

Research Paper

Conceptualization of the Challenges in Home-based Businesses in the Villages of Kermanshah Province

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ABSTRACT

Every income-generating business set up at home and done by means of the tools and facilities at hand is referred to as a home-based business. The present research was conducted to determine the challenges of home-based businesses in the villages of *Kermanshah* Province. The research is based on the qualitative method of "Grounded Theory", judgment and snowball sampling procedure, and in-depth semi-structured interviews with 19 activists in home-based businesses as well as experts from various fields of government, academia and the private sector. The validity of interviews was confirmed by triangulation and researcher's review methods. For the data analysis, a systematic approach and a three-step open, axial, and selective coding technique were used. The results of the study showed that the development of home-based businesses in the study area is faced with various challenges that can be categorized into causative, interfering and contextual types. The major consequences of these challenging conditions include demotivation of activists, creation of psychological barriers for newcomers, increase in rural-urban migration, and reduction in business competitiveness.

Key words:

Conceptualization, Challenge, Home-based business, Village, Grounded Theory

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Extended Abstract

1. Introduction

Any money-making economic activity set up in the residence of a person and practiced by using the tools and facilities at home is called "a home-based business". Based on the evidence, the home-based businesses in the rural areas of *Kermanshah* Province face many challenges, such as complicated and

inconsistent rules, poor market management and marketing, poor culture, lack of appropriate infrastructures, lack of sufficient funds, and weakness in teamwork. So, despite their long history, their development seems far-fetched with those challenges. The research question is 'what are the main challenges of home-based businesses in the villages of *Kermanshah* Province?' and 'what are the components of the native model of conceptualization of these challenges?'

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2. Methodology

The present study is qualitative research. The grounded theory was used as the research method. The surveyed community included the home-based business activists in the villages of the province and experts in various fields of government, academia and the private sector. To select a sample, a combination of judgment and snowball sampling was used. Through in-depth interviews, the required data were collected. The sampling continued until the model reached the level of saturation. The data saturation was reached in the 18th interview, but, to ensure it, the data were collected until the 19th interview. The reliability of the results of this section was evaluated through the techniques of member control, use of different researchers in collecting and analyzing the data, and self-reflection of the researcher.

3. Results

The main challenges facing home-based businesses were found to be marketing skills, teamwork and management skills, legal infrastructures and policies, counseling mechanisms, providing of infrastructures and facilities, supporting funds, and branding and identity. The actions needed to be done in these cases relate to issues such as operations in the areas of supply, production and sales. There are also some pivotal intervening factors, including funding and fund resources, government and private sector support, and the correct understanding of decision-makers. This is important in such contexts as socio-cultural and economic multi-dimensional infrastructures where many groups of people do business with their own goals, values, motives and interests. Finally, intervening conditions affect home-based businesses adversely by assimilating domestic business activists alone, creating psychological barriers for newcomers, increasing village-to-city migration, and reducing the competitive ability of domestic businesses. These consequences should be taken into account in any attempt to conceptualize home-based businesses in the rural areas of *Kermanshah* Province.

4. Discussion

The results of this study indicate that home-based business processes, despite their numerous advantages, are complex and multi-dimensional. A recent study shows that low cost of products, lack of knowledge, experience and expertise in marketing designs, lack of proper marketing and marketing strategies, existence of multiple subscribing networks, and lack of access to the national market have led to the emergence of very serious challenges. With regard to these challenges growing in the

household businesses, planning is crucial for developing accurate, transparent, and marketing-based strategies. To this end, it is suggested to consider the completion of the value chain through the formation of associations and production cooperatives for the aggregation of small investments, do networking in each domain, identify the missing links in the chain, and consider the role of advisers and home business supporters as a practical measure to improve the status of support mechanisms. The marketing challenges of rural products can be reduced by developing new marketing activities such as digital marketing and online exhibitions. It is also suggested that experts and local successful home-based business practitioners be identified and introduced as regional advantages accounted for in the planning of authorities.

5. Conclusion

Since *Kermanshah* province is a borderline area and numerous markets exist around it, the products of the province are expected to be exported to other countries, especially Iraq. However, due to certain challenges, this is not the case. In addition, home-based businesses play an important role in the economic and social development of rural areas, but the owners of these businesses are found to abandon their activities, which increases the number of people who do not have a suitable job platform. In general, since home-based businesses in rural areas form part of the formalization of informal economic activities at home, paying attention to the challenges that they face is inevitable.

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Conflict of Interest

The authors declared no conflicts of interest

