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Growth of Home-Based Business after Covid - 19

Vithya K[1], Dr. S. Maruthavijayan[2]
[1]*B.B.A., LL.B., (HONS.), III Year, School of Excellence in Law, The TamilNadu, Dr. Ambedkar Law University*
[2]*Assistant Professor, School Of Excellence In Law, The Tamilnadu, Dr.Ambedkar Law University*

Abstract: ***The COVID-19 pandemic brought unprecedented disruptions to global economies, employment patterns, and business operations. Amid lockdowns and social distancing measures, home-based businesses emerged as a significant alternative source of income and entrepreneurship. This study explores the growth of home-based businesses in the post-COVID-19 era, examining the socio-economic and technological factors that facilitated their expansion The research highlights the role of digitalization, increased internet penetration, and the rise of e-commerce and social media platforms in enabling individuals to start and sustain businesses from home. It also focuses on the participation of women, youth, and displaced workers who adapted to new economic realities by engaging in flexible and low-investment ventures. Furthermore, the study discusses key challenges such as financial constraints, lack of formal training, market competition, and regulatory issues. The findings suggest that home-based businesses have contributed significantly to economic resilience, employment generation, and inclusive growth during and after the pandemic. The study concludes that with proper policy support, digital infrastructure, and skill development initiatives, home-based businesses can continue to thrive as a sustainable component of the modern economy.***

Keywords: COVID-19 Pandemic, Home-based Businesses ,Digital Transformation ,Entrepreneurship, Post-pandemic Economy.

I. INTRODUCTION

The COVID-19 pandemic has had a profound impact on global economies, disrupting traditional business models and employment patterns. Lockdowns, social distancing measures, and restrictions on movement led to the closure of many physical businesses and a significant rise in unemployment. In response to these challenges, individuals and households increasingly turned to alternative sources of income, leading to the rapid growth of home-based businesses. Home-based businesses, which operate from residential settings with minimal infrastructure, gained prominence due to their low start-up costs, flexibility, and adaptability. The widespread adoption of digital technologies, including smart phones , internet connectivity, e-commerce platforms, and social media, played a crucial role in enabling individuals to establish and manage businesses from home. Activities such as online retailing, food services, freelancing, tutoring, and handicrafts became common forms of home-based entrepreneurship. This shift was particularly significant among women, youth, and informal sector workers who were disproportionately affected by job losses during the pandemic. Home-based businesses not only provided income opportunities but also contributed to economic resilience and self-reliance. At the same time, the growing reliance on digital platforms transformed consumer behavior, with more people preferring online shopping and home delivery services. Despite their rapid growth, home-based businesses face several challenges, including limited access to finance, lack of formal training, regulatory constraints, and competition in digital markets. Understanding these opportunities and challenges is essential for policymakers, researchers, and entrepreneurs to support the sustainable development of this sector. Therefore, this study aims to examine the growth of home-based businesses after COVID-19, analyze the factors driving their expansion, and evaluate their impact on employment and economic development. The study also seeks to identify the key challenges faced by home-based entrepreneurs and suggest measures to strengthen this emerging sector in the post-pandemic economy.

II. REVIEW OF LITERATURE

1) Lwesya & Mwakasangula (2023)[1]

This study conducted a scientometric analysis of entrepreneurship research during COVID-19 and found that the pandemic accelerated digital transformation, resilience, and adaptive business models. It emphasized that small and home-based businesses relied heavily on digital tools and online networks to survive and grow. The study also highlighted the importance of government support and innovation in sustaining entrepreneurial activities.

[1] Lwesya,f.& Mwakasangula,E.A Scientometric analysis of entrepreurship research in the of COVID -19.

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2) Mishrif & Khan (2023)[2]

This research examined how small and medium enterprises adopted technology as a survival strategy during COVID-19. It found that businesses increasingly shifted to online platforms, digital payments, and remote operations, which directly contributed to the rise of home-based businesses. The study concluded that technological adoption improved productivity and business continuity.

3) Akula & Singh (2021)[3]

This systematic review analyzed the impact of COVID-19 on entrepreneurship by reviewing multiple studies. It identified key entrepreneurial traits such as resilience, flexibility, innovation, and adaptability as essential for business survival. The study suggests that many individuals turned to home-based businesses due to job loss and economic uncertainty.

4) Ambrosio-Pérez et al. (2023)[4]

This literature review focused on the growth of e-business during the pandemic. It found that e-commerce and digital platforms became critical tools for maintaining business operations. The study highlighted that home-based businesses particularly benefited from the expansion of online marketplaces and digital

5) Adam & Alarifi (2021)[5]

This study explored innovation practices among SMEs during COVID-19 and emphasized the role of external support, innovation, and adaptability. It found that businesses that adopted creative strategies and leveraged external assistance were more likely to survive and grow, including home-based enterprises.

III. RESEARCH GAP

several studies have examined the economic impact of COVID-19 and the rise of home based business during the pandemic, there remains a significant research gap in understanding the long-term sustainability and structural development of home-based businesses. major gap lies in the limited analysis of challenges such as access to finance, digital literacy, market competition, and regulatory barriers in a post-COVID context. While digital platforms have been widely recognized as enablers, there is insufficient research on the digital divide and its impact on the success of home-based businesses in developing regions. Additionally, policy-level evaluations and the effectiveness of government support programs for home-based entrepreneurs remain underexplored. Therefore, this study seeks to bridge these gaps by providing a comprehensive analysis of the growth, challenges, and future prospects of home-based businesses after COVID-19.

IV. STATEMENT OF THE PROBLEM

The COVID-19 pandemic led to widespread job losses, economic instability, and disruptions in traditional business operations, forcing many individuals to seek alternative sources of income. As a result, home-based businesses experienced significant growth during and after the pandemic, supported by digital platforms, remote working opportunities, and changing consumer preferences. However, despite this rapid expansion, there remains limited systematic understanding of the sustainability, challenges, and long-term impact of these businesses. Many home-based entrepreneurs face issues such as inadequate access to finance, lack of formal training, digital illiteracy, limited market reach, and absence of regulatory support. Additionally, the informal nature of many such businesses raises concerns regarding legal recognition, taxation, and social security benefits. Therefore, there is a need to critically examine the factors driving the growth of home-based businesses after COVID-19, assess the challenges faced by entrepreneurs, and evaluate their contribution to economic recovery and employment generation. This study aims to address these gaps and provide insights into strengthening and sustaining home-based enterprises in the evolving economic landscape.

V. OBJECTIVES OF THE STUDY

1) To examine the growth and development of home-based businesses after the COVID-19 pandemic.
2) To identify the key factors that contributed to the rise of home-based businesses, such as digitalization, unemployment, and changing consumer behavior.

[2] Mishrif,A. & Khan ,A. (2023).Technology adoption as survival strategy for SMEs during COVID-19.
[3] Akula,S.C. & (2021). Impact o COVID-19 on Entrepreurship.
[4] Ambrosio-perez,M.et al .(2023). Impact of pandemic on e-business.
[5] Adam,N.A. & Alarifi ,G.(2021).Innovation practices for SME survival during COVID-19.

3) To analyze the role of online platforms and social media in promoting home-based entrepreneurship.
4) To evaluate the challenges faced by home-based business owners, including financial, technological, and regulatory issues.

VI. RESEARCH METHODOLOGY

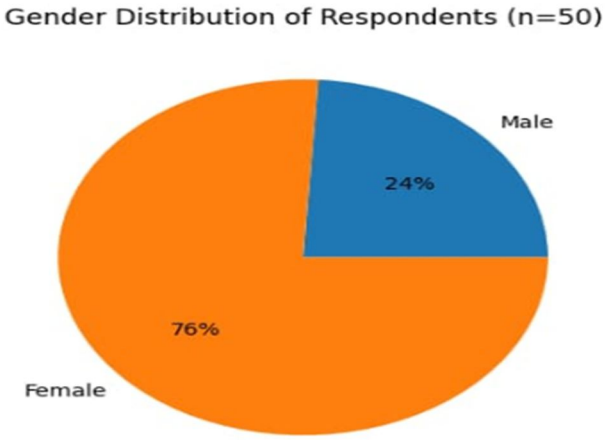
This empirical, non-doctrinal research uses a descriptive cross-sectional design to study how growth of home based business after COVID -19 among 50 respondent home based business in Chennai (sampled via convenience from areas like Anna Nagar). Data comes from a 17-item questionnaire (online and in-person over 4 weeks, plus competition, challenges in home business)

VII. RESEARCH HYPOTHESES

H1:The COVID-19 pandemic has significantly increased the number of home-based businesses due to job losses, remote work trends, and changing consumer behavior.
H2: Digital access, social media marketing, and low operational costs are the primary factors driving the success of home-based businesses post-pandemic**.**

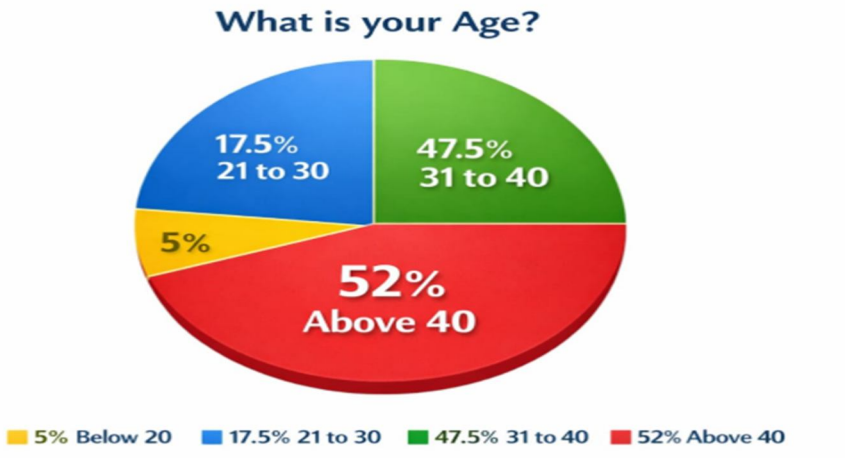
VIII. RESULTS AND DISCUSSION

1) Section 1- Demographic Details



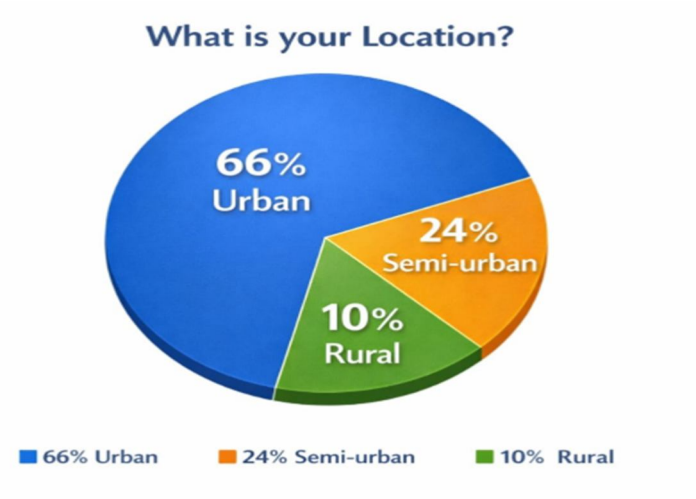
Source: Primary Data

This pie chart shows the gender distribution of respondents in a survey with a total sample size of 50 people Female respondents 76% This means 38 out of 50 respondents are female. Male respondents: 24% This means 12 out of 50 respondents are male. The data is female-dominated, with more than three-quarters of participants being women. Male representation is significantly lower, making up about one-quarter of the sample.



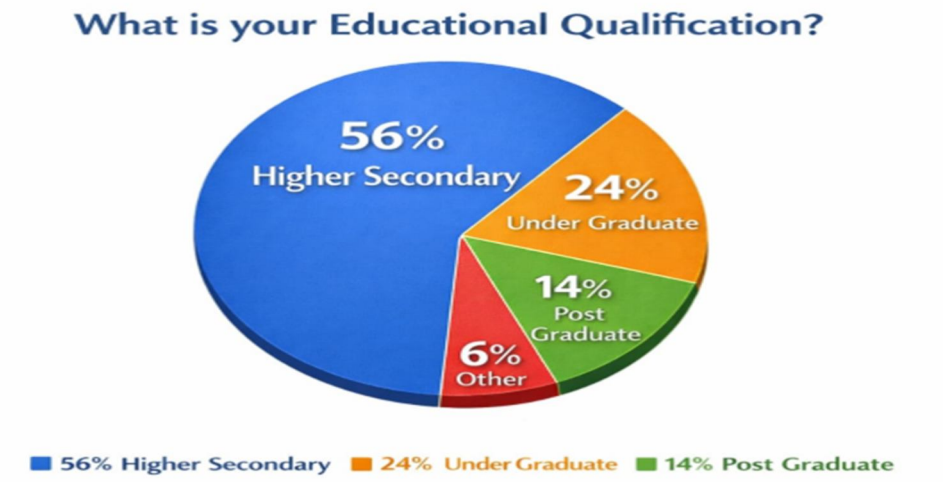
Source: Primary Data

The pie chart illustrates the age distribution of 50 respondents in the study. It shows that the largest proportion of respondents, 52% (26 respondent), belong to the above 40 years age group, indicating that the majority of participants are older adults. The next significant group is those aged 31 to 40 years, accounting for 47.5% (19 respondent), which suggests strong participation from middle-aged individuals as well. In comparison, the 21 to 30 years age group represents a smaller segment, contributing 17.5% (about 7 respondents) to the total sample. The least represented category is respondents below 20 years, making up only 5% (2 respondent).



Source : Primary Data

The pie chart illustrates the distribution of respondents based on their location. A significant majority of the respondents, accounting for 66% , belong to urban areas 33 respondent, indicating that most participants in the survey are from cities or highly developed regions. This suggests a stronger representation of urban perspectives in the study. Meanwhile, 24% of the respondents(12 respondent) come from semi-urban areas, reflecting a moderate level of participation from regions that are in transition between rural and urban characteristics. Lastly, only 10% of the respondents are from rural areas, showing that rural representation in the survey is comparatively low..

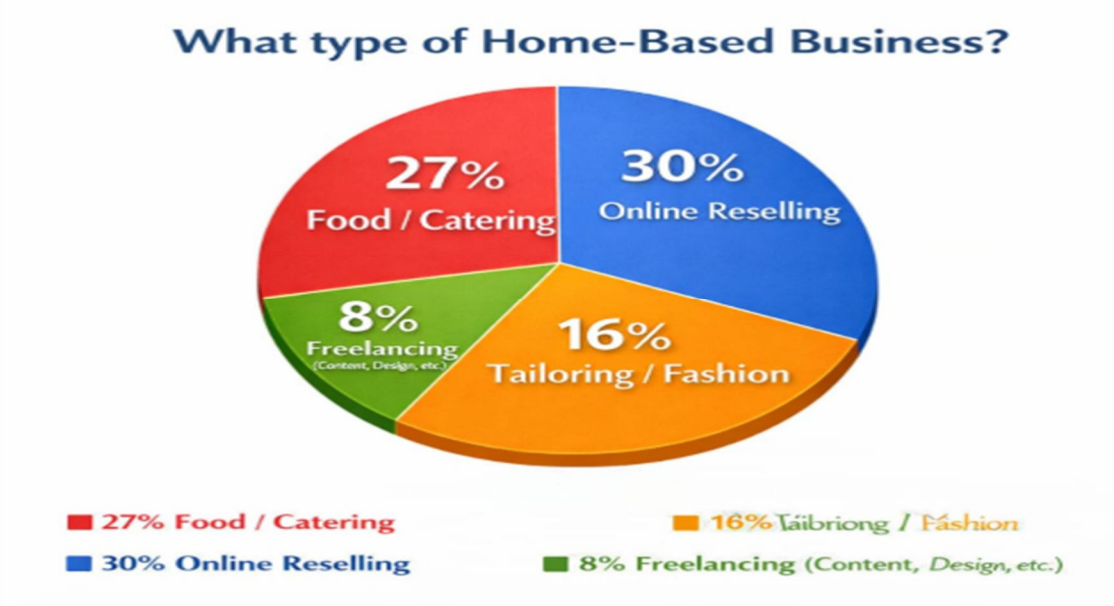


Source: primary data

The pie chart presents the educational qualifications of 50 respondents in the survey. A majority of the respondents, accounting for 56% (28 respondent), have completed higher secondary education, 24% of the respondents (12respondent) are undergraduates, Further, 14% (7 respondent) have attained postgraduate qualifications, reflecting a smaller yet significant group with advanced education. Lastly, 6% of the respondents (3 respondent) fall under the “other” category, which may include diploma holders or individuals with different educational backgrounds.

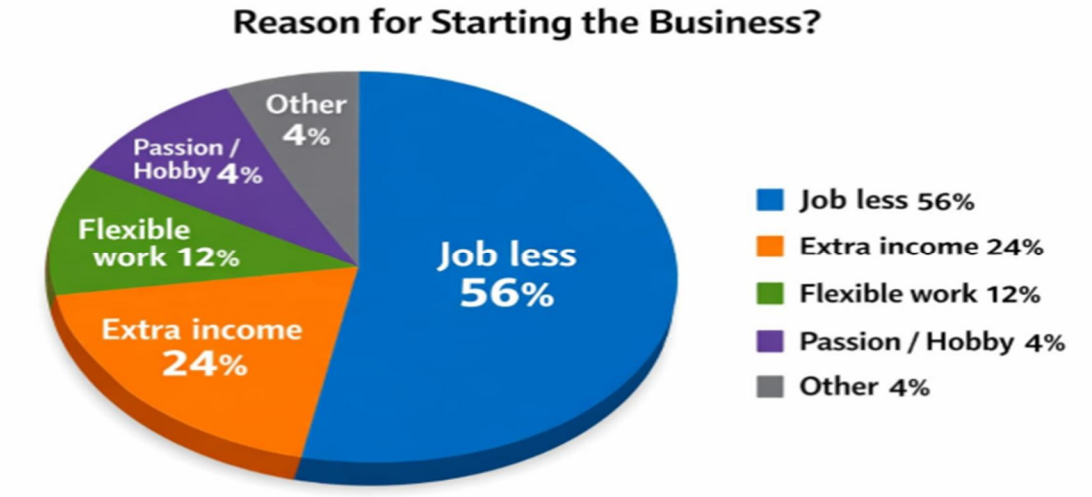
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2) Section: 2 Specific Personal Questions



Source: primary data

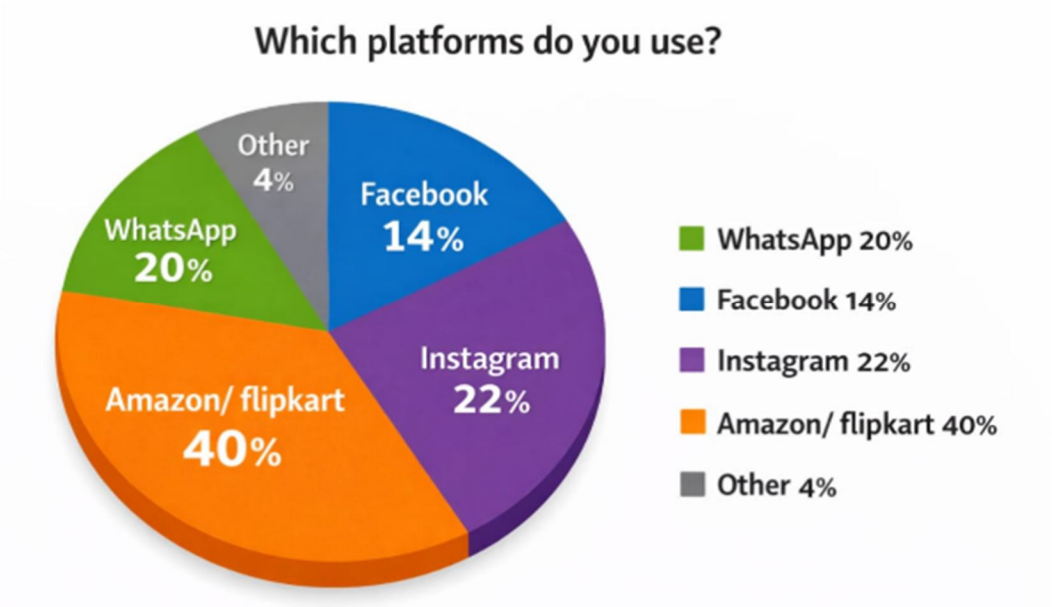
The pie chart shows the distribution of different types of home-based businesses among respondents. A significant proportion, 30%, are engaged in online reselling, making it the most common business type. This is followed by 27% involved in food and catering services, indicating a strong preference for food-related entrepreneurship. 16% of respondents are engaged in tailoring and fashion businesses, reflecting moderate participation in creative and skill-based work. Meanwhile, only 8% are involved in freelancing activities such as content creation and design, suggesting relatively lower adoption of digital service-based work.



Source: primary data

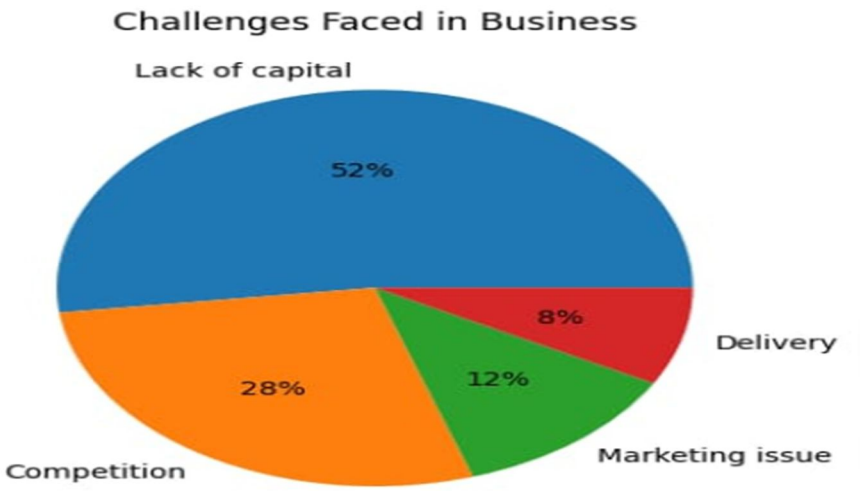
The chart highlights the primary motivations behind starting home-based businesses. A majority of respondents, 56%, started their business due to unemployment, making it the most significant driving factor. 24% of respondents initiated their business to earn extra income, showing financial support as a key reason. Additionally, 12% chose this path for flexible working conditions, which helps balance personal and professional life. Only 4% started their business out of passion or hobby, and another 4% fall under other reasons. This indicates that necessity rather than choice is the major factor influencing entrepreneurship.

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Source: Primary Data

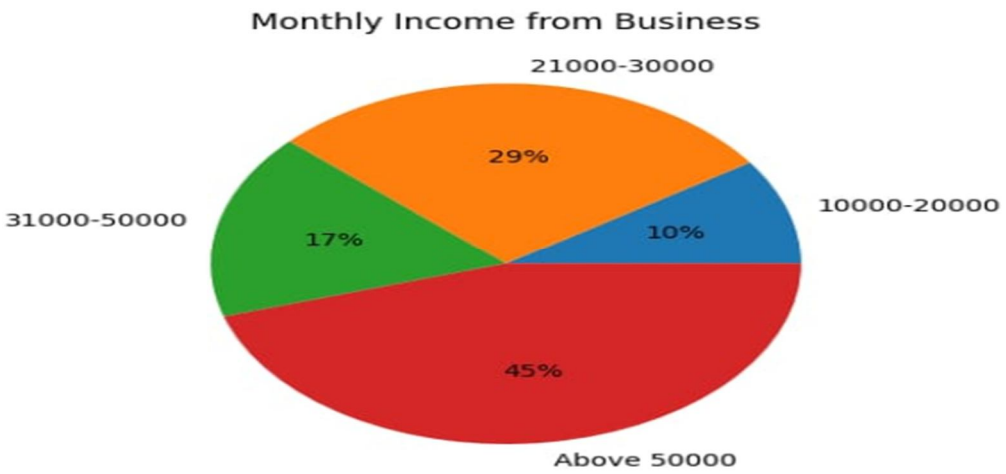
The pie chart represents the platforms used by respondents for running their home-based businesses. A large majority, 40%, rely on e-commerce platforms like Amazon and Flipkart, making them the most preferred channels. Social media platforms also play a crucial role, with 22% using Instagram and 20% using WhatsApp for business activities. 14% of respondents use Facebook, while 4% use other platforms. This shows that digital platforms, especially online marketplaces and social media, are essential tools for business growth and customer reach.



Source:primary data

The chart illustrates the key challenges faced by home-based entrepreneurs. The most significant challenge is lack of capital, reported by 52% of respondents, indicating financial constraints as a major barrier. 28% face strong competition in the market, which affects business sustainability. 12% of respondents experience marketing issues, reflecting difficulties in promoting their products or services. Lastly, 8% face delivery-related challenges. Overall, financial limitations and competitive pressure are the primary obstacles in running home-based businesses.

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Source : primary data

The pie chart illustrates the distribution of monthly income earned from home-based businesses among respondents. A significant majority, 45%, earn an income above ₹50,000, indicating that a large portion of individuals are achieving substantial financial success through their businesses. The next largest group, 29%, falls within the income range of ₹21,000–₹30,000, suggesting a moderate level of earnings for many participants. Additionally, 17% of respondents earn between ₹31,000–₹50,000, reflecting a steady and stable income bracket. Meanwhile, only 10% earn between ₹10,000–₹20,000, which represents the lowest income group among the respondents. Overall, the data indicates that home-based businesses have strong income-generating potential, with a considerable number of individuals earning higher income levels.

3) Section 3 – Yes or No Questions

PARTICULARS	YES	NO	RESPONDENT
How did COVID-19 Influence Your Decision To Start A Business	30 (60.00)	20 (40.00)	50 (100.00)
Did demand for your product/service increase after COVID-19	42 (84.00)	8 (16.00)	50 (100.00)
Do You Use Online Platform Or Your Business	40(80.00)	10 (20.00)	50 (100.00)
Online platforms helped your business to grow	38 (76.00)	12 (24.00)	50 (100.00)
Has your business grown after COVID-19	48 (96.00)	2 (4.00)	50 (100.00)

Source: Primary Data

Total of 50 respondents, 60% stated that COVID-19 influenced their decision to start a business, while 40% reported that it did not. A significant 84% of respondents reported that demand for their products or services increased after COVID-19, while only 16% did not observe such growth.

The study also highlights the importance of digitalization in business operations. About 80% of respondents stated that they use online platforms for their business, whereas 20% do not.Among them, 76% agreed that online platforms helped their business grow, while 24% felt otherwise. This emphasizes the crucial role of online tools, social media, and e-commerce platforms in expanding market reach and improving sales.Finally, an overwhelming 96% of respondents confirmed that their business has grown after COVID-19, with only 4% reporting no growth.

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A. Testing Of Hypothesis

H1: the COVID-19 pandemic significantly increased the number of home-based businesses.

Null hypothesis: After the COVID-19 pandemic has significantly do increased the number of home-based businesses due to job losses, remote work trends, and changing consumer behavior.

Null hypothesis: After the COVID-19 pandemic has not increased the number of home-based businesses due to job losses, remote work trends, and changing consumer behavior.

H2: Null hypothesis: Digital access, social media marketing, and low operational costs are the primary factors driving the success of home-based businesses post-pandemic.

Alternative hypothesis: Digital access, social media marketing, and low operational costs are not the primary factors driving the success of home-based businesses post-pandemic**.**

IX. FINDINGS

The findings from the survey clearly highlight the significant impact of the COVID-19 pandemic on the growth and development of home-based businesses. Out of the 50 respondents, 60% stated that COVID-19 influenced their decision to start a business, while 40% reported no such influence, indicating that the pandemic acted as a major motivating factor for many individuals to pursue self-employment. A substantial 84% of respondents observed an increase in demand for their products or services after COVID-19, suggesting a shift in consumer behavior toward local and home-based offerings. Furthermore, 80% of respondents reported using online platforms for their business operations, reflecting the growing importance of digital tools in sustaining businesses. Among them, 76% agreed that online platforms significantly contributed to their business growth, emphasizing the role of digitalization during and after the pandemic. Most notably, 96% of respondents confirmed that their business had grown after COVID-19, while only 4% experienced no growth. This overwhelming majority indicates that home-based businesses not only survived but thrived in the post-pandemic period.

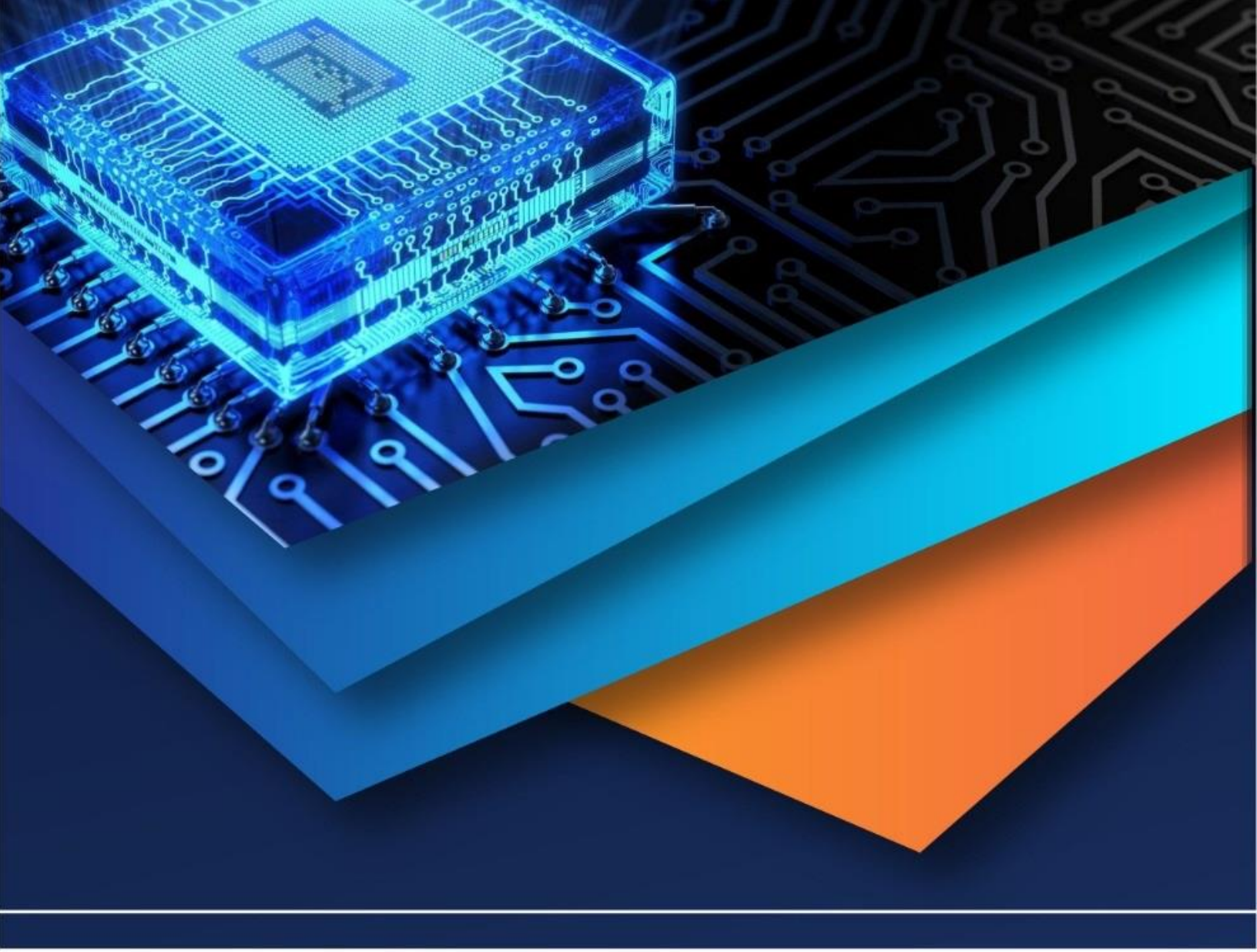
X. CONCLUSION

The study concludes that the growth of home-based businesses after the COVID-19 pandemic has been significant and transformative. The pandemic acted as a catalyst, encouraging individuals to explore self-employment due to job losses, reduced incomes, and the need for flexible working conditions. Many respondents shifted towards home-based ventures such as online retail, food services, tailoring, and digital services, supported by increased internet usage and social media platforms. It not only motivated individuals to start new ventures but also highlighted the importance of digital tools and cost-effective business models in ensuring success. Therefore, both the increase in the number of businesses and their growth can be attributed to pandemic-induced changes and technological adoption. Overall, the study highlights that home-based businesses have emerged as a sustainable and viable source of livelihood in the post-pandemic era, contributing to economic recovery and promoting entrepreneurial growth.

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