

Impact of COVID-19 on Entrepreneurship and Consumer Behaviour: A Case Study in Saudi Arabia

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Abstract

COVID-19 presented the world with a severe loss of life and impact, which has no geographical bounds or expected time to when its effects will subside. It has affected countries across the globe, disrupting economic levels and businesses in every industry while also altering individuals' everyday lives. The current research aims to examine the impact of coronavirus pandemic on entrepreneur's business activities and their perceptions on the difference in consumer behavior during this time. The findings reveal the pandemic negatively impacted business productivity and profits, forcing many businesses to physically close permanently. Surprisingly, female entrepreneurs do not perceive a change in consumer behavior compared to pre-COVID-19 times. Interestingly, the results indicate there is a negative impact on employees' efficiency to conduct work in which almost no research has conveyed such a finding. For this purpose, a survey was conducted with 445 responses from male and female entrepreneurs in the capital city of Riyadh, Saudi Arabia, using a simple random sample over the period of four months. Ultimately, this research will help entrepreneurs gain more knowledge and a deeper understanding of this new environment necessary to undertake certain measures and adaptability in order to sustain their businesses during unprecedented times.

Keywords: Coronavirus, Entrepreneurship, Consumer Behaviour, Saudi Arabia, Employees

JEL Classification Code: L26, F60, M16, A10

1. Introduction

Individual lifestyles, social interactions, culture, economic activity, and government policies have been significantly impacted by COVID-19. It has also affected and forced businesses to develop different methods of conducting business (Puriwat et al., 2021).

The fast pace at which novel medical technologies are being developed together with the different new ways the pandemic is handled will consequently lead to an increase in

entrepreneurship (Kuckertz et al., 2020). Since the beginning of 2020, entrepreneurs have been experiencing difficulties in selling their products and services whilst facing deficiencies in important raw materials, particularly from China in which many entrepreneurs rely on their exports. The rise of the coronavirus pandemic (COVID-19) has created significant impacts on the global economy and affects all types of activities (Giones et al., 2020; Zhan, 2020).

Furthermore, policies of shutting down are impeding many importing and exporting facilities around the world. Entrepreneurs are facing problems with product availability that in turn, hinder their abilities to satisfy the customers' needs as a consequence of COVID-19. Emergent from China and spread to the rest of the world, COVID-19 is a new variant of coronavirus from the SARS family that has caused a drastic variety of changes across the world that governments have been struggling to slow its spread. Throughout history, humans have faced many crises that have later become essential to society's development because such crises force governments to work on developing and improving health-care systems and to apply a plethora of modern technologies (Abdul, 2020). Therefore, all countries have applied a variety of precautionary measures with the aim to slow this virus

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spread such as enforcing social distancing policies, closing many organizations and posing restrictions on work. Yet, such measures lead to significant impacts on trade, economic levels and business levels. Businesses are considered to be essential elements to supporting communities in recovering from the economic consequences of coronavirus whereby applying innovations facilitate the prosperity of societies after the current pandemic (Karimi et al., 2020).

Due to the economic impact, some businesses such as restaurants, tourism operators, and movie theatres have been forced to stop their work completely. In addition, there has been a significant decrease in demand for consumer goods as a result of the inability of customers to visit stores or in the shortage of cash needed for purchasing to which enterprises have found themselves forced to change their commercial approaches. Likewise, online businesses have been experiencing problems in fulfilling customer needs due to the shortage of products. Thus, the current research will illustrate the effects of the coronavirus pandemic on businesses and consumer buying behavior (Pymnts.com, 2020; Jebriil, 2020).

2. Literature Review

Entrepreneurs are known to be more innovative and greater risk-takers than non-entrepreneurs due to their capabilities in responding and adapting to market needs (Ratten, 2020). The strong self-efficacy and motivation inherent in the characteristics of entrepreneurs enables a flexibility and independence to capture opportunities in the market (Alessa, 2021). In this manner, Liguori and Winkler (2020) contend that entrepreneur's global influence will continue to grow since their adaptive traits aid their reactions during times of crises. With the meager knowledge and the uncertainty revolving around the duration of this new widespread virus, the large-scale disruption on society imposes a plethora of a variety of problems that differ based on geographical location (Ratten, 2020). Therefore, the sharing of knowledge and other forms of cooperation are needed to help alleviate the strains caused by the pandemic. Experimenting to obtain improved results is constituent of entrepreneurship, which is beneficial in "repurposing existing processes to cater more for COVID-19 needs" (Ratten, 2020, p. 504) hence, emphasizing a need for a deeper understanding of how entrepreneurs are impacted and are reacting to the current environment.

Over a recent period, there has been a trend toward digitalization, which has been exponentially accelerated by the pandemic. New technological advances have been changing traditional practices in almost every industry and have also changed the habits and behaviors of consumers). More than ever, the role of technology is at crux of ensuring that all types of activities can continue (Ryandono et al., 2021).

A report by Craven et al. (2020) highlights the impact of the pandemic on consumer behavior, conveying that there is a significant surge in e-commerce, change in brand preferences and decline in discretionary spending. The report also includes the varying challenges retailers face across multiple dimensions from sales and marketing to assortment. The heightened utilization of digital tools since the start of the pandemic has been blurring the lines between personal life and work and between domains such as finance and mobility (Puttaiah et al., 2020). There has been a drastic spike in downloads for business and videoconferencing apps, 58% of US consumers stated they were spending more money online and 42% indicated they have been purchasing more through mobile devices since the start of COVID-19 (Puttaiah et al., 2020).

In the last two decades, China witnessed great prosperity at the economic level and is now considered one of the necessary countries to improving the economies of other countries around the world. China plays an important role in the global economy with 20% of manufacturing products produced in the region that countries across the world use, particularly manufacturing organizations (Zhan, 2020). Accordingly, the current pandemic imposes challenges not only to China, but also on all other countries in the imports of necessary products and materials. For instance, Malaysia mainly depends on Chinese products therefore; its sales rate of businesses has significantly decreased. Moreover, online businesses are facing significant losses just as are public and private organizations in Malaysia (Abdul, 2020). In light of the current pandemic, governments are imposing higher levels of restrictions on individuals as well as on businesses. Consequently, this has led to significant challenges in the world's economy and on individuals' wellbeing to a greater extent (Varshney & Varshney, 2017).

In particular, the machinery and automotive industries are largely impacted by the coronavirus pandemic while the retailing industries have been forced to close outlets. Hence, this situation has been identified to impede many businesses around the world. It should be noted that many major cities have decided to close down and apply social distancing measures that all intend to enhance users' activities through utilizing online platforms related to shopping in Malaysia, for instance (Karimi et al., 2020). According to recent research, it has been found that the utilization of online retail platforms and mobile apps have gained a significant increase in inactive and new users, while an increase in the number of online platforms have been recorded from the first week of March 2020 (Jebriil, 2020). It has been noted that there is a significant development in the total number of active and new users during the second week of March 2020 and it had also been expected that the rate of active users in online platforms would continue to increase compared to the number of users in January and February. Many of the new

and active users in online platforms are mainly focused on websites that provide food delivery services. In the countries of South East Asia such as Taiwan, Malaysia, Thailand, Hong Kong, and Singapore there had been an increase in online traffic in food delivery sites (Karimi et al., 2020). According to research, the rise in demand and traffic were analyzed during the initial period of March, which indicated a large increase in the number of active and new users in which the increasing rate of traffic is related with the passage of every day since March 2020 (Pymnts.com, 2020).

Due to uncertainty and fear, the enterprises profits are likely to be decreased as a result of the effects of COVID-19. The implications at the economic level would not only affect public health systems, but also travel, trade, food and agriculture industries, and retail chains. The new virus caused shifts at the economic level since it encouraged social distancing, which in turn, lead to the shutdown of financial markets, businesses and social events. In order to handle such a crisis, many organizations have conveyed the concept of citizenship as they practice their roles in community well-being by giving-up short-run profits for the benefit of the society, while also displaying the concept of resourcefulness as they work to develop innovative responses to the new challenges with their limited resources. Furthermore, many enterprises have been forced to not only cut costs, but also to become involved in new entrepreneurial activities. Importantly, the lack of ventilators in intensive care units drove health-care enterprises such as Drager and Philips to increase their production (Ahmad & Hui, 2020). Therefore, this research attempts to answer two main questions:

RQ1. Does the coronavirus pandemic affect entrepreneurs' businesses?

RQ2. How does the coronavirus pandemic affect consumer behavior?

2.1. Consumer Behavior

The significant negative impact of the current pandemic institute's particular restrictions and measures by governments that people need to follow and act accordingly as customers. In this manner, the behavior of customers influences, to a significant extent, the demand of business activities. On the other hand, the purchasing behavior is impacted by the closing down of businesses around the world with shortages in products and services. Thus, customers would mainly rely on online platforms to meet their necessities (Hasanat et al., 2020).

Ultimately, customers' engagement become consequences and antecedents in the process of value co-creation that reflect customer behavior, emotion and cognition (Brodie et al., 2013), while the engagement of customers has an impact on the value of co-creation (Oyner & Korelina, 2016). This is

reinforced by Storbacka et al.'s (2016) argument that "actor engagement [is] a micro foundation value [to] co creation". This demonstrates that information sources play a major role in consumer behavior during the COVID-19 pandemic (Laato et al., 2020). Miri et al. (2020) observed panic buying throughout the pandemic. However, in some countries, individuals bought products such as canned foods, paracetamol and hand sanitizer to prepare for the symptoms of coronaviruses such as nausea, diarrhea, and vomiting (Miri et al., 2020).

Other reasons for unusual purchasing might include social pressure for "people feared they would be left without necessary products unless they purchased them immediately" as a result of the large increase in food purchases (Goodwin et al., 2009) with the environment being a major influence on consumer behavior (Joshi & Rahman, 2015). In addition, the perceived risk of consumers refers to the decision-making behaviors of consumers due to uncertainty that causes negative consequences. The negative consequences produced by perceived risk are multiplied by poor branding (Mitchell, 1992). The perceived risk is derived from uncertain and unforeseen consequences of an unpleasant nature resulting from the purchasing of the product (Bauer, 1960; Rehman et al., 2020) and perceived uncertainty is associated with perceived risk (Shimp & Bearden, 1982).

2.2. Impact of Coronavirus on Entrepreneurship

Businesses around the world are facing significant restrictions due to heavy pressures caused by the coronavirus pandemic, which lead to shortages in the demand of product and services and are affected by the behavior of consumers. Entrepreneurs are considered change agents providing the main source of hope for many. In order to enhance economic activity, entrepreneurs are required because they offer better solutions to problems that may rise in the market. The coronavirus pandemic has indirect effects including import and export delays that impacts trade movement all over the world. It has led to more stress and tensions in the global business environment. Such stress has come from the changes required to keep competitive advantage and at the same time, to protect individual's health. Businesses found that there was an impeding need to alter their strategies to an online platform with the aim to access a greater number of customers. For many businesses that work through traditional face-to-face interaction, there became a prudent necessity to change present business practices. Some entrepreneurial businesses have been able to transform more quickly than others because of the environmental changes. The reason for this is represented in the desire of business leaders to be in the marketplace, while also respecting the required regulations. This has led to great tension amongst businesses due to the necessity to change quickly. Despite the definition that entrepreneurs grow from uncertainty,

the pandemic has led to a large amount of uncertainty from a variety of different sources. This illustrates that there is still uncertainty about whether there is a need for future changes or whether the changes conducted are enough. Prior to 2020, most entrepreneurs depended on market uncertainty, yet the current pandemic constitutes market, health, and social uncertainty thereby indicating a need for strong leadership about the changes required by businesses.

Considering that the coronavirus is a zoonotic disease, meaning that it originated from an animal and spread to human, there is a high degree of uncertainty surrounding the origins of the disease, which creates mass tension. The shortage of knowledge in the search for a cure or vaccine has led to further stress. As individuals are spending more time online, it has changed the way businesses provide their services. Social media and especially online communities are strategies that businesses are utilizing to communicate with their customers. Individuals now have much more time to spend on artistic or creative ventures and are establishing social media pages where online communities have flourished as a safe method to interact with other individuals. Importantly, new kinds of products such as facemasks are being made to meet the changing societal requirements and needs.

Furthermore, through the imposition of travel bans by many countries, there was a weakening in the economic activity caused of the uncertainty in the business environment. The coronavirus pandemic has closed most tourism and hospitality places, including hotels and restaurants. Within just a short period of time since the virus first started spreading, there has been an unprecedented shut down of many sectors with profound negative effects on the informal economy. This means that for the food industry, instead of offering on site services they have had to switch to offering take away services, which impacts their supply chain regarding the kinds of products and services provided (Hasanat et al., 2020).

2.3. Performance of Entrepreneur's Context Crisis

The modern world has experienced a severe economic crisis (Chowdhury, 2011) in which the macroeconomic environment shows divergent and weak patterns of recovery (OECD, 2013). In most emerging economies, there is a positive- but slow growth, while in advanced economies there is a clear growth of performance to enjoy such as in the United States. However, in the Eurozone and Japan, there is a struggle in growth rates (OECD, 2014). Based on a survey conducted in 2013 with over 37 countries (Muller et al., 2014), it was found that independent of business size, a crucial problem emerges from the lack of customers.

Pearce and Michael (1997) contend there is an improvement in sales and investment in small and medium

enterprises in a stagnated economy. During such a time, Reeves and Deimler (2009) suggest strategies to acquire competitive advantage such as the adoption of new pricing models, collaboration with competitors and the amendment of customer offerings.

Indeed, Drummond and Chell (1994) state that cost cutting strategies are not always the most effective strategies to apply. Hence, adopting accurate strategic investment would be more beneficial for an organization either during or post-recession. Additionally, Hannan and Freeman (1977) articulate that proponents of the deterministic side share this view of fit and its role in organizational performance or survival, but argue that a single organization's survival rests on its more fixed and given characteristics: no firm adapts to changes in its environment. Yet, research has shown that an entrepreneur's resources impacts organizational performance (Brush & Chaganti, 1999).

2.4. Statement of the Problem

The coronavirus pandemic started in late 2019 and spread to the rest of the world in early 2020. In many Arab countries, the authorities first announced the closure of shops and cafes, which then turned into a complete lockdown such as in Jordan, Kuwait and Lebanon, consequently causing many day laborers to lose their livelihoods and become unemployed. This situation in turn placed pressure on the economy in these countries. Similar to the rest of the Arab region, Saudi Arabia's entrepreneurs considered quitting their businesses since the pandemic was thought to negatively impact their businesses, customer behavior and employee efficiency. This predicament was heightened by the limited studies in the country regarding the true impact of the pandemic on the organizations of entrepreneurs.

This study contributes to the existing literature in two ways; the first is the impact of coronavirus on male and female entrepreneur's organizations and the second is the manner in which consumer behavior affects entrepreneurs in Saudi Arabia. The limitation of this study is worth mentioning since, until now, no study has focused on the Middle East regarding the impact of the coronavirus pandemic on entrepreneurs, the exploration of the changes of entrepreneurs and of the impact on entrepreneur's businesses on consumer behavior. However, this might provide the opportunity for male and female entrepreneurs to change the current methods in their business.

This paper has three main objectives:

1. To examine the impact of the coronavirus pandemic on entrepreneur's businesses.
2. To explore the opportunities for entrepreneurs in light of the coronavirus pandemic.
3. To explore the impact of the coronavirus pandemic consumer behavior.

3. Research Methodology

The sample of this current study consisted of male and female entrepreneurs in Riyadh, Saudi Arabia. Participants were recruited through an online survey with 445 responses in total. This study focused on the impact of coronavirus on entrepreneur's businesses to achieve this goal adopting a simple random methodology. The questionnaire contains 11 questions, which was divided into two demographic questions regarding age and gender, etc., and nine questions about the research measures. All calculations were made using the latest version of the R Statistical Programming Language for Windows, release 4.0.2 (2020-06-22). To verify the validity of the study questions, the questionnaire was reviewed with two academics experts within the relevant field in Saudi Arabia, in which Cronbach's alpha coefficient was then utilized to test the reliability of measuring scales. It was calculated by the R code Cronbach's alpha (data) yielding 0.85, whereby this value is acceptable since it is above 0.70. The sample for analysis included 445 total observations. Participants responded to items based on a 5-point Likert scale, 1 = completely disagree, 5 = completely agree.

Furthermore, primary data was collected through distributing an online survey, in which the paper employed a simple random sample methodology. The survey was sent to a large number of entrepreneurs located in Riyadh, Saudi Arabia, that totaled 445 responses and was collected throughout the duration of four months, from June 1, 2020, to October 30, 2020.

Lastly, descriptive statistics of demographic included questions in age, gender, etc., one-sample Wilcoxon, Cronbach's alpha coefficient measuring scales. Participants responded to items based on a 5-point Likert scale, 1 = completely disagree, 5 = completely agree.

4. Results and Discussion

Frequency and relative frequency were calculated by R code (data) and prop. Descriptive statistics of demographic variables show that 71.2% of participants (317) are men and 28.8% of participants (128) are female. The majority of participants (165) 37.1% are aged 45 and above, 26.7% (119) are aged 40 years, 14.2% (63) are aged between 35 to 40, 11.9% (53) are aged between 30 to 35, and 10.1% (45) are aged between 25 to 30.

One-sample wilcoxon test had been used for the statistics of research measures. It shows that 72.1% of participants completely agree that the coronavirus pandemic has serious impacts on an entrepreneur's business and 23.4% participants merely agree. 74.8% of participants completely agree that the coronavirus pandemic might lead entrepreneurs to close down their business permanently while 48.7% disagree with this statement.

In addition, 54.4% of participants completely agree that the coronavirus pandemic has negative impacts, while 25.8% agree their employees work efficiency. 45.6% of participants agree and 48.3% completely agree that the pandemic impacts their businesses ability to buy inputs and sell outputs. 53.5% of participants completely agree and 26.7% agree that the coronavirus pandemic impacts customer behavior.

On the other hand, 44.9% of participants' agree and 35% completely agree that the coronavirus pandemic is considered to be a chance to develop their business operations in the future. 30% agree and 60% of participants agree and completely agree that the coronavirus pandemic forces one to work online. Lastly, 94.6% of participants agree and completely agree that government measures regarding the coronavirus pandemic is beneficial to their business, while 48.9% of them completely agree and 25.6% agree that the coronavirus pandemic lead entrepreneurs to have more communication with customers through the use of social media in order to help them manage their business.

The researcher uses one-sample wilcoxon test as a nonparametric test; it tests if the median of participants' responses equal neutral (test value = 3) at the significance level 0.05, using the R code wilcoxon test ($x = \text{data}$, $\mu = 3$). It rejects that the median of all statements equal neutral since all p -values are less than 0.05 and accept that on average, participants' responses tend to be completely agree as shown in Table 1 wilcoxon test.

The data analysis illustrates that there have been serious impacts on businesses in the Kingdom of Saudi Arabia due to the coronavirus. Such impacts influence the sales as well as the customers purchasing behavior in which the business environment was weakened. There are many challenges faced by companies causing a significant decrease in customers purchasing behavior. This decrease leads to a decreased supply and shipping process. According the findings of the survey, it is expected that such impacts would last for a long time. This, in turn, would cause huge losses for companies. Therefore, the current analysis supported the research questions and objectives framed by the researcher.

Furthermore, "the impact of coronaviruses pandemic impact entrepreneurs seriously on their business" an item based on a 5-point scale ranging from strongly agree (5) to strongly disagree (1). It shows that 81% of male (317) and 49% of female (128) completely agree. In the item "Coronavirus pandemic may lead to close their business permanently", it shows that 40.3% of male 60% of female also completely agree. For "Coronavirus pandemic impacts the customer behavior", 68.4% of male (184) completely agree compared to their female counterparts in which 25% disagree (32), 240 of male strongly agree at 75.7% and 61 of female at 47.6% disagree on the item "Coronavirus pandemic impacts negatively the employees' efficiency to do their work". Regarding "Coronavirus pandemic is

Table 1: Wilcoxon Test

	Completely Disagree	Disagree	Neutral	Agree	Completely Agree	P-value
Coronavirus pandemic has a serious impact on Entrepreneur's business	7	6	7	104	321	0.000
	1.6%	1.3%	1.6%	23.4%	72.1%	
Coronavirus pandemic lead to the close down of the Entrepreneur's business permanently	1	39	17	183	205	0.000
	0.2%	8.7%	3.8%	41%	46%	
Coronavirus pandemic has a negative impact on the work of employees efficiency	5	65	17	115	243	0.000
	1.1%	14.6%	3.8%	25.8%	54.6%	
Coronavirus pandemic impacts Entrepreneurs business ability to buy inputs and sell outputs	21	12	12	185	215	0.000
	5%	2.6%	2.6%	41.5%	48.3%	
Coronavirus pandemic impacts the customer behavior	25	19	15	119	238	0.000
	5.6%	4.2%	3.3%	26.7%	53.5%	
Coronavirus pandemic is considered to be a chance to develop entrepreneurs' business operations in the future	17	59	13	200	156	0.000
	0.3%	13.2%	0.2%	44.9%	35%	
Coronavirus pandemic forces you to work online	8	8	5	134	290	0.000
	1.8%	1.8	1.1%	30%	60%	
The government measures regarding the coronavirus pandemic is beneficial to your business	4	8	16	119	298	0.000
	1%	1.7%	3.5%	26.7%	67%	
Coronavirus pandemic lead entrepreneurs to use social media to communicate with customers	27	35	17	256	110	0.000
	6.1%	7.8%	3.8%	57.5%	24.7%	

considered a chance to develop entrepreneurs' operations in the future," 70% of male completely agree and 54.6% of female completely agree. Where 63.7% (202) of male participants completely agree to "Coronavirus pandemic forces you to work online," 68.7 (88) of female participants completely agree.

The current study addresses the two main original research questions, namely, whether the coronavirus pandemic affects an entrepreneur's business and consumer behavior. It shows that the coronavirus pandemic has serious impacts on both male and female business, in contrast with Li et al. (2008) who state that only factoring in age may lead to the business failure of entrepreneurs. In agreement with Saleh (2020), it appeared that social media aided entrepreneur's

communication with customers such as through Instagram, WhatsApp, Snapchat, email, and websites. This is due to the fact that the majority of physical and social activities are limited, given that online platforms have become necessary tools for businesses (Syaifulah et al., 2021). The study has made important contributions in that female entrepreneurs believe that the coronavirus pandemic has no impact on customer behavior. This perception is worth noting because despite the vast research and evidence that consumer behavior is changing, there are still certain habits recognized to remain the same that are essential to the sustainability and success of the entrepreneur's business. Thus, while a study by Sheth (2020) shows that entrepreneurs agree that consumer habits and behaviors were disrupted and changed due to lockdown,

it also reveals that Saudi females disagree that COVID-19 impacted the behavior of customers, which may be due to cultural and societal factors present in the country.

In agreement with Manolova et al. (2020), female entrepreneurs have clear opportunities for expansion in online services as our paper indicated that more than half of females are now forced to work online. In addition, in line with Maritz et al. (2020), our findings reveal that COVID-19 has lead half of our sample to strongly agree to close down their physical businesses permanently. The lockdown and restrictions accompanied by the pandemic has created a shift in the dynamic of the working environment. It is contended that nation-wide lockdowns have lead entrepreneurs to shift to online businesses and work from home (Hasanat et al., 2020).

Moreover, with the shift to online platforms, there is an increase in location-independent entrepreneurs that can easily move from one location to another based on demand. This has changed traditional employment structures to make them more flexible and based on need (Ratten, 2020). However, the coronavirus pandemic occurred suddenly and quickly thereby restricting the amount of time for decision making (Shrivastava, 1993), which in turn, created a difficulty for planning that necessitates institutions to adapt to sudden changes (Doern et al., 2019). This paper concurs with Rapaccini et al. (2020) in that COVID-19 impacts entrepreneur's businesses and services. Many businesses in Saudi Arabia were completely closed down with entrepreneurs in the capital of Riyadh acting on the assumption that the pandemic would adversely affect the country to the extent that they would have to shut down their businesses due to the high number of cases in the city. This is despite the fact that overall, the number of cases in the country did not reach the same number of cases as in the United States, United Kingdom and Europe. The perceptions surrounding the pandemic and its impact on entrepreneurs in different countries instigated a reaction by Saudi Arabian businessmen and women. This demonstrates the necessity of knowledge sharing at a time when entrepreneurs are operating in significant uncertainty and market need changes.

Moreover, across the world the pandemic has forced employees to work from home throughout different occupations. Most research regarding the impact on employees is centered on the changes in rates of employment, working hours, and pay security. Interestingly, a report by CIPD (2020) indicates that seven in 10 employees are satisfied with how their employers have responded to COVID-19 and largely report satisfaction from the support of managers. However, almost no research investigates employees' efficiency to conduct work with the new restrictions and regulations. Based on the results of this paper, the majority of male and female entrepreneurs contend there is a negative impact on their employee's efficiency to work, thus this paves the

way for the opportunity for further in-depth investigation. Ultimately, this paper has academic and timely significance on the impacts of COVID-19 on entrepreneurs across all business sectors and is not restricted by one particular sector or industry since the pandemic faced everyone.

This paper indicates that the coronavirus pandemic has serious impacts on entrepreneurs' businesses, which lead to a decrease in economic activity. In agreement with Karadağ (2016), six years after the financial crises, both new and existing SMEs have constraints caused by the reduction in demand and tighter financial resources. Interestingly, economies that undergo economic growth also experience growth in SMEs (Ardic et al., 2011).

Further research can be done focusing on social media platforms and the manner in which entrepreneurs communicate with customers such as in WhatsApp, Snapchat, email, and websites. Additionally, we need to have more empirical research in term of the customer behavior to investigation on behavior consumption habits in specific area for instance improvisation and hoarding.

Another important factor to consider is to discover how entrepreneurs are going to face businesses challenges post viruses and the strategies they will adopt for future crises. Moreover, further studies can be conducted on the opportunities of entrepreneurs in transforming their business online, the effect of decreasing employees, and the effect of their social lives that enable a better understanding of the future of entrepreneurship work. However, the difficulties of switching to online business and the effect of this on customers might be another further study.

The limitations of this paper include the focus on only one city rather than incorporating multiple cities for comparison and differentiation. While this study has been able to identify the impact of COVID-19 on entrepreneurial businesses, there still is an uncertainty regarding the extent these obstacles will last after the pandemic is over. In addition, despite the benefits accrued from analyzing the impact of the pandemic across all industries, a study on the effects of COVID-19 within individual industries may provide more in-depth and variant results.

5. Conclusion

The unprecedented severity of the coronavirus pandemic across the world is killing hundreds of thousands and disrupting the everyday life of million people in various aspects. From businesses being forced to close down and major economic crises to an impediment on various features of social life, COVID-19 has drastically changed the manner in which different activities are being conducted. This paper demonstrates that there is a significant increase in entrepreneurs shift to utilizing online platforms to conduct their businesses due to restrictions instituted by governments,

which consequently impact the demand of consumers. By comparing Riyadh, Saudi Arabia, to the findings of other studies, this paper highlights the different perceptions and experiences of both male and female entrepreneurs on the impact of their businesses and effects on the behavior of consumers caused by COVID-19.

Unlike the findings of research outside the Middle Eastern region, female entrepreneurs in Riyadh contend that consumer behavior and habits were not affected by the pandemic. This was due to the fact that stringent restrictions and lockdown in Riyadh only took place for a short period of time, hence enabling people the freedom of mobility to conduct their everyday usual lives.

Moreover, both male and female entrepreneurs assert that this pandemic negatively impacted the efficiency of their employees to conduct work to which only a meager number of researches utilize this variable. The adaptable nature of entrepreneurs is important to investigate since they are known drivers for innovation. It is widely contended that entrepreneurs are paving the way in providing solutions and opportunities, particularly during COVID-19, for a transition of traditional business practices in an ever-increasing digitalized world. Therefore, there is a great need for further research on this topic with what little information is already available.

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