

## **Co-Operative Business Models in Covid Era and Reformation of Society**

**By**

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### **Abstract**

The research article presents a vivid illustration of consequences faced by global enterprises. Different cooperative business models are explained in the study along with its implications reform the society. In addition to this, a brief background of the research topic is highlighted that shows the impact of emergence of the pandemic on businesses worldwide. The study has included secondary resources to present a vast amount of relevant information. Moreover, a thematic analysis of the gathered informative data is illustrated in the article. The article is developed with the help of the theory of business to understand the topic in a better way.

**Keywords:** pandemic, enterprise, cooperative business model, economical loss, society, reforms.

### **Introduction**

Businesses globally have faced the impact of the coronavirus pandemic on their operational efficiency. The research article presents an explanation of different cooperative business models that were adopted by enterprises. A vivid illustration of the impact of these models on the reformation of society is highlighted. The article considers secondary data in order to uncover different aspects of the research topic.

### **Research Objectives**

- To evaluate different cooperative business models adopted by organizations in the covid era

- To analyze the impact of cooperative business models on organizations in the covid era
- To explore the influences of cooperative business models on reformation of the society
- To understand the association between cooperative business models and the needs of society

## Research questions

**RQ1:** What are the cooperative business models adopted by organizations in the covid era?

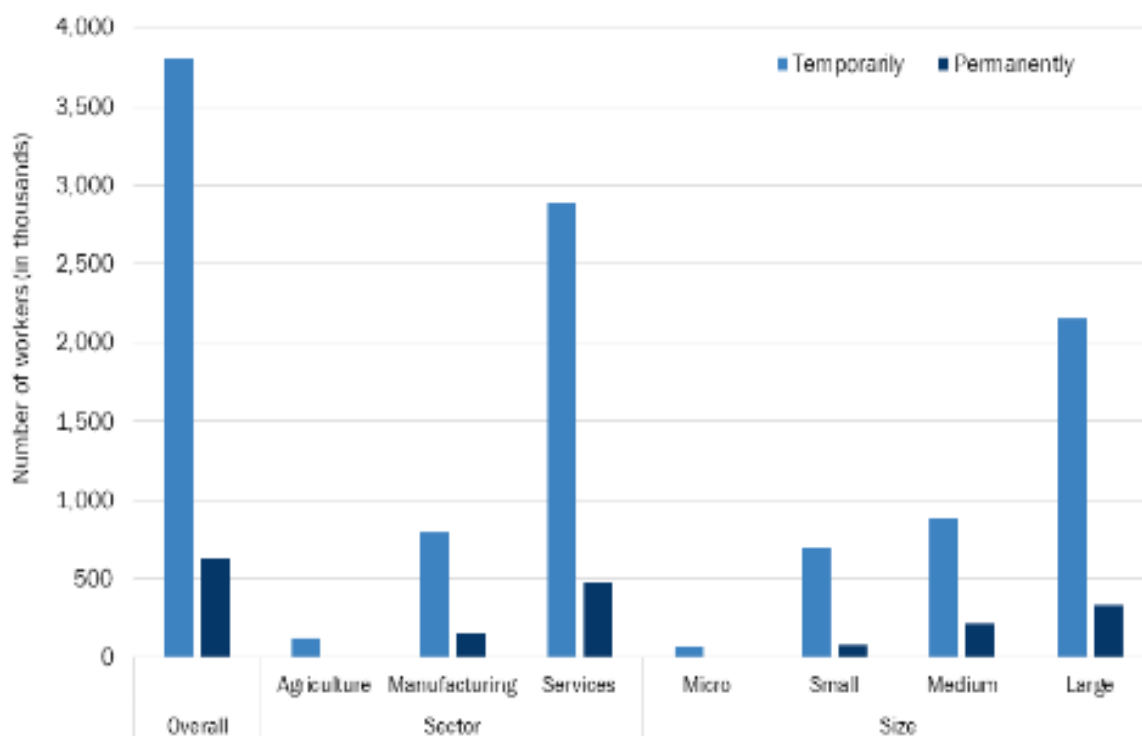
**RQ2:** In what ways do cooperative business models impacts organizations in the covid era?

**RQ3:** In which manner do cooperative business models reform society?

**RQ4:** What association lies between cooperative business models and the needs of society?

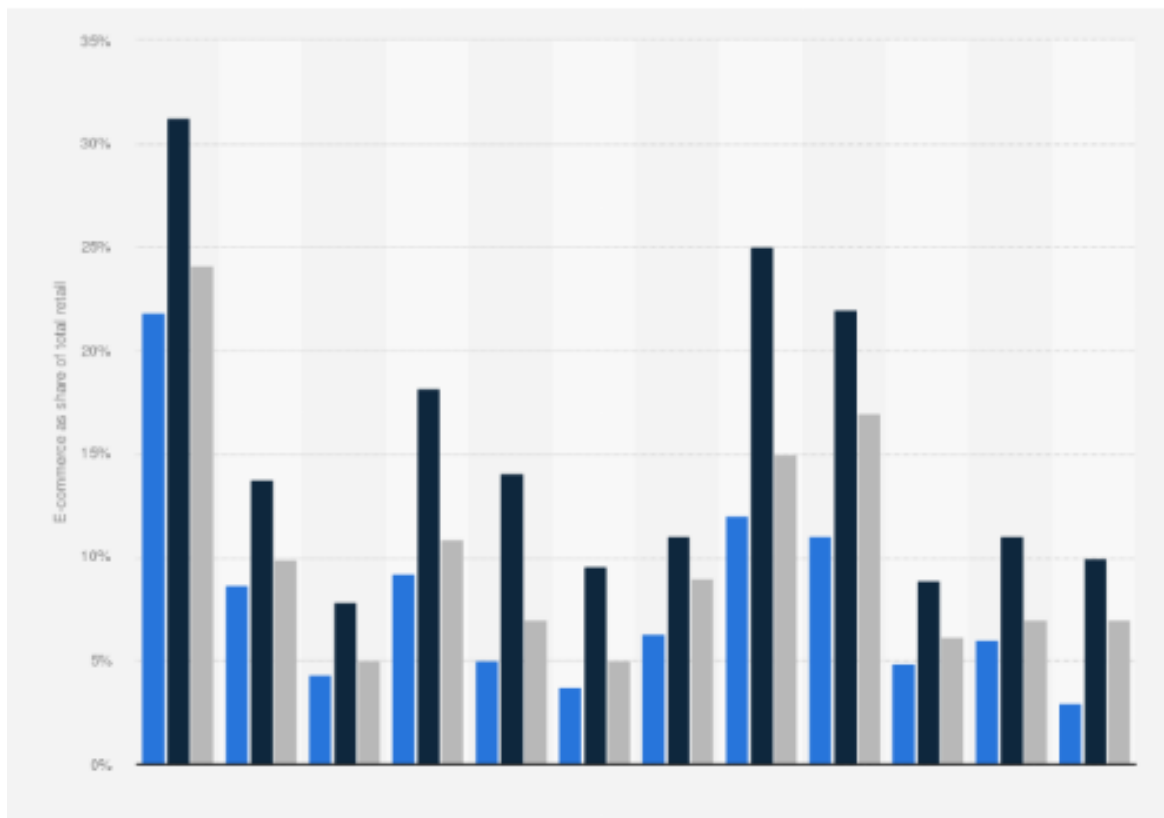
## Background

The covid19 era has created economic loss and uncertainty across different sectors of the business market. The increasing risks demanded businesses have a firm understanding of the changing government policies and market conditions (McKillop et al. 2020). The outbreak compelled organizations to include legal entities which are democratically owned by the members associated with an organization.



**Figure 1:** *Influence of Covid on micro, small, medium, and large industries*  
(Source: Influenced by McKillop et al. 2020)

As shown in figure 1, the pandemic has had impacts on small, micro, large, and medium companies across the globe. It can be noted that 36.6% of the logistics sector had to change its operations in response to the pandemic (Statista, 2022). In addition to this, 29% of global organizations faced difficulties in selling their products. Thus, an effective cooperative business model was necessary of the hour that promoted shared responsibility and members could present their ideas in order to improve their business conditions.



**Figure 2:** *E-commerce emergence in the Covid era*  
(Source: Influenced by Statista, 2022)

However, the e-commerce of goods and services gained better engagement from customers as presented in figure 2. There is a jump from 14% to 17% rise in sales observed in 2020 (Statista, 2022). E-commerce has opened new opportunities, markets, and goods for consumers and interact with them despite the restrictions. Therefore, impactful business models adopted by organizations are able to reform society in a better way.

## Literature Review

### Introduction

The section of the article presents a description of different cooperative business models implemented by organizations in the covid era. Moreover, the implications of the models on the reformation of society are vividly elucidated by estimating the need and demands of the population.

### Co-operative Business Models

A cooperative business model determines a governing body including the members of an organization to develop market-relevant strategies. According to the viewpoints of Liu et al. (2021), cooperative business members evaluate the profit earned and safeguards community interests. Additionally, it provides governance, limited liability, and longevity to small businesses like a corporation. Business models used by organizations globally are listed down:

### Equal Exchange

Trade models favoring large and multinational business was opposed by the Equal Exchange business model. The model aims to build long-term and sustainable relationships between trade partners that are more equitable. As per the views of Billiet et al. (2021), a

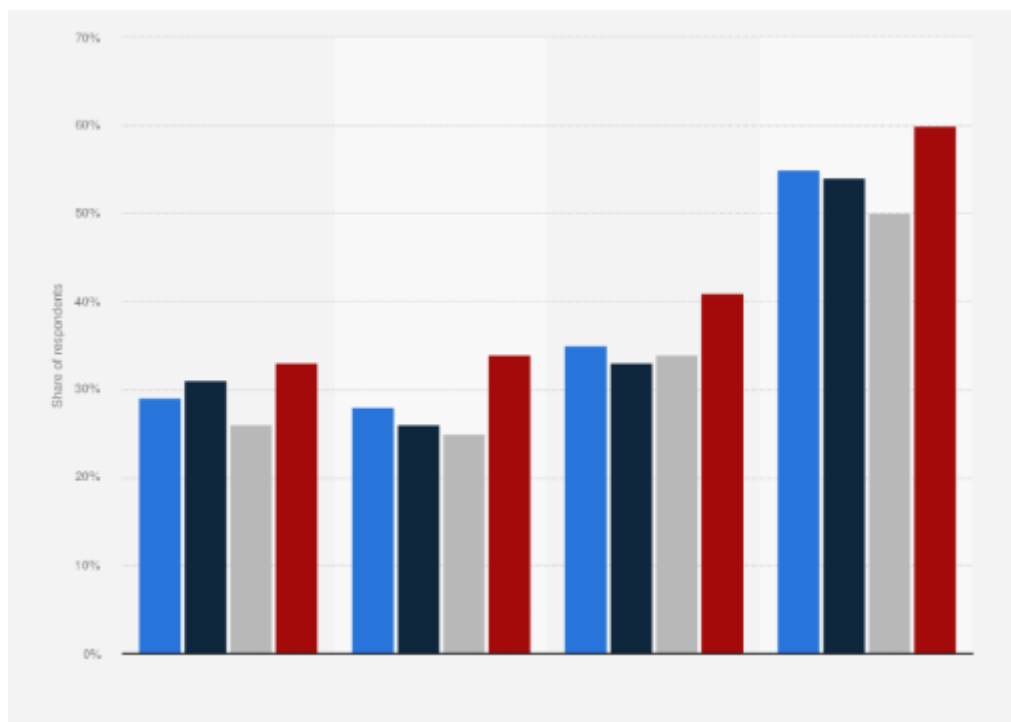
business model fosters associations that are mutually beneficial between consumers and producers of a firm. Fostering relationships in business promote a "greater sense of purpose" and reduces stress, The pandemic has created a panic situation for businesses that required action plans and healthy behavior from the senior authorities.

**Consumer co-ups**

The consumer cooperative model expanded across most business sectors and critically incorporated customer needs. According to the opinions of Ricci (2021), the purpose of this model is to serve the interests and expectations of customers instead of the stakeholders. The model involves members owners having a shared interest in providing high-quality products at a low price point. In addition, the business model retains gained profits or invests in strategies important for the growth of the firm. Businesses adopting customer-friendly approaches across organizations are able to bring in more customers and help firms expand in the market. The covid has reduced customer purchase intentions due to the poor economical status of each country and other populations. Therefore, a model that solely stresses customer needs and benefits can significantly help an organization grow in an unpredictable market.

**Impact of cooperative business models on the reformation of society**

Cooperative businesses present innovation and often identify a missing market, As per the suggestions of Azevedo, Bell & Medina (2022), one critical advantage of cooperatives is the present low pricing of goods and services. Sweat equity and volunteerism reduce the costs of start-ups as well as transaction expenditures. Moreover, they build better associations with customers their primary focus is community benefits and quality products. their democratic approach has improved labor conditions and safeguards data from being under threat.



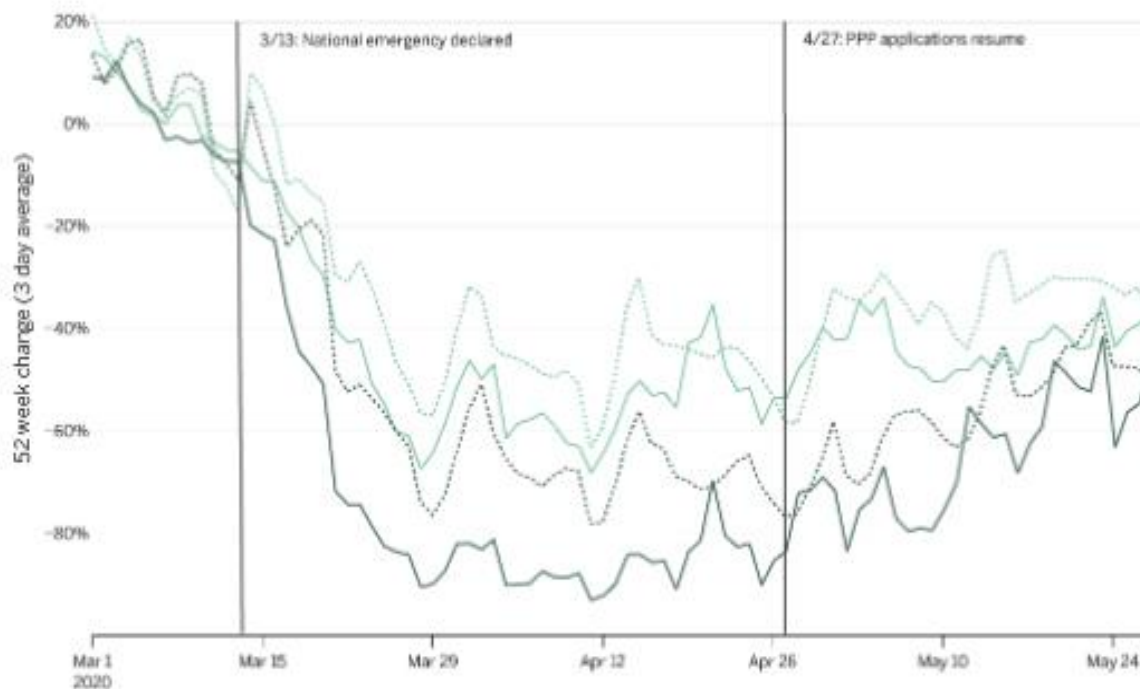
**Figure 4: Advancement of digitization in the Covid Era**  
(Source: Influenced by Stuart et al. 2021)

The dominance of digitization during covid has opened new opportunities for employment by safeguarding labor expectations, as shown in figure 4.

## Theory

### *Theory of the Business*

With respect to the theory, it can be understood that assumptions based on social and environmental competencies need to be related to reality. According to the workings of Stuart et al. (2021), an organization intending to expand its horizon needs to focus on a single vision. The covid19 pandemic presented a set of challenges and unpredictable situations for companies to deal with. In addition to this, social and environmental changes influenced the decision-making process of a company.



**Figure 3:** *Impact of businesses models during pandemic*  
(Source: Influenced by Largan & Morris, 2019)

The primary objective was to have meaningfully results that promote growth by adopting different business models as shown in figure 3. Impactful business models well perceived by authorities and employees are able to include mitigating strategies that uplift the position of the firm in the business market.

## Methodology

The research article has undertaken the secondary qualitative research strategy in order to proceed with the study. As per the critical analysis of Largan & Morris (2019), secondary data focuses on the existing resources and provide a firm understanding of different concepts. The article includes data from journals, peer-reviewed articles, business reports, and government websites to develop the study. A descriptive research design is selected to uncover various related aspects of cooperative business models. Secondary qualitative is a cost-effective method that makes data easily accessible for understanding business models in a better way. All the existing sources are reviewed to present a thematic analysis of the acquired data. Furthermore, a review of the quality of the articles selected is highlighted along with two relevant themes.

## Result

### Quality review

**Table 1:** *Quality review*

Authors	Study design	Number of resources	Measured outcomes	Result	Quality review
Muñoz & Cohen (2018)	Primary quantitative	15	Impact of sharing business models on the economy	Shared business models enable businesses with approaches that are market and customer-oriented Companies have faced unpredictable challenges due to prolonged lockdowns and involved action plans in order to contribute to their business operations	Moderate
García-Madurga, Grilló-Méndez & Morte-Nadal (2022)	Secondary qualitative	7	The effects of Covid on companies and its adopting strategies	Innovation has been an important aspect that paved the way for cooperative businesses to evolve in a new market niche	Moderate
Mazzarol (2022)	Secondary qualitative	15	Influence of a business model innovation on cooperative enterprises	The emergence of the pandemic has enabled society to incorporate evolved schemes and programs in order to combat the sudden changes	Moderate
Kozłowski et al. (2020)	Primary quantitative	50	Impact of Covid19 on potential reforms of the health of society		High

(Source: *Influenced by Ricci, 2021*)

## Thematic analysis

### *Theme 1: Impact of business models to reduce the negative impact of pandemic*

The widespread shutdown of enterprise and business operations has been an alarming situation for the market. According to the workings of Muñoz & Cohen (2018), businesses had to make shifts in their business models in order to meet customer expectations. Prolonged lockdowns and remote working has presented a set of difficulties for organizations. Hence, there was a need of incorporating a new business approach or model and discarding the existing one. The negative consequences of the pandemic have demotivated the employees as well as reduce the overall growth of the firm.

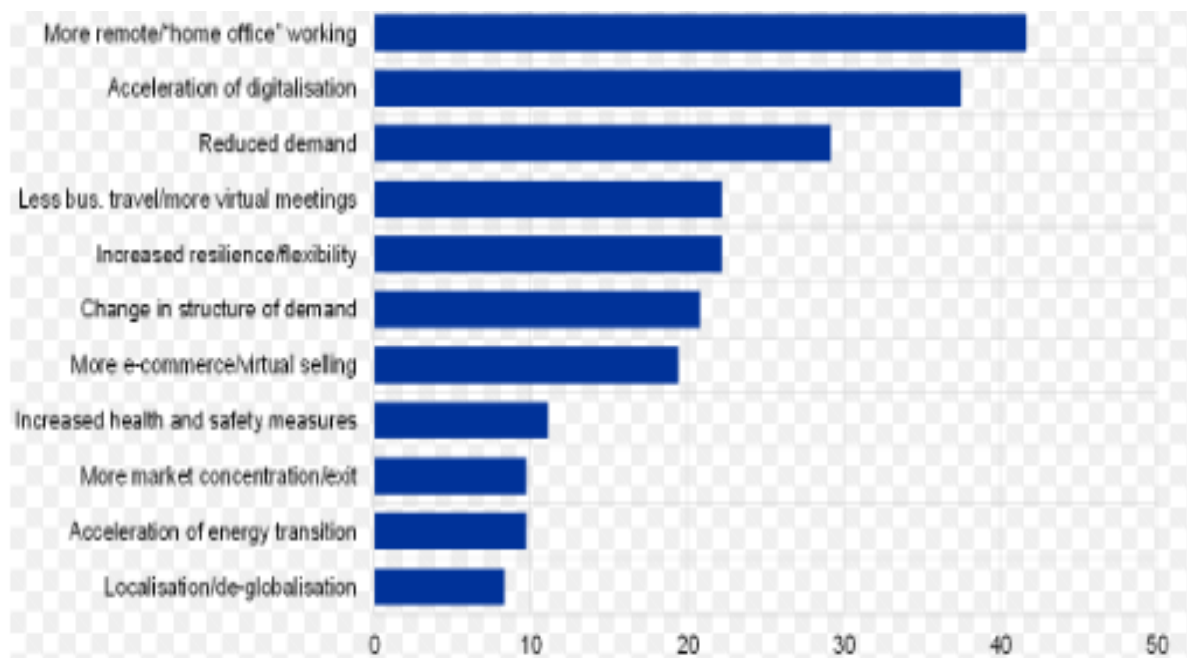


**Thematic coding**

**Table 2: Thematic coding**

Author	Code	Themes
Muñoz & Cohen (2018) García-Madurga, Grilló-Méndez & Morte-Nadal (2022)	Business models, covid19 pandemic, companies, economical loss, unpredictable changes	Impact of business models to reduce the negative impact of pandemic
Kozłowski et al. (2020) Mazzarol (2022)	Innovation, pandemic, reformations, society, enterprises, action plans	Innovation plays a critical role in reforming society in the pandemic era

(Source: Influenced by Muñoz & Cohen, 2018)

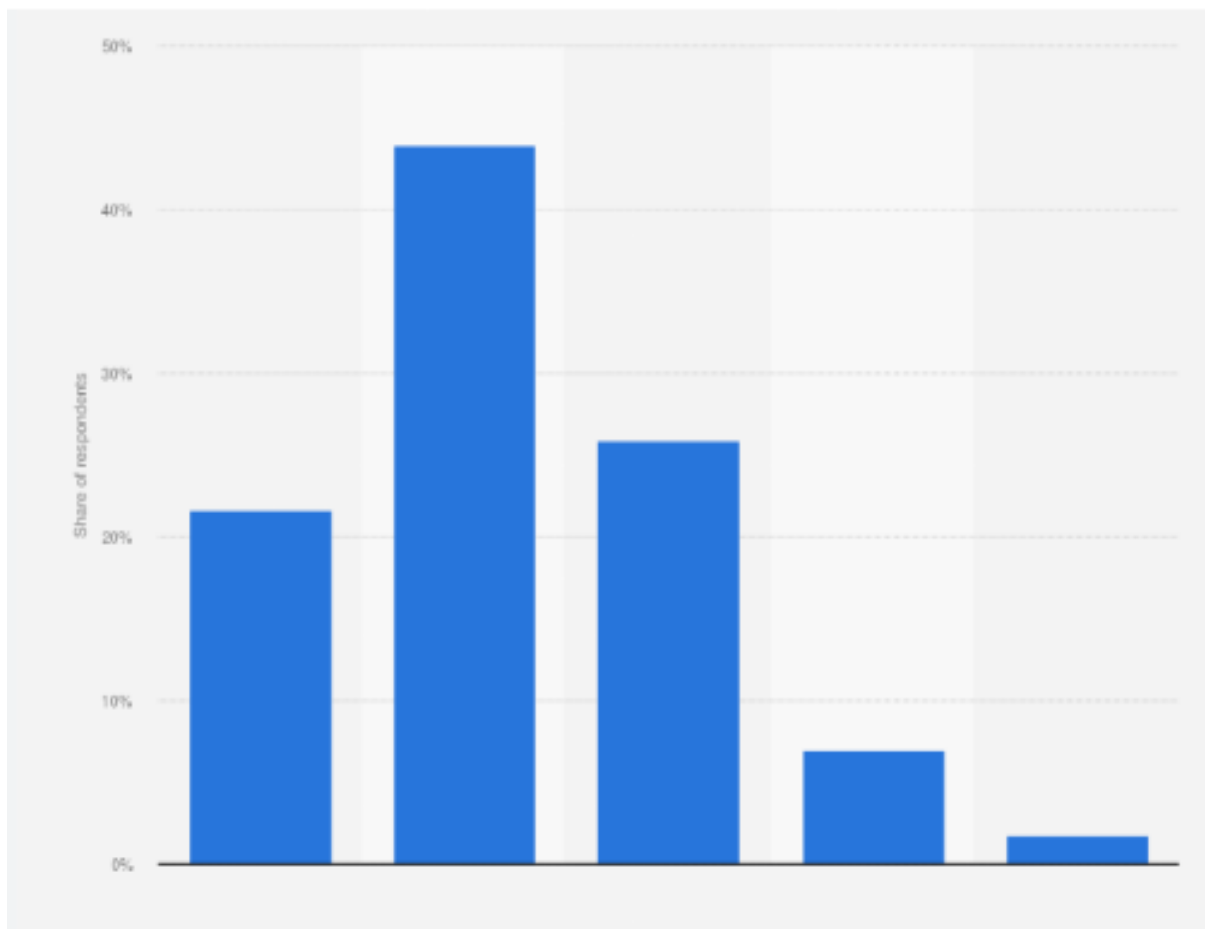


**Figure 5: Different aspects of working influencing the productivity of a business**  
(Source: Influenced by García-Madurga, Grilló-Méndez & Morte-Nadal, 2022)

Figure 5 illustrates the different aspects that influence the productivity of a firm. As per the comments of García-Madurga, Grilló-Méndez & Morte-Nadal (2022), in order to combat the challenges of the pandemic, it is important for organizations to include a customer-centric model. Furthermore, businesses opting for a low-price strategy and estimating customer needs during a crisis period are able to mitigate the financial losses that occurred after the emergence of the covid19 pandemic.

**Theme 2: Innovation plays a critical role in reforming society in the pandemic era**

Innovation plays a significant role in developing appropriate responses to combat the negative impact of the pandemic. According to the findings of Mazzarol (2022), in order to improve socioeconomic, health, and public perspective, effective recovery measures need to be included. Moreover, technology has helped organizations present something new and establish an uncovered niche for the audience.



**Figure 6:** *Perception of employees regarding innovative strategies*  
 (Source: Influenced by Kozłowski et al. 2020)

Figure 6 outlines that 45% of the employees have moderately supported the incorporation of innovative strategies. As per the views of Kozłowski et al. (2020), the identification of a new market or unmet need is important for a society to deal with a crisis situation. Furthermore, adopting a business that promotes fast forward approach toward meaningful products keeps society moving. Flexibility presented by innovation has improved the health facilities provided as well as the employment rate in a developing community. The only silver lining associated with the pandemic is accelerated collaboration through digital means. A productive collaboration emerges from unique skills that highlight a new aspect of the market as well as society.

## Discussion

From the above information, it can be understood that covid19 pandemic had a serious impact on the operational efficiency of a business. The constant changes offered completed organization to include cooperative business models that shared responsibilities among a small group of members. Moreover, it had a drastic impact on societal aspects as a result of seized opportunities (Azevedo, Bell & Medina, 2022). In order to combat such a situation, it was significant for businesses to include innovative strategies and include a customer-oriented approach. The pandemic has impacted the financial status of every individual in different ways, therefore, innovative products can influence the purchase intentions of customers to engage with goods and services. This in turn can create a positive change for the business to regain its position and improve its overall growth.



## Conclusion

Hence, it can be concluded that cooperative business models have presented a customer-centric method through the integration of different viewpoints of a group of members. The research article illustrates different cooperative business models in order to combat the crisis period and develop mitigating strategies. The societal reformation was critical considering the negative impact of the pandemic. Strategies that are innovative and uncover a new niche in the market open employment opportunities. From the above discussions, it can be understood that an impactful business model promotes operational efficiency and enables the industry to mitigate the consequences of the pandemic. However, the business models adopted by the e-commerce sector have their overall, growth.

## Limitations

In the context of the research article, different cooperative business models have been illustrated. In contrast to this, the study lacks information about the implementation of a new approach. In addition to this, every business model has its own consequences which are not highlighted in the study. Lack of communication between remote employees has reduced the optimum implementation of a strategy that was provided in the time, e. Therefore, the study has certain limitations which need to be further uncovered. Furthermore, only secondary data is incorporated which reduces the depth of information on this topic. Primary data is an important aspect at present real-time data about the perception of employees to get adapted to the sudden change in business models.

## Future Scope

The research article consists of information that can be used for future use in order to respond to a crisis period. The re-emergence of a pandemic can not be predicted, however, a crisis within a nation or globally can have a negative impact on business operations. Therefore, the study can be used to outline the cooperative business models and involve them to develop mitigation action plans.

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