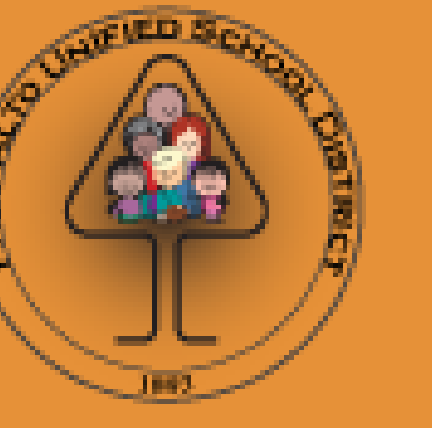




Impact of Multinational-Corporations on the Revenue and Sustainability of Small Businesses

Rohan Suvarna and Kathryn Shugart

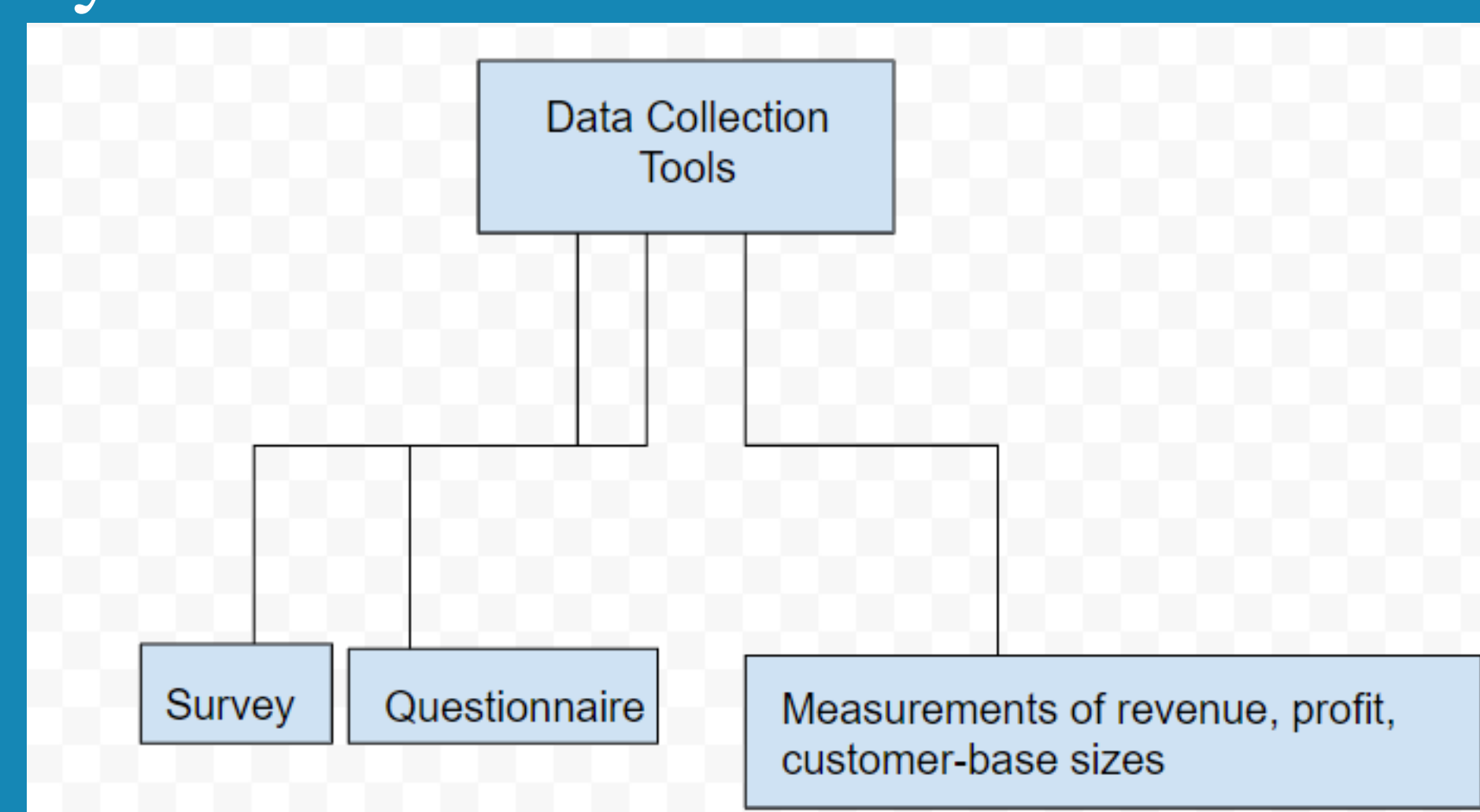


INTRODUCTION

- Small businesses are crucial to the livelihood of workers and for the millions, if not billions, of people who rely on their consistently low prices
- Small companies can potentially benefit from increases in globalization and access to new markets; however, they are more often negatively affected
- Multinational companies who price fix make it increasingly difficult for small businesses to survive

RESEARCH METHODOLOGIES

- GOAL: Illustrate the impact, positive or negative, that large corporations are having on small businesses
- Much research is focused on the benefits on MNCs but also need evaluate harm
- Case Study Research and Correlational Research.



- Gained an industry perspective by interviewing a small farmer based in India
 - Asked questions targeted on how they have been impacted by large corporations moving into the grocery industry

CONCLUSIONS AND ANALYSIS

TIMELINE OF BUSINESS 1:

- Business 1, based in India, operated for decades before MNC 1, a large cooperation, moved into the food sector
- They had regulars come to their market weekly and consistently buy the same amount and types of produce.
- Yet, in the early 2010s when MNC 1 moved into creating grocery stores, Business 1 had some of the toughest years ever.
 - The farmers market in which they operated started to see less and less customers, they estimated at least 1/4th less.
 - Only customers that stayed were the loyal ones from the beginning
- COVID
 - Companies like MNC 1 had cash flow to sustain their businesses
 - Business 1, couldn't go to the farmers market and had to temporarily lose almost all of their income to grocery stores who had established shipping and supply chains during COVID.



DATA AND FINDINGS

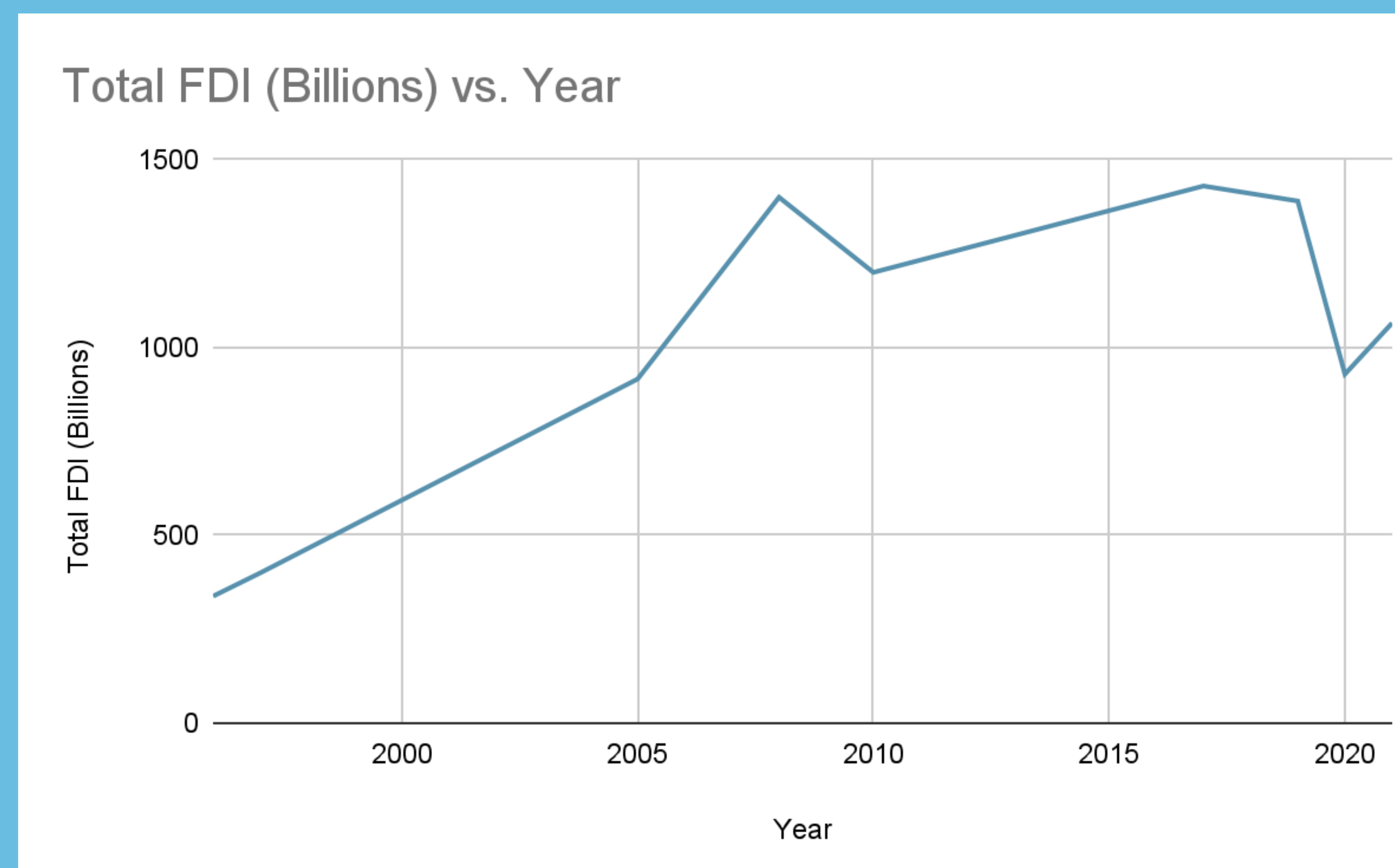


Figure 1: Global FDI increased significantly over the past few decades



Figure 3: Even though there are a lot more small businesses, large ones have way more power

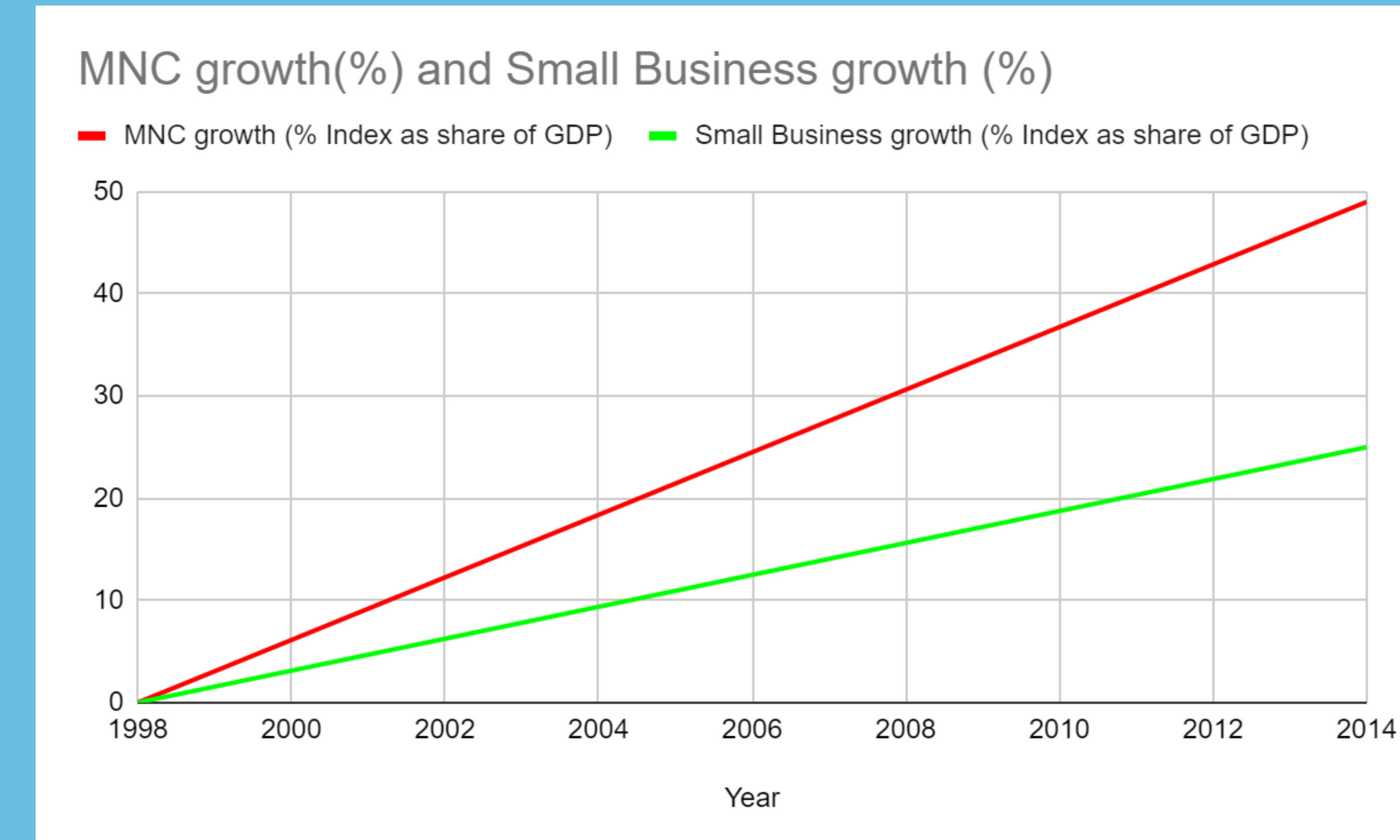


Figure 2: MNC share of GDP is increased far more than small businesses share of GDP

Advantages to Running a Business

- Supply Chain (MNC)
- Pricing (MNC)
- Cash Flow (MNC)
- Uniqueness

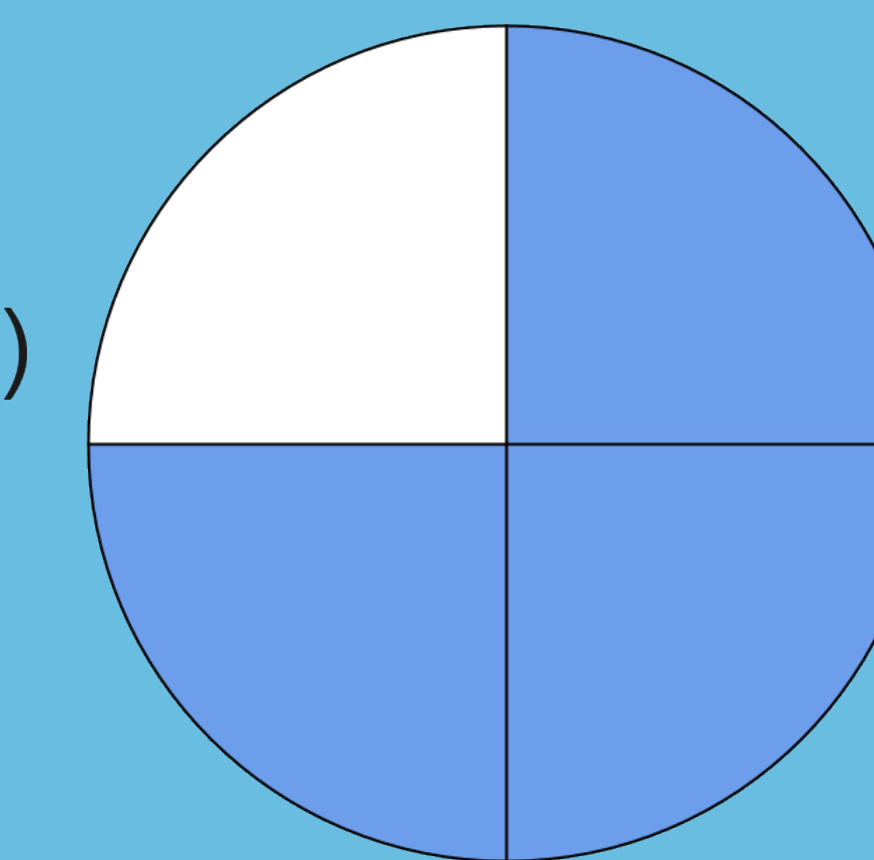


Figure 4: Large businesses control most of the factors that allow businesses to be successful but small businesses still have uniqueness

IMPLICATIONS AND NEXT STEPS

Through these results we can see that big businesses have significantly more power than small businesses which lead to them out-competing them. In order to solve this problem we have to find a way to increase the power of small businesses through things like subsidies and other government policies.

ACKNOWLEDGEMENTS / REFERENCES

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