

# HOSPITALITY AND TOURISM MSME'S DURING COVID-19 PANDEMIC: AN ASSESSMENT

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## ABSTRACT

*This study was intended to identify the positive and negative effects on Micro, Small, Medium Enterprise in Cabanatuan City, Nueva Ecija and their coping mechanism to survive during the pandemic. The researchers utilized online survey questionnaires as their research design; furthermore, the researchers used purposive sampling procedure to choose the 15 Hospitality and Tourism MSMEs of Cabanatuan City as their target respondents. From the findings of the study the researchers determined that the Covid-19 epidemic has had a significant impact on the majority of enterprises, with some seeing a boost in sales and others seeing a fall in sales. As a result, utilizing current technologies such as social media, some businesses are able to boost the number of productions of their products by expanding their target markets or clients. As a suggestion, more research could be done to see what additional tactics might be employed to enhance sales and expand the target market. They could also consider a prospective company development strategy as they slowly survive and get back on track while thinking about the "New Normal" setup.*

**KEYWORDS:** MSMEs, Hospitality, Tourism, CoViD-19 Pandemic



### Introduction

According to the Congressional Policy and Budget Research Department of the House of Representatives, written last June 2018, Micro, small, and medium-sized businesses (MSMEs) are considered the backbone of many economies worldwide, including the Philippines. MSMEs produced 35.7 percent of total value-added or gross domestic product in 2018, according to the Department of Trade and Industry (DTI), accounting for 99.5 percent of the total number of business establishments in the nation. In 2018, MSMEs created 5.7 million jobs, accounting for 63.2 percent of overall employment. MSMEs are defined as businesses with less than 200 employees and less than P100 million in assets. According to the most recent data from the Philippine Statistics Office, the country's commercial businesses totaled 957,620. MSMEs make up 952,969 (99.51%) of the total, while big business make up 4,651 (0.49%). Microbusinesses account for 88.77 percent of all MSME firms (850,127), with small businesses accounting for 10.25 percent (98,126) and Medium businesses accounting for 0.49 percent (4,716).

As per the MSMEs distribution geographically within the country, the National Capital Region (NCR) has the most MSMEs, with 201,123 (21.10 percent), followed by Region 4-A (CALABARZON) with 139,363 (14.62 percent), Region 3 (Central Luzon) with 111,262 (11.68 percent), Region 7 (Central Visayas) with 65,682 (6.89 percent), and Region 6 (Western Visayas) with 57,469 (57.469 percent) (6.03 percent ). The top five (5) locations accounted for about 60.33 percent of the country's total number of MSME enterprises. The concentration of MSMEs in a given region is mostly determined by economic activity and population size.

The Covid-19 Pandemic has an impact on a variety of enterprises around the country, particularly SMEs. As we all know, they rely only on daily sales, and different quarantine categories impose constraints on the sorts of enterprises that may be opened. Only a small number of people are allowed to leave their houses during the initial months of the covid-19 , and only essential merchants are open. These constituted the motivation for MSMEs to devise and test various sales techniques, even during the lockdown.

### Method

The research is a Descriptive-Quantitative type of research; it uses questionnaires to determine and assess the effects of covid-19 pandemic to Hospitality and Tourism MSMEs. The word descriptive research refers to the research questions, study design, and data analysis that were undertaken on that issue. It's called an observational research approach since none of the variables in the research study are changed in any way. Descriptive research is a type of quantitative study that aims to collect measurable data in order to do statistical analysis on a population sample. It is a widely used market research instrument that allows us to gather and define the characteristics of a demographic category. Moreover, the study utilizes purposive sampling in which selection of 15 individuals who own a Micro, Small and Medium Enterprises

establishment for hospitality and tourism industry in Cabanatuan city relies on their characteristics and depends on the own judgment of researchers and based on the objective of the study.

### Result

This study primarily sought to determine the effects of Covid-19 during the pandemic for hospitality and tourism Micro, Small and Medium Enterprise. 53.33 percent (8) of the respondents are males and 46.67 percent (7) of the respondents are females. 60 percent (9) of the respondents are single and 40 percent (6) of the respondents are married.

60 percent (9) of the respondents are from a small enterprise, 33.33 percent (5) are from Micro-enterprises and 6.67 percent (1) is part of a medium enterprise. When it comes to the years of business 73.33 percent (11) of the respondents are established 5 years and below and only 6.67 percent (1) of the total number of respondents was established 11 years and above. In terms of the respondent's income before the pandemic, 66.67 percent (10) of the respondents earn Php 100,001 and Above while the lowest mean was 13.33 percent (2) of the respondents earn Php 50,001-100,000 per year. On the other hand, the total estimated income during pandemic 60 percent (9) of respondents are earning Php 50,001-100,000 per year and 40 percent or (6) of the respondents says that they are earning Php 100,001 and above.

### Discussion

There are different effects of CoViD-19 Pandemic in different aspects of the business. For the financial aspects of the Business 40 percent (6) of the respondents decrease the number of their sales and 26.67 percent (4) respondents say that they retain the same volume of sales. In terms of Production 40 percent (6) of the respondents decrease its number of production and only 13.33 percent (2) of the respondents say that there is no increase or decrease in the number of productions. Lastly, the Marketing Aspect 80 percent (12) of the total respondents strengthen their marketing strategies to increase their sales and 20 percent (3) of them say that they just retain the marketing strategies used before.

Lastly the researchers also identify the different strategies used to increase their sales or motivate the business to survive. In the marketing aspect 100 percent (15) increases their social media presence to promote their business.

### Conclusion

The researchers concluded that the majority of the businesses are greatly affected by the Covid-19 pandemic, some increasing their sales and some decreasing their sales. Hence, this also shows that some of the businesses find opportunities to increase the number of productions of their products by the help of increasing their target markets or customers,

using modern technology such as social media. As a recommendation, further studies can also be conducted to determine what are the other strategies that may be used to probably increase their sales and increase its target market. The further researches may also look on the possible development plan for business as they slowly survive and be back on track while thinking of the “New Normal” set up.

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