#### SUSTAINING AND SURVIVING SMALL AND MEDIUM BUSINESS IN

### **COVID-19 SEASON**



BY:

## MIGEL PERERA MAHAWIDANAGE CHAMAL ARAWINDA PERERA

## Reg. no: EU/IS/2016/MS/038

Index No: MS-1888



A project report submitted to the faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfilment of the requirement for the Degree of Bachelor of Business Administration (BBA)

# DEPARTMENT OF MANAGEMENT FACULTY OF COMMERCE AND MANAGEMENT EASTERN UNIVERSITY, SRI LANKA

2021

### ABSTRACT

Small and medium businesses play an important part in the country's socioeconomic growth. They are an appealing and large-scale innovative system. The sector is considered a strategic interest in an economy because of the socially and economically beneficial effects of SMEs. Since the emergence of COVID-19, most business transactions have seen poor sales, with most SMEs reporting a decrease in their source of revenue. Therefore, the purpose of this research study is to explore sustaining and surviving small and medium business in covid-19 season. This research examines the existing levels of sustaining and surviving small and medium business in Covid-19 season, the relationship between sustaining and surviving small and medium business in Covid-19 season, and determine whether Covid-19 pandemic have an effect on sustaining and surviving of small and medium enterprises in Ampara District. To achieve main purpose of the research study, researcher used three independent variables such as cost leadership strategy, product differentiation strategy, and focus on market strategy. Further, researcher used SME sustaining and surviving as a dependent variables of this study. This research study relies on a data set derived its survey of 210 sample of small and medium business in Ampara.

The quantitative research approach used for this research. The data were analyzed using descriptive statistics, Pearson correlation, and regression analysis. The findings exhibited that, there was a positive relationship between cost leadership strategy and firm sustaining and survival, product differentiation strategy and firm sustaining and survival, focus on market strategy and firm sustaining and survival of small and medium enterprises in Ampara. Lastly, the result indicated that there is a positive impact of Covid-19 pandemic have an effect on firm sustaining and survival of small and medium enterprises in Ampara.

**Key Words:** Cost Leadership Strategy, Product Differentiation Strategy, Focus on Market Strategy, SME Sustaining and Surviving

ii

## Table of Contents

.

ACKNOWLEDGEMENTi
ABSTRACTii
Table of Contentsiii
List of Tablesix
List of Figuresxi
Chapter - 11
Introduction1
1.1 Background of the Study1
1.2 Problem Statement
1.3 Research Questions4
1.4 Research Objectives
1.5 Significant of the Study5
1.6 Scope and Limitations of the study5
1.7 Chapter Organization
1.8 Chapter Summary6
Chapter -2
Literature review7
2.1 Introduction
2.2 Cost Leadership Strategy
2.3 Product Differentiation Strategy
2.4 Focus on Market Strategy
2.5 SMEs Sustaining in Covid-19 Pandemic12
2.6 SMEs Surviving in Covid-19 Pandemic13
2.7 Theories in SMEs Sustaining and Surviving14
2.7.1 Survival Base Theory
2.7.2 Resource-Based Theory

	2.8 Chapter Summary15
(	Chapter - 317
(	Conceptualization and Operationalization17
	3.1 Introduction
	3.2 Conceptualization Framework
	3.3 Definition of Key Terms
	3.3.1 Cost Leadership Strategy
	3.3.2 Product Differentiation Strategy
	3.3.3 Focus on Market Strategy19
	3.3.4 SME Sustaining and Surviving
	3.4 Operationalization
	3.5 Chapter Summary
C	Chapter - 4
F	Research Methodology
	4.1 Introduction
	4.2 Research Philosophy
	4.3 Research Approach
	4.4 Research Strategies23
	4.5 Methodological Choice
	4.6 Time Horizon
	4.7 Research Site /Area Selection
	4.8 Population of the study
	4.9 Sampling Technique24
	4.10 Sample Size
	4.11 Method of Data Collection & Sources25
	4.12 Research Instrument
	4.12.1 The Rational for the Question

4.13 Sources of Measurement	25
4.14 Reliability of Instrument	26
4.15 Method of Data Analysis	
4.15.1 Objective – 1	27
4.15.2 Objective – 2	27
4.15.3 Objective – 3	27
4.15.4 Hypotheses Testing	
4.16 Method of Data Evaluation	
4.16.1 Decision Rule for Univariate Analysis	
4.16.2 Decision Rule for Correlation Analysis	
4.16.3 Evaluation of Regression Analysis	
4.17 Data Presentation	
4.18 Ethical Consideration	
4.19 Chapter Summary	
Chapter - 5	
Data Presentation and Analysis	
5.1 Introduction	
5.2 Analysis of Reliability	
5.3 Data Presentation	
5.3.1 Data Presentation of Personal Information	
5.3.1.1 Gender	
5.3.1.2 Age	
5.3.1.3 Educational Achievement	
5.3.1.4 Service Experience	
5.3.2 Data Presentation and Analysis of Research Information	
5.3.2.1 Univariate Analysis	
5.3.2.1.1 Identify the Level of Cost Leadership Strategy	

5.3.2.1.2 Identify the Level of Product Differentiation Strategy40
5.3.2.1.3 Identify the Level of Focus on Market Strategy
5.3.2.1.4 Identify the Level of Firm Sustaining and Survival
5.3.2.2 Bivariate analysis
5.3.2.2.1 Pearson's Correlation Analysis
5.3.2.2.1.1 Relationship among the Cost Leadership Strategy, Product
Differentiation Strategy, Focus on Market Strategy and Firm Sustaining and
Survival45
5.3.2.2.2 Multiple Regression Analysis
5.3.3 Testing Hypotheses
5.3.3.1 Testing Hypotheses 1
5.3.3.2 Testing Hypotheses 2
5.3.3.3 Testing Hypotheses 3
5.4 Chapter Summary
Chapter - 6
Chapter - 6
A.
Findings and Discussion
Findings and Discussion
Findings and Discussion 51   6.1 Introduction 51   6.2 Discussion of Personal Information 51
Findings and Discussion 51   6.1 Introduction 51   6.2 Discussion of Personal Information 51   6.2.1 Gender of the Respondents 51
Findings and Discussion516.1 Introduction516.2 Discussion of Personal Information516.2.1 Gender of the Respondents516.2.2 Age of the Respondents51
Findings and Discussion516.1 Introduction516.2 Discussion of Personal Information516.2.1 Gender of the Respondents516.2.2 Age of the Respondents516.2.3 Educational Achievements of the Respondents52
Findings and Discussion516.1 Introduction516.2 Discussion of Personal Information516.2.1 Gender of the Respondents516.2.2 Age of the Respondents516.2.3 Educational Achievements of the Respondents526.2.4 Service Experience of the Respondents52
Findings and Discussion516.1 Introduction516.2 Discussion of Personal Information516.2.1 Gender of the Respondents516.2.2 Age of the Respondents516.2.3 Educational Achievements of the Respondents526.2.4 Service Experience of the Respondents526.3 Research Information52
Findings and Discussion516.1 Introduction516.2 Discussion of Personal Information516.2.1 Gender of the Respondents516.2.2 Age of the Respondents516.2.3 Educational Achievements of the Respondents526.2.4 Service Experience of the Respondents526.3 Research Information526.3.1 Discussion of Objective One52
Findings and Discussion516.1 Introduction516.2 Discussion of Personal Information516.2.1 Gender of the Respondents516.2.2 Age of the Respondents516.2.3 Educational Achievements of the Respondents526.2.4 Service Experience of the Respondents526.3 Research Information526.3.1 Discussion of Objective One526.3.1.1 Nature of Cost Leadership Strategy52

0

6.3.2 Discussion of Objective Two
6.3.2.1 Relationship among Cost Leadership Strategy and Firm Sustaining and
Survival small and medium business in Covid-19 season54
6.3.2.2 Relationship among Product Differentiation Strategy and Firm
Sustaining and Survival small and medium business in Covid-19 season55
6.3.2.3 Relationship among Focus on Market Strategy and Firm Sustaining and Survival small and medium business in Covid-19 season
6.3.3 Discussion of Objective Three
6.3.3.1 Covid-19 pandemic have an effect on Firm Sustaining and Surviving 56
6.4 Discussion of Hypotheses Testing
6.5 Chapter Summary
Chapter - 760
Conclusion and Recommendations
7.1 Introduction
7.2 Conclusion
7.2.1 First Objective
7.2.2 Second Objective
7.2.3 Third Objective
7.3 Contributions of the Study
7.3.1 Managerial Implications
7.3.2 Theoretical /Knowledge Implications
7.4 Recommendations
7.5 Limitations of the Study63
7.6 Direction for Future Study
7.7 Chapter Summary64
List of References
APPENDICES - 170
Questionnaire70

.

APPENDICES – 2	4
Dutput File	4

.

ø

.

•