

# Family Business Evidence from Countries of Two Continents: Survival Strategy of Coronavirus Pandemic

Dorothy Rouly Haratua Pandjaitan<sup>1</sup>  
{dorothy.rouly@feb.unila.ac.id<sup>1</sup>}

Mnaagement Department, Faculty Economics and Business, Lampung University<sup>1</sup>

**Abstract.** The COVID-19 pandemic is forcing many businesses to close their businesses, driving major changes in various industry sectors, for example retailers and brands face various short-term challenges related to health and safety, supply chain, workforce, cash flow, consumer demand, sales and marketing [1]. In reality, several other types of business areas, including as tourism and hospitality, were virtually completely immobilized as a result of the disaster. Start-ups must also adjust by refraining from hiring. This situation is also having an impact on the family business. A family business is one in which the majority of the ownership and management is handled by the family or descendants of the family. This paper discusses a family business's survival plan during a Coronavirus pandemic affecting two continents. This article finds out that the COVID-19 pandemic has made all companies move to activate various innovations, both in terms of digital services and direct services.

**Keywords:** Survival Strategy, Family Business, Pandemic, Covid-19

## 1 Introduction

The appearance of the corona virus, which originated in Wuhan, shook the public at the start of 2020. After that, the virus spread to a number of countries, including Indonesia. President Joko Widodo declared that the first instances were discovered on March 2, 2020 in Depok, when two persons tested positive for the SARS Cov-2 or COVID-19 virus. Positive instances in Indonesia began to show up in a variety of different cities. Following VWHO's declaration of a pandemic on March 12, 2020, different governments throughout the world began implementing lockdowns to break the virus's chain of transmission.

A family business is one in which the majority of the ownership and management is handled by the family or descendants of the family. One or more family units will have a considerable effect on the direction and policies of a family business. This influence can be exerted through ownership and, in many cases, participation in administration by family members [2]. family business is defined as a combination of ownership and management, with three types of family businesses: (1) owned and managed by the family, (2) owned by the family but not self-managed by the family, and (3) managed by the family but not owned by the family.

In the business world, family businesses are a phenomena in and of themselves. According to (Susanto et al., [3]), family businesses not only employ a huge number of people, but they also contribute significantly to state revenue. Conflicts will emerge as a result of problems with the management system and the family structure when establishing a family business. However, when

the family company structure is correctly implemented, the family business can fulfill its objectives and ensure its long-term viability. According to (Bövers & Hoon, [4]), one of the problems for the sustainability of family businesses is surviving in a continually changing environment.

Entrepreneurs frequently contemplate forming a subsidiary, one of which is in the food and beverage industry, while forming a family business. Entrepreneurs take this into account since they see a significant and ongoing market potential opportunity. Food is a basic human necessity that must be addressed. This demonstrates that people must eat and finish their meals at the same time every day, and the incidence repeats again. Repeated consumption has a great market potential, resulting in high demand.

Leadership, ownership, and management principles are three major challenges that frequently occur in family businesses, both in the first and second generations (Simanjuntak, [5]). Many businesses are being forced to close due to the COVID-19 pandemic, which is causing major changes in various industries. For example, retailers and brands are facing a variety of short-term challenges related to health and safety, supply chain, workforce, cash flow, consumer demand, sales and marketing (Donthu, [1]). In reality, several other types of business areas, including as tourism and hospitality, were virtually completely immobilized as a result of the disaster. Start-ups must also adjust by refraining from hiring. Online-related enterprises such as online entertainment, online communication, and marketplaces, on the other hand, have enjoyed tremendous development.

However, the COVID-19 pandemic is causing huge changes in several sectors around the world today. The COVID-19 pandemic resulted in lockdowns that forced the closure of vital enterprises, causing a global recession and weakening the global food chain. COVID-19's rapid growth has caused the government to take a number of steps to contain it, one of which being the designation of COVID-19 as a non-natural national disaster by Presidential Decree 12 of 2020.

Because global pandemics are the rarest sort of pandemic in human history, managing business crises arising from global health pandemics is more difficult than managing crises arising from traditional financial crises or local pandemic crises. The food and beverage business is expected to transition well; agriculture is the most concerning aspect. As a result of COVID-19's shutdown of several vital services (such as airlines, food services, supply chains, and export and import markets), there is a severe lack of critical information to guide priority decision-making for businesses where the uncertainty is likely to be detrimental (Galanakis et al., [6]; Qingbin et al., [7]).

## **2 Literature Review**

Marketing is a business or individual activity that involves introducing products or services to the public through various media such as newspaper advertisements, magazines, tabloids, brochures, the internet, and so on. Products and services can be purchased by customers. Marketing, according to Kotler [8], is a social and management process by which individuals and groups achieve what they need and want by creating, providing, and exchanging valuable things with others. Marketing is defined by William J. Stanton [9] as a whole system of commercial activities aimed at planning, pricing, promoting, and distributing want-satisfying goods and services to both present and potential customers.

The importance of family businesses in a country's economy cannot be overstated. However, there are hurdles in the family business to ensure the company's long-term sustainability. A family company, according to Shanker and Astrachan [10], is one that is owned by family, whether in terms

of share ownership, strategic directive control over the company, the company's founder or acquirer, family members involved in the company for one generation or more, or even the company's broad view of the family's basic objectives. In the business world, family businesses are phenomena in and of themselves. According to (Susanto et al., [3]), family businesses not only employ a huge number of people, but they also contribute significantly to state revenue.

Conflicts will emerge as a result of problems with the management system and the family structure when establishing a family business. However, when the family company structure is correctly implemented, the family business can fulfill its objectives and ensure its long-term viability. According to (Bövers & Hoon, [11]), one of the problems for the sustainability of family businesses is surviving in a continually changing environment. Entrepreneurs frequently contemplate forming a subsidiary, one of which is in the food and beverage industry, while forming a family business. Entrepreneurs take this into account since they see a significant and ongoing market potential opportunity. Food is a basic human necessity that must be addressed. This demonstrates that people must eat and finish their meals on a daily basis, as evidenced by the fact that it happened again and again. Repeated consumption has a great market potential, resulting in high demand.

### **3 Discussion**

#### **3.1. Survivability of Family Business**

From a broad perspective, the corporation employs a marketing strategy to ensure that the program is still acceptable by the community. For example, PT Bakrie Telecom Tbk implements flexibility in adding service features for corporate customers for Call Center services, and the company also continues to develop IT Solution Services, such as developing CCTV ATM monitoring technology with the company's technology partners who are in the pre-implementation stage in two A leading bank, managing Digital Terrestrial Broadcasting Infrastructure in the TV broadcasting industry whose existence is a nascent industry. Bakrie Telecom prioritizes all efforts to address operational needs in order to be ready to rise when the pandemic time is over in order to preserve the performance of its business activities.

The pandemic has a huge impact on social life, consumer habits, and the global economy, according to (Ameen et al., 2021). Consumption patterns have evolved in unexpected and novel ways, such as widespread panic buying and consumption shifts. Indofood Corporations are impacted in this context. PT Indofood Sukses Makmur Tbk (INDF) and PT Indofood CBP Sukses Makmur Tbk (ICBP), both part of the Salim Group, have a number of initiatives in place to boost sales throughout the epidemic. The key is to increase digital media marketing and sales by releasing a lot of new products on online game applications. PT Indofood Sukses Makmur Tbk (INDF), the food and beverage company of the Indofood CBP Salim Group, has a number of plans in place to increase sales throughout the pandemic. The key is to increase digital media marketing and sales by releasing a lot of new products on online game applications.

One strategy to survive in the midst of the Covid-19 pandemic in the supermarket industry is to launch the Matahari Official Shop, which is an exclusive collaboration with Shopee, an e-commerce company with a consumer reach throughout Indonesia. additional resources to meet demand through Matahari.com, the company's online store, which has grown in popularity as a result of the pandemic. In addition, the company offers shop and talk services, which is the company's social

commercial initiative, as well as investing in relevant channels and reopening locations in non-PSBB areas while putting customer and employee safety first.

The world, including Indonesia, will be attacked by a large variant of the Coronavirus illness (COVID-19) pandemic in the start of 2020. Astra, on the other hand, is attempting to adjust to the conditions while maintaining the cornerstone of his firm. Astra developed numerous commercial strategies, including Daihatsu's launch of the New Ayla and New Sirion for millennials. Daihatsu has remained committed to launching its new products, the New Astra Daihatsu Ayla and the New Daihatsu Sirion, despite significant hurdles that have arisen since the beginning of 2020. Astra also supports the #stayathome campaign through the BMW mobile service program. Astra has launched a mobile service that allows consumers to maintain their cars at any time and from any location, on March 17, 2020.

In addition, PT. HM Sampoerna continues to develop in the cigarette market, eventually launching the first Machine-made Kretek Cigarette (SKM) product in Indonesia under the Sampoerna A brand. investment and expansion In March 2019, PT. HM. Sampoerna will launch IQOS Club Indonesia as a limited market test platform to investigate the market potential and behavior of adult smokers in Indonesia when it comes to IQOS (e-cigarettes). IQOS is still the top e-cigarette company in Indonesia as of 2021.

Based on the preceding description, it is clear that PT Gudang Garam, Tbk had a drop in turnover, but the income at PT Gudang Garam, Tbk gained a breath of fresh air in the next semester. This is inextricably linked to PT Gudang Garam, Tbk's attention and comprehension. The attention process describes how a consumer selects from a wide set of information while ignoring the rest. The process of interpreting attention and understanding begins once customers are exposed to marketing content, whether by accident or via their own intentional action. In this section, we'll talk about attention, its levels, and the elements that drive it, as well as some marketing methods that can influence consumer attention. Generating consumer attention, or generating attention, means that a message must be able to generate attention in both the form and the medium in which it is delivered.

PT Gudang Garam also use the Knowledge in Memory technique for comprehension. Consumers' capacity to comprehend marketing content is largely determined by their ability to recall information. The degree to which intelligible meaning is formed is determined by the precise knowledge, meanings, and beliefs that are activated in a given scenario of understanding. Consumer knowledge is frequently discussed by marketing researchers in terms of competence or familiarity.

#### **4 Conclusion**

In the business world of Indonesia, family business (family business) is a distinct phenomenon. The formation of a family business will be fraught with conflict due to issues with the management system and the family structure. However, both family businesses and all sectors are currently experiencing a downturn. Because of the COVID-19 pandemic, the entire globe is changing. The COVID-19 epidemic prompted a lockdown, which forced vital businesses to close abruptly, triggering a global recession and exposing flaws in the global food system.

The pandemic of COVID-19 has prompted all businesses to implement numerous innovations, both in terms of digital and direct services. Adaptive values to numerous challenges that exist throughout this COVID-19 Pandemic are something that must be learned.

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