

Individual Micro-Entrepreneur of Snacks and Portions in Brazil: Post-Pandemic Implications and Threats of the New Coronavirus (SARS-CoV-2: COVID-19)

Adilson Anacleto¹, Diego Neves de França², Gabriela Braga D'El-Rey², Joyce Ellen Miranda da Hora², Maria Luiza Machado Berlim² & Ana Paula Machado³

¹ Administration Department, Professor from the Interdisciplinary Postgraduate Program - Society and Development – PPGSeD, Professor from Postgraduate Program in Coastal and Insular Environments - PALI. State University of Paraná Paraná Campus, Paraná Brazil

² Administration Department, Scientific Initiation Researcher, State University of Paraná Paraná Paraná Brazil

³ Administration Department, Strategic Business Management Specialist, State University of Paraná Paraná Paraná Brazil

Correspondence: Adilson Anacleto, Paraná Campus, State University of Paraná Paraná Brazil. E-mail: adilson.anacleto@unespar.edu.br

Received: January 2, 2023

Accepted: February 12, 2023

Online Published: March 6, 2023

doi:10.5430/ijba.v14n1p67

URL: <https://doi.org/10.5430/ijba.v14n1p67>

The research is financed by Fundação Araucária do Paraná/SETI, Edital 027/2021PRPPG/ Basic and Applied Research/ Unespar.

Abstract

The individual micro-entrepreneurs constitute a relevant portion of small businesses in Brazil, and despite its relevance, little information was found about the behavior of this sector in the recovery of the economy. Thus, in order to support a better understanding of the current scenario a descriptive exploratory research was carried out with 25 micro-entrepreneurs between June and September 2022. The study revealed that the average age of the interviewees was 41 years old, with the monthly net income obtained between USD 800 and USD R\$ 1799. The total of all respondents reported that their ways of life and their businesses were affected during the pandemic, and in the recovery of the economy, they reported in their perceptions that the main implications resulting from that period were the high workload dedicated to work activities, the financial instability of sales, personal stress with the post-pandemic crisis and the lack of skilled labor. With regard to the future, and on the prospects for commercial growth, the majority of the respondents (n=88%) attested that despite being affected by the pandemic, they managed to implement actions to recover revenue, with the personalized customer service, quality of product offered, the variety of food offered and the speed in customer service being the main factors that have facilitated the recovery process after the pandemic.

Keywords: crisis management, strategy, small business, SWOT analysis, small business, Coast of Parana

1. Introduction

The new coronavirus (COVID-19) showed great lethality with a high scale of diffusion, as well as a high number of people contaminated and deaths, factors that combined with a global pandemic, as reported extensively by the World Health Organization (2020), Anacleto and Prazeres (2020) report that the main virus containment measure, quarantine or self-isolation, was adopted in various parts of the world in view of the chaotic scenario, and this practice was also adopted in Brazil. In addition to the human health risks, the new coronavirus also had a strong impact on the economy. According to the WHO (2020), the crisis caused by COVID-19 generated immediate negative effects, putting the global production and consumption chains at risk, Anacleto and Prazeres (2020) point out that the pandemic also generated in the microeconomic scenario asymmetrical dysfunctions with strong impacts on the economic slowdown.

Current society, in particular, has a great challenge that is to find solutions that can minimize the social and economic

impacts generated during the New Coronavirus pandemic (FINKLER, ANTONIAZZI; CONTO, 2020). Some economic activities were affected in a more severe manner by the social isolation caused by the pandemic, especially small businesses in the food industry that had to adapt quickly in order to remain in the market (LIMA, 2022). The economy, during the pandemic, impacted countries and the merchants globally, and small merchants were the ones who felt the greatest impacts as they had more limitations in their trade and few investment and maintenance resources, as mentioned by Heinen and Mattei (2020).

According to Valadares et al. (2020) the restrictions imposed on businesses that hindered a large number of food establishments, was in particular due to the increase in the prices of raw materials and also due to the costs imposed on prophylaxis to combat the spread of the virus (VIANA, 2020).

That said, the food sector had to respond quickly to changes in products and services, as personal service at food establishments in public places or outside the home was prohibited or limited by decrees during most of the time since the beginning of the pandemic. As a consequence, mainly the food trade grew in food delivery apps (BOTELHO, CARDOSO; CANELLA, 2020).

Brazil has a category of entrepreneurs called Individual micro-entrepreneurs also known in Brazil as MEI. According to Brazil's Federal Revenue (BRASIL, 2008), MEI is the person who works on their own and has at most, one contracted employee, who receives a minimum wage or the category's minimum wage. In addition, it does not have a share in another company as a partner, and its annual revenue does not exceed R\$60,000 reais. According to Oliveira and Forte (2014), this legal form began with the approval of the Statute of Micro and Small Companies, which instituted a series of incentives for entrepreneurship, and Complementary Law No. 128, December 19, 2008 that once approved, removed from informality more than 10 million Brazilians, who lived in commercial illegality, and before this new situation, they were contemplated by specific legislation that stimulated individual benefits, in particular the possibility of issuing invoices and access to financing for specific programs in Brazil.

Specifically with regard to the coast of Paraná, Anacleto and Prazeres (2020) reported that the pandemic had strong effects on the regional economy, especially small companies that had a strong reduction in commercial capacity, putting at risk the perpetuity of their enterprises, however despite the relevance of the region, no studies were found that reveal the post-pandemic scenario and how the class of individual micro-entrepreneurs has adapted to this new period.

The real scenario in this post-pandemic sector is unknown, especially when it involves small entrepreneurs and activities that are not related to industry or larger commerce, Moro et al (2022) describes that the comprehension of the scenario, as well as the ways of actions in which the group of managers involved in a sector allows the establishment of the similarities and discrepancies that exist within each segment, thus determining the analysis of scenario becomes extremely important in the current Brazilian economic and social context, given that the understanding of what happens and its influences can be capable of generating a set of information and facilitate the development of a region, in addition to consolidating local businesses through organized processes. In this way, still according to Moro et al (2022), investigating and understanding the relationships between the segments and micro-entrepreneurs becomes essential in proposing governance models that favor the development of these small businesses as a whole, creating a collaborative relationship and business opportunities .

Likewise, similarly to what was proposed by Anacleto and Prazeres (2020) in order to support a better understanding of the current scenario after the crisis installed by the new coronavirus (COVID-19) in the businesses of individual micro entrepreneurs associated with the trade of small formal business of snacks and portions, presents the result of research that sought to analyze the perception of micro-entrepreneurs as the context of the reality observed post pandemic, highlighting the actions taken to cope with it and the possible positive trends that can be maintained in the management processes of this type of business.

2. Method

An exploratory-descriptive research was carried out according to what was proposed by Anacleto et al. (2017) and Bornancin and Pinto (2018). Semi-structured interviews were applied from June to September 2022 with 25 individual micro-entrepreneurs (MEI) whose enterprises were located on the coast of Parana and were dedicated to offering snacks and food portions. The study region was chosen since, according to Anacleto et al. (2017) the municipalities that make up the region have low per capita income, similar to more than 280 other Brazilian municipalities located in coastal regions.

To identify the profile of individual micro-entrepreneurs, information on gender, marital status and education level was collected.

In order to verify the perception of individual micro-entrepreneurs about the implications and potential of the activity, a cross-impact matrix was organized, following the propositions of Anacleto et al. (2017), who describes the matrix as being the crossing of implications among themselves, and subsequently the opportunities among themselves. The matrix uses percentage values from 0 to 100 for each opinion expressed by the interviewees in a collective manner in regard to the other opinions expressed, comparing each item analyzed in the ratio of influence exercised and the influence suffered in the production activity of snacks and food portions, as well as the higher the index, the greater the relevance and the attention to be given to solving the problem suffered by individual microentrepreneurs or the appreciation to be given to opportunities.

The cross-impact matrix generates a relevance index (importance for development) that can be obtained by the equation:

$$IR = \frac{FA \times FB}{\sum SF} \times 100$$

IR= Relevance Index of the evaluated situation;

FA = Received influence index;

FB = Provoked influence index;

$\sum SF$ = Sum of index (FA x FB) of all analyzed questions.

Still according to what was proposed by Anacleto et al. (2017) after completing the primary data collection, an interpretive and descriptive analysis of the contents obtained during the interviews was adopted, carried out using the data triangulation technique between the observation of the researchers and the similar responses obtained from the artisan fishermen who used fishing in their activities.

3. Results

The average age of respondents was 41 years of age, in regard to gender, men were in the majority (n=56%). Regarding the totality, 80% of the people interviewed were married or living in a domestic partnership, and most of the interviewees had a high school or equivalent level of education.

The average time of existence of the enterprises was four years, and the majority of the people interviewed (n=56%) classified themselves as being Individual micro-entrepreneurs who had monthly net income between USD 800 and USD R\$ 1799.

Regarding labor on average, each establishment had an average of three people in the execution of the activities, mostly from people in the family itself and the hiring of a person's labor when necessary.

The total of all respondents reported that their ways of life and their businesses were affected during the pandemic, however in the recovery of the economy they reported that the set of positive factors has been a reason for strengthening and hoping to increase profitability, however the differentials offered in his perception, have contributed to the effectiveness of the improvement in the recovery of the economy (Table 1).

Table 1. Potentialities of ventures derived from learning during the new coronavirus (COVID-19) pandemic in the self-perception of micro-entrepreneurs on the coast of Parana in the period of economic recovery

Classification	Potentialities	RI
1	Personalized customer service	16.54
2	Quality of the product offered	16.54
3	Variety of food offered	14.72
4	Service speed	12.34
5	Establishment management	11.12

6	Price	9.06
7	Fast home delivery	6.24
8	Extended service hours	5.12
9	Reduction of operating costs	4.93
10	Property location	3.39

IR= relevance index

The pandemic period changed the ways in which managers carried out their activities on a daily basis, however, upon resumption, they in their entirety attested that the difficulties in conducting daily activities also changed, requiring in particular a greater dedication and a long time dedicated to daily activities (Table 2).

Table 2. Implications derived from the New coronavirus (COVID-19) pandemic on the self-perception of micro-entrepreneurs on the coast of Parana in the period of economic recovery

Classification	Implications(Threats)	RI
1	High workload dedicated to work activities	16.04
2	Financial Instability	15.06
3	Personal stress with the post pandemic crisis	14.66
4	Lack of skilled labor	10.99
5	Low investment capacity	8.02
6	Variation in the price of raw material	7.93
7	Adverse weather conditions in everyday life	7.93
8	Service structure in need of improvement	7.93
9	Need for fast service	6.03
10	poor security	5.41

IR= relevance index

The forms of advertising the establishments used during the recovery period were almost entirely limited to the use of social networks (n=84%), and only a minority (n=8%) reported the use of distributing pamphlets in the vicinity of their establishments as an alternative to publicize and offer their products and services, the other part of the interviewees reported the use of informal marketing, that is, they did not have an effective and planned publicity action.

With regard to the future, and on the prospects for commercial growth, most respondents (n=88%) attested that despite being affected by the pandemic, they managed to implement actions to recover revenues, the most cited action being the delivery of orders to customers' homes (n=52%), and all respondents reported that they expanded the ways of receiving payment from customers, with the methods pix, credit card, among others, however, all respondents reported that there was no formalized and structured planning that could guide future actions in

microentrepreneurship. However, one factor deserves relevance, despite the period of crisis generated by the pandemic, only 12% of respondents participated in some type of course or training to improve their business.

Hygiene as a prophylactic measure became a reported condition for all respondents who began to strictly follow the requirements of supplying 70% alcohol gel for customers and employees, menus in QR CODE to prevent the spread of the virus, environments that are always well ventilated, the use gloves, aprons and masks when preparing food.

4. Discussion

The socioeconomic profile of individual micro-entrepreneurs revealed by the present study is similar to that reported and confirmed to that described in Brasil (2008), Oliveira and Forte (2014) describe that in recent decades, the low-income sectors of the economically active population have experienced increasing difficulties in their permanence in the market, Anacleto and Prazeres (2020) reveal that the crisis generated by the New coronavirus pandemic affected in a higher level of intensity precisely small merchants and small informal entrepreneurs, and that the pandemic period generated many and serious difficulties the survival of these entrepreneurship. Some factors deserve a deeper analysis, regarding the main difficulties related to the survival of the investigated micro-businesses, and it is possible to perceive that a significant part of the negative factors were associated with the lack of more professionalized forms of management, or even the absence of action planning of the micro-business.

The micro-entrepreneurs on the coast of Parana start their ventures out of necessity or opportunity, Dornellas (2007) describes that the entrepreneur by opportunity is a person who is faced with an opportunity, a necessity of the population and decided to dedicate himself to his own business by investing his personal time, work and financial resources, this type of entrepreneur sees good income possibilities and also the “opportunity to choose” a venture among the possible options of his professional career. However, in the present study, the presence of the entrepreneur by necessity was observed, which are people who develop entrepreneurial activity often because they have no other work option. Anacleto et al., (2016) adds that this classification derives from the person who, when income is scarce or impossible, makes use of existing possibilities in their surroundings (neighborhood, city or region) and seeks survival within what is “possible”, being popularly known as “turning entrepreneur”, thus most of the times creates informal businesses without planning, with low or no investment, and in a common way anchoring himself in a personal skill, having many times low financial return, however his initiatives are essential to the family support process (DORNELLAS, 2007).

It is important to emphasize that this type of entrepreneur traditionally cannot organize actions in a timeline that can result in financial improvement or that generates security in maintaining the clientele. According to Gürel and Tat (2017) an enterprise, regardless of its size or level of development, must prepare to meet the wishes and desires of the customer, and for that, they need to collect information about what their strengths are and in what ways. needs to improve. Gonçalves et al (2010) corroborate with the description and point out that the analysis of the environment is an essential tool in the search for information that results in strategic and assertive guidelines for growth. Even if the scenario is favorable, knowing in an organized way the scenario and condition of business survival, as also reported by Ribeiro (2022).

It was observed in the present study an evident tendency adopted by micro-entrepreneurs that the recovery of pre-pandemic profitability indexes should come from the quality and type of offer of products to consumers, this decision proved to be correct given that the majority reports that it recovery process occurs, managers realized the importance of retaining their customers, and in this regard, the main attribute offered to customers was the production process. The decision observed by the micro-entrepreneurs was right and is corroborated by Kotler (1988) who states that customers have some expectations about the performance of the service or product, therefore, satisfaction is the expected final result. Satisfaction according to Engel (2000) is the post-consumption assessment that a chosen alternative at least meets or exceeds expectations, resulting in a feeling of pleasure or disappointment when comparing the performance expected by the product in relation to the person's expectations.

However, Kotler (1988) points out that only the production process, even if it has excellence, does not always result in the desired time to improve the enterprise, requiring effort and plans of action with the intent to retain current customers, but at the same time think about creating transactional marketing actions that involve customer relationships and attracting new customers, the operating principle recommends building an effective network of relationships with the main stakeholders and profits will be a consequence, but to do so once again, focusing on the production system alone can result in an excessively long growth process.

What was observed in the present study was similar to that already reported by Anacleto et al. (2017) who states that in several segments of the coast of Parana, the flow of business is slow because marketing actions are insufficient

and sparse, and when they occur, they are not very creative and unattractive to consumers. Training can be a possibility that allows micro-entrepreneurs to understand how actions centered on creative marketing involve the entire chain of negotiations and seek to understand the new consumer profile, including the decision-making processes that precede and follow these actions.

According to Hill and Westbrook (1997), knowing what the customer is looking for allows identifying points in areas where the micro-entrepreneur has significant competitive threats, analyzing unfavorable trends in their business in the internal and external context, in addition to discovering and highlighting the strengths of the organization and its weaknesses for correction, adjustment, planning and control of the areas in which the weaknesses are sensitive, thus enabling a quantity of data that can monitor risks and future uncertainties. Awojobi (2020) mentions that entrepreneurs who despise the feedback process have greater difficulty formulating, managing and planning short, medium and long-term actions that the organization will follow in its line of business. Technical mapping helps to find problems that contribute to the loss of competitiveness, reduced efficiency and maximization of financial resources (FERREIRA et al, 2019).

Thus, a serious situation arises with regard to individual micro-entrepreneurs, the lack of training to carry out their functions, even in the face of a pandemic process, the movement of entrepreneurs in this regard can be considered low. The probable explanation for this situation is the fact that, in most cases, they work alone or have little additional labor at their disposal, this situation can also be confirmed as the study revealed the high workload as a difficulty in the performance of work activities.

The personal issue also deserves careful attention, given that in addition to the changes that have occurred in the world and in companies and the great effort of micro-entrepreneurs in adapting to this new scenario, mental health and good psychological conditions also affect a large number of entrepreneurs, feelings as fear, anxiety and insomnia joined in recurrent stress and depression during the pandemic and in this period where the requirement of high workload is manifested, it may still be expanding the reflexes described.

Anxiety linked to the financial instability of the moment in Brazil, and the excess of time dedicated to work may be enhancing the natural difficulties in this group of people, according to Benoni et al. (2021) stress occurs when a person seeks to adjust their habitual patterns of behavior, referring to any environmental, social, biological or psychological demand and resistance in the face of strength as an individual and the difficulty encountered in situations, the post-pandemic consequences also have influenced the process of natural psychological development, causing vulnerabilities in the effective development, sociability and social skills, and this process can be aggravated depending on the phase of the life cycle and the scenario in which the person is in this post-pandemic phase.

Castro et al. (2020) report that in the face of the global crisis caused by the COVID-19 pandemic, it is essential to adopt objective measures to minimize the harmful effects on organizational management processes, regardless of the extent of the managed business, and considering this scenario that is still full of uncertainties, it is suggested the adoption of strategies to minimize unfavorable impacts on daily activities, especially work planning.

The lack of time for training may be generating a perverse cycle of stagnation, where the micro-entrepreneur does not have time to train himself and thus improve the quality of his business, and because he does not improve the capacity of his business and increase his income, he continues without having the time for training. In this regard, training can generate new skills that help in the quest to mitigate the observed problems, Anacleto and Prazeres (2020) describe that for individual micro-entrepreneurs, training can lead to the development of new commercial skills, and from this process result in improved management performance , new ways of relating to customers that result in business innovation and make it easier to face the crisis.

5. Final Considerations

The average age of the interviewees was 41 years old, and the average length of existence of the enterprises was four years, with monthly net income between USD 800 and USD R\$ 1799

The total of all respondents reported that their ways of life and their businesses were affected during the pandemic, and in the recovery of the economy, they reported in their perceptions that the main implications resulting from that period were the high workload dedicated to work activities, the financial instability of sales , personal stress with the post-pandemic crisis and the lack of skilled labor.

In reference to the future, and on the prospects for commercial growth, the majority of the respondents (n=88%) attested that despite being affected by the pandemic, they managed to implement actions to recover revenue, with personalized customer service, quality of product offered, the variety of food offered and the speed in customer service were the main factors that have facilitated the recovery process after the pandemic.

Only 12% of respondents participated in some type of course or training to improve their business, the lack of time for training may be generating a perverse cycle of stagnation, where the micro-entrepreneur does not have time to train and thus improve the quality of work, their businesses, and for not improving the capacity of their businesses and increasing their income, they still have no time for training.

The study allowed us to observe that the resumption of the economic process has been favorable to individual micro-entrepreneurs, however, it is urgent to carry out new studies in order to know the types of relationship marketing that can be more effective in small businesses such as those reported here.

Acknowledgements

The research is financed by Fundação Araucária do Paraná/SETI, EDITAL 005/2022 - PRPPG/Unespar.

References

- Anacleto, A., & Prazeres, A. S. G. (2020). Novo coronavírus (COVID-19) e a crise econômica: impactos nas pequenas empresas no litoral do Paraná. *Revista Tecnologia e Sociedade*, 16(43), 169-175.
- Anacleto, A., Coelho, A. P., & Curvelo, E. B. C. (2016). As mulheres empreendedoras e as feiras livres no litoral do Paraná. *Revista Faz Ciência*, 18(27), 118-118.
- Anacleto, A., Negrelle, R. R. B., Cuquel, F. L., & Muraro, D. (2017). Profile and behavior of flower consumer: subsidies for marketing actions. *Revista Ceres*, 64, 557-566.
- Awojobi, E. A., Okoro, C. C., & Babalola, Y. T. (2020). A SWOT analysis of physical infrastructure in government-owned university libraries in Ogun State, Nigeria. *South African Journal of Libraries and Information Science*, 86(2), 38-46.
- Benzoni, P. E., Octaviano, T. S. C., & da Cruz, A. C. (2021). O impacto da pandemia do COVID-19 na percepção de estresse e estressores em diferentes estágios do ciclo de vida. *Interação em psicologia*, 25(2).
- Brasil. (2008). Secretaria da Receita Federal. *Lei Complementar n° 128, de 19 de dezembro de 2008*. [2008]. Disponível em: Acesso em: 8 dez. 2014.
- Bornancin, A. P. A.; Pinto, D. M. Entre a gestão e a fome: um estudo de caso do restaurante popular no município de Paranaguá. *RAEI - Revista Americana de Empreendedorismo e Inovação*, ed especial, p. 42-48, 2018.
- Botelho, L. V., Cardoso, L. D. O., & Canella, D. S. (2020). COVID-19 e ambiente alimentar digital no Brasil: reflexões sobre a influência da pandemia no uso de aplicativos de delivery de comida. *Cadernos de Saúde Pública*, 36.
- Castro, B. L. G. D., Oliveira, J. B. B. D., Morais, L. Q., & Gai, M. J. P. (2020). COVID-19 e organizações: estratégias de enfrentamento para redução de impactos. *Revista Psicologia Organizações e Trabalho*, 20(3), 1059-1063.
- Dornelas, J. (2013). *Empreendedorismo na Prática: mitos verdades do empreendedor de sucesso*. Elsevier Brasil.
- Ferreira, E. P., Gruber, C., Merino, E. A. D., Merino, G. S. A. D., & Vergara, L. G. L. (2019). Gestão estratégica em frigoríficos: aplicação da análise SWOT na etapa de armazenagem e expedição. *Gestão & Produção*, 26.
- Finkler, R., Antoniazzi, N., & De Conto, S. M. (2020). Os impactos da pandemia de Covid-19: uma análise sobre a situação dos restaurantes. *Revista Turismo & Cidades*, 2, 88-103.
- Gonçalves, L. R. G., Cintra, G. B., Teider, B. H., Gallo, J. B., & Pandolfelli, V. C. (2010). Aplicação da ferramenta SWOT para avaliação das técnicas de dano ao choque térmico em materiais refratários. *Cerâmica*, 56, 320-324.
- Lima, B. B. (2020). *Sistema take away: Como bares e restaurantes estão se adaptando à nova forma de comercialização*. SEBRAE, 16 de abr. 2020. Retrieved from <https://sebraepr.com.br/comunidade/artigo/sistema-take-away-como-bares-e-restaurantes-estao-se-adaptando-a-nova-forma-de-comercializacao>
- Mattei, L., & Heinen, V. L. (2020). Impactos da crise da Covid-19 no mercado de trabalho brasileiro. *Brazilian Journal of Political Economy*, 40, 647-668.
- Moro, S. C., Anacleto, A., & Deretti, S. (2022). Productive arrangement of oysters: a comparative study between two communities in southern Brazil. *International Journal for Innovation Education and Research*, 8.
- Oliveira, O. V., & Forte, S. H. A. C. (2014). Microempreendedor Individual: fatores da informalidade. *Connexio*, 4, 27-42.

Oms. *Coronavirus disease (COVID-19) Pandemic*. Portal OMS, 20/04/2020. Retrieved May 7, 2022, from <https://www.who.int/emergencies/diseases/novelcoronavirus-2019>

Valadares, A. A., Alves, F., Galiza, M., & Silva, S. P. (2020). Agricultura familiar e abastecimento alimentar no contexto do Covid-19: uma abordagem das ações públicas emergenciais. IPEA. Nota Técnica n.69. Diretoria de Estudos e Políticas Sociais.

Viana, M. (2020). *Segurança dos Alimentos*. Sebrae. São Paulo, 2020. Retrieved from [https://bibliotecas.sebrae.com.br/chronus/arquivos_chronus/bds/bds.nsf/ed6f4e148e620b04690ebb81c133c7d9/\\$File/19424.pdf](https://bibliotecas.sebrae.com.br/chronus/arquivos_chronus/bds/bds.nsf/ed6f4e148e620b04690ebb81c133c7d9/$File/19424.pdf)

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).