



The Rise of Dough: Mid-Pandemic Baked Desserts Startups

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Abstract: Since the Philippines implemented the COVID-19 community quarantine, many Filipinos either lost their jobs or stopped going to work. Due to lack of a stable income source, many Filipinos resorted to selling various items, including baked goods, via online platforms. This study aimed to explore the phenomenon and its corresponding factors on the emergence of startups that mainly sell baked desserts on Facebook and Instagram during the quarantine period in Metro Manila. The researchers investigated whether external factors (i.e., social-cultural circumstances and economic circumstances) and internal factors (i.e., intrinsic motivations and attitudes toward baked desserts) affected the rise of baked desserts startups. The researchers also investigated the consumer's decision to establish an online baked desserts startup during the pandemic. In the end, the researchers found out that the consumers' intrinsic motivation played the most significant role in influencing consumer decision to begin an online baked dessert startup, which links to external factors. Additionally, attitudes toward baked desserts only affected the menu and business planning; but did not motivate consumers to start selling due to their love for eating baked desserts. Despite such, external and internal factors contribute to the emergence of baked desserts businesses during the pandemic. The findings of this study provide insight into the mid-pandemic state of the online baked desserts industry.

Key Words: baked desserts startups; online businesses; COVID-19 pandemic; consumers; entrepreneurs

1. INTRODUCTION

Since the onset of the COVID-19 pandemic early March 2020, the strictly imposed nationwide community quarantine forced Filipinos to stay at home and businesses to shut down. Most Filipinos lost their jobs (Department of Labor and Employment, 2020) and had to find a way to make ends meet. Meanwhile, businesses' physical closure allowed potential proprietors to enter the marketplace via online shopping sites and social media (Dannenberg et al., 2020; Gibreel et al., 2020; Zhang et al., 2020). The estimated number of registered online businesses in the Philippines grew from 1,700 in March 2020 to over 68,000 as of August 10, 2020 (Crismundo, 2020).

Furthermore, the COVID-19 pandemic resulted in consumer panic buying, thus reducing bread in groceries and supermarkets (Campos, 2020; Easterbrook-Smith, 2020). Not being able to access bread products when they craved for them caused consumers to bake the goods independently (Easterbrook-Smith, 2020; Wolf & McQuitty, 2013, as cited in Kirk & Rifkin, 2020). Some consumers showed a negative attitude toward baked desserts (Laguna et al., 2020). Others consumed sugary foods to mitigate stress and better their mood, considering the pandemic (Di Renzo et al., 2020).

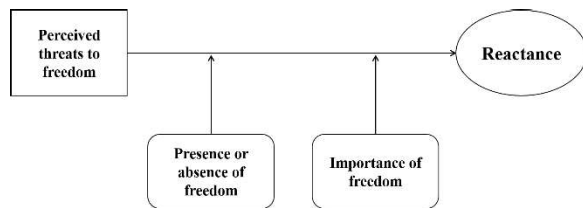
Since the consumers could not go outside, they spent more time at home and engaged in baking (Bracale & Vaccaro, 2020). Baking became their means of coping with boredom and stress; and bonding with their family (Bracale & Vaccaro, 2020; Easterbrook-Smith, 2020). As the pandemic deprived them of control toward aspects of their life, the consumers continued baking out of confidence in their capabilities (Mochon et al., 2012, Kirk et al., 2015, as cited in Kirk & Rifkin, 2020). Some even imparted their baking experiences and outputs with others because they felt happy for doing so (Belk, 2014, as cited in Kirk & Rifkin, 2020).

Eventually, those consumers became entrepreneurs to solve a consumer problem (Hamdi-Kidar & Vellera, 2018). Such is more likely to happen at life periods marked by minimal risk to one's profession (Hamdi-Kidar & Vellera, 2018). Second, they considered the current cultural conditions of COVID-19 and needed to adapt to the so-called 'new normal' (Ratten, 2020). Given the pandemic, they also wanted to provide their families with adequate funds while enjoying a lifestyle aligned with their values (Ratten, 2020).

The psychological reactance theory states that any perceived threat to freedom arouses reactance, as shown in Figure 1 (Clee & Wicklund,

1980). Hence, if an individual gives high importance to their lost liberty, it would be imperative for them to do acts that would allow them to immediately establish their lost freedom (Clee & Wicklund, 1980). Comparably, the pandemic imposed mobility restrictions among consumers of baked desserts, who then reacted by baking and selling dessert goods in an attempt to regain their freedom.

Figure 1
Psychological Reactance Theoretical Framework



Note. Adapted from “Consumer Behavior and Psychological Reactance” by M. A. Clee and R. A. Wicklund, 1980, *Journal of Consumer Research*, 6(4), 389-405 (<https://www.jstor.org/stable/2488740>). Copyright 1980 by Oxford University Press.

The researchers noticed a significant rise in the number of Filipino consumers who baked and started an online baked desserts business during the pandemic (Arnaldo, 2020; Navarette, 2020; Nepomuceno, 2020). As of this writing, no present studies exactly addressed the factors that led to the given mid-pandemic phenomenon. Hence, this study aims to investigate the said factors by answering the following questions:

1. How did the pandemic-induced socio-cultural circumstances motivate the consumers to start an online baked desserts business?
2. How did the pandemic-induced economic circumstances drive the consumers to start an online baked desserts business?
3. How did one’s intrinsic motivations urge the consumers to become entrepreneurs of baked desserts during the quarantine period?
4. How did one’s attitudes toward baked desserts influence the consumers to establish a baked dessert startup amidst the pandemic?

2. METHODOLOGY

2.1. Conceptual Framework

The researchers posited different factors (independent variables) behind the emergence of baked dessert startups (dependent variables) during a health crisis. The independent variables of the study are classified into external and internal factors. External factors consist of the socio-cultural and

economic circumstances induced by the COVID-19 pandemic. On the other hand, internal factors comprise the intrinsic motivations and attitudes toward baked desserts that consumers govern in their minds. Given the conceptual framework in Figure 2, the researchers hypothesized that (1) socio-cultural circumstances, (2) economic circumstances, (3) intrinsic motivations, and (4) attitudes toward baked desserts drove the consumers to start a baked desserts business.

2.2. Research Design

The researchers employed an exploratory qualitative research study method to understand and uncover the reasons and factors that influenced the consumers to begin baked desserts businesses amidst the pandemic. Hence, they interviewed business owners whose menu only consisted of baked desserts from the beginning of their operations until the researchers’ data collection phase throughout the pandemic.

2.3. Participants

The bases of operations of the selected business-participants had to be in any city of Metro Manila. Second, they had sold their products on Facebook and Instagram, which were among the most frequently used social media applications that enabled said businesses’ information to reach more customers (Nistor, 2020). Applying Slovin’s formula, the determined number of participants was 100. However, given the circumstances arising from the pandemic, only 51 eligible respondents were interviewed.

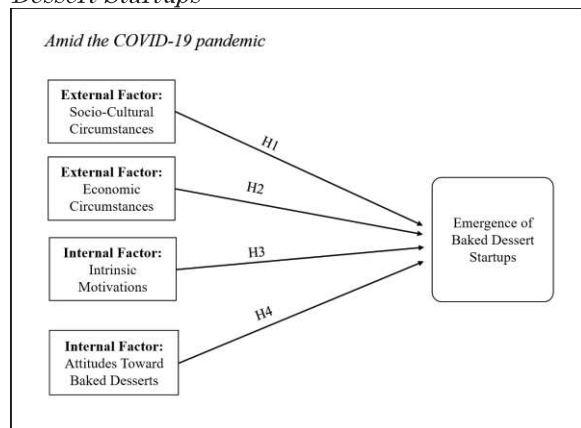
2.4. Data Collection Process

The interviews were held entirely online through oral and written methods. The researchers met with the participants through a video meeting via Zoom or Google Meet for the former. Meanwhile, the latter method utilized Google Docs, wherein the participants answered a Google document containing the interview questionnaire at their chosen time.

2.5. Data Analysis Process

The researchers used qualitative content analysis to analyze the collected data and answer the research questions. It is divided into five phases, namely, (1) reading the data intensively, (2) building the coding frame, (3) coding the data, (4) analyzing the coded data, and (5) presenting the results (Kuckartz, 2019).

Figure 2
Conceptual Framework on Mid-Pandemic Baked Dessert Startups



Note. The conceptual framework shows that external factors and internal factors influence the emergence of baked dessert startups during the COVID-19 pandemic.

3. RESULTS AND DISCUSSIONS

3.1. Socio-Cultural Circumstances

The consumers' socio-cultural circumstances entail certain events—whether online or physical—during the pandemic that involve their social networks. As it turns out, the establishment of online businesses by peers and relatives positively influences consumers in establishing businesses by challenging them to do the same and go out of their comfort zone, learn new baking or management skills, or exhibit their baking capabilities. The practice of posting pictures of baked desserts on social media, meanwhile, prompted consumers to bake as a pastime and analyze the market and its baked desserts preferences. Similarly, popular social media trends allowed consumers gain market insight and try something new, which affected the consumers' motivation and menu planning. Most consumers decided not to follow food trends to differentiate themselves from their competitors. The emergence of online businesses inspired consumers to believe that they could be successful. Lastly, getting persuaded and receiving support and advice from their social networks pushed the consumers to start selling their outputs.

“Seeing these posts have [sic] enlightened me that baked goods are “in” during this pandemic and that a lot of people are interested in them. Personally, I spent my time baking different things and learning about its process. I realized, ‘Why not make something out of this?’”

3.2. Economic Circumstances

Economic circumstances are induced by government-imposed lockdown measures and impact the consumers' livelihood and the economy of their surroundings. Consumers saw the establishment of their online business to augment their financial needs, hence establishing their baked desserts startup. Despite this, consumers believe that having an online baked desserts business cannot guarantee a stable income. The business's profitability depends on its management strategy, advertising strategy, and popularity among customers. Some consumers who were able to go out mentioned a surplus in the supply of baked desserts or a shortage in ingredients for baking desserts; both attributed to the heavy saturation of online baked desserts businesses. This motivated the consumers to sell their baked desserts.

“It [shortage of baked desserts] challenged us to place our brand above others, aware that the competition is saturated.”

3.3. Intrinsic Motivations

The American Psychological Association (n.d.) defines intrinsic motivation as “an incentive to engage in a specific activity that derives from pleasure in the activity itself (e.g., a genuine interest in a subject studied).” It is the consumer's internal reason as to why they sold baked desserts during the pandemic. Before the pandemic, consumers already baked desserts as their pastime and were interested in starting a baked desserts business. However, the lack of time and money restricted them from doing such. When the pandemic confined them to their homes, changed their circumstances, and gave them free time, the consumers decided to sell their baked desserts. Consumers baked desserts—whether for the first time or not—and created a business to cope with the pandemic and its socio-cultural and economic circumstances. Through such, they were able to alleviate stress, distract themselves, remain productive, ease boredom, strengthen their familial and social relationships, and learn a new hobby or leisure activity. Furthermore, it provided an opportunity to learn how to manage a business and gain income amidst the pandemic. Consumers also expressed the desire to alter their lifestyle during quarantine by modifying their prior habits, improving skills, and changing jobs with their business.

“It [establishing a baked desserts business] really helped us put all the time we had in our hands to good use. And since there is a pandemic, we were still able to connect with friends and family who we have not seen in a while because they order from us.”



3.4. Attitudes Toward Baked Desserts

Attitudes toward baked desserts involve the preferences of the consumer-turned seller and their buyers toward the product from the former's perspective. As it turns out, not all current baked dessert startup owners were regular consumers of baked desserts. Instead, they became baked dessert startup owners simply because they liked baking and were influenced by their socio-cultural circumstances, economic circumstances, and intrinsic motivations. Nonetheless, they are regarded as "consumers" in this study as they consume or try their baked products. Therefore, attitudes toward baked desserts influence consumers' motivation to establish their startup by increasing their confidence in the products they sell. Some consumers were encouraged to do so by their personal baked dessert preferences. They tend to believe that the market would also patronize their baked desserts, which they find delicious. Also, the consumers can enjoy the process of baking the desserts they love while being able to eat them afterward. In terms of menu and business planning, most consumers considered their potential customers' preferences, either alone or alongside theirs, to attract customers and appeal to a broader market. Overall, attitudes toward baked desserts only play a small part in influencing the consumers' motivation in starting a business.

"I do not sell something that I do not like because it defeats its purpose of me enjoying it while I bake them. At the same time, in order to gain more customers, I also had to consider their preferences, and we have to adapt in an ever-changing community."

4. CONCLUSION AND RECOMMENDATIONS

In the end, it was found that the consumers' intrinsic motivations, which play the most significant role in influencing consumer decision to begin a baked dessert startup, are linked to other internal factors (i.e., intrinsic motivations and attitudes toward baked desserts) and other external factors (i.e., economic circumstances and socio-cultural circumstances). The consumers' attitudes toward baked desserts, meanwhile, only have little influence on their motivation as it only influences menu and business planning; but does not precisely motivate a consumer to start selling due to their love for eating baked desserts. Despite such, it can be concluded that socio-cultural circumstances, economic circumstances, intrinsic motivations, and attitudes toward baked desserts influence the consumers' motivation in establishing a business.

Hence, combining these four factors contributes to the emergence of baked dessert goods

businesses during the pandemic. The findings of this study establish that entrepreneurship is a viable way for consumers of baked desserts to cope with the pandemic in an instance of job loss, stress, and boredom. The study also allows potential and current consumers-turned-sellers in the baked desserts industry to assess saturation and profitability.

The researchers recommend that future researchers employ a quantitative methodological approach to prove the current study's results empirically. Furthermore, they can also widen the range of participants by gathering data from online baked dessert businesses in the other regions of the Philippines and interviewing baked desserts businesses that established a physical store even before the pandemic.

For current and potential businesses, the researchers recommend the business owners to improve marketing, administrative, and financial strategies to stay profitable in the industry, given the rise in the number of competitors. They also recommend baked desserts goods business owners to consider the risks of entering the baked desserts industry and its corresponding solutions, as its market becomes more saturated and competitive.

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