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Lessons from the COVID19 pandemic: The case of retail and consumer service firms

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ABSTRACT

The COVID-19 pandemic has impacted business operations in every industry and sector around the world. Scholars, practitioners and policymakers continue to engage in understanding the effects of lockdowns, social distancing measures and other restrictions on trade; the impact of government stimulus and support measures, and how businesses have adapted their operations. The dynamic nature of the virus, and the changing socio-political and economic landscape, provide the opportunity for empirical scholarly research examining how retail and service firms have responded to the challenges and potential opportunities presented by the pandemic, and how owner/managers have pivoted in an (often) uncertain trading environment. This paper presents the findings of an applied study involving business owners (N = 268) of SME retail and service firms in the island state of Tasmania, in Australia, during the first wave of the pandemic in 2020. Findings show: (1) despite over 65 per cent of respondents reporting a downturn in revenue during 2020, almost 80 per cent indicated they had confidence in business survival heading into 2021; (2) whilst on average, businesses did not rate the level of environmental hostility as being particularly high, there was a significant correlation between perceived environmental hostility and assessment of business performance and with the level of confidence of business survival; (3) Australian federal government support and other stimulus measures were deemed crucial for business survival during 2020 with three quarters of businesses accessing the 'JobKeeper' scheme, and (4) businesses adapted their operations during the pandemic in terms of new products and services, increased marketing, pivoting their use of technology and promoting 'localness'.

1. Introduction

In order to ensure a future where businesses not only survive, but thrive, it is critical to anticipate what a post-pandemic world will look like, and then to transform to better match this new reality (Goldberg, 2020, n.p.).

Many small businesses are physical, not virtual. They aren't designed for lockdown. They don't have access to global capital. They are rooted in the communities they serve (Foroohar, 2020, n.p.).

The COVID-19 pandemic has impacted business operations in every industry around the world and scholars, practitioners and policymakers currently seek to understand the effect of lockdowns, social distancing measures and other restrictions on trade and consumer behaviour (Beckers et al., 2021; Donthu and Gustafsson, 2020; Eger et al., 2021; Pantano et al., 2020; Verma and Gustafsson, 2020). The effect of government stimulus and support measures on business survival and prosperity are also topical and important. Despite the dynamic nature of the virus, and the consequential changes to socio-political and economic landscapes, there is still relatively little empirical scholarly research examining how small to medium enterprises (SME) have responded to the immense challenges presented by the coronavirus, and how they can adapt to a 'new normal' in a post-pandemic world. This study provides an important contribution to the scholarly literature on retail and service firm operations during the pandemic, and in addition, the study's findings are valuable for business owners, policymakers and retail place managers and marketers by presenting 'lessons learned' from the first wave of the pandemic.

The restrictions placed on physical shopping – including social distancing measures, increased hygiene and cleaning protocols, limiting numbers of customers in stores, and the need to take appointments for fittings – as well as consumer reluctance to shop in physical stores, all added to the challenging trading conditions faced by the retail sector globally, and smaller stores in particular (Daly, 2020). In addition, local shopping precincts have been significantly impacted by store closures, diminished footfall and job losses. There are fears for the future of small and independent traders and the towns and cities in which they operate (Mortimer et al., 2020b). This paper responds to calls from retail

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scholars (e.g., Elnahla and Neilson, 2021; Roggeveen and Sethuraman, 2020; Pantano et al., 2020; Paul and Rosenbaum, 2020; Sheth, 2020), for research to consider both the short-term, and longer-term, effects on business operations and survival in the trading environment brought by COVID-19. To this end, this study examines how SME retail and service firms have responded to the challenges, and opportunities, presented by the pandemic, and how owners/managers have adapted their business operations, most notably in response to changes in the way consumers shop and access various services.

This study makes some important contributions. First, while there are a number of COVID-19 studies examining retailing and consumer services from a consumer behaviour perspective, this study is one of few empirical studies examining the impact of COVID-19 on SME retail and service firms. In this regard, this research focuses on how SME businesses responded and adapted to trading restrictions, lockdowns and changes in consumer behaviour during the first wave of the pandemic. Second, the study is one of few exploring the impact of various stimulus and support measures on business operations and business confidence. Third, this study was conducted in Australia – a retail and service context in which the shift to online shopping during the pandemic was significant and occurred over a relatively short time-period. Fourth, the study contributes to the literature on retail and service firm marketing with the findings of this applied study of SME firm operations during a global pandemic – specifically, the way businesses adapted and pivoted their operations, their product and service offerings and their marketing practices to respond to the multiple challenges of COVID-19. Finally, in practical terms, the findings of this study are valuable for retail and service firm owners and managers in terms of providing information about the types of initiatives, strategies and marketing activities that will assist SME firms to survive possible future pandemic trading conditions, and help them thrive in a post-pandemic future.

The paper is organised as follows. After this introductory section, a brief discussion of the research context is provided. This is followed by a review of the relevant literature on the impact of COVID-19 on retailing and consumer service firms. The method, results and discussion are then presented, and the paper concludes with the contribution and implications of the research, and the study's limitations and suggestions for future research.

2. The research context

2.1. The business sector in Tasmania, Australia

This paper reports the findings of an applied study of retail and consumer service firms in Tasmania, Australia. Australia is made up of seven states and two territories. Tasmania is the southern island state, with a total population of just over 520,000. The size of the island is 68,000 square kilometres and similar in size to the Republic of Ireland, Hokkaido in Japan and West Virginia in the United States (Grimmer and Vorobjovas-Pinta, 2020). Tasmania is well-known for its wilderness and natural beauty with 51 per cent of the island (including marine protected areas) is under a reservation classification. Tourists are attracted to this aspect of Tasmania, as well as the island's growing food and drink and cultural offerings (Tourism Tasmania, 2017) with 651,500 people visiting Tasmania during the year ending September 2021 (Tourism Tasmania, 2021). The tourism industry in Tasmania directly or indirectly supports around 37,400 jobs in the state (14.9 per cent of total employment) and directly contributes AUD$1.50 billion to Tasmania's Gross Product. Despite, the state's strong tourism and visitor economy sector, compared with mainland Australian states, Tasmania still has a small and aging population with high rates of un- and under-employment, low socioeconomic status indicators and relatively low rates of business investment.

Small businesses account for 97 per cent of all businesses in Tasmania with 63.8 per cent being non-employing (sole operators). Only 2.9 per cent of Tasmanian businesses have 20 or more employees (Department of State Growth, 2021). The retail industry is the second-largest employer in the state, employing approximately 12 per cent of the total Tasmania workforce (Institute for the Study of Social Change, 2017) with a value of AUD$580.7 million (Department of Treasury and Finance, 2020). The majority of retail, service and hospitality businesses are located in the southern capital city Hobart, and in the north (Launceston) and northwest (Burnie and Devonport); tourism operations and tourist accommodation businesses are located throughout the state. For the period 2019-20, when compared with other states and territories in Australia, Tasmania recorded the largest increase (3.8 per cent) in the number of businesses and the highest business survival rate (68.7 per cent) (i.e., businesses still in operation at the end of each financial year) (Department of State Growth, 2021).

2.2. The COVID-19 pandemic in Australia and Tasmania

The COVID-19 crisis was first reported in Australia on January 25, 2020 when the first case of the novel coronavirus was confirmed in the country. Following this, the first case in Tasmania was confirmed on March 2, 2020. Due to Tasmania's geography (the island is located 240km/150 miles to the south of the Australian mainland and separated from it by Bass Strait) the Tasmanian government was able to close the borders to the majority of travellers during 2020 and 2021. There were few cases of community transmission of COVID-19 during this time and whilst QR check-in codes were in use, as well as social-distancing and increased hygiene measures, in the main, Tasmania experienced only a small number of short lockdowns in 2020 and 2021. The Tasmanian border remained closed to non-residents during most of that time, eventually only opening fully on December 15, 2021. At the time data were collected for this study, in late 2020, the impact of COVID-19 on the local economy was only just starting to become evident and it was clear there were significant differences across sectors, for example, the absence of tourists and other visitors negatively affected the local tourism and hospitality industries during 2020, whilst many retail and service performed well.

One of the significant factors contributing to efforts to cushion and support Australia's economy (and investigated in this study) was federal government financial support for businesses. In early 2020 there was a sharp fall in economic activity due to the outbreak of COVID-19 across Australia and globally. In order to support Australian businesses during the pandemic, the federal government introduced the 'JobKeeper' program which was administered from March 30, 2020 and ended on March 28, 2021. 'JobKeeper' payments were designed to support businesses affected by COVID-19 and were effectively a 'wage subsidy' paid to the employer. The purpose of the scheme was to ensure businesses were able to maintain staff, prevent business closures and reduce unemployment. 'JobKeeper' was one of the largest labour market interventions in Australia's history (Australian Government, 2020) at a cost of AUD$89 billion over twelve months (Kehoe, 2021). Despite issues with eligibility requirements resulting in payments being made to businesses not requiring assistance, the program has been credited as an 'economic and social lifeline for millions of Australian businesses and workers, rejuvenating confidence in workers, consumers, businesses and investors' (Kehoe, 2021). Similar government intervention programs were enacted internationally, and these mitigation schemes were designed to protect SMEs from the financial crisis resulting from the pandemic and enable them to survive financially and importantly to continue to employ workers (Belghitar et al., 2022; Belitski et al., 2022).

Table 1 (adapted from Parliament of Australia, 2020) provides some of the key dates in Australia and Tasmania during the first half of 2020, with a focus on decisions affecting retail and service businesses. This timeframe was selected because it represents the first half of the 'first wave' of the coronavirus in Australia and the time when the majority of regulations for business were announced and enacted.

Table 1
Key dates in Australia and Tasmania up to June 30, 2020.

Date	Event
January 25, 2020	Australia's first confirmed case of the novel coronavirus is recorded.
March 1, 2020	The first death from COVID-19 in Australia is recorded.
March 2, 2020	Tasmania's Director of Public Health confirms the first case of coronavirus in Tasmania.
March 11, 2020	The WHO declares the novel coronavirus to be a pandemic.
March 17, 2020	The Director of Public Health declares a Public Health Emergency for Tasmania. The Tasmanian government announces a $420 million support package, including: • $20 million for interest-free loans to small businesses in the hospitality, tourism, seafood and exports sectors (no support for retail or consumer service firms), and • $2.1 million in one-off grants for businesses that hire an apprentice or trainee.
March 18, 2020	The Australian federal government announces measures to be implemented by state governments including: • a ban on non-essential indoor gatherings of 100 or more people (including staff); • a ban on outdoor gatherings of 500 or more people to continue in place; • people only consider travel when it is essential, and • social distancing measures of 1.5 m
March 19, 2020	Australia closes its borders to everyone who is not a resident or citizen of the country. Panic buying ensues across retail outlets around Australia. Initial border restrictions announced in Tasmania. The Premier declares a state of emergency for Tasmania with all non-essential travellers arriving in Tasmania required to quarantine for 14 days. This ruling means that Tasmania effectively closed the borders to non-residents, with the exception of those providing goods and essential services.
March 23, 2020	Australia's National Cabinet agrees that all states across Australia will close pubs, registered clubs, gymnasiums, indoor sporting venues, nightclubs, cinemas, casinos, entertainment venues, restaurants and cafes (except for takeaway or home delivery).
March 26, 2020	The Tasmanian government announces the Social and Economic Support Package, which comprises measures to support health, businesses and jobs, households and individuals, and community organisations, including: • $150 million to purchase essential health equipment, supplies and provide additional staff, and • a Digital Ready for Business program to help businesses take their business online.
March 30, 2020	The Australian federal government unveils the AUD$130 billion 'JobKeeper' wage subsidy program in response to national lockdowns. Payments of AUD$1500 per fortnight will be available for workers at businesses that had seen their turnover fall by at least 30% during COVID-19. The first death related to COVID-19 is reported in Tasmania.
April 1, 2020	The Tasmanian Premier outlines some of the measures under the COVID-19 Disease Emergency Bill 2020, passed the week before, including the easing of certain restrictions on shop trading hours and changing permit conditions to enable deliveries of supplies and freight outside of normal permitted hours.
April 8, 2020	'JobKeeper' legislation passes through the Australian parliament
April 12, 2020	The Tasmanian government announces additional restrictions in specific areas of the North-West of the State for 14 days, with most retail businesses being required to close.
April 20, 2020	The Australian Tax Office officially opens 'JobKeeper' applications and hundreds of thousands of Australian businesses sign up to the scheme.
April 26, 2020	The Australian government launches the COVIDSafe app to augment traditional contract tracing efforts. *Due to ongoing problems with the app, every state and territory eventually developed their own QR-code based app (Tasmania created the 'Check in TAS' app) which is used in all businesses and organisations throughout the state.
April 29, 2020	The Tasmanian government announces a $1.5 million 'Train Now' fund, which subsidised training for existing workers and sole traders during the COVID-19 pandemic.
April 30, 2020	The Tasmanian government announces an additional $10 million for the small business grants program and another $10 million for the hardship grants program.
	The Tasmanian Premier announces the establishment of the Premier's Economic and Social Recovery Advisory Council (PESRAC) to provide advice to government on strategies and initiatives to support the short to medium- and longer-term recovery from the COVID-19 pandemic.
May 1, 2020	The Tasmanian Premier announces that the additional restrictions introduced to the North-West would be lifted from 12.00 a.m. on 4 May, bringing the region in line with the rest of Tasmania's restrictions.
June 2, 2020	The Tasmanian government announces the state will be easing Stage Two restrictions from 5 June, with changes including being able to travel across the state and more businesses able to open.
June 12, 2020	The Tasmanian Premier announces there are no active COVID-19 cases in Tasmania. *Note: Tasmania did not reopen its border until December 15, 2021.

(Adapted from Parliament of Australia, 2020)

3. Literature review

3.1. The impact of COVID-19 on retail and service firms

Globally, the trading environments for businesses of all sizes have been considerably affected by the COVID-19 health crisis (Roggeveen and Sethuraman, 2020) and, at the local level, the myriad flow-on effects of the pandemic have affected economies and communities. Lockdowns, border closures, social distancing restrictions, more people working from home and the shift to online shopping and service provision (e.g., click and collect, kerbside and home delivery, Zoom meetings, and online consultations and classes) have all contributed to significant changes in the way people conduct their day to day lives (Mortimer et al., 2020a,b) as well as the broader retail and consumer service sectors.

Consumers can now access more information about products and services, brands and firms than ever before (Hagen et al., 2022; Jones and Livingstone, 2018), and they are better informed, have greater choice, and demand more in terms of personalised offerings, convenience and the overall shopping and service experience (Grewal et al., 2017; Paul and Rosenbaum, 2020; Roggeveen and Grewal, 2016). Now, in a 'learning to live with the pandemic' world, there is a clear need for research to address both the challenges, and the strategies required by retailers and service firms for survival and success (Beckers et al., 2021; Paul and Rosenbaum, 2020; Pantano et al., 2020). In this regard, scholars have identified broad themes from the perspective of both consumers and managers including: how retailers and services operate in a time of (global and localised) uncertainty and how to best respond to sudden and sharp disruptions in consumer demand (e.g., panic buying and the 'scarcity effect') (Hamilton et al., 2019) and the impact on supply chains (Ivanov, 2020); changes in consumer buying behaviour, and shifts in accessing services (Mortimer et al., 2020a,b).

In terms of strategies to meet these challenges, Pantano et al. (2020) highlight four broad areas of focus for retailers and consumer service firms: rethinking 'agile' retailing; a new role for retailers in society; putting consumers at the core, and digital communication. As consumers were forced into periods of lockdown and more people remained working from home, the importance for SME firms to be able to 'pivot' their operations and respond in an agile manner with regard to product and service provision became paramount. As the shopping landscape changed due to the aforementioned factors, the important role of retailing (in particular) in enabling consumers to access everyday household goods and services was amplified. At the same time many businesses had to quickly adapt how they communicated with consumers and adopted new tools to engage with their customers and clients via digital communications and social media marketing (Salam et al., 2021). The ability to respond appropriate around these themes

enabled many businesses to continue trading despite strict lockdowns, working from home conditions and consumer reticence to visit physical business premises during certain periods of the pandemic.

In Australia the trading environment for SME firms has been especially affected by changing consumer demographics, shifting purchasing patterns (e.g., short-term panic buying and stock shortages), significant growth in online shopping, and the emergence of new technologies and digital marketing which have all impacted the competitiveness of the trading environment (Hanninen et al., 2021).

3.2. The role of local shops and services and 'shop local' movements

Another important phenomenon to emerge out of the crisis is the increased shift to 'local' shopping and support for local stores and services (as mentioned earlier). Early in the pandemic, consumer shopping behaviour changed, and many communities witnessed a rise in 'localism' – local people supporting local businesses, as well as local suppliers and manufacturers (Rybaczewska and Sparks, 2020). The result of lockdowns (often restricting the ability for consumers to travel outside their local area) and fears of contamination of products imported from overseas (resulting in demand for locally-produced products), combined with a growing awareness of the important role of local SME businesses in local economies and communities strengthened existing, and encouraged new, 'shop local' movements (Mortimer et al., 2020b). 'Localism' as a business strategy (Skippari et al., 2017) has been important for ensuring the survival of many SME firms, particularly as businesses have had to rapidly adapt to many unprecedented challenges in the trading environment as a result of COVID-19.

Whilst acknowledging the role of national chain stores and businesses in a local economy, it is most often small, independent retail and service firms which contribute most to local communities by providing a variety of goods and services, employment opportunities and an alternative to the offerings from multinational corporations (McEachern et al., 2021; Wilson and Hodges, 2022). In addition to their contribution to local economies, local retail and services also contribute to making streets, neighbourhoods and towns liveable and vibrant places (Barata-Salgueiro, 2021). Shopping precincts featuring retail and consumer services businesses are an essential part of local communities and economies around Australia (and globally), and especially so in regional and rural areas (Grimmer, 2021).

Local businesses employ local people and sell locally produced goods, supporting small growers, manufacturers and suppliers (Clarke and Banga, 2010; Lombart et al., 2018; Rybaczewska and Sparks, 2020). Research shows the 'local multiplier' effect is significant in local communities where a greater share of every dollar spend at small, independent businesses circulates in the community's economy, compared with money spent at national and chain businesses (Martin and Patel, 2011; Sparks, 2015). Importantly, local shopping and support for small firms has been found to promote local economic decision-making, build social capacity and support and empower communities. During the pandemic, local shops and services have played a vital role in enabling communities to access household goods and other products, and a wide range of services.

3.3. Challenging trading environments for SME businesses

At the time this research was conducted, it was anticipated that the impact of COVID-19 on trading conditions would result in challenging trading environments for retail and consumer service firms, including those in Tasmania. A challenging or 'hostile' trading environment is a 'risky, stressful, and dominating environment with precarious industry settings and intense competition' (Khandwalla, 1977, 27). Posing a direct threat to firms, and small firms with fewer resources (Grimmer et al., 2018), a hostile environment results in a lack of exploitable opportunities and a harsh business climate (Covin and Slevin, 1989). In addition, a hostile environment has been described as one with a high level of price and non-price competition, change in the marketplace and unpredictable competitor behaviour (Yasai-Ardkani and Haug, 1997). Depending on the type of environment (e.g., hostile, benign or somewhere in between), firms are required to adapt their marketing and other strategies to suit trading conditions (Lee et al., 2008), usually by adopting a differentiation strategy or a cost leadership strategy. A differentiation strategy may be more suitable in hostile environments (characterised by a dynamic and unpredictable marketplace). For example, Lee and Miller (1996) argue that to respond to frequent changes in customer demands and to keep up with competitors, firms should embrace product-market innovation as well as 'aggressive' marketing practices. In this regard, a firm can remain relevant to consumers by exploring new products and innovative marketing practices.

The trading environment is a significant factor in determining the success (or failure) of an organisation (Shirokova et al., 2016); the organisation's ability to survive (and ultimately prosper) is related to its capacity to meet the challenges presented by their trading environment (Grimmer et al., 2015). From time to time, therefore, most businesses will experience a level of 'hostility' in their trading environment (Lee et al., 2008) and this is especially true for small businesses, where the limited resources available to small firms may exacerbate the effect of a hostile environment on a firm's performance (Grimmer et al., 2018). Khandwalla (1976/77) environmental hostility scale measures the extent to which an industry might be characterised by intense competition, hazardous business climates, or lack of competitive opportunities. Using the scale, respondents are asked to characterise the level of hostility in their trading environment across three dimensions measuring perceptions of firm survival, investment opportunities, and level of business control. This scale has been used extensively in marketing and management studies (e.g., Chasse and Courrent, 2018; Covin and Slevin, 1989; Kean et al., 1998) and it was considered to be a useful measurement to be used in the context of trading environments impacted by a global pandemic as part of this study.

There are currently few *empirical* studies investigating how retail and consumer service firms have been impacted by COVID-19, and how they have adapted their business operations in response to the various challenges presented by the health and economic crisis. This study therefore contributes to the literature by examining how small business owners have been affected by the coronavirus pandemic; how they have responded by pivoting their business operations to introduce new products, services and practices, and how they have adapted their marketing efforts, as well as by examining the impact of government support and stimulus in supporting businesses and industries to survive.

This study therefore poses two questions:

1. How did SME retail and consumer service firms respond to COVID-19?
2. What lessons can be learned from the pandemic for the retail and services sectors?

4. Method

The study examined how retail and service firms altered their operations in terms of product and service offerings, marketing communications and sales techniques in response to COVID-19 and its impacts. These impacts included changes in consumer behaviour (most notably the rapid and significant shift to online shopping in Australia); fluctuating demand for types of consumer goods and services; physical visitation restrictions imposed through lockdowns; the imperative for social distancing and enhanced hygiene practices, and the influence of stimulus and support measures provided by governments and other organisations to assist small firms survive the crisis, and beyond.

4.1. Research approach

Consistent with the descriptive purpose of the research, a cross-

sectional approach was adopted which involved data collection from a sample of people (owner/managers of SME retail and consumer service firms) at a single point in time (Tharenou et al., 2007). A predominantly quantitative data collection method, including open-ended questions, was used in the form of a self-administered anonymous online survey available to a population of owner/managers of firms trading in Tasmania, Australia.

4.2. Sample frame and characteristics

The population for the study was SME retail and service firms operating throughout Tasmania. There are approximately 3000 to 4000 such firms (Department of State Growth, 2020). Three criteria were used to define the target population and select the subsequent sample: the business had to be 'small', that is, employing fewer than 20 staff, or 'medium', that is, employing 20–250 staff; the business had to be 'independent', that is, not part of a chain or buying group, and the business had to be 'bricks and mortar', that is, have a physical presence. A small business is classified by the Australian Bureau of Statistics as 'a business employing fewer than 20 people'. Small businesses are 'more likely to have independent ownership and be operated independently … Owners or managers of small businesses tend to have close control of operations, undertake principal decision making and contribute most of the operating capital' (Parliament of Australia, 2015). In Australia, small businesses are further classified into 'non-employing' businesses which are those that are sole proprietorships or partnerships without any employees; 'micro' businesses which employ between one and four people, and 'other' small businesses which employ between five and 19 people (Parliament of Australia, 2015). Medium-sized businesses tend to have greater resources and capabilities than small firms but are also more likely to have independent ownership and operational control than large businesses.

A significant challenge for business researchers in Australia is the difficulty in accessing a small and medium business population. This is because there is no single-point data base for businesses in states and territories throughout the country, including Tasmania, and the problem of access is compounded by the demise of the *Yellow Pages* business directory in Australia. To try to overcome problems with accessing the population, various approaches were used to promote the survey including media coverage of the survey (newspaper, online and radio interviews), social media posts (on Twitter and Facebook), and emails sent from local and state governments and business associations (on behalf of the researcher) via member email databases. The latter method was used as such organisation are not permitted to provide their email databases to researchers due to the privacy requirements for university research ethics approval. Social media platforms are increasingly used to gain samples due to cost-efficiency and speed, noting the caveat that response rates and demographics within a sample need to be monitored (Ali et al., 2020; Schneider and Harknett, 2022). Similarly, online or web-based surveys are now mainstream in social research, acknowledging possible lower response rates (Daikeler et al., 2020). A link to the survey was promoted to the population via these methods, with screening questions to assess the three sample criteria (above). The owner/manager was required to be the key informant to complete the survey.

There were 268 surveys received, all useable, which provided a response rate between 6.7 per cent and 8.9 per cent of the putative population. According to Woodside (2014), an acceptable response rate for SME surveys is considered to be 15 per cent (±4). Noting SME researchers are frequently challenged by a reluctant population and low response rates (Billesbach and Walker, 2003; Dennis, 2003; Newby et al., 2003), it is acknowledged that this is a relatively low response, which was very likely compounded at the time by some businesses temporarily ceasing to trade and/or not having the capacity/time to engage in the research. Nevertheless, the free text responses to the open-ended questions exhibited redundancy in what was being reported and this provided a good indication that the responses collected were representative and could be considered generalisable across the population of interest. Table 2 presents the characteristics of the sample.

4.3. Survey design and procedure

The study utilised an anonymous, online survey consisting of closed and open-ended questions. The intent of the survey design, as well as capturing the variables of interest, was to limit the overall length of the survey, so as to increase the response rate. In this regard, the number of questions was kept to 20. The survey included questions about firm age and size; the use of social media and online shopping cart capability; business staffing, turnover, performance, and confidence; business challenges specific to COVID-19 operating restrictions; take-up and impact of stimulus and support measures provided by government and other agencies/organisations, and open-ended questions about business operations specifically in response to COVID-19. Respondents were also asked about their perceptions of environmental hostility (i.e., the level of hostility *outside* the business) which was measured using a three-item, seven-point scale adapted from the original measure developed by Khandwalla (1976/77). The items are worded as semantic differential statements and were slightly modified to suit the retail and service context. The Cronbach's Alpha for this scale was an acceptable, 0.826.

In addition to the closed-ended questions, respondents were asked to comment on which particular initiatives or strategies that they had implemented in response to the pandemic they considered to be the most important/valuable for the business during COVID-19.

The survey was pre-tested by a small judgement sample of traders ($N = 10$) which was diverse in terms of firm size, age, industry and location. No changes were made to the survey as a result of the pre-testing. Where applicable, the answer options for some questions were randomised to minimise the likelihood of any item-context effects, for example, as a result of priming due to answer order (Feldman and Lynch, 1988; Podsakoff et al., 2003).

Table 2
Sample characteristics.

	N	%
Age of business		
<2 years	26	9.70
2–5 years	49	18.28
6–10 years	43	16.04
11–20 years	60	22.39
21–50 years	72	26.87
51 years or more	18	6.72
Size of business		
No employees	178	66.4
1–4	19	7
5–19	48	17.9
20–250	23	8.6
Type of Business[a]		
Retail	92	34.36
Services (e.g., hairdresser, accountant, architect)	60	22.39
Hospitality (e.g., café, bar, restaurant)	83	30.89
Tourism/accommodation	33	12.36
Also operating a website to sell products/services		
Yes	136	50.75
No	132	49.25
Use of social media platforms (select all that apply)		
Facebook	230	85.82
Instagram	170	63.43
LinkedIn	35	13.06
YouTube	34	12.69
Twitter	30	11.19
Other	11	4.10
We don't use social media	19	7.09

[a] Type of business was determined using ANZSIC Categories: Australian and New Zealand Standard Industry Classification (ABS, 2013).

5. Results

5.1. Business operations and staffing

Respondents were asked to indicate any changes they had made to staffing and business operations as a result of the pandemic (see Table 3). Almost 40 per cent of respondents indicated they had reduced some or all staff hours; approximately 20 per cent had let staff go and did not expect to re-hire them; one third (32.46%) made no changes, and almost one quarter (21.64%) hired new staff.

5.2. Marketing, products and services

Respondents were further asked to indicate any changes or issues with regard to marketing, products and services as a result of the pandemic (see Table 4). Over 40 per cent indicated problems with accessing stock (42.16%) and then listed a range of responses. Many increased their digital capability, with over one third starting or increasing their digital marketing (38.06%), nearly one third improving their business website (31.34%), and one fifth diversifying their service delivery including offering services or classes online (20.15%). Others worked in their product range, with approximately one fifth diversifying products (20.15%); a similar proportion emphasising local Tasmanian services and suppliers (19.78%), and another 15.3 per cent putting more weight on stocking local products. Others took the opportunity to renovate or update their premises (28.36%) or added to their approach to selling (e.g., 19.78% via third-party website) and their delivery options (e.g., 17.16% home delivery; 15.67% free delivery).

5.3. Business challenges

When asked about the business challenges that respondents faced as a result of the pandemic (see Table 5), the most frequent responses were: keeping up to date with COVID-19 requirements for the business (62.55%); increased cleaning (57.14%); implementing and maintaining social distancing measures (49.03%); supplying hand sanitiser/wipes/soap etc for customers and staff (43.24%); limiting numbers of people in the store (41.70%), and developing a COVID-19 business safety plan (41.04%). Note: the data were collected prior to mandated mask-wearing in public buildings was enacted Tasmania (December 2021), so this was not listed at the time.

5.4. Stimulus and support measures

When asked about the stimulus and support measures that were available (see Table 6), the majority of respondents indicated that they had received Federal ('JobKeeper') (73.88%) or State Government (61.94%) assistance. Approximately one third of respondents had taken up rent reductions or rent freezing from landlords (35.07%), sought professional advice (35.07%) or received other federal government assistance (aside from 'JobKeeper') (34.33%).

Table 3
Business operations and staffing.

As a result of COVID-19 at any time have you (select all that apply):	N	%
Reduced opening hours	137	51.5
Closed the physical store/business premises for some of the time	124	46.27
Reduced some, or all, staff hours	98	36.5
Made no changes	87	32.46
Kept the physical store/business premises open the entire time	71	26.49
Hired new staff	58	21.64
Introduced flexible working arrangements, including working from home	51	19.03
Let some staff go, and don't expect to re-hire them	44	16.42
Let some staff go, but expect to re-hire them	34	12.69
Closed the physical store/business premises and not yet re-opened (at the time of data collection)	13	4.48
Let most staff go, but expect to re-hire them	12	4.48
Let most staff go, but don't expect to re-hire them	10	3.73

Table 4
Marketing, products and services.

As a result of COVID-19 at any time have you (select all that apply):	N	%
Had issues/problems accessing stock	113	42.16
Started, or increased, digital marketing (e.g., social media, online banner ads, email marketing, etc.)	102	38.06
Improved existing business website	84	31.34
Improved/renovated/updated the store or business premises	76	28.36
Diversified service delivery (e.g., started offering takeaway meals, offering services or classes online, etc.)	54	20.15
Diversified into new or different products	54	20.15
Put more emphasis on using local Tasmanian services or suppliers	53	19.78
Signed-up to sell products or services on a third-party website or service (e.g., Buy Something Tasmanian)	53	19.78
Started offering home delivery	46	17.16
Started offering free delivery	42	15.67
Put more emphasis on sourcing and stocking local Tasmanian products	41	15.30
Worked collaboratively with other businesses to provide new products or services	33	12.31
Started, or increased, traditional marketing (e.g., print, television, radio, billboard, etc.)	31	11.57
Started offering click and collect	26	9.70
Developed a new, or improved an existing, customer loyalty program	19	7.09
Developed you own private label or store-branded products	12	4.48
Launched your own business website to enable the business to operate online	11	4.10

Table 5
Business challenges.

Regarding changes you may have made to your business operations as a result of COVID-19, have you found any of the following to be challenging in terms of cost, time or effort (select all that apply)	N	%
Keeping up to date with COVID-19 requirements for the business	167	62.31
Increased cleaning	152	56.72
Implementing and maintaining social distancing measures	132	49.25
Supplying hand sanitiser/wipes/soap etc. for customers and staff	115	42.91
Limiting numbers of people in the store	111	41.42
Developing a COVID-19 business safety plan	110	41.04
Accessing and supplying COVID-19 equipment (e.g., screens) and/or signage for the business premises	74	27.61
Conducting COVID-19 staff training	68	25.37
None of the above	47	17.54
Supplying and/or wearing masks or other personal protective equipment	39	14.55
Other	16	5.97

Table 6
Stimulus and support measures.

As a result of COVID-19 have you … (select any that apply)	N	%
Received 'JobKeeper' for yourself or any staff in the business	198	73.88
Received state government assistance	166	61.94
Taken a rent reduction or rent freeze	94	35.07
Sought professional advice/assistance (e.g., financial, legal, etc.)	94	35.07
Received other federal government assistance (aside from 'JobKeeper')	92	34.33
Sought assistance from your bank or financial institution	68	25.37
Received local government assistance	42	15.67
None of the above	19	7.09

5.5. Business turnover, performance and confidence

In terms of the impact of COVID-19 on business turnover, around 65 per cent of respondents reported turnover had decreased (64.92%), with almost half (45.52%) indicating turnover had decreased by more than 30%. Similarly, approximately 50 per cent indicated that their business

performance was worse or much worse than the previous year (52.99%); but that did leave a comparable proportion indicating their performance had either stayed the same or become better (47.01%). This latter finding is consistent with responses to the question on confidence in their business's survival, which showed that close to 80 per cent or respondents were confident (53.36%) or somewhat confident (25.37%) that their business would still be operating in 12 months' time. Responses regarding turnover, performance and confidence are presented in Table 7.

Responses to these questions were compared across the four business types referred to in Table 2. There was found to be a significant difference between the business types in terms of how COVID-19 was rated as affecting business turnover ($F(3,255) = 11.29$, $p < .001$). Least significant difference post-hoc testing showed that while, on average, all business type reported decreased turnover, tourism/accommodation businesses reported the greatest decrease and retail the least. Service and hospitality businesses were between the other types and did not differ significantly from each other.

The four business types also differed significantly with regard to how performance was compared with the previous year ($F(3,255) = 12.15$, $p < .001$). Post-hoc testing similarly showed that while, on average, all business type reported performing worse than the previous year, tourism/accommodation businesses reported the worst year-on-year performance and retail the least. Service and hospitality businesses were between the other types and did not differ significantly from each other.

The four business types were further found to differ significantly in terms of how confident they were regarding business survival over the subsequent 12 months ($F(3,255) = 5.23$, $p < .002$). Post-hoc testing showed that while, on average, all business types reported confidence in survival, hospitality and tourism/accommodation business were the least confident, and did not differ from each other, and that retail and service businesses were the most confident, also not differing from each other.

5.6. Environmental hostility

Results for the environmental hostility scale are shown in Table 8. As can be seen, the distribution is relatively normal around a mean of 3.95 (SD = 1.51), and a median of 4.00 which represents the mid-point in the scale. Thus, the sample of businesses, on average, did not rate the level of environmental hostility during the pandemic as being particularly high.

Notwithstanding the above, there was found to be a significant correlation between perceived environmental hostility and assessment of business performance relative to the same time in the previous year ($r(268) = 0.46$, $p < .001$). This showed that the higher the level of perceived environmental hostility, the worse the assessment of business performance compared with the previous year. There was also found to be a significant correlation between perceived environmental hostility and the level of confidence that the business would survive the next 12 months ($r(268) = 0.55$, $p < .001$). This showed that the higher the level of perceived environmental hostility, the lower the level of confidence that the business would survive the subsequent 12 months.

The four business types were again compared, this time in terms of environmental hostility, and found to differ significantly ($F(3,255) = 9.06$, $p < .001$). While overall the sample reported that environmental hostility was not rated as particularly high, post-hoc testing showed that hospitality and tourism/accommodation business did rate hostility more towards the hostile end of the scale (means of 4.6 and 4.2 respectively) and did not differ from each other. Retail and service businesses, on the other hand, rated environmental hostility towards the safe end of the range (means of 3.59 each), and also not differing from each other.

Table 7
Business turnover, performance and confidence.

How has COVID-19 affected the turnover of the business?	N	%
Turnover has increased by more than 30%	18	6.72
Turnover has increased by less than 30%	33	12.31
Turnover has stayed about the same	43	16.04
Turnover has decreased by less than 30%	52	19.40
Turnover has decreased by more than 30%	122	45.52
Compared with this time last year, overall the business is performing:		
Much better	28	10.45
Better	35	13.06
About the same	63	23.51
Worse	70	26.12
Much worse	72	26.87
***How confident are you that the business will survive the next* 12 months?**		
Confident	143	53.36
Somewhat confident	68	25.37
Neither confident nor unconfident	28	10.45
Somewhat unconfident	23	8.58
Unconfident	6	2.24

Table 8
Perceived environmental hostility.

	N	%
1. Very safe, little threat, rich opportunities, controllable	13	4.9
2.	29	10.8
3.	67	25.0
4. Neutral	57	21.3
5.	58	21.6
6.	31	11.5
7. Very risky, stressful, hostile, hard to control	13	4.9

5.7. Business initiatives and strategies in response to COVID-19

Respondents were asked to provide free-text answers to questions regarding business initiatives and/or strategies they had implemented in response to the pandemic which they considered to be important for the business during COVID-19. There were 246 responses to this question provided (92% of the sample). Analysis of the free-text responses was conducted using thematic analysis. Thematic analysis is valuable for analysing qualitative surveys and for inductive analyses to capture both manifest and latent meaning (Braun and Clarke, 2013). Thematic analysis allows for the active role of the researcher in analysing and interpreting 'themes' within qualitative data (Clarke and Braun, 2017).

The analysis of the open-ended questions indicated some noteworthy common themes. The first theme concerned the increased importance of using technology to communicate with customers and clients. As businesses were required to lockdown during COVID-19, many respondents noted the pivotal role of ensuring they upgraded their existing business website or developed a new website if they did not already have this capacity.

> "We upgraded to a better website through Covid. The new website also had a better integration to directly market to our customers. This made a difference to how well we could service our customer through the lockdown. Being able to communicate to our customers through our direct marketing, instore, and also on social media was the most valuable asset to the business. Our customers were always aware of when we were open, what services we were offering, and what products we had."

The second theme concerned the ability to provide an online store, and take bookings or orders online via a business website, was also identified as important by respondents. In many instances, respondents noted that customers/clients were increasingly spending time researching businesses and products/services online (whilst in lockdown) before venturing out to physical premises to make the final purchase. One respondent, for example, noted how their customers were interacting with the business online in the first instance:

"[Our] online website enables customers to browse before coming into physical store."

Consumer service firms reported the importance of Zoom and other online and digital tools in allowing them to connect with clients and customers to deliver services that would normally be made available face-to-face. This was deemed particularly important during periods of lockdown when clients and customers were not able to visit business premises, for example, a respondent noted the role of online capability:

"Introducing and increasing virtual and online interaction with customers."

"Keeping in touch with our client base through online content."

In this regard, many service firms had to adapt the way they engaged with clients through adopting new technologies to enable them to continue to trade. Respondents noted, for example, the importance of being able to adapt and pivot how they communicated and engaged with their clients:

"Adaption to online engagement."

"Pivoting to online services rather than F2F."

The third theme emerging from the data was the focus of businesses on developing or increasing their marketing activities, especially digital and social media marketing. Some respondents reported that they had started using social media to market their business for the first time due to the restrictions placed on normal trading. A sample of responses highlights this shift in marketing focus:

"Using Instagram and Facebook [for the first time]."

"Increased digital marketing, including videos."

"Increased social media presence … focus on the online customer journey and improvements to online customer service and support."

The fourth and final major theme emphasised the important role of increasing localised marketing, that is, communicating with local Tasmanian customers and clients. Respondents reported a shift away from concentrating on tourists/visitors to the state (as borders were closed), as well as reducing the amount of national advertising, to instead concentrate on local patronage, localised marketing efforts and promoting the message of shopping locally and supporting local Tasmanian businesses. A sample of responses shows this trend:

"We placed a big emphasis on local customers not just our interstate customers. We offered free shipping on all orders within Tasmania and also reduced our shipping rate for interstate consumers. We have also made sure to have a real connection with people on our social media accounts, particularly when restrictions were in place."

"Building on the community of local supporters by weekly emails, sharing our family stories and successes and failures along the way."

6. Discussion and conclusion

This research sought to understand how SME retail and consumer service firms responded during the first wave of COVID-19 in 2020 in Tasmania, Australia, and to identify relevant lessons learned from this period of the pandemic for the retail and service sectors. The findings are discussed in the following section.

In answer to the first question posed in the study regarding how SME retail and consumer service firms responded to COVID-19, respondents reported that in response to the pandemic they, wherever possible, adapted, innovated and pivoted their business operations, product and service offerings and marketing and communications. Businesses increased or improved their online capabilities and offerings including new or enhanced websites, digital marketing and online service delivery capability. This finding aligns with previous research by Hagen et al. (2020), Devereux et al., (2020) and Jones and Livingstone (2018) that consumers are increasingly seeking information about businesses via online platforms and social media.

In terms of product offerings, respondents reported they diversified their product ranges by emphasising locally made products and marketing their businesses as 'local'. A number of firms offered free delivery, contactless home delivery and click and collect – many for the first time. This was in response to international and even interstate stock shortages across many product lines (as manufacturing, supply chains and logistics were impacted by the coronavirus). Seeking out local suppliers and sourcing local products, and thereby supporting other local Tasmanian businesses, served to strengthen the product and service offerings of many businesses and satisfied the consumer thirst for all things 'local' (Rybaczewska and Sparks, 2020; Sparks, 2015). In addition to the importance of supplying, stocking, and selling locally made products, respondents emphasised the 'local' nature of their businesses through their marketing communications targeted more finely to a local audience. This confirms earlier findings around the importance of firms being able to embrace product-market innovation and 'aggressive' marketing practices in order to survive in a dynamic and unpredictable marketplace (Lee et al., 2008).

Respondents indicated the greatest challenges experienced involved keeping up to date with changing guidelines, regulations and requirements for their businesses, increased cleaning and managing social distancing measures. However, it was clear from the responses that many businesses believed that following the government guidelines and safety procedures had contributed to keeping staff and customers safe, and this approach had a positive impact on their business.

Despite around 65 per cent of respondents indicating turnover had decreased (with half that number reporting a decrease of more than 30 per cent), and approximately 50 per cent indicating business performance was worse or much worse than the previous year, almost 80 per cent were confident or somewhat confident their business would be operating in twelve months' time. This level of confidence may be attributable to the stimulus and supports offered by different levels of government and the level of community support for local businesses. Those businesses who reported lower levels of business performance and lower levels of confidence also reported higher level of perceived environmental hostility. This finding confirms research by Yasai-Ardkani and Haug (1997) that a hostile environment is one with a changing marketplace and unpredictable competitor behaviour.

At the time of data collection, the significant and negative impact of the pandemic was evident in different economies around the world, where communities were subject to lockdowns, border restrictions and closures, strict regulations regarding business operations, and so forth. It was, therefore, assumed that the trading environment presented by COVID-19 in Tasmania would be perceived by respondents as being hostile. However, results show, on average, the level of environmental hostility was not particularly high at the time the data were collected. As an island state, Tasmania was able to close its borders and keep the virus out of the community for almost two years. However, this also meant that there was a distinct lack of visitors and tourists to the state. Despite this, and perhaps because of the internal business strategies enacted by firms, combined with the external support from the government and the local community, in the main, respondents did not report the trading environment as negative or hostile. This finding confirms prior studies that firms must respond to changes in consumer demand and competition by embracing robust marketing practices and innovation in product offerings (Grimmer et al., 2015; Hanninen et al., 2021; Lee and Miller, 1996).

What can be learned from the experiences of SME retail and consumer service firms during the first wave of the global pandemic? In answer to this, the study's second research question, there are some important lessons to be learned from this period, with a particular focus

on the role of government stimulus and support measures, the role of technology and digital tools, the ability and capacity for SME owner/managers to adapt and pivot all elements of their business operations and the importance of marketing communications.

First, the impact of the federal government's 'JobKeeper' support program was certainly a contributing factor to business confidence in Tasmania (as in many other parts of Australia). This is evident in the responses – nearly three quarters reported they had accessed 'JobKeeper', and nearly two thirds had accessed support from the State Government. The purpose of 'JobKeeper' was to ensure businesses could keep staff employed (particularly during lockdowns) and minimise unemployment. Responses show almost one quarter of businesses actually hired new staff in 2020. Given SME firms (particularly small businesses) often lack a range of resources, including financial resources, the emphasis on the positive role of 'JobKeeper' provided by the government confirms the importance of ensuring firms can access financial resources and other support measures to enable them to continue trading (Belghitar et al., 2022; Belitski et al., 2022; Grimmer et al., 2018).

Second, despite the uncertainty of the first wave of the pandemic, and the anticipated impact of lockdowns and other trading restrictions, respondents reported high levels of confidence with regard to the future of their businesses. The combination of financial support packages and the groundswell of consumer support for local businesses, combined with individual firm innovation and adaptation, contributed to high levels of business confidence, particularly for retail and service firms which were more easily able to pivot their operations to suit their trading environment. For many tourism and hospitality businesses, the lack of tourists and visitors and the restrictions placed on businesses including mask-wearing, social distancing, and limits on numbers of people gathering indoors all impacted the levels of confidence reported by businesses operating in these sectors. Clearly, businesses that are not able to shift their operations online (in the same way that retail and many service businesses can) meant that tourism, accommodation, and hospitality businesses required more targeted support and consideration from government. Whilst many hospitality businesses pivoted to take-away and home delivery, and tourism operations went 'virtual' or concentrated on the local market, it is clear from the data that these industries are very vulnerable to the types of changes in the trading environment brought on by the pandemic, and they require different levels of support and stimulus.

6.1. Contributions and implications

This study contributes to the nascent empirical scholarly research on the impact of COVID-19 on SMEs by presenting findings from retailers and consumer service firms operating during the first wave of the pandemic. In this regard, the paper extends the literature in this field by identifying specific business challenges and opportunities for SME firms, as well as an examination of how business owners/managers adapted and innovated in a time of crisis (Beckers et al., 2021; Donthu and Gustafsson, 2020; Pantano et al., 2020; Verma and Gustafsson, 2020). This research also contributes to the scholarly literature by demonstrating the importance of SMEs having the ability and nimbleness to pivot to address changes in the trading environment (Grimmer et al., 2015; Khandwalla, 1976/1977); to respond quickly to changes in consumer purchase behaviour (Eger et al., 2021; Sheth, 2020), and to adapt in terms of their provision of different types of goods and services (McEachern et al., 2021). In addition, the ability for SME firms to develop or enhance different marketing communications processes (particularly digital and social media marketing) (Hagberg et al., 2017; Salam et al., 2021), and to exploit the rise in 'localism' and shop local movements (Wilson and Hodges, 2022), are clear imperatives for business success during uncertain times brought on by COVID-19.

In addition to theoretical contributions, the research also has key practical implications for SME owner/managers, as well as for state and federal governments and other external stakeholders. First, through identifying the (internal) business strategies adopted by respondents in this study, this research is valuable for individual business owners and managers in assisting them with ongoing strategic planning to ensure SME firms are well-placed in the future to withstand any significant changes to the trading environment, major changes in consumer behaviour, and restrictions placed on businesses from governments. Most notably, the ability for SME firms to quickly adapt, innovate and pivot their operations in responding to a crisis will be critical for business survival. In this regard, the use of technology, digital tools, and marketing, to allow firms to stay connected with the customers and clients, and to continue to trade, will be paramount. Harnessing local support for local businesses and exploiting the benefits of 'localism' should also be part of SME strategic planning across all aspect of the business, including businesses supporting other local businesses and enterprises. This can also manifest though sourcing and stocking locally produced or supplied products and emphasising a businesses' support for 'local' through all levels of the firm.

Second, the study identified the importance of government stimulus and support measures in assisting SME firms to navigate through the pandemic. Clearly, external support schemes such as 'JobKeeper' cannot last forever, but this research clearly shows that targeted SME financial support which is provided for a period of time, has a positive and beneficial impact on assisting business owners/managers and in helping keep Australians employed. Local, state, and federal governments should also recognise and support 'shop local' movements and similar consumer sentiment around supporting local businesses and ensure that there are sufficient support mechanisms in place to maintain the momentum around building capacity and strengthening the local business sector. Finally, and more broadly, the findings of this research are valuable for marketers, business and members associations, and other key industry stakeholders to assist with ongoing planning and future-proofing the retail and service sectors at both the individual firm and the wider sector/industry level.

6.2. Limitations and recommendations for future research

This exploratory study inevitably has some limitations. First, it is acknowledged that due to the applied nature of the research, the study is descriptive in type which somewhat limits a contribution to theory. Future research which extends this study could examine business strategies and initiatives through a greater theoretical lens to build on this initial exploratory and applied research. Second, the response rate for this study was lower than anticipated. Small business researchers often face difficulty in accessing populations and obtaining satisfactory sample sizes with a minimum response rate of 10 per cent deemed acceptable. Previous studies conducted by the author of this paper have yielded much higher response rates (e.g., between 24% and 39.6%). A contributing factor for the modest response rate may have been the nature of the survey (online versus paper), and the online promotion of the survey via social media email databases, rather than through a more targeted approach, for example, a paper survey administered via mail or using the 'drop and collect' method. Another contributing factor may be that the data were collected at a time in Tasmania when some businesses shut temporarily or were grappling with a raft of new and rapidly changing regulations and reduced trade due to border closures, lockdowns, and consumer uncertainty. Future research targeting the same population will hopefully yield higher response rates due to businesses now operating in a 'new normal' environment and with more business and community awareness of consumer and government expectations around trading operations. Third, the data were collected in a single state in Australia. All eight states and territories in Australia experienced the pandemic very differently in terms of the rates of outbreak of the virus, severity and length of lockdowns and the impact of other trade restrictions. Arguably, at the time of data collection, due to its island geography, Tasmania differed from many other parts of Australia (and

the world) in that it did not experience high rates of infection, extended lockdowns, or significant disruption to day-to-day life for many people. Future research could survey small business owners in the other states and territories throughout Australia (and internationally) to provide comparison of experiences in different economies and communities operating under various conditions. Finally, future research to confirm the findings of this initial exploratory study of retail and service firms in a post-covid environment would be valuable, particularly through examining if the changes and initiatives implemented during the pandemic have remained in place.

6.3. Concluding remarks

This study informs the small business marketing literature by presenting the findings of an empirical study of SME retail and consumer service firms operating during the first wave of a global pandemic. In particular, this research highlights how business owners responded to the impact of COVID-19 by adapting their business operations to meet changing consumer purchase behaviour, and to comply with government legislation and regulation. The findings also point to lessons learned from the pandemic for business owners/managers (and governments) which are valuable for future planning and for operating in the 'new normal' post-pandemic world.

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