What were the effects of small business sales cause by Typhoon Soudelor due to power outage?

English Composition II

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Author’s Note:

This is a research paper conducted by Lalani Fritz for EN 202, Section 1 at Northern Marianas College instructed by Dr. Kimberly Bunts-Anderson

Abstract

In Fall of 2014, a research project titled, “What were the effects on small business sales caused by Typhoon Soudelor due to power outage?” was conducted by Lalani Fritz as a part of her English project. The research was to find out if the power outage caused small businesses to have decreased sales or increased sales. The research was conducted on random stores on the southern part of the island. About 10 stores were able to take the survey and 2 stores were interviewed. The data collected stated that the store sales were decreased and that it was due to the power outage. Stores had to change their hours and also had items that were thrown away due to no power. The research paper states how lack of power can affect businesses dramatically.

LITERATURE REVIEW:

In the beginning of October 2015, I did a Google search on Business effects after Hurricane Katrina. Initially, there were over five thousand results in less than 15 seconds. I browsed thru 5 of them, trying to find a topic as close to my research questions. There was so many to read through being that this event happened almost ten years ago. I also did a search in EBSCO with the same search question. As I browsed, one article caught my attention and it was titled, “Predictors of Business Return in New Orleans after Hurricane Katrina”, which is an academic article which is also peer-reviewed, authored by Nina S.N Lam, Helbert Arenas, Kelley Pace, James LeSage and Richard Campanella from Louisiana State University. This article talked about how the businesses in New Orleans are coming back after Hurricane Katrina. As I read thru the article, it didn’t quite fit my research question because it took years for the businesses to re-open. Typhoon Soudelor didn’t do that much damage when I landed on Saipan on August 2nd 2015. I went back to google and searched Typhoon Haiyan. Similarly to Hurricane Katrina, there were many results in less than 10 seconds. I browsed thru the topics in search for business sales effect. Incidentally, I found more than once article related to my research question.

Research Questions

1. Did you have generator at the time the typhoon struck?
2. Did you have to change your store hours due to power outage?
3. Did you have to throw away any produce because of lack of power?
4. How did you get rid of your frozen items?
5. How much did you spent on fuel purchase to keep your business open?
6. What was the estimated disaster net loss because of lack of power?
7. What was the biggest impact to your business after the typhoon due to lack of power?

Methodology

In this research, I conducted a survey and interviews. There were 15 stores surveys and 2 stores interviewed. Of the 15 stores surveyed, only 10 provided feedback. The survey was translated to Chinese as all the stores were owned by Chinese nationals. The 2 stores who were interviewed were not Chinese nationals so the survey was much simple to conduct. Of the 10 sores surveyed, each correspondent said, “They had generator at the time the typhoon struck”. (see APPENDIX B.) Another finding with this survey was that, 8 out of 10 stores stated that their sales “decreased” and the remaining 2 stores stated that their sales “slightly decreased”. (see APPENDIX C) All the stores surveyed stated that they all had to changed their hours of operation, due to lack of power. (see APPENDIX D)

Another important finding in this research was how the stores dealt with frozen items and fresh produce. 30% of the stores reported to have sold frozen items at 40% off, another 30% of the stores reported to have sold the frozen items at 50% off. 1 store reported to have given away the frozen items for FREE, 2 stores stated that ALL the frozen items were thrown away and only 1 store reported that their frozen items were not affected at all. (see APPENDIX E). Another finding was that all stores reported to have thrown away fresh produce due to lack of power. When asked how often did the store have to purchase fuel for the generators to keep the store open, 9 out of 10 stores reported to have bought diesel every day for the generators to stay on in order for their store to be open. Only 1 store reported to have bought diesel twice a week to keep their store open. When the question what was the biggest impact to your business after the typhoon due to lack of power was asked, 4 of the stores reported that they had “NO CUSTOMERS”, 2 of the stores stated that it was “CLOSING EARLY” and 4 of the stores left the question blank. It must be that they couldn’t really understand the question coz it was too long. (see APPENDIX D.)

As for the stores that were interviewed, they were actually nice and helpful. Both stores stated that they had generator at the time of the typhoon. 1 store reported to have sold their frozen items at 50% off and the other sold their frozen items at 40%. Both stores stated that the lack of power really effected their frozen items. They both also stated that they lost a lot of money due to selling frozen items at such discounted price. Both stores also stated that they had to purchase diesel on a daily basis so that they can keep their store open. They both stated also that they spent between $300-$380.00 a day just on diesel. Another very important finding that came about of this survey was finding out how much money the stores actually lost. Both stores that were interviewed stated that the amount of money the establishment lost was crucial to their business. Each reported that they lost between $10,000.00 to $20,000.00. They also stated that this was due to the island having no power. Even though they had a generator to keep their store open, their sales weren’t as normal as before the typhoon. Because of no power around the island, the stores were on generator, which was not giving enough watts to for their freezers which were filled with frozen items. Because they were selling the frozen items at a discounted prize, their sales were decreased. The island was very hot the days after the typhoon and because the stores didn’t have cold drinks, there was also no customers. Customers everywhere on the island were looking for cold drinks and these 2 stores reported that customers would just come in and go without buying anything because they didn’t have cold drinks.

Conclusion & Discussion

With my short research, 2 months after Typhoon Soudelor hit the island of Saipan, I can say that electricity is a much needed essential. People do not realize it but when a storm happens and destroys our power supply, that’s when reality hits. The stores located on the southern part of Saipan reported that they were deeply affected, especially their daily sales. Because of lack of electricity, the stores had to sale their frozen items at discount price, throw away some frozen items and fresh produce. The stores also reported of having to shorten their store hours because of lack of electricity. Not only did the stores have a decrease in sales, they also reported of having to buy diesel fuel every day to keep their store open, which cost them about $300.00 to $380.00 a day.

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