



## Inspiration and Digitization Strategy for Minority Muslim Women Entrepreneurs in MSMEs: Case Study of Nepal

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**Abstract:** This article is based on research into the growth of women entrepreneurs in Nepal, with a focus on motivation to start small firms and digitalization methods in their operations. The study was based on a review of the literature and a short field survey of women who own small enterprises (MSMEs) in Kathmandu. Many respondents claimed that their initial purpose in starting their enterprises was to earn more revenue in finance, as per the data from the interviews. As seen, dealing with digitization is an issue that cannot be ignored as an entrepreneur in the new normal period i.e., after the Pandemic. To improve its business operations and income, it implemented a number of changes and tactics. They were optimizing digital marketing, discovering commercial prospects, developing new markets, and putting the marketing strategy into action.

**Keywords:** Digitalization, Entrepreneurship, Nepal, New Normal, Strategies

**Abstrak:** Artikel ini mendeskripsikan penelitian tentang pertumbuhan pengusaha wanita di Nepal, dengan fokus pada motivasi untuk memulai perusahaan kecil dan metode digitalisasi dalam operasi mereka. Studi penelitiannya dirujuk berdasarkan tinjauan literatur dan survei lapangan singkat terhadap perempuan pemilik usaha kecil (UMKM) di Kathmandu. Banyak responden menyatakan bahwa tujuan awalnya dalam permulaan usaha adalah untuk mendapatkan lebih banyak pendapatan di bidang keuangan, sesuai data dari wawancara. Seperti yang terlihat, menangani digitalisasi merupakan isu yang tidak dapat diabaikan sebagai seorang wirausahawan di masa new normal yaitu setelah Pandemi. Untuk meningkatkan operasi bisnis dan pendapatannya, operasi bisnis diterapkan oleh sejumlah perubahan dan taktik. Peningkatan operasi bisnis dilakukan dengan pengoptimalan pemasaran digital, penemuan prospek komersial, pengembangan pasar baru, dan penerapan strategi pemasaran.

**Kata Kunci:** Digitalisasi, UMKM, Nepal, New Normal, Strategi

## INTRODUCTION

The COVID-19 epidemic has had a huge impact on Nepal's and the world's economic and political policies. According to statistics from the Department of MSME Development and Consumer Protection, over 80% of Nepal's micro, small, and medium companies (MSMEs) saw a drop in sales as a result of the COVID-19 epidemic, according to an IFC survey.

MSMEs have seen a decrease in all areas, including sales, capital gain, distribution, and so on. People's ideas, attitudes, and behaviors have all altered as well. Nepal, like all other countries across the world, is prepared to enter the New Normal phase of the COVID-19 pandemic, which has infected millions of people worldwide. The New Normal is a period in which people have rediscovered their creativity by applying new habit changes. Economic activity is reopened, as are behavioral adjustments, which are generally carried out by following health protocols to avoid the spread of COVID-19. For example, according to a survey performed by the United Nations Development Program (UNDP), MSMEs that previously functioned offline are now being pushed to convert to an online system.

Previously, a survey performed by Nepal's central bank indicated the dire state of MSMEs, with the majority of them having closed down totally in comparison to larger businesses. According to a poll conducted by the Nepali central bank in August, almost 95 percent of small and cottage enterprises said their business had decreased by more than 73 percent.

According to certain research, when their husbands' occupations are unpredictable, women's role in contributing to the family income increases during pandemics. As a result, women are encouraged to focus on their jobs in order to become equal breadwinners and gain financial independence. Uma Regmi, Minister of Women, Children, and Senior Citizens, emphasized that expanding women's business empowerment is a way to get out of the COVID-19 pandemic issue. She went on to say that making women's empowerment a solution is due to women's superior entrepreneurship skills. Furthermore, for women, economic empowerment is a method of generating income as

well as a weapon for escaping the web of abuse and prejudice that binds them<sup>1</sup>. It might be argued that the New Normal era's changes in people's behavior bring up new business prospects, particularly for new business owners or those who have recently relaunched a firm after a long sabbatical. They should be on the lookout for this opportunity.

Women entrepreneurs contribute significantly to a country's business and economic growth. They contribute and assist the economy in a variety of ways and across a wide range of industries. Many successful firms are founded by highly talented and educated female entrepreneurs<sup>2</sup>. Women entrepreneurs were found to be imaginative and open to embracing new viewpoints and technology in order to grow and extend their firms, according to the findings. According to study conducted by the United Nations (UN) Women in July 2020, 54 percent of women in micro businesses have adopted the use of the internet in promoting and selling their products to streamline transactions and enhance access to both local and international markets. Furthermore, they recognize the significance of technology and resources for market growth. As a result, they prepare themselves and their staff to enhance their talent, service, and other aspects of their business. In other words, the quality of management and leadership, which are the primary drivers of innovation, has an impact on the success and performance of their organizations. During the COVID-19 epidemic, little study has been done on women entrepreneurs and the digitalization of small companies. This study attempts to give a fresh viewpoint by examining how the COVID-19 epidemic has influenced women entrepreneurs' survival strategies and efforts to digitize their small companies in economic activities.

## **METHOD**

The Kathmandu Valley is the country's social, political, and financial center. As a result, I chose the Kathmandu metropolitan as the subject of my research. The eligible respondents were found using a qualitative research design and the convenience sampling approach. After the threats of pandemics started fading, qualitative research

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<sup>1</sup> Handayani, I. (2021). Entrepreneurship women become opportunities to get out of crisis during Pandemic times. Berita Satu.

<sup>2</sup> A.Gehrels, I. B. (2014). Women entrepreneurship in developing countries:A European example. Research in Hospitality Management, 2415-5152.

was done to investigate and gather empirical facts concerning women entrepreneurs' motivation and digitization strategy. To make comparisons between similarities and differences in instances simpler, this study used a case study technique. This method was chosen because it is an empirical method that is based on current societal events and allows for a more in-depth study. "the boundaries between the phenomenon and the environment are blurred"<sup>3</sup>. For studying entrepreneurship, a case study is highly suggested since it has "various advantages, including establishing causal relationships, identifying and examining concepts, fundamental variables, and their meanings" (Asvoll, 2012). Furthermore, by using this method, the validity of research may be enhanced since the pooled data can produce more robust empirical evidence.

In this study, the five informants are referred to as interviewees 1, 2, 3, 4, and 5. The respondents are either high school passed out or bachelor's degree holders. Based on my observations, the individuals were chosen to be interviewed.

Some participants opted to start their own business after getting married and having children, while others started their own business after not being financially strong to continue their studies. Since I was away from the Kathmandu valley, selected people were interviewed utilizing in-depth semi-structured interviews using the Zoom meeting tools or WhatsApp video callings.

## **RESULTS AND DISCUSSION**

Micro, small and Medium Enterprises (MSMEs), the sector has grown as a vibrant and active part of the Nepalese economy. It has made a substantial contribution to the country's economic and social growth by encouraging entrepreneurship and creating job opportunities. SMEs have been affected by the pandemic on both the demand and supply sides.<sup>4</sup> On the supply side, SMEs faced a labor scarcity and a dearth of critical raw materials, while on the demand side, they faced a dramatic drop in demand and income. With inadequate infrastructural development and poor logistic management, Nepalese

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<sup>3</sup> Yin, R. K. (2018). *Case Study Research and Applications: Design and Methods*. California: Sage Publication.

<sup>4</sup> OCED. (2020, August 22). *Coronavirus (Covid-19): SME policy responses*. Retrieved from Retrieved from [www.oecd.org](http://www.oecd.org).

SMEs have struggled to satisfy consumer demand and sustain the supply chain<sup>5</sup>. This has a significant influence on SMEs' cash flow, as well as the loss of clients and income, and may lead to the closure of the company in the future. Consumer confidence sank as their attention switched to primary healthcare and safety, and their income loss resulted in a gradual slide in spending<sup>6</sup>. Despite the reopening of businesses, SMEs remain susceptible in terms of occupational safety and health, and they find it difficult to maintain social distance and safety measures since their current business model, methods, and resources are just insufficient.<sup>7</sup>

According to the World Bank<sup>8</sup> (2020), the COVID-19 has significant implications for Nepalese business and economy, resulting in the development of new business models. As exports have diminished and international job prospects have decreased, the Nepalese economy and industry are likely to turn inward.

With the emergence of start-up businesses in Nepal, digitization is gaining traction. While the majority of SMEs experienced a drop in revenue, those that rely on digital technology saw a rise in sales during the pandemic<sup>9</sup>.

The growing number of platform firms in the Nepalese market (for example, Daraz, Kirana, Sastodeal, Foodmandu, Bhojdeal, Hamrobazar, Muncha, NepBay, SmartDoko, Metrotarkari) has a favorable influence on sales and company expansion. During the epidemic, there was a surge in the usage of mobile technologies and digitalization. Mobile technology is being more widely used in the transaction of products and services, social interaction, public services, and entertainment<sup>10</sup>. During the shutdown, the Nepali Times claimed a 35 percent rise in internet users over the previous four months.<sup>11</sup>

More SMEs will search for methods to boost their sales through these new prospects, therefore these enterprises are projected to expand<sup>12</sup>. The emergence of digital

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<sup>5</sup> Shrestha, S. (2020). Sustainable organizations to emerge as leaders during the COVID-19. *International Journal of Entrepreneurship and Economic*, 65-69.

<sup>6</sup> IMF, I. M. (2020). *World economic outlook update*.

<sup>7</sup> Sangam Prasain & Tika R Pradhan. (2020, August 12). Nepal braces for a return to locked-down life as rise in Covid-19 cases rings alarm bells. *The Kathmandu Post*.

<sup>8</sup> Bank, W. (2020). *Nepal development update: Post-pandemic Nepal - Charting a*. Washington: World Bank Group.

<sup>9</sup> Ibid

<sup>10</sup> Ibid

<sup>11</sup> Times, N. (2020, July 12). Nepal internet use increases by 35% during lockdown. *Nepali Times*.

<sup>12</sup> Shrestha, S. (2020). *What are the challenges for Nepali SMEs amidst Covid 19 crisis*. Zurich: Business & Finance Consulting.

technology allows SMEs to expand their reach, reduce costs, and improve their competitiveness<sup>13</sup>. SMEs may develop resilience in order to grow their operations and provide a buffer in the event of a disaster. They may increase their resilience by focusing on leadership (creating a strong team), revenue (changing income streams), organizational resilience (creating a strong organization), financial resilience (keeping a tight grasp on money), and operational resilience (streamlining supply chains).<sup>14</sup>

Well, MSMEs (Micro, Small, and Medium Enterprises) in Nepal have unique qualities that set them apart from huge corporations. MSMEs in Nepal are divided into three groups, each with its own set of features, such as microenterprises, small businesses, and medium businesses. A micro-enterprise is one that employs 2 to 9 people and is owned by a person or group. Meanwhile, a small business employs 10 to 49 workers, while medium business employs at least 50 to 249 (UNID and OECD).

**Table 1: Number of Enterprises and Workers and Type of Enterprise in Nepal (Structure of Business in Nepal)**

| Type of Enterprise | Number of Enterprise | % of workers | % of total Enterprises | Fixed Assest  |
|--------------------|----------------------|--------------|------------------------|---|
| Big                | ± 1,214              | 34%          | -                      | More than Rs.150 million including Land and Building                              |
| Medium             | ± 1,908              | 5.5%         | 16.5                   | More than Rs.50 million but less than Rs.150 million, including Land and Building |
| Small              | ± 5,331              | 25.2%        | 5.3                    | Less than Rs.50 million, including Land and Building                              |
| Micro              | ± 53345              | 69.3%        | 94.7                   | Up to Rs.2 lakh, excluding Land and Building                                      |

Sources: Department of Industry, Ministry of industry, the government of Nepal, 2019

<sup>13</sup> Shakeel Kalidas, N. M. (2020). How South African SMEs can survive and thrive post COVID-19. McKinsey & Company.

<sup>14</sup> Isenberg, D. O. (2020). 5 ways entrepreneurs and SMEs can build resilience in a coronavirus economy. World Economic Forum.

## **Women enterprises in Nepal**

Entrepreneurship, according to Leibenstein in 1987, is “an activity that is required to manage and materialize a firm when the market has not yet been created or various components of the manufacturing function have not yet been recognized”<sup>15</sup>. A woman entrepreneur, according to the Review of Literature on Women Entrepreneurs<sup>16</sup> establishes a new firm using her expertise and resources, but she does so informally, without registering a corporation or a location. Men have dominated in the business world in earlier years, whereas women have been underrepresented in the business world globally<sup>17</sup>, including in Nepal. Women are regularly discriminated against in various areas in this conservative society, and there were periods when we didn't see any women in business or in positions of leadership.

However, situation has changed, and women entrepreneurs have become a hot subject, with many nations, including Nepal, considering them to be the fastest-growing business owners. These outstanding female entrepreneurs may be found in a variety of industries, including technology, fashion, and science. According to a World Bank study published in 2018, women make up to 40% of the worldwide workforce. A comparable result from the Pew Research Center revealed that women make up 45.4 percent of the global workforce.<sup>18</sup>

Women have taken over a large number of businesses in Nepal in recent years. Women own roughly one-third of Nepal's enterprises, according to the country's first-ever National Economic Census. According to the Central Bureau of Statistics (CBS), women own 247, 880 businesses in Nepal, accounting for 29.8% of all businesses. This is a positive indicator that Nepalese women are gradually emancipating themselves from their conventional responsibilities and becoming economically self-sufficient through their own companies. Women make up a large share of all enterprises in Nepal, especially in Small and Medium Enterprises (SMEs). According to the Federation of Small and

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<sup>15</sup> Leibenstein, H. (1987). Entrepreneurship, entrepreneurial training, and x- efficiency theory. *Journal of Economic Behavior & Organization*, 191-205.

<sup>16</sup> Idris, N. &. (2017). Women Entrepreneur. *Journal of Global Business and Social Entrepreneurship*, 1-11.

<sup>17</sup> Goldstein, M. M. (2019). World Bank. Retrieved from IBRD.IDA: <https://documents>.

<sup>18</sup> Fetterolf, J. (2017, March 07). Pew Research Center. Retrieved from Pew Research Center Web Site: <https://www.pewresearch.org/fact-tank/2017/03/>

Medium Enterprises Nepal, women entrepreneurs own 60% of SMEs. The majority of them are married high school grads. Despite the fact that the majority of Nepali women entrepreneurs are housewives, they are capable of running enterprises and profiting from them.

### **Inspiration and motivation**

For an entrepreneur, inspiration is a steady way or a critical component. "Entrepreneurs want inspiration because it gives them the power and courage to start a new firm and achieve their objectives."<sup>19</sup> Furthermore, many academics felt that inspiration, or let's say, motivation is the most important factor in determining an entrepreneur's success. Motivation is used to define entrepreneurial performance in entrepreneurship. David in his book 'The Achieving Society' "Remarked that the success of a company is dependent on the dynamic actions of individuals who behave entrepreneurially."<sup>20</sup> In emerging countries, the number of people who want to start a business has risen dramatically. "Both men and women entrepreneurs, according to his research, have similar motivational factors," says Kirkwood. (Kirkwood 2009). However, the manner in which manifestations and interactions occur appears to be distinct. While running their enterprises, women entrepreneurs exhibit "maternity" qualities. These characteristics have an impact on a woman's desire to become an entrepreneur. <sup>21</sup>

### **Digitalization**

Digitalization is "the use of digital technology to transform business models in order to optimize operations and create value using digital information technology."<sup>22</sup> Because of the low hurdles to entry into the small company field, technological advancements have created new chances for society to become an entrepreneur (MSMEs). "Cross-border technologies such as e-commerce and social media are now widely used by businesses"<sup>23</sup>. Entrepreneurs may link their MSMEs to the worldwide market through digital platforms (Facebook, Instagram, and WhatsApp). In this regard, digital technology

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<sup>19</sup> Boldureanu, G. I. (2020). MDPI Journal Sustainability, 1-33.

<sup>20</sup> McClelland, D. C. (2010). The Achieving Society. Martino Fine Books.

<sup>21</sup> Perez, C. &. (2015). Explanatory Factors of Female Entrepreneurship. Suma De Negocios Journal, 1-7.

<sup>22</sup> Vivek, V. &. (2019). Digitalization of MSMEs in India in context to Industry 4.0: Challenges and Opportunities. International Journal of Advanced Science and Technology, 937-943.

<sup>23</sup>Rahayu, J. &. (2015). Determinant Factors of E-commerce Adoption by SMEs in Developing country. Procedia Social and Behavioral Sciences, 142-150.



should be viewed as a tool for advancing small enterprises (MSMEs). MSMEs' digital transformation, on the other hand, needs government and company owner efforts and assistance.

Additionally, the requirements of MSMEs during the digitalization process may differ. Because digitalization may affect market rules, business structures, and corporate culture when it is implemented, “digital content must be tailored to the business, industry, and MSME cultural scale”<sup>24</sup>. Digital transformation is hampered by a lack of financial resources and a lack of MSMEs. For example, some MSME owners are aware that the internet provides prospects for success, but they do not have a mobile-friendly website for their company. They can, however, utilize their cellphones for “general company information, internet banking, customer letters, bill payments, purchasing supplies, and online tax payments.”<sup>25</sup>

Since Interviews were performed in a semi-structured format the questions were not too rigorous. I used the strategy of triangulation to get data validation through observation and a review of the literature. Triangulation is verifying data from diverse sources in different methods and at different times. Meanwhile, this study focused on women entrepreneurs in Kathmandu, Nepal who are between the ages of 20 and 35 and have been in the company for at least two years. Entrepreneurs whose businesses were designated as micro-enterprises for living were the focus of this study.

**Table of Participants**

| <b>Respondent</b> | <b>Age</b> | <b>Marital status</b> | <b>Years of working</b> | <b>Field of business</b>    | <b>Annual wedge</b> |
|-------------------|------------|-----------------------|-------------------------|-----------------------------|---------------------|
| 1                 | 21         | Unmarried             | 1 yr.                   | Beauty product              | ±NPR 7,500,000      |
| 2                 | 27         | Married               | 3 yrs.                  | Organic foods and beverages | ±NPR 3,000,000      |
| 3                 | 26         | Divorced              | 1 yr.                   | Beauty product              | ±NPR 8,500,000      |
| 4                 | 32         | Married               | 2 yrs.                  | Woolen cloths               | ±NPR 1,500,000      |
| 5                 | 35         | widow mother          | 2.5 yrs.                | Woolen cloths               | ±NPR 5,500,000      |

<sup>24</sup> Raisanen, J. &. (2020). Digital Innovations in Rural Micro-Enterprises. *Journal of Rural Studies*, 56-76.

<sup>25</sup> Junia Laksmanawati, A. Y. (2020). Women and the Digitalization Strategies of Micro, Small, and Medium Enterprises in the New Normal Era. doi:10.9744/ijbs.4.1.55–64

## Result

### Research question. 1 “What motivated you to join the women entrepreneurship?”

With a strong drive to achieve, everyone aspires to be self-sufficient and financially independent. A person's enthusiasm will motivate them to work harder for personal success rather than for praise. People with a strong demand for accomplishment are more concerned with how they work on a personal level and will not attempt to affect the performance of others' work. Instead, such people try to find fulfillment by accomplishing better things.

Upon asking the question, the respondent 1 said,

*“My parent couldn't support me for the further study. So not letting my dream to die I decided to work earn some money save them and someday when I have enough of savings I will go for further study.”*

It was quite shocking to hear how her dreams kept her motivated to work and achieve success in her education one day.

Respondent 3 said,

*“My desire to give best of life to my children motivated me to start my business. And since, my grandmother was a village lady she had allot of ideas about natural beauty products which made me take this field as my business. I am happy as I am able to give the best of education to my children. Being a single mother is not a problem anymore.”*

So it's not always the satisfaction of profit that women feel, but the satisfaction of being able to be a bread earner of the family keeps them motivated to run their business.

Similar was the case with the respondent 2, she said,

*“I am doing farming since I was 10, so the motivation came with my original purpose that was to earn extra money because my husband's income was insufficient, therefore I decided to work to supplement his income.”*

As about respondents 4 and 5 one was inspired from the another. The 35 years old Laxmi decided to open her own business creating job opportunities for other single ladies. She said,

*“When I came to know how Radha is running her own business, as she is my old school friends, we often get together for refreshment. I thought of creating my*

*own entrepreneurship as I realized how free I will be to originate without having anyone above me to order and not having any extra rules and regulations of a company, Besides, I will get to use my hobby of sewing and stay at home, spend time with my only child, thinking about his future, rather than spending the whole day in job and living a dull life”*

Whereas, Radha; respondent 4 says,

*“I love sewing different designs that I see celebrities wearing on newspaper and magazines. So I decided why not to turn my hobby into an active income source as I am usually free when my husband goes to his work and my children to school. This extra earning helped my children to study in even better schools and this makes me very happy.”*

Women did not give up working because of their tremendous desire to see their children prosper. Whenever an issue arose in the workplace, they saw it as fresh information. The ups and downs of operating their business were undertaken with true concern for the future of their children. They didn't want to be reliant on their spouses entirely. They intended to be financially self-sufficient in the event that their spouses retired, were ill, or died, and their children still needed money to attend school. They had enough money to maintain themselves and their children already.

Respondent 1 says,

*“Why not to keep dreaming? It's important to dream for a living. My mother has always made me believe me that women should be independent, or at least keep trying not to be dependent on anyone even if you have a slight capability of doing something.”*

Respondent 2,

*“My husband is usually sick, what if suddenly he is no more, how can I start all over all of sudden. God has given me strength to work so why should I waste myself just sitting at home”*

Respondent 3,

*“As long as I am able to take care of my children not letting them ever realize that they don't have father, why not to work and earn money.”*

Similarly, respondent 4 said,

*“Amid of COVID-19 the situation got very worse. I had to take a firm step to support my husband and family, so here you see I started a small online business and We are surviving peacefully.”*

And so was respondent 5,

*“Being dingle mother is not easy. I was an employee in an office but the lockdown in the Pandemic got me in difficult situation, So I thought of utilizing my hobby and earning money, saving the future of my child and myself.”*

Women were encouraged about starting a business because they wanted to be financially independent. They didn't want to be reliant on their spouses indefinitely or anyone else and future of their kids that mattered allot to them. So, even though they entered the business field just to supplement their income, they took it seriously. They were completely in charge of the company because they wanted it to expand and become large.

## **Research question. 2 “What are the strategies to strengthen business in the new normal era?”**

The term "Normal era" has become popular after the distractions of the Pandemic. The COVID-19 virus has demolished the worldwide economic system; may it be developed or developing nations. Entrepreneurs are currently compelled to remain on the defensive, focusing on how to keep their firms afloat rather than profit. Says respondent 5,

*“When the pandemic broke down and the government implemented the policy of lockdown, I could not go to work anymore. The situation was getting worse slowly. I started having discussions with my boss and I lost the job, so I had to think of alternative following the protocol put by the government”*

Whereas, respondent 2 has another story to say,

*“I was disappointed when the government imposed a curfew since it prevented me from operating my food company. My turnover had fallen at the moment, and many of my veggies and fruits had gone bad. I realized I'd be trapped in a bind. I've ever briefly shuttered my business for a month to think about new tactics and cut operational costs.”*

The business strategy before to the COVID-19 pandemic was substantially different from the business strategy in this Normal period. The distinction was in the manner in selling and purchasing methods.

Previously, commercial operations could be conducted in public locations, but during the sweeping pandemic, the Nepali government established a large-scale social restriction policy, restricting community activities in public places. This restriction, however, did not mean that economic operations ceased; consumers could still buy goods or services, even though everything was done from the comfort of their own homes. People who were forced to stay at home would keep reading through social media for the newest developments or simply looking for fun. This was a great chance for many companies to grow their market digitally.

Respondent 1 says,

*“I was aware about the digital business but I wasn’t very much familiar with process. As the pandemic broke out and we were compelled to sit at homes I tried to look out for information on how to establish an online platform for selling. Then I created an Instagram ID and started introducing my natural products to the people via videos. Slowly the followers increased and now I create videos introducing products of some national brands as well. The digital world gave me name of influencer.”*

Respondent 2 shares even an interesting story, she says,

*“When my offline business got shattered due to new policies of lockdown, I came across a girl of my neighbor, she introduced me to “Sabzi Land” that indicates Vegetable land named an online entrepreneur run by four to five ladies, to support women like me to sell the products online. Demand for organic food is very high in Kathmandu, this online platform helped me a lot to re manage my business. Today I am well known with this digital process and it is easier for me now.”*

A similar case occurred with respondent 3, She came across an online entrepreneur named “Herbal beauty product” a small online business run by two

to three ladies, she became part of them and now successfully running her business by selling her organic beauty products.

Before the pandemic, there were 5,000 women-owned enterprises in Nepal just like the women as above, creating 50,000 employments, according to the Federation of Women Entrepreneurs Association of Nepal. Similarly, there were 500,000 self-employed women entrepreneurs across the country, working in a variety of vocations and services.

At the start of the epidemic, all business players would consider giving up and expanding their operations. However, this proved to be the wrong option because all who successfully figured out the ideal digital marketing approach to help their business recover are successfully regaining what they lost and are in profit. Some luckily got across this digital world where some may be still figuring out what next to be done.

## **Discussion**

### **The state of MSMEs during the Covid Pandemic**

The COVID-19 epidemic has also impacted the MSMEs sector, with disruptions in raw material deliveries and credit payments necessitating reorganization and dropping sales. MSMEs that rely on offline sales, on the other hand, saw the most substantial drop. It also has the potential to exacerbate MSMEs' poor credit and lead to job losses.<sup>26</sup>

The Federation of Woman Entrepreneurs' Associations of Nepal (FWEAN), founded in July 2003, represents women's entrepreneur organizations and actively supports female-owned enterprises and initiatives. Many MSMEs are led by women. As a result, the FWEAN contributed to MSME growth by increasing the capabilities of female entrepreneurs. It also promoted economic empowerment for women. The FWEAN was essential in persuading the government to enable women entrepreneurs to take out interest-free, collateral-free loans.

Through the fiscal and monetary policies, the government of Nepal has responded to COVID-19 with four steps: immediate relief, reducing the effect of

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<sup>26</sup> Maksum, I. R. (2020). Journal of Open Innovation, 1-17.

COVID-19, economic support measures, and liquidity support measures (World Bank, 2020). The government has announced an economic stimulus plan that comprises deferred tax payments, interest rate reductions, and utility payments totaling around 5% of GDP (World Bank, 2020).

Further, the government and central bank of Nepal provide a variety of incentives to increase lending to certain sectors or populations that are having trouble getting credit. The government offers interest-free loans through ten different programs. The loan amount, interest discounts, collateral requirements, duration, credit guarantees, paperwork requirements, and target group all differ significantly. (look at fig. A)

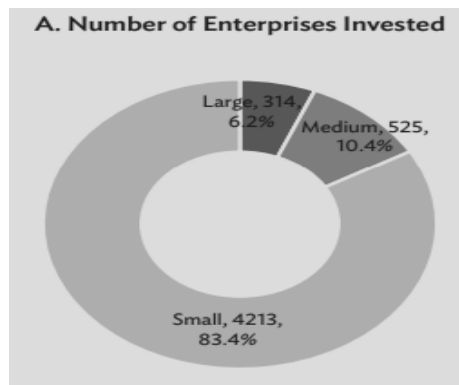


Fig. A

Source: ADB Asia SME Monitor 2021 database. Data from Industrial Statistics, Department of Industries, Ministry of Industries, Commerce and Supplies 2019-20.

The Commercial Agriculture and Livestock Loan (CALL) and the Women Entrepreneur Loan (WEL) are the two most popular (WEL). If the loan is less than NRs1 million, CALL provides up to NRs50 million and gives a discount on insurance premiums and service charges. WEL is eligible for up to NRs1.5 million in funding. Both get interest subsidies from the government. Interest subsidies under these lending programs have been awarded NRs13 billion for FY2022. During the initial wave of the COVID-19 epidemic, they were quite helpful. (look at fig. B)

As of mid-July 2021, CALL loans accounted for 44.2 percent of all concessional loans disbursed, while WEL loans accounted for 53.4 percent. The remaining 2.4 percent was split among the eight remaining projects. 119 CALL has 66.3 percent of the outstanding loan value, while WEL has 31.6 percent.

There has been a fast increase in the number of concessional loans outstanding and beneficiaries under CALL and WEL since mid-July 2019. For example, in Fiscal Year; FY2020 (as of mid-July 2020), the number of borrowers under CALL climbed by 43.9 percent, and in FY2021, it increased by 86.0 percent (as of mid-July 2021). The scheme's outstanding loans climbed by 68.1 percent in FY2020 and 97.7 percent in FY2021. The number of WEL borrowers expanded by more than 8 times in FY2021, with loans outstanding increased by more than 11 times.

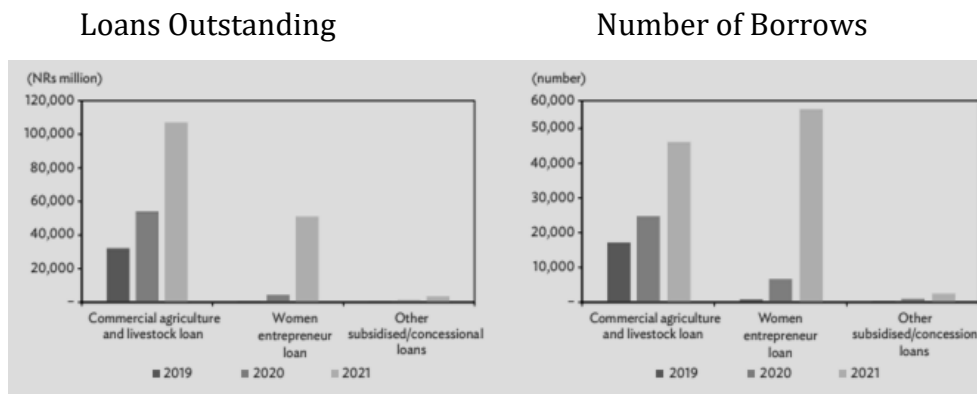


Fig. B

Source: ADB Asia SME Monitor 2021 database. Data from Microeconomic and Financial Situation Reports, Nepal Rastra Bank

### Inspiration and importance of supporting Women in taking up entrepreneurship

Entrepreneurship is a key driver of economic growth across the world<sup>27</sup>. Women may be viewed as a source of entrepreneurial talent as well as an economic development tool. Furthermore, due to their contribution to open work prospects, women entrepreneurs are seen as agents of change in society.<sup>28</sup> Women entrepreneurs' future combined potential might be transformative in establishing a better, more balanced, and more sustainable global economy. However, we must invest in them in order to realize the enormous potential that exists right in front

<sup>27</sup> Doran, J. M. (2018). The Role of Entrepreneurship in Stimulating Economic Growth in Developed and Developing Countries. *Cogent Economics and Finance*, 1-14.

<sup>28</sup> Solesvik M., L. T. (2019). Motivation of Female Entrepreneurs: A Cross National Study. *Journal of Small Business and Enterprise Development*, 684-705.



of our eyes. Women's entrepreneurial success will have a regenerative economic impact, as they will invest back into their local communities and the entrepreneurial ecosystem as a whole.

According to studies performed by the Asian Development Bank, MSMEs account for over 99 percent of all firms, with women accounting for 60 percent. The goal of women starting enterprises was to use their talents to create new work possibilities and a better living for their families. Women, on the other hand, frequently miss out on possibilities owing to a lack of facilities that allow them to work and care for their families. As a result, they had to put forth more effort.

Business should benefit not just the holders, but also the surrounding business community. Women in organizations, however, were still subjected to prejudice. According to a survey conducted by Credit Suisse in 2012 and 2014, women only hold one out of every ten executive positions worldwide. There were also signs of reduced female workforce participation and disparities in opportunity. On the basis of this reality, working women continue to face problems, notably in Nepal. As a result, the government should offer a platform for Nepali business women to participate and promote the interests of their families, industries, and the country. It is the only way for the government to persuade society to recognize the critical role of women entrepreneurs in economic development.

Today's female entrepreneurs are working to make the world a better place for everyone. We can't afford to ignore female entrepreneurs. As a result, we are also leaving future generations behind. Women's accomplishment has a direct impact on their local economy and on the lives of those in their neighborhood. When women entrepreneurs thrive, they are more inclined to invest in their families and communities, such as education, nutrition, well-being, and the health of their children. Furthermore, these enterprises are more likely to give essential services and opportunities to the areas in which they operate.

Women entrepreneurs had a variety of reasons that inspire them for starting their businesses, and the top four reasons I could extract from the interview are,

Women got a chance to pursue their business based on their hobbies. They get to work something they love. Being an entrepreneur and owning a business allow women the independence and flexibility to work according to their abilities and interests. Some women founded their micro, small, and medium-sized enterprises (MSMEs) based on their own interests. Then they started a company that specializes in food and beverages, as well as beauty, fashion, and crafts. There was no pressure to do anything they didn't want to do because they ran their own company. Many women discovered their hobbies and chose to focus on them rather than their careers, and they were successful in converting their passions into profitable companies.

Further, they put the steps ahead breaking the stereotype. There were numerous preconceptions connected with women in the past that pushed them to stay at home and perform minor roles despite their professional ambitions. Women, on the other hand, have worked hard against preconceptions and have succeeded in breaking through barriers and achieving their goals. As a result, they are no longer bound by the gender norms that society dictates today.

Digitalized entrepreneurship made them get rid of unpleasant work environments, for example, male dominating or pressurizing character of some workmates that women may face because of their gender. Even today Many organizations still have a hostile work environment for women, starting with employing women after a career interruption (maternity leave) and giving the option of working remotely with flexible working hours and equal pay. Despite her skills, a lady was unable to return to her profession due to a variety of hurdles. These factors, however, have become a strong motivator for many educated women to start their own businesses rather than work in an office.

There are a variety of situations in which women have no option but to work, such as single moms. As a result, women started micro and home companies to support their families' income. Their target consumers were their closest circle (family, friends, and neighbors). Aside from that, several motivations attract and drive women to create their own small business (MSMEs), such as the desire to

lead and make a difference, obtain social status recognition, and have economic independence.

### **Digitalized Entrepreneurship's Strategies after Covid-19**

Finding business opportunities through the use of digital technology is referred to as "digital entrepreneurship"<sup>29</sup>. The influx of new technology in recent years has shown how digitalization might open up fresh prospects for creativity. Information and technology, meanwhile, have gained recognition for their significant contributions to entrepreneurship and economic performance.<sup>30</sup>

Entrepreneurs use digital marketing to satisfy customer demands when operating a digital business in the normal era, after covid-19. Through social media or the internet, people may maximize their marketing techniques. For instance, they can provide original material for websites, other platforms, and social networking sites like Instagram and Facebook. The written material should be interesting to read, provide educational value, and hook the readers' attention. Digital marketing may also increase customer allegiance to the brand to boost revenue. It becomes a reality when business owners routinely share material that has the potential to go viral. Soft marketing through storytelling is one strategy that may be used. Even if the ultimate objective is still "selling," they may still produce material with a narrative in it. Collaborating with influencers can also be a digital marketing alternative that individuals may utilize to aid in the advertising process.

Even in difficult circumstances, entrepreneurs have a reputation for acting unconventionally. Their ambition to develop their abilities or passion projects into full-blown professions knows no limitations, and this has never been more evident than it was in 2020, regardless of whether they are dealing with cash flow issues, unreliable consumers, or other entrepreneurial hurdles. Although COVID-19 brought about significant economic downturns, high unemployment rates, and a

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<sup>29</sup> Nambisan, S. (2017). Digital Entrepreneurship: Toward a Digital Technology Perspective of Entrepreneurship. *Entrepreneurship Theory and Practice*, 1029-1055.

<sup>30</sup> Giudice, M. D. (2011). IT and Entrepreneurism: An On-Again, Off-Again Love Affair or a Marriage? *Management Information Systems Quarterly*.

widespread push toward digital transformation for surviving enterprises, "COVID-preneurs" continued to move through with their aspirations of starting their own businesses at an unprecedented rate.

However, In the current era of connection, entrepreneurship must adapt to keep up with the rapid pace of change and dynamic complexity level. In this regard, the organization must be able to mine new scientific knowledge, including technology-based entrepreneurial talents, in order to improve commercial performance<sup>31</sup>. (Technology-based Enterprises). According to a research<sup>32</sup> social media has a beneficial impact on organizational performance, especially when it comes to costs (promotion), strengthening connections with customers, and gaining access to the data a firm needs. Yet, the majority of today's digital platforms are now freely usable containers that may be used by business actors.

Uncertainty is brought on by the present new era, or what is generally referred to as the new normal phase, particularly in the business sector. Without a clear understanding of how changes will manifest in every aspect of life, business actors are busy speculating about what will happen in the future. In the end, this era demands that micro, small, and medium-sized businesses (MSMEs) have a business strategy. In his book "Crisis to Win Revolution," Salim Kartono asserted that developing a market economy is a crucial and important aspect of doing business. If the company players do not have a market, it will not matter how well the product is created. As a result, business players need to develop a lucrative market. In this situation, the business strategies that must be carried out throughout the time of the new era include identifying business opportunities, inventing innovations, putting blue ocean plans into practice by opening up new markets, and carrying out your company's product marketing strategy.

## **Discovering Business Opportunity**

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<sup>31</sup> William J. Wales, V. P. (2013). Too much of a good thing? Absorptive capacity, firm performance, and the moderating role of entrepreneurial orientation. In *Strategic Management Journal*, 622-633. doi:<https://doi.org/10.1002/smj.2026>

<sup>32</sup> Farzana Parveen, N. I. (2016). Social media's impact on organizational performance and entrepreneurial orientation in organizations. doi:<https://doi.org/10.1108/md-08-2015-0336>

The buying ratio still tends to decline and hasn't fully recovered over the new era, after Covid-19. Consumer behavior has changed since the Corona Virus pandemic first appeared, which has had an impact on business. People were more cautious to behave during the new era time because of the crises' unclear condition. People prefer to conserve money instead of spending it and become pickier about what they buy out of concern about the financial market's tightening liquidity. Business actors, particularly SMEs, can only feel dissatisfied as a result of the slow flow of demand. As a result, with the emerging new era, business players must be vigilant to spot new business prospects.

One method to take note of shifts in people's consumption habits on many fronts and then refocus corporate tactics to opportunities in light of the observations. The important thing to keep in mind is that possibilities might emerge from company areas other than the one we are currently in. The idea is that business people shouldn't squander any possibilities that are already there. Instead, they ought to design goods based on modern-day regular circumstances. Business actors must consider their job and step outside of their comfort zones due to the current circumstances. If we want to make it through the transition time, we need to think outside the box, besides, new business owners will also encounter less competition due to pandemic-related business closures. This gives wider space to new-comers to act calmly and wisely.

### **Designing new marketing plans**

The term "blue ocean strategy" refers to the process of generating a new market, according to W. Chan Kim and Renee Mauborgne in the Harvard Business Review. According to the Blue Ocean Strategy notion, corporate players should establish new markets that cannot be compared to competitors rather than engaging in fierce competition and attempting to steal customers from rivals. Business players should eliminate competition while still taking advantage of new markets. Long-term sustainability of a business is unlikely to be possible if it competes in an already crowded ocean. The true chance is to fill their ocean with a fresh, distinctive market. According to the "blue ocean" theory, demand is

something that is generated rather than contested. Additionally, even amid difficult circumstances, there will be possibilities to expand and boost profitability. This approach places a focus on the ongoing, simultaneous search for sources of innovation and cost-efficiency. Every businessperson must understand that in order to win the competition, businesses must give up trying to outwit rivals. Creating new markets and dominating those markets will help you win the competition.

The marketing strategy is more difficult in the current condition. Due to uncertainty surrounding the economy, many corporate actors are delaying taking action. During this period of transition to normality, business owners shouldn't lose their will to get going and search for sales possibilities more actively. While completing consumer research, concentrating on the value of the product, and effectively carrying out marketing operations are some important aspects of creating a marketing plan. Additionally, business owners must modify their product range, look for distributor support, modify pricing, preserve market share, and accurately calculate their budget.

### **Inventing Standouts**

Standing out of many entrepreneurs will likely be tougher with erratic economic and market circumstances as the fresh usual period begins. The asset value will naturally decline since the purchasing power has not yet been restored to normal. Hard effort alone won't cut it in these circumstances. Innovation is necessary for people to find a way to get back to normal. Business actors will struggle to develop goods that will open up markets and achieve scientific discoveries that can help their industry without innovation. In order to transform the current era of change into commercial advantages, the performance of the research and development division is crucial. A low-cost, high-quality product or straightforward yet successful marketing or sales plan are both examples of innovation. Innovation extends beyond corporate strategy to include the actual design of the product.

## **CONCLUSION**

It is clear from the data and debate that women must be willing to create, run, and participate in their businesses in order to qualify as entrepreneurs. The value of networking must be taken into account in light of the changes in the global market and technology. Entrepreneurs of both genders get an equal amount from their networks. Women's networks, however, are distinct from men's in that they emphasize interpersonal and emotional ties. While this is going on, female entrepreneurs use new digital technology to develop and launch new firms in order to overcome their challenges. Particularly in the new normal period, when individuals should limit their outside activities to prevent the spread of COVID-19 viruses, the new digital technologies offer options and chances for women to launch new small companies. Additionally, advances in technology make it simpler for female business owners to market their goods broadly without having to approach potential customers personally or door to door. Women may sell goods more effectively and efficiently online since it takes less time to market to customers outside of their local area and even from other countries.

If company digitalization is not foreseen, it might have devastating effects. Due to the fact that the buyer and seller cannot interact in person, it is possible that the items will be returned if they are damaged or the consumer is dissatisfied. As a result, company owners must give customers comprehensive information about the goods they offer, including details like price, size, and material. Additionally, the vendor must take into account a win-win scenario so that neither the buyer nor the seller suffers. Nowadays, access to personal information is made easier by digitization; however, the government must offer the business owner the highest level of protection possible, including the protection of personal data, particularly bank account information, to prevent irresponsible people from abusing this information.

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