promote the traditional hand-crafted products made by these

entrepreneurs through 'Biswa Bangla,' and it also launched schemes such as Manjusha, Tantuja, Paschim Bangla Mahila Samabay Mahasangha, and others to encourage the initiative of scaling up the business of women entrepreneurs as part of MSME development.

Despite different strategies to help female entrepreneurs in the nation, their implementation has been delayed at various levels, and their impact on the ground must be assessed. Aside from that, the following initiatives are critical from a policy perspective to foster a suitable ecosystem for the growth of women entrepreneurship in the nation:

First and foremost, women entrepreneurs in India need better access to capital and networking opportunities. Financing must be gender-responsive to ensure that women have equal access to credit and resources. Different financial institutions should provide them with collateral-free soft loans.

Second, greater efforts are required to raise awareness of existing regulations and support mechanisms among female entrepreneurs. This could be accomplished, among other things, by publishing various women MSMEs laws and rules in local languages and allowing the sale of such booklets and related applications.

Third, women intending to start their businesses should be encouraged to take business training courses that include different fundraising options, product development, marketing channels, and investment decisions, which could further pique their interest in starting businesses.

Fourth, trade fairs, exhibitions, and conferences provide an excellent way for governments to encourage women business owners to join worldwide, national, and local trade. As a result, governments should make an effort to organize them regularly.

Finally, women entrepreneurs need family and social support to pursue their entrepreneurial endeavours.

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