**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF ECONOMICS**



**EFFECTS OF COVID-19 ON SMALL AND MEDIUM ENTERPRISES (SMEs) REVENUE IN THE RETAIL INDUSTRY IN ZIMBABWE (2018-2021)**

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# DEDICATION

I dedicate this special body of work to my family.

# 

# ABSTRACT

This study looked at the effects of Covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe (2018 to 2021). The study was guided by the research objectives which were to identify the effects of the Covid-19 pandemic on SMEs revenue., to determine other factors that affect revenue in the retail industry and to establish effective mitigatory strategies employed by SMEs during the COVID-19 crises. A mixed methods approach was used hence questionnaires and semi structured interviews were used to collect data from 50 respondents who were SME owners. Results emanating from the research were that COVID-19 has a negative effect on the revenue of SMEs within the retail industry. However, it was also noted that while some SMEs were poorly performing, others were thriving during the COVID-19 era. The study recommended that the government formulate policies that promote an increase in revenue of SMEs. The government of Small to mediums enterprise can introduce loans and financial help to the SMEs. The SMEs must introduce social support groups this will help them support each other on challenges they are facing during the pandemic crisis.

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# CHAPTER ONE

**INTRODUCTION**

## 1.0 Introduction

This study is a rapid assessment exploring the effects of Covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe. The study focuses on SMEs in Zimbabwe mainly due to the realization that Small and Medium Enterprises play a pivotal role for economic development of the country. They are an indispensable drive in Zimbabwean economy since they steer growth and create employment. (Tembo, 2020) reveals that SMEs’ growth in Africa are constrained by lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, and insufficient profits. Of concern, these enterprises are, today exposed to the negative impact of COVID-19. Therefore, supporting their survival in these turbulent times is crucial for mitigating the economic impact, but also to create the conditions needed for future growth, once the pandemic is over. The chapter will cover the background of the study, the research objectives, research questions, limitations and the definition of terms. A brief review of relevant literature, study variables, conceptual and theoretical framework as well as the methodological approach of the research will also be outlined.

* 1. **Background to the Study**

According to (OECD, 2020), SARS-CoV-2 (the virus that causes COVID-19) is the latest member of the coronavirus family affecting humans. This type of virus is commonly found in humans and other mammals. In humans, coronavirus has four strains that cause mild clinical symptoms, usually referred as the common cold. Two other strains are more lethal: SARS-CoV and MERS-CoV. These two strains cause case-fatality rates (CFRs) of 9.6 percent and 34.4 percent, respectively. The new zoonotic virus (i.e., can spread between humans and other animal species) shares a high degree of genomic similarity to coronavirus in bats and to SARS-CoV in humans. Because this is a new viral challenge to humans, there is no pre-existing immunity in humans and everyone is assumed to be a susceptible host to COVID-19.5. The most recent data show that COVID-19 is likely to be more contagious but less likely to cause severe clinical symptoms and deaths than SARS and MERS, (Craven et al, 2020).

Without the parts and necessary logistics to bring in materials and ship out products, many factories can barely produce or have no place to store their products. Most of the international shipping companies are slow in getting back to work because of the ongoing epidemic and various travel bans. Fourth, worries about revenue and cash flow have resulted because of the widespread low market demand, many small businesses have found that reopening only means they continue to pay rent and salaries without revenue. Many will pay staff minimal wages or lay off staff, which can further reduce demand.

After the first infections in China at the end of 2019, the Coronavirus disease (COVID-19) has continued to spread across the world. No continent has been able to escape this virus. The COVID-19 pandemic, has transformed from being a health emergency into an economic and labour market shock, affecting not only supply (production and distribution of goods and services), but also demand (consumption and investment). The most common response measures, however, have been the implementation of complete or partial lockdowns and (Craven et al, 2020) movement restrictions, and the enforcement of basic hygiene practices such as hand sanitizing and social distancing. These alleviatory measures have subsequently spilled over to economic hardships and have had a direct negative impact on SMEs, (Zenker & Kock, 2020).

Now that Small and Medium-sized entities constitute a vast section of the private sector in the majority of developed and developing countries (Beck & Demirguc-Kunt, 2006), it is crucial to put them on the limelight in these troubled times. Realizing that, in addition to its impact on public health, coronavirus disease 2019, (COVID-19) has caused a major economic shock to SMEs in towns and cities across the globe. The pivotal role played by SMEs in economic development is also a reality in Africa, as indicated by a significant portion of the continent’s economic activities being transacted within the realm of SMEs. SMEs are contributing between 40% and 60% of the GDP in Sub-Saharan African countries and 60% of the employment. SMEs make up 90% to 95% of all businesses (OECD, 2020).

Moreover, SMEs are at the heart of Africa’s economic growth. The African economic growth is more than 5% on average above the USA, South America, and Europe. In Africa, like the rest of the world, SMEs play a crucial role in stimulating economic expansion and poverty eradication. In the milieu of emerging economies there is diminutive theoretical knowledge and empirical evidence on various aspects of entrepreneurship and Africa is not an exception, lack of theoretical knowledge is not an exception (Ratten, 2014). In Zimbabwe, SMEs are the cynosure of economic development in the country as they contribute over 70% of economic activities, employing more than 60% and contributing over 50% of the country’s GDP (RBZ, 2016). Moreover, SMEs are the quintessence of the country’s economy as they instigate entrepreneurship, augment the tax base and exploit niche markets because of their adaptability and innovation (RBZ, 2012; Manyani, 2014).

The sector is leading in employment creation, boosting individual wealth which contributes to an improved standard of living and poverty alleviation. The government recognizes SMEs as a key driver and a major player in transforming Zimbabwe’s economy by 2030. SMEs development is, however, hamstrung by a plethora of adversities relating to; inadequate finances; lack of entrepreneurial, accounting and management skills; and a failure to adapt in rapidly changing market conditions, (RBZ, 2016). The food retail industry in Zimbabwe has grown significantly in the past decade. This growth is primarily attributed to the dollarization of the economy at the onset of 2009 when a new government of National Unity was formed. The dollarization of the economy gave some businesses a new lease of life and operations resumed, with the Zimbabwean food retail industry emerging as one of the fastest-growing sectors in the country’s recovery era. With the dollarized economic regime, inflation levels normalized, and most businesses were able to reengineer their practices, bringing relief to their operations (Ngamanya & Chidakwa, 2017).

The Zimbabwean retail marketplace subsequently became dominated by a relatively large number of retailers (Vutete & Vutete, 2015). Prior to this brief economic recovery, most retail supply chains had experienced severe turbulence between 2000 and 2008, characterized by unparalleled inflation levels, leading to the collapse of numerous business operations (Ngamanya & Chidakwa, 2017; Tinarwo, 2016). Key supply chain obstacles such as a dysfunctional political and economic environment coupled with competition from imported alternative products crippled the operations of the retailers of all types of goods, especially the food industry (Chikweche, 2015). Post-2013, socio-economic and political problems, which were attributed mainly to the disputed general elections, resurfaced in Zimbabwe despite the dollarized economy (Chitiyo & Kibble, 2014).

The economic situation was again reversed, leading to the re-emergence of instability in the critical areas of the economy. As a result, many affected firms were compelled to downsize their operations, whilst some ultimately closed their business. For instance, about 4610 firms including those operating in the food industry closed their activities between 2013 and 2014 (Confederations of Zimbabwe Industries [CZI] 2015; Monyau & Bandara 2017). Hundreds of other firms also closed between 2015 and 2019, citing an uneven operating environment (Ndlovu, 2019). The responsibility for implementation of COVID-19 pandemic principles falls on local governments. Some governments have focused more on outbreak control, such as where there is a need for more stringent rules on social distancing, travel case tracing, and quarantine (e.g., Beijing), while others have focused more on jump-starting the economy, such as by supporting factories with chartered buses, trains, and planes to transport some of the 290 million migrant workers (for example in, Shanghai), (Zenker & Kock, 2020).

Despite these efforts, SMEs still face the following challenges in reopening: First, local quarantine policy; Until recently, most cities and their subdivisions (neighborhoods) still required migrants or travelers from elsewhere to self-quarantine for 14 days. In Zimbabwe, during these 14 days, either the factories or the workers themselves would have to cover rent and living costs. Secondly, business-reopening permits and health regulations: Many SMEs struggle to meet the COVID-19 prevention requirements from the local government agencies. Some local governments also push the burden of COVID-19 prevention entirely on businesses, (OECD, 2020). According to (Zenker & Kock, 2020), if one COVID-19 case cluster shows up in a business, the business will be closed for a longer period. Thirdly, broken supply chain and logistics: Upstream SME closures are felt by downstream factories that are relying on the parts they produce for SMEs.

Many employees work from home, with several business owners using the downtime to figure out the fragmented supply chain, look for new overseas contracts, design training sessions for staff or redesign websites, or use online platforms and social media (Zenker & Kock, 2020) to keep in touch with regular customers. Many hope that their businesses will gradually get back on track by the end of the second quarter.

Although the overall impact of COVID-19 on China’s and the world’s economy is still hard to predict, many economists think that the impact of the COVID-19 outbreak is likely to exceed that of SARS. This study therefore seeks to assess the effects of COVID-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe.

## 1.2 Problem Statement

COVID-19 has given governments around the globe the challenge of directing essential goods, such as food and medical equipment, where they are most needed to address the immediate health crisis. High demand for certain products, supply chain disruptions and logistical constraints made this difficult. Fearful that their populations would be unable to obtain goods needed to cope with the immediate health crisis, many governments imposed new trade measures on these items. In addition to addressing the health crisis, they have scrambled to alleviate the impact of COVID-19 on small businesses, introducing policies to help them cope with the short-term financial risks and long-term business implications. This study therefore, seeks to analyze the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe.

## 1.3 Research Objectives

To identify the effects of the Covid-19 pandemic on SMEs revenue.

To determine other factors that affect revenue in the retail industry.

To establish effective mitigatory strategies employed by SMEs during the COVID-19 crises.

## 1.4 Research Questions

The study will be guided by the following research questions:

What are the effects of the of the COVID-19 pandemic on SMEs revenue?

What are the other factors that affect revenue in the retail industry?

What are the mitigatory strategies employed by SMEs during the COVID-19 crises.

## 1.5 Hypothesis Testing

The study will test the following hypothesis:

*H0*: There is no substantial association between COVID-19 and small and medium enterprises (SMEs) revenue.

*H1*: There is a considerable association between COVID-19 and small and medium enterprises (SMEs) revenue.

## 1.6 Study Assumptions

For the purposes of this study, it is assumed that:

1.6.1 The researcher will obtain the required information for the objectives of this investigation.

1.6.2 The respondents will be aware about the subject of covid-19 measures and their effectiveness.

1.6.3 Respondents should reply to all questionnaires and return them.

1.6.4 The interviewees are prepared to give perspectives and experience.

## 1.7 Significance of the Study

Significance of the study was expressed as follows:

### 1.7.1 To Government and Stakeholders/ Interested parties.

The study is useful to the government and policy makers (Ministry of Health) and other players/stakeholder within the formal and informal sector as well as the society as a whole in comprehending the effectiveness of Covid-19 measures to small and medium enterprises (SMEs) revenue.

### 1.7.2 To the Investigator

The study focuses on the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe. This study will help the researcher to expand his knowledge base. The research will help with problem-solving thus the benefit accrues to the researcher.

### 1.7.3 Academic Expertise

In order to enhance the researchers' knowledge of the topic. The researcher will continue to be prepared with different research competences to help them in other academic and professional fields. As such, research journals, articles, e-books and conference papers can be produced by the researcher through this study. Future scholars will be inspired by the findings once more to go deeper into what remains undiscovered in terms of comprehending the study's results regarding the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe.

### 1.7.4 To Bindura State University

The study can help Bindura State University to serve as a repository for articles written with relevance to, effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe. And these articles may as well serve as a limelight for policymakers and other interested stakeholders. The Bindura State University will also profit from the research by pioneering additional students/researchers. The study will also help future researchers by providing these researchers with a background and serves as the basis for further research into the various variables. Future researchers will be driven again to explore further what can remain unexplored in terms of the understanding of the study's findings in relations to the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe.

## 1.8 Delimitations

Study limitations are the characteristics that define the study limits. These are the boundaries created to control the study before the inquiry is conducted. The study will only be limited to (Mashonaland Central). The limits employed in this study are the location, period, limits to theoretical/literature and study subjects. In this study the boundaries used include; geographical, timeframe (2018 to 2021), theoretical/literature limitation and study participants and they are explained below.

## 1.9 Limitations.

The study will only target management and other financial/fiscal stakeholders. The ongoing Covid-19 pandemic, therefore, as a result due to the societal rules for dispersing the pandemic and demographic restrictions, the study will limit itself to Mashonaland Central/Harare Zimbabwe.

## 1.10 Definitions of Terms

The key words utilized in the research are defined below:

1.10.1 Small and Medium Enterprise (SME) - An SME is defined as a registered business employing less than seventy-five (75) employees for the manufacturing sector and employing fifty (50) or fewer employees in all other sectors (Kushner, 2010).

1.10.2 COVID-19: A pneumonia differentiated from other coronavirus-caused infections, such as Extreme Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS), is a new airborne illness. The virus spreads easily, and at an exponential pace, outbreaks will develop. COVID-19-associated morbidity is also extremely high, (Zenker & Kock, 2020).

## 1.11 Chapter Summary

Chapter one- this chapter presented a background to the research problem shall be aligned in the following order: background of the study, problem descriptions, relevant research questions, research questions.

Chapter two handles the review of literature. A distinct theoretical approach on the research is provided by the chapter. Chapter three discusses the research strategy used in the collection of data and how they were taken. In fact, the chapter details the technique of study. This comprises the design of research instruments, samples, ethical issues, the study's validity and confidence, pilot studies and outcomes. This chapter summarizes the complete research procedure.

Chapter four, presents the results of the study.

Chapter Five summarizes findings, concludes the study and proffers policy recommendations.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.0 Introduction

This chapter examines the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe. The goal of the literature review is to contribute to a better knowledge of the nature and significance of the highlighted problem. As a result, a review of the literature was conducted in order to identify the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe, as well as to explain the conceptual and theoretical framework that would drive the study.

## 2.1 Theoretical Literature

Theoretical literature is reviewed so as to have an overview of what theory says in relation to small medium entities revenue in retail industry. This section explains various theories that can be used to measure the performance of small entities in terms of revenue.

### 2.1.1 Sales revenue maximization model

Prof. Boumol, an American economist, created this model in 1958. The sales revenue maximization model emphasizes that a company's primary goal is to maximize sales rather than profit. Every commercial firm, according to Baumol, tries to maximize its sales revenue rather than profit. As a result, he coined the terms "sales maximization theory" and "revenue maximization theory" to describe his hypothesis. According to Baumol, sales have become an end in and of themselves, and as a result, sales maximization has become the firm's ultimate goal. As a result, instead of focusing on profit, a company's management focuses on marketing and maximizing sales revenue. According to this view, after profits have reached an acceptable level, the goal of businesses should be to maximize sales revenue rather than profits. The viability of profit maximization as a firm's goal was seriously questioned by Baumol. He emphasized that in competitive marketplaces, businesses would choose to maximize revenue by increasing sales. According to him, market leadership in competition is determined by sales volumes rather than profit volumes. The theory went on to say that in huge corporations, management and ownership are different. As a result, there would always be a conflict between managers' and owners' objectives. Salary and other benefits for managers are largely determined by sales volume rather than profits. According to Baumol, managers generally associate their personal prestige with the company's revenue or sales, therefore they would want to maximize total revenue rather than profits. Furthermore, sales volumes are a stronger measure of a firm's market position, and increasing sales increase the firm's competitive spirit. Because the firm's operations are in the hands of managers, and managers' performance is measured in terms of meeting sales targets, it follows that management is more concerned with increasing sales while maintaining a profit margin. As a result, the goal is not to maximize profit, but to maximize sales revenue, with the added requirement that firms maintain a minimum level of profit to keep shareholders happy. The profit constraint is defined as the minimum level of profit. However, several critics were levelled against the sales revenue maximization model, the theory has not only ignored actual competition but also the threat of potential competition. This theory fails to imagine that if a firms could take the share of a firm of same or other industry its right on expanding sales is hampered by the reaction.

### 2.1.2 Neoclassical Theory of the Firm

The firm theory is a microeconomic concept stating that a firm exists and makes decisions in order to maximize profits. If a company's purpose is to maximize short-term profits, it may seek for ways to increase revenue while lowering costs. Companies that rely on fixed assets, such as machinery, will, however, need to make capital investments in order to be profitable in the long run. The firm theory has an impact on a number of decisions, including resource allocation, manufacturing processes, pricing modifications, and production volume. Long-run goals, such as sustainability, and short-run motivations, such as profit maximization, are sometimes distinguished in modern approaches to firm theory. Short-term profitability would surely suffer if capital was used to invest in assets, but it would assist the company's long-term viability the decision-making of company executives can be influenced by competition (not just profit). If the competition is fierce, the company will need to reinvent itself and adapt its offerings in order to not only maximize profits but also stay one step ahead of its competitors. As a result, long-term profits can only be maximized if a balance is struck between short-term profits and future investment. Profitability is one of the measures used to assess the performance of small entities.

According to (Howard & Upton, 1961), profitability is when a given investment is able to earn a return from its use. A small and medium enterprise is profitable when proceeds from the sale of produces exceeds expenses incurred in production. For the enterprise to be competitive and viable in the long run, it has to be efficient and profitable (Opoku-Mensah, 2016). Since all enterprises are assumed to be profit maximisers (Regan & Lipsey, 2009), they seek to make as much profit as possible. Profits are maximised when costs are minimised, so SMEs need to use cost minimising inputs in order to realise maximum profits.

### 2.1.3 Systems Theory

Von Bertalanffy established the systems theory in the 1930s to demonstrate the interrelationships and links between several disciplines (Witt & Redding, 2013). The system theory was created to work in a variety of situations. The system, according to (Von Bertalanffy, 1968), is an open complex of elements interacting within their contexts. The systems theory was further developed as the foundation for a unifying science and an integrated approach to understanding the phenomenon (Teece, 2018). The researcher treats systems as entire combinations of connected pieces in systems theory. According to Bibri (2018), systems theory has been modified to fit various organizational settings, with goals such as (a) formulating generalized systems theories, (b) establishing a method of describing the function and behaviour of systems objects, and elaborating generalized models of systems. (Dominici, 2017) emphasized systems thinking as a useful tool for detecting complicated and less distinguishable interactions caused by opposing inclinations in any situation where management is involved. System thinkers, according to (Rousseau, 2015), concentrate on the processes, linkages, and interconnections of the system's components. To base the conceptual framework of this study on the effects of Covid-19 on SMEs revenue in Zimbabwe, the systems theory was adopted.

Systems theory, according to (Mekios, 2016), is effective in understanding complicated situations with many possibilities. SMEs confront problems on a daily basis since they operate in an unpredictable commercial environment. During the Covid-19 pandemic, for example, most SMEs were on the verge of collapse since lockdown measures brought many SMEs systems, including as supply chains, marketing, and administration of business operations, to a halt.

### 2.1.4 The Resilience Theory

When it comes to corporate resilience, the phrase relates to our ability to manage crises while still achieving our objectives when a risk or a change arises (Kraus et al, 2020). Natural disasters, economic or market disruption, and even pandemic threats are among the risks and crisis events identified by (Ritter & Pedersen, 2020). In this instance, studying and implementing robust plans will be extremely beneficial to businesses. They will be able to deal with any negative situation that may arise. Resilience is defined as the ability to bounce back from traumatic situations, cope with adversity, and successfully manage challenges to achieve positive outcomes (Barasa et al, 2018). The study's author defines resilience as a SME's ability to bounce back from hardship and deal with the obstacles posed by Covid-19. The sanitation crisis and shutdown in recent years have underlined the necessity for businesses to be resilient. Because the current crisis may result in long-term damage and financial losses, the business community and all companies have adopted a more robust approach.

The resilience theory has also been used by previous researchers to show several aspects that influence SMEs' revenue. (Fatoki, 2018), for example, looked into the link between resilience dimensions and entrepreneur success. To assess resilience, the researchers utilized a multi-dimensional method. Resourcefulness, optimism, and hardiness were the aspects of resilience discovered by factor analysis. The findings suggest that the three elements of resilience are predictors of business success. The most significant component in forecasting an entrepreneur's success is resourcefulness. (Hannifar et al., 2019) looked into the relationship between SMEs' resilience and innovation. The findings show that idea management capability, strategic management capability, knowledge management and resilience all have a significant positive link with innovation. As a result, the theory was determined to be beneficial to the ongoing research.

### 2.1.5 Dynamic Capabilities Theory

In their 1997 study Dynamic Capabilities and Strategic Management, David Teece, Gary Pisano, and Amy Shuen described the term as "the firm's ability to integrate, build, and reconfigure internal and external competences to handle dynamically changing surroundings." The development of ways for senior management of successful organizations to adapt to dramatic discontinuous change while maintaining basic capacity standards to sustain competitive survival is the subject of dynamic capabilities theory. The firm's ability to integrate, build, and reconfigure internal and external resources/competences to meet and shape quickly changing business environments is referred to as dynamic capabilities (Hamidi, 2018).

In the post-COVID world, nimble and resilient new enterprises will be able to leverage their entrepreneurial mind set to capitalize on the worldwide turmoil produced by the epidemic (Vu, 2020). The necessity of a firm's dynamic capacities (DC) to integrate resources in spotting new possibilities is heightened in an environment marked by high volatility and uncertainty (Teece, 2018). Both the role of Dynamic Capabilities and the function of resilience are differentiators between small business and entrepreneur survival and failure, as well as the speed with which new ventures are able to learn, both affecting their long-term growth and survival (Vu, 2020).

Third, there is a body of knowledge on the function of knowledge creation and absorption capability in mitigating the harmful effects of disasters and crises. Dynamic capabilities (DC) are the antecedent organizational and strategic procedures by which managers adjust their resource base acquire and lose resources, integrate and recombine them to produce new value-creating strategies (Celia, 2020). Given path dependencies and market positioning, dynamic capabilities indicate an organization's ability to achieve new and inventive types of competitive advantage. Many companies around the world are finding that managing uncertainty is the new normal (i.e., climate change, COVID-19), emphasizing the importance of developing competitive advantage and improving dynamic capabilities, which are critical for small businesses and appear to be the only antidotes to uncertainty during the COVID-19 pandemic (Celia, 2020). (Kapoor et al., 2021) examined how small businesses cope with environmental changes due to the COVID-19 pandemic by pursuing business model transformation with changes in dynamic capabilities related to adaptation of digital technologies and digital skills in their study of how small businesses cope with environmental changes due to the COVID-19 pandemic. The DC theory could be useful in dealing with COVID-19 impacts' volatility, velocity, and criticality.

## 2.2 Empirical Evidence

### 2.2.1 The effects of the Covid-19 pandemic on SMEs revenue

According to (Magaisa & Matipira, 2017), SMEs in Zimbabwe employ between 80% and 90% of the country's workforce contribute and at least 60% of the country's GDP. Despite this, Zimbabwe boasts one of the world's largest informal economies, second only to Bolivia (Medina & Shneider, 2018). Small and medium-sized businesses make up the majority of the informal sector. COVID 19 has exacerbated an already dire situation in African countries, according to (Foya & Garikayi, 2021). These countries were already grappling with weak infrastructure, a lack of financial access, and chaotic value chains. According to the International Trade Centre (ITC) in its special research on COVID 19 and SME repercussions, one out of every five SMEs is at risk of going bankrupt and shutting down altogether after three months due to supply chain interruptions and lockouts (Shafi et al., 2020). Smaller businesses have weaker operating cash flows, poorer capacity utilization, and are more vulnerable to supply chain disruptions, according to the report. The survey also emphasized the impact on small African businesses, with 75% reporting decreased sales and 54% reporting decreased access to supplies. Export losses were also documented, as evidenced by the more than USD2,4 billion loss suffered by African exporters reliant on key markets in China, the United States, and the European Union in the early part of 2020.

More specifically, the UN Economic Commission for Africa stated in April that COVID 19 caused three major issues for small businesses: a lack of operating cash flows, prospective closures, and fewer possibilities to meet clients (Foya & Garikayi, 2021). COVID-19 has also been revealed to have disproportionately harmed women in the small company environment, with 64 percent of women worldwide reporting that their business has been adversely impacted (ITC, 2020). Following an early price decrease as demand fell following initial lock downs, prices have steadily risen, owing primarily to localized logistical SIVIO Institute constraints.

Food Price Index (FFPI) average prices climbed by 2% in August 2020 from July 2020, marking the third consecutive month of worldwide price increases, according to the Food and Agriculture Organization (FAO) (FAO, 2020a). This was also a 2.2 percent increase over the previous year's prices (2019). The pandemic has caused historic moments in the petroleum business, such as the largest price drop in 30 years on March 23rd, when Brent crude fell 24 percent from $34 per barrel to $25.70 per barrel, escalating tensions between Russia and Saudi Arabia, two of the world's largest oil producers. Uncoordinated lockdowns of various countries in vital industries such as health care, hospitality, education, and tourism have had an impact on supply chains around the world. With only a partial recovery of Covid-19 in 2021, global economic growth might be cut by 3 to 6%, according to estimates, making this the greatest recession since World War II (Weiss et al., 2020). The World Bank also predicts that the Sub-Saharan African region would decrease by 2.8 percent by the end of 2020. There are, however, several opportunities emerging, and small enterprises are nimbler than giant corporations.

Based on two waves of phone interviews with a previously surveyed large SME sample in China, a study by (Dai et al, 2020) assessed both the short-term and mid-term impact of COVID-19 restrictions on small and medium-sized firms (SMEs). The COVID-19 outbreak and subsequent lockdowns were proven to have a significant impact on SMEs. At the time of the first wave of interviews in February 2020, 80 percent of SMEs had temporarily closed due to logistical issues, labor difficulties, and a decline in demand. The impact of COVID-19 on local food value chains in Eastern and Southern Africa is investigated by Hambloch et al., 2020). They claim that regional governments' mitigation efforts are beginning to have considerable negative effects on local agricultural value chains, with serious implications for food security and livelihoods.

According to (Chagonda, 2020), the COVID-19 lockdown in Zimbabwe will be difficult for the informal economy because most dealers are subsistence traders who are already poor. (Stuart, 2020a) looked at how border closures would affect the vulnerability of host ICBT communities in the Mazabuka area of south-central Zambia, which also contains a piece of north-western Zimbabwe. These populations are vulnerable, living on a subsistence level and relying on cross-border trade for their survival. As a result, border closures and the accompanying lack of market access pose an existential threat (Stuart, 2020a). Women and youth, who make up the majority of the population working in ICBT, are projected to be disproportionately affected by the border closures. Still on Zimbabwe, (Zamchiya et al., 2020) suggest that national lockdown limitations on the movement of products, people, and services will have far-reaching effects on the farming sector and food supply chains, possibly exacerbating the country's food crisis.

(Mhlanga & Ndhlovu, 2020) looked into the possible socio-economic impacts of COVID-19 on smallholder livelihoods in Zimbabwe, extrapolating from prior viruses such as Ebola. COVID-19, according to (Mhlanga & Ndhlovu, 2020), will make it more difficult for not only vulnerable producers like smallholders to acquire enough food for survival and sufficient nutrition, but also many individuals and entire communities that rely on them for food production. COVID-19 food chain disruptions could impair production and trade flows. They claimed that this could lead to market instability and have ramifications for both food prices and agro-food-based incomes. Furthermore, effects could be increased on "human/cognitive growth as a result of protracted lean seasons and other caloric deficits, especially among people who are already food insecure," as a result of the pandemic.

In Nigeria, the economic downturn brought on by falling oil prices and a slew of challenges from the Coronavirus outbreak has resulted in a drop in demand for oil products as well as a halt in economic activity in all parts of the country following government agencies' implementation of COVID-19 protocols (Ozili, 2020). COVID-19 pandemic has hit SSIs hard in Nigeria, with over 33,616 people affected and 745 deaths, forcing them to grapple with social distancing, self-isolation, and movement restrictions due to factors such as high raw material costs, high interest rates, insufficient funds, and inaccessible collateral requirements, among others. Because of their size, low savings capacity, and significant dependency, SSIs in Nigeria are the hardest hit (Nnanna, 2020 & Nseobot et al., 2020).

Similarly, (Fornaro & Martin, 2020) discovered that the Coronavirus outbreak resulted in a long-term supply disruption, which could last well beyond the end of the pandemic. The study found that when the virus spreads, it may cause a demand-driven decline in operations, as well as a supply–demand doom cycle and stagnation traps. According to the report, bold policies to encourage investment in all aspects of the economy, including operations, can break the supply–demand doom cycle and revive global economies. On the other hand, (Hassan et al., 2020) discovered that the Coronavirus pandemic has caused most businesses to prioritize demand collapse, increased uncertainty, and supply chain disruption. The study also revealed that as a result of this circumstance, businesses have seen capacity cutbacks, closures, and reduced employee welfare. In contrast, the study concluded that financial concerns are a big issue for businesses; nevertheless, businesses that have dealt with SARS or H1N1 had more optimistic views about their ability to deal with the coronavirus pandemic. COVID-19 epidemic impairs both financial and non-financial performance of private enterprises in Nigeria, according to (Aifuwa et al., 2020). They suggested that the government include private businesses in its stimulus packages or palliative initiatives in order to keep private businesses open after the outbreak.

(Wangeci & Kaplelach, 2018) looked into Kenyan taxation and the growth of small and medium businesses. The study focused on the impact of taxes on the growth of the SMEs sector in Voi sub-County. A descriptive research design was used in this study. Structured questionnaires were used to collect primary data. The information gathered was quantitatively examined. Frequency distribution, tables, and bar graphs were among the statistical presentation methods used. The study discovered a strong link between taxation and the growth of small businesses. High income tax rates have a favorable effect on the growth of SMEs, according to the conclusions of the study. The lower the tax rates, the more SMEs expand. If tax rates are excessively high, enterprises' profit margins are too tiny to grow their scale and size of operation, as SMEs will hardly have enough funds to reinvest.

In Kenya's Ugenya Sub-county, Siaya County, (Okong & Otieno, 2018) evaluated the influence of income tax on small business financial performance. A descriptive survey strategy was utilized in the study, which included qualitative and quantitative techniques. Both qualitative and quantitative methods were used to collect data. The target population of Ugenya Sub County was 265. The investigation used stratified sampling procedures. A questionnaire was used to collect data for the study. The data was analyzed using descriptive statistics, correlations, and linear regressions. Correlation and regression analysis were used to evaluate the relationship between taxation and financial performance.

### 2.2.3 To identify the effectiveness of the measures of COVID-19 within the retail industry

The recent mitigation measures targeted at delaying the new coronavirus (COVID-19) pandemic have had a direct impact on the retail sector's supply, demand, and day-to-day operations (Sadhegi, 2018). All resale activities of new and used items (except motor cars and motorcycles) to the general public for personal or household consumption or use are included in the retail sector.

Due to a variety of circumstances, commerce has a significant overall impact. The retail industry is a major economic force: it employs almost 1 in every 12 people in OECD economies, and it accounts for nearly 5% of GDP (Hassan et al, 2020). Furthermore, because it primarily serves end demand, it plays an essential role in value chains as a household provider as well as an outlet for upstream industries. It also frequently supports activity in other hard-hit industries, such as tourism. Furthermore, because the retail industry employs a large number of people, any interruptions have a disproportionately negative impact on employment. The sector also relies on low-wage and part-time workers, as well as on-call and gig workers who are not covered by standard social protection mechanisms, exacerbating the sector's social implications.

The impact of the COVID-19 crisis on the retail sector, on the other hand, is heterogeneous and depends on the combined influence of three variables. First, whether social distancing measures are judged necessary has an impact on specific retail businesses. On the one hand, most non-essential retail activities have been shut down; on the other hand, critical retail firms often function in severe conditions, such as labour shortages, major supply chain and working conditions disruptions, and occasionally large surges in demand for certain commodities. In the United States, for example, while clothes retailer sales fell by 89.3 percent year over year in April 2020, grocery store sales grew by 13.2 percent, according to the Census Bureau. While non-food product sales in the EU fell by 23.8 percent year on year in April 2020, sales of food, beverages, and tobacco increased by 1.2 percent, according to Eurostat (Pandey and Pal, 2020). In most OECD economies, data on Internet searches corroborate differential trends for essential and non-essential retail items, particularly in countries most affected by the pandemic (Guan et al, 2020). Second, lockdowns and social distancing tactics have a greater impact on brick-and-mortar merchants than on online retailers, potentially hastening the ongoing move from brick-and-mortar to online retailing (Beckers et al., 2021). In France, for example, Nielsen states that over the confined period, e-market commerce's share climbed fast to about 10% of total consumer goods sales, up from less than 6% in 2019. (Willems et al, 2021). According to the Office for National Statistics in the United Kingdom, the proportion of retail expenditures spent online climbed from 19.1% in April 2019 to 30.7 percent in April 2020, a new high (Lea, 2020).

Zimbabwe has a long history of repressing informal traders (Resnick, 2020). There have been rumours of a nationwide crackdown on vendors, with police storming vegetable markets and destroying produce, particularly in poorer metropolitan areas (Ndebele & Matimaire, 2020). Without reserves, many small-scale and informal traders face perilous financial situations and are unable to subsist without some type of regular trading (Quartz Africa, 2020). There's also a cyclical impact at work, as many low-income households can't afford to stock up on food, boosting demand for small-scale dealers.

The Sakubva vegetable market in Mutare was raided on 3 April 2020, prompting over 300 vegetable traders to escape and leave behind their produce, which was then burned by police (Ndebele & Matimaire, 2020). Despite the fact that agriculture was designated as an essential service during the shutdown, this happened. The sellers have yet to get remuneration for their losses. In a news item for Chat263, the Zimbabwe Chamber of Informal Economy Associations (ZCIEA) (an informal traders' organization) expressed dismay about the recent destruction. Local officials are said to have taken advantage of the current COVID-19 shutdown to dismantle illegal buildings (Ntali, 2020). According to reports, the lockdown measures have been strictly enforced, inflicting further hardships, particularly in poorer metropolitan areas where informal traders have been targeted (Scoones, 2020b). Farmers have also been hurt by movement restrictions and market collapse.

Furthermore, according to (Thukral, 2020), tight travel restrictions are prohibiting people in (peri-)urban neighbourhoods from commuting to the city on a daily basis; this might result in a complete loss of revenue for casual labour, sellers, minibus drivers, and others who rely on daily salaries. This is especially important in Zimbabwe, where the informal sector is heavily reliant and people are already food insecure (an estimated 7.7 million people will face food shortages by 2020). (WFP, 2020). As a result, people are driven to defy the lockdown in order to get food from local markets. More importantly, the lockdown's rippling effects could be felt on many people's nutrition and financial prospects (Resnick, 2020).

### 2.2.4 To establish mitigatory strategies that provide room for the continuous business operations by SMEs during the indefinite Covid-19 crisis.

When COVID-19 began to spread, governments learnt an important lesson: the necessity of promoting business resilience in good times, as it can strengthen enterprises' ability to weather crises, lower the chance of bankruptcy, and improve the economy's status. Thousands of tiny enterprises make up today's economies. They are the lynchpins that hold modern-day capitalism together as employers and value generators. According to systems theory, a system's ability to persist under strain is primarily determined by the strength of its constituent elements (Dominci, 2017). Making firms more shock-resistant while also increasing their internal and external links would help the economy as a whole weather the next storm. More efforts will be made to improve the resilience of SMEs in the new normal.

(Thukral, 2021) went on to say that conserving profits can help offer a buffer during difficult times. It also produces funds for investments in the technologies and skills needed to innovate and adapt to change. Small firms can strengthen their ability to cope by connecting with industry associations, business support organizations, and other actors in their business ecosystem. Building collaborative platforms for communicating, obtaining information, and addressing problems among local industry actors contributes to the creation of an ecosystem and social forum in which members can organize crisis responses and aid one another (Shaferi & Piniih, 2020). More importantly, public policy can play a role in promoting small business resilience, for example, by financing risk-mitigation technologies and supporting economic and trade diversity (Pu et al, 2021).

According to early indications, the current health crisis will be followed by further disruptive change, such as new technology, trade tensions, climate change, and societal transformation (Teece, 2018). Small firms will benefit from strategies that improve resilience, which is why some companies go even beyond and create extremely dynamic, innovative, and flexible business cultures (Huang et al, 2021). These companies have chosen to change their business structures in order to take advantage of the lockdown's prospects. Food manufacturers who normally sell to restaurants, for example, are experimenting with direct home delivery to consumers, despite the fact that there are requirements to consider. While certain product markets are drying up, others are opening up, prompting agile enterprises to respond. Designer face masks and comfort food are two instances of rising demand. The garment sector in various nations is restructuring its operations to make medical masks, overcoats, caps, and waterproof sterilizing suits.

Before the pandemic, digital technologies were dominating, and during the lockdowns, entire sectors of the economy migrated to digital platforms. In many countries in the first half of 2020, teleworking, remote learning, teleconferencing, online health services, e-commerce, and digital payments kept the world spinning. Many firms took advantage of the lockout to upgrade their digital skills because to the fast growth of online opportunities (Pandey & Pal, 2020). For example, a small Ghanaian cosmetics company says that while in-person sales accounted for 95 percent of sales prior to the pandemic, internet sales soared during the shutdown, allowing the company to stay alive (Korankye, 2020).

(Aidoo, 2021) predicted that, in the future months and years, digital capabilities will no longer be optional, as the COVID-19 lockdown has prompted firms to employ big data analytics and artificial intelligence more in post-pandemic decision-making. According to (Thukral, 2020), these technologies can assist organizations manage with the types of phenomena they faced during the lockout, such as quickly fluctuating consumer demand and confidence, operational disruptions, uncertainty, and labor redundancies. Nonetheless, the digitization of a number of basic company functions poses a number of concerns, particularly among small enterprises. For example, while the change to digital technologies boosted data volume significantly in the first half of 2020, it did not coincide with an increase in the number of data centers or their geographic distribution. SMEs operating in countries without local data centers may experience a lack of availability and exorbitant pricing (Vu, 2020).

In addition, many SMEs and informal businesses in developing countries lack reliable internet access, e-payment capabilities (both within firms and across business ecosystems), information and communications technology access, including affordable servers and cloud computing facilities, and the necessary skills (Lukonga, 2020). According to (Yousseff, 2021), they fear losing out to large corporations who have more capital to invest in technology. As a result, it is becoming increasingly important to provide help to developing and transitioning economies to improve the quality and stability of local internet connections, as well as to increase internet penetration rates and computer literacy.

Moreoverr aauthors such as (Untaru & Han, 2021) developed a conceptual framework to explain the impact of protective measures taken by retailers against the COVID-19 virus on customers' attitudes toward them, as well as their safety during the shopping experience, satisfaction with these measures, and behavioral intentions. The data analysis technique employed was structural equation modeling and metric invariance test.

## 2.3 Gap analysis

Several conclusions can be drawn from the literature herein. From the literature herein, several studies had been carried out by several various researchers to shed light on what affects profitability. However, it was of concern that little has been done to ascertain the impact of COVID-19 on the revenue of SMEs, which is part of the objectives of the study - a knowledge gap that the study objectively attempted to fill.

## 2.4 Chapter Summary

This chapter presented the various literature found on the topic mentioned and the theories that go in line with the topic. The following chapter serves to inform of the research methodology, outlining and discussing how the research is going to be tackled.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.0 Introduction

This section gives details on the methods used in data collection, instruments of data collection as well as sampling procedures to be used. Research methodology is a way of systematically solving the research question. According to (Saunders et al., 2011) methodology is usually a guideline system for solving a problem with specific components such as phases, tasks, methods and tools. Research methodology also gives insight into why a particular method is used for research instead of other methods or techniques. The research methodology shall cover the research design, target population, sample and sampling procedures, research instruments, ethical considerations, reliability and validity issues, data collection procedure and data presentation and analysis.

## 3.1 Research Paradigm

A paradigm is a collection of ideas or thought patterns that comprises theories, research methods, postulates, and standards for what constitutes valid contributions to a subject (Friedman, 2003). According to Yilmaz, (2013) what one sees is dependent on what one looks at, or one's visual/conceptual experiences and how they influence the way one thinks or analyzes events, people, or things. The following is a list of acceptable social research paradigms. According to (Sinkovis, 2018), positivism implies that reality is objective. According to (Rochira et al., 2020), realism is a worldview that holds that information exists outside of the human mind, or that knowledge exists "out there." The interpretivist paradigm, on the other hand, maintains that knowledge is subjective and exceedingly complex (Kankam, 2019). Finally, constructivism claims that people's lived experiences are used to create knowledge in a social context (Yilmaz, 2013).

In research, however, positivism or interpretivism are the most widely used paradigms. The researcher used a pragmatic research paradigm because the goal of the study was to analyze the influence of COVID-19 on Small and medium enterprises revenue in the retail industry. Because this paradigm argues that there are numerous ways to get information, both positivism and interpretivism methodologies can be applied in research (Pham, 2018). As a result, quantitative and qualitative data collecting and analysis approaches were employed to gain information on the research phenomena in this study.

## 3.2 Research Design

According to (Dannels, 2018), a research design is a road map that guides a research effort toward its objectives. According to (Rahi, 2017), a research design is a plan that begins with the formulation of specified and unambiguous research objectives, organized data gathering methods, and a clear selection of the population and samples to be analyzed. They also emphasized that identifying methodologies and processes for acquiring the essential data should be part of the study plan. As a result, the research design serves as a strategy for completing the full research project and lays out the researcher's strategy. Regression analysis research design was adopted because the goal of this study was to assess the influence of Covid-19 pandemic on SMEs revenue in the retail industry. A regression research design is a reliable method of identifying which variables have impact on a topic of interest. In this study, it was suitable as it allowed the researcher to establish the link between COVID-19 and SMEs revenue in the retail industry.

## 3.3 Study Population

The term "population" refers to the entire number of elements, topics, or a group of people that can be studied from which samples are taken (Braun & Clarke, 2021). The study was conducted in Bindura Mashonaland central targeting six small enterprises. Due to rising macro-economic challenges, many people are venturing small business in order to make ends meet. (United Nations, 2017) argued that up to 70% of people living in Urban live in absolute poverty. This study focused on Bindura town because of convenience to the researcher and also because many households venturing into small business.

## 3.4 Sampling Framework

Purposive sampling was employed to pick the respondents, with the researcher relying on personal contacts working in SMEs. It's also the sampling strategy for "approaching persons that the researcher believes have important information or experience in the field of inquiry" (Suri, 2011). The sampling strategy improved the rate of compliance to be questioned while also making it easier to discover respondents. The sampling units were small scale intensive retailers. Sample determination was done following the recommendations of (Arsham, 2007) for surveys.

n = 0.25/SE2  *Where:n = size of sampleSE = standard error*

With the assumption of 5% SE, 50 individuals in small scale retail industry were sampled.

## 3.5 Data Gathering Instruments

According to (Rea & Parker, 2014), the research tools merely provide data for the investigator’s endeavor. In this study, the researcher aimed at collecting information via questionnaires and interviews as research tools.

### 3.5.1 Key Informant Interviews

The KII was carried out in order to gather important data. Individual SMEs in Bindura, were interviewed to provide specialist knowledge about SMEs. (Punch, 2008) claims that interviews were advantageous for this study because they allowed the researchers to create rapport with potential participants and so acquire their participation. In survey research, they produce the highest response rates and allow the researcher to clarify unclear answers and, when necessary, obtain additional information. Gestures and facial expressions were also observed and interpreted by the researcher. In this study, interviews were crucial; certain unclear questions about spot were clarified.

### 3.5.2 Questionnaires

According to (Silverman, 2010), questionnaires are a popular data collection method and are used by many scientists, including private companies, government agencies and organizations. A questionnaire is defined as a form or series of forms containing ordered printed questions. Questions also ended in the form of both open and closed questions. (Silverman, 2010) reports that questionnaires are a popular method of collecting data and are utilized by many scientists, including private enterprises, government institutions and organizations. A form or group of forms comprising specified printed questions is defined as a questionnaire. The questions also finished in open and closed questions.

The standardized survey, which includes a survey directed by the questionnaire, included the following factors, namely the social and demographic profile. Questionnaires can reach many people fast, save money on travel and other expenses and can also easily reach a big number of people, save money economically from traffic and other expenditures and produce measurable data (Coakes, 2013). Hence due to the convenience of using questionnaires, the researcher chose the instrument.

## 3.6 Ethical Considerations

The following are the ethical considerations the researcher will follow.

### 3.6.1 Informed consent

The researcher shall ensure that subjects have informed permission. (Flick, 2014), speaks about informed consent to engage in a research study after being informed honestly of its methods, risk and advantages. In order to ensure that the researchers are informed of the goal of the study and the dangers facing them in participation. Participants also have the right to decide whether they choose to participate in the study at any moment.

### 3.6.2 Non-Maleficence

According to (Saunders et al., 2011), non-maleficence is the principle that actions, or practices are right insofar as they avoid producing bad consequences. In any research participants shall be protected from physical, social, emotional and spiritual harm or from potential harm of any nature”. The research shall avoid at all costs to ask private and sensitive questions to participants.

### 3.6.3 Confidentiality

The protection of personal information is defined by (Rea & Parker, 2014). They said that confidence meant keeping customer data between you and the customer and not telling others, such as colleagues, friends, family etc. In this study, all participants' confidentiality is considered by ensuring that they stay anonymous. In order to protect their information.

### 3.6.4 Permission

According to (Flick, 2014), the authorization is "an activity of permitting a particular act, consent or authorization of a person formally." The researcher will seek permission to collect data by the targeted firms in possession of a letters of consent for the gathering of field data certifying that the student is studying at Bindura University.

### 3.6.5 Truthfulness

Truthfulness is the extent to which the data, the interpretation and the procedures employed to ensure the quality of the study are confident. For studying to be deemed worthy of attention by readers, the researchers need to identify a number of methods. Credibility, transferability, conformity and reliability are fundamental characteristics of truthfulness, (Sallee & Flood, 2012).

## 3.7 Validity and Reliability

Validity is checking whether the estimation techniques are exact and whether they are really estimating what they plan to quantify (Lee, 2014). First efforts were made to make sure that the questionnaire is valid with clear close ended questions by comparing to other similar questionnaires used by other researchers before. The second check on validity were done to a sample of 5 to test the completeness of the measuring instrument. This helped to check whether respondents could easily understand the questionnaire and can respond effectively. Reliability on the other hand, alludes to how much the outcomes are predictable after some time and an exact portrayal of the complete population examined, and if the consequences of the examination can be duplicated by comparative techniques, the exploration device is viewed as solid (Leung, 2015). Accordingly, unwavering quality focuses to the consistency and steadiness of the instrument. To guarantee the reliability of the information, the researcher conducted the supervisor constantly to check and verify if the research design, sample size, data collection as well as data analysis procedures were suitable for the study underway.

## 3.8 Data Collection Procedure

In data collection, the researcher shall follow the following procedures: Firstly, the researcher shall obtain a testimonial letter from Bindura University which confirms that student is a bona fide student at Bindura University. After that, the writer shall seek permission from the targeted firms as a green light for data collection. Furthermore, after permission has been granted the writer is going to distribute questionnaires to the respondents and conduct interviews. Interviews and questionnaires shall be conducted in a space of a week or a fortnight. While the questionnaire respondents will be filling in questionnaires, the researcher will be conducting interviews with the key informants of the study. After interviews have been completed, the researcher will then collect the questionnaires from the respondents, to proceed with data analysis.

## 3.9 Data Presentation and Analysis Procedures

### 3.9.1 Quantitative Procedure

The quantitative data was coded into Statistical Package for Social Sciences (SPSS) for graphs and descriptive statistics. Study findings will be provided in the form of maps, graphs, tables, figures and texts to encourage discussion and analysis of findings. The empirical model specification will be specified as follows:

……………… (1)

Whereby:

Rev= revenue

β0= constant

COVID-19 = COVID-19

DGender= Owner’s Gender which is a dummy variable were 1=male and zero otherwise (female)

Age = Owner’s Age

Edu = Owner’s educational level

µ= error term

## 3.10 Justification of Variables

**Dependent Variable**

**Revenue (Y)**

Revenue is defined as amount of money a company receives in exchange for its goods and services or conversely, what a customer pays a company for its goods or services. According to the revenue recognition principle in accounting, revenue is recorded when the benefits and risks of ownership have transferred from seller to buyer, or when the delivery of services has been completed. In this study sales were used as a proxy for revenue.

**Independent Variables**

**Covid-19 (COVID-19)**

Covid-19 was declared a global pandemic by the world Health Organization (WHO, 2019). The frantic effort to curtail the human-to-human transmission of COVID-19 led to a lockdown of communities and business closures (AKpan et al., 2020). Small enterprises were affected heavily due to complete shutdowns of global economy as such these small entities particularly those in Bindura could not afford to implement technologies due to financial incapacitation. Thus a negative relationship between retail revenue and covid-19 is expected.

**Age of Owner (AGE)**

Varying results on effects of age o SMEs were observed. Young people may not be able to perform as expected in business unless they are well trained. Business owners who are old mostly excel due to experience and they learn from their past mistakes. However, (Amran, 2011) in Malaysia found out that age has a negative impact on firm performance. She observed that, matured owners are found to be underperformed, while the young owners are more aggressive in enhancing the value of the firm.

**Dummy Gender of the owner (DGender)**

The relationship between gender and business performance is complex. It is believed that Small entities under female leadership performs very well than those being led by their male counterparts. (Richardson et al., 2004) observed that in sub-Saharan Africa, female entrepreneurs are more likely to rely on internal and informal financing than are male entrepreneurs.

**Formal education of owner**

Education level is a basic requirement of business and the higher the level the better results are expected in business. Depending on the business complexity or market dynamics one is not able to handle some pressures with lower levels of education. The higher the level of education obtained the greater the results or profits are expected. With education one is expected to be more organized with better appreciation of business concepts. Thus, the expected relationship between SME revenue and education level is positive. (Chiliya & Lombard, 2010) observed a positive relationship between education level and firm performance

## 3.11 Diagnostic test

**Stationarity test**

Augmented Dicker Fuller (ADF) was used to test for stationarity. Use of non-stationary data in regression will result in spurious results being obtained hence producing unreliable estimates for interpretation leading to wrong policy recommendations. Therefore, non-stationary data were differenced until they were stationary.

**Multicollinearity**

Multicollinearity refers to the presence of a perfect linear relationship among the independent variables in a regression model (Gujarati, 2004). A pairwise correlation matrix was employed in a bid to ensure that there is no serious problem of Multicollinearity. A pairwise matrix coefficient of 0.8 or greater indicate a serious problem of multicollinearity as such the study dropped one of the explanatory variables.

**Heteroskedasticity**

(Gujarati, 2004) pointed out that Heteroskedasticity is a scenario whereby the variance of the error term is constant over time. As such, the presence of heteroskedasticity entails that OLS estimator are no longer BLUE. In addition, standard errors will be inflated hence providing wrong confidence intervals and significance results. Therefore, Breusch-Pagan-Godfrey test was used to test for the presence of homoscedasticity.

## 3.12 Qualitative procedure

Gathered data from questionnaires and interviews shall be processed, analyzed and executed using tables and graphs as statistical models. The data to be collected will be qualitative in nature implying that primary data will be utilized. The data is going to be reduced into intelligible form so that comparison of research questions and the collected questions and collected data could be done. This means that data to be collected is going to be reduced to manageable summaries and presented in the tables and graphs.

## 3.13 Chapter Summary

The chapter presented the research design, target population, sample size, and sampling procedures data collection procedures, permission to research and the data analysis plan. The next chapter focuses on data presentation and discussion.

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# CHAPTER FOUR

# DATA PRESENTATION AND ANALYSIS

## 4.0 Introduction

The interpretation and introduction of the study outcomes taken from the region are explored in this chapter. In addition, this chapter provides background information and consequences for each responded based on the research topic. The findings of the research are explained by means of descriptive statistics, which are in the form of charts, tables and graphs.

## 4.1 Rate of response

The response rate refers to the percentage of survey participants that replied to the survey (Baruch, 1999) cited in (Mugenda & Mugenda, 2012). From the study, 50 respondents were the target sample. Furthermore, only 40 of the 50 respondents who obtained the questionnaire completed and returned it, resulting in a response rate of 80 percent. It is regarded suitable to reach conclusions; according to (Babbie, 2010), the study requires a response rate of more than 70 percent. (Mugenda & Mugenda, 2012) concurred, noting that a response rate of 50 percent or greater is usual when conducting a survey. Consequently, an 80 percent response rate is adequate to conclude the analysis.

## 4.2 Demographics of the respondents

|  |  |  |
| --- | --- | --- |
| Variable | Category | Mark (%) |
| Gender | Male | 52.5% |
| Female | 47.5% |
| Age (Years) | 25-30 | 25% |
| 31-40 | 50% |
| 41-50 | 25% |
| 50+ | - |
| Occupational Sector | Food | 27.5% |
| Distribution | 50% |
| Timber | 22.5% |
| Education level | ZJC | 40% |
| O level | 40% |
| A level | 15% |
| Diploma | 5% |
| Number of years the business has been in operation | 1-5 | 65% |
| 6-10 | 35% |
| 11-15 | - |
| 16-20 | - |

Presentation of Demographic characteristics of the respondents are performed in such a section. The demographic characteristics of the respondents will be in accordance with to their gender, age, occupational sector, education level and the number of years has been in operation.

### 4.2.1 Gender

Respondents were inquired of their gender, and from the questionnaire, (52.5%) of the respondents were males. This was followed by (47.5%) being females among the respondents. This shows that from the industries targeted most of the individuals were males in the SMEs industry.

### 4.2.2 Age

Respondents were inquired of their age in the questionnaire. It was noticed that half of the respondents targeted (50%) were between the ages of 31-40. This was followed by (25%) of the respondents who were between the age of 25-30. In addition, the other (25%) of the respondents were between the ages of 41-50.

### 4.2.3 Occupational Sector

The respondents were inquired of the sector they belonged to. It was noticed that most of the respondents (50%) were in the distribution industry. This was followed by (27.5%) were in the food industry. Also, in the timber industry (50%) of the respondents belonged in the timber industry

### 4.2.4 Education level

The respondents were inquired of their education level. (40%) of the respondents, had ZJC and others O level. This was followed by (15%) of the respondents had A level. In addition, a proportion of the respondents (5%) had a diploma.

### 4.2.5 Number of years the business has been in operation

The respondents were inquired about how long their business had been running and it was noted that a majority (65%) of the SMEs selected had a business that had been running between 1 to 5 years. This was followed by (35%) of the respondents who had a business running for between 9-10 years.

# 4.3 Main Findings

The main purpose of this study was to investigate the effects of COVID-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe. Statistics are based on scales used in the questionnaire. The findings have been presented according to the following objectives:

### 4.3.1 To identify the effects of the Covid-19 pandemic on SMEs revenue.

**Table 4.1 Effects of Covid-19 (Furniture industry (Bindura)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Statement | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
| Increase in revenue | 20.5% | 17.5% | 0% | 27% | 35% |
| Unchanged | 37.5% | 55% | 5% | 2.5% | 0% |
| Slightly decreased | 17.5% | 22.5% | 22.5% | 30% | 7.5% |
| Decreased | 2.5% | 37.5% | - | 22.5% | 37.5% |

With regards to the identification of the effect of COVID-19 on SMEs revenue, 38% of the respondents disagree that the disease resulted in the increase of revenue whistle 63.5% agreed with the notion that the pandemic resulted in the increase of revenue. Even though 2.5% of the carpenters agreed that the pandemic had no effect on the revenue in the furniture industry, 92.5% of the respondents disagreed that there was no change in revenue as a result of the pandemic and 5% remained neutral.

In addition, 40% of the participants in the furniture industry disagreed that that COVID-19 decrease their total revenue. 60 % agreed that revenue decreased as result of the pandemic. During the onset of the pandemic the customers reduced their disposable income and there was a shift from demanding luxury goods to meeting basic needs. One of the interviewees said:

*" Our customers reduced as a result of the pandemic as their incomes reduced, thereby substitute buying of furniture with buying of food. For instance, before the lock down we were selling 8 to 10 wardrobes per day but after COVID-19 the sales reduced to 3 or 4 wardrobes per day "*

**Distribution industry**

**Table 4.2 Effects of Covid-19 (Veterinary and Kaylite)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Statement | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
| Increase in revenue | 35% | 40% | 10% | - | 15% |
| Unchanged | 70% | 10% | 15% | 5% | - |
| Slightly decreased | 30% | - | - | 10% | 60% |
| Decreased | - | 15% | -% | 30% | 55% |

Table above shows that 35% and 40% of the respondents strongly disagree and agree respectively that COVID-19 resulted in an increase in revenue. In contrary only 15% of the respondents agreed that the pandemic has increased revenue and 10 % of the participants were neutral. Interviewees stated that COVID-19 has forced them to reduce their operating hours thereby reducing their total sales which negatively affect revenue hence no increase in revenue. In addition, 80% of the respondents in the distribution industry disagreed with the statement that the pandemic caused changes in revenue, 15% remained neutral and only 5% of the total respondents agreed that the pandemic did not bring any changes. Most of the respondents acknowledge that measures implemented to maintain spread of the pandemic such as curfew, banning of intercity movements had changed their revenue collection. In this regard one of the respondents had the following to say:

"*After the onset of COVID-19 in our country, the measures that was introduced by the government to ban intercity travel has blocked us do delivery our service to the targeted clients"*

The majority of the respondents 85%, agreed that the disease has decreased the revenue of SMEs in the distribution sector whilst 15% of the total response refuted the assertion.

**Food industry**

**Table 4.3 Effects of Covid-19 (Chilli Bites and Kelly’s Chicken)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Statement | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
| Increase in revenue | 50% | 5% | 2.5% | 7.5% | 25% |
| Unchanged | 30% | 40% | - | 20% | 10% |
| Slightly decreased | 25% | - | 15% | 30% | 40% |
| Decreased | - | - | 27.5% | 52.5% | 20% |

When asked on the effect of COVID-19 on revenue, 55% of the retailers disagreed that revenue increased as a result of the disease. In contrary only 32.5 % of the respondents agreed that the pandemic has increased revenue and 2.5 % of the participants were neutral. Even though 30% of the retailers agreed that the pandemic had no effect on the revenue in the food industry, 70% of the respondents disagreed that there was no change in revenue as a result of the pandemic. Additionally, 25% of the respondents strongly disagreed with the statement that the pandemic resulted in a slightly decrease in the revenue of SMEs in the retailing sector, 15% of the respondents decided to remain neutral with the rest of the participants (70%) there was a small decrease in revenue.

Even though, 27.5% of the participants remained neutral, 72.5% of the total participants in the food industry agreed that their revenues decreased as a result of the pandemic. In trying to contain the COVID-19 pandemic the government closed all border posts, which resulted in limited importations of basic commodities, closure of borders limited the stock of retailers there by reducing their total sales. The respondents have this to say

Respondent 1 *“After the onset of the pandemic, my goods which I ordered from South Africa delayed by a month this reduced my targeted sales by 20%”*

Respondent 2 “*In lockdown level one government restrict that all retailing shops closed except for large shops such as OK Zimbabwe, SPAR and Pick n pay, this reduced our annual sales as we closed our shops for a certain period”*

In conclusion, from the finding it ca be noted that the pandemic indeed reduced the annual revenues of the SMEs, therefore we can conclude that there is a negative relationship between COVID-19 and revenue of Small and medium-sized enterprises. This is in tally with the findings of (Rai et al, 2020) who concluded that pandemic was found to have a heavy toll on SMEs.

Looking at these findings from the three SMEs there is a coherence with findings by (Dai et al., 2020) who argued that Covid-19 had both positive and negative effects on revenue. In this study for instance 338% of the respondents argued that Covid-19 had not positively affected revenue the remaining 62% were praising the occurrence of the pandemic as it was significantly increasing the revenue base for the SMEs. More so in another study, also corroborated by (Chagonda, 2020) who shared similar sentiments by arguing that COVID-19 lockdown in Zimbabwe made it difficult for the informal economy because most dealers were subsistence traders who were already poor. In Zambia another study by (Stuart, 2020a) revealed that border closures and the accompanying lack of market access posed an existential threat to the already struggling SMEs. Across the region, (Ozili, 2020) also found out that the Covid-19 has negative impacts on the all sectors of the industry including the SME sector which comprised the major composition of Nigeria’s economy. Similarly, (Fornaro & Martin, 2020) discovered that the Coronavirus outbreak resulted in a long-term supply disruption, which could last well beyond the end of the pandemic. Hence while the pandemic had negative effects on SMEs’ revenue, a certain percentage of the respondents in this study had opposing opinions as the pandemic had resulted in a boost in their revenue.

### 4.3.3 To examine the effectiveness of COVID-19 restrictions/measures within the retail SMEs industry

**Table 4.4 Statistics showing the effectiveness of COVID-19 measures within the retail industry**

|  |  |  |
| --- | --- | --- |
| ***Statement*** | ***Ineffective*** | ***Effective*** |
| Lockdown rules | 42.5% | 57.5% |
| Social distancing | 12.5% | 87.5% |
| Intercity travel bans | 97.5% | 2.5% |
| Quarantining | 35% | 65% |

All the respondents from the three different SMEs were inquired about the effectiveness of COVID-19 restrictions/measures within their sector. Different measures were included in the questionnaire, in terms of lockdown rules, (57.5%) of the respondents were agreeing that the measure is effective in mitigating the spread of COVID-19 pandemic. This was followed by (42.5%) of the respondents who did not agree to the statement that lockdown rules are effective. From the interview guide, one of the respondents from Chilli Bites replied saying:

*“I think that lockdown measures are good in trying to mitigate the spread of the pandemic, even though our businesses face a high level of uncertainty in terms of whether it will shut down or the sales significantly going down because of lockdown”*

Respondents were inquired of social distancing as a measure to mitigate the spread of COVID-19 and (87.5%) of the respondents from different SMEs indicated that it was an effective measure. However, (12.5%) of the respondents indicated that it was not an effective measure. In relation to intercity travel bans, (97.5%) of the respondents indicate that it was an effective measure to mitigate the spread of COVID-19. However, (2.5%) of the respondents indicated that it was an effective measure. From the interview, guide one of the respondents from the Veterinary replied saying:

*“Intercity travel ban are effective since people no longer move from one city to another however people can still make means of travelling if they want to, so it is not effective in a way because the pandemic can still be spread even without intercity travel bans”*

Respondents were asked if quarantining is effective in trying to mitigate the spread of COVID-19. Majority of the respondents, (65%) indicated that it is an effective measure. A proportion of the respondents (35%) who indicated that it was not effective followed this.

Similar to findings by other scholars there is cohesion in the fact that the lockdown measures had dire consequences on the operations of small scale businesses. Hence in this study as represented by statistics in the Table above, lockdown measures as per responses mainly deterred the operations of most SMEs. For instance, a study by (Hassan et al., 2020) discovered that the Coronavirus pandemic has caused most businesses to prioritize demand collapse, increased uncertainty, and supply chain disruption. In Zimbabwe the closure of borders and intercity travel bans together with shutdowns of market places affected normal business operations of SMEs unlike for larger and corporate firm which mainly cringed on technology to these minimal disruptions in supply chain processes. More so (Aifuwa et al., 2020) revealed that in Nigeria lockdown measures disabled both financial and non-financial performance of private enterprises. In another study (Zamchiya et al., 2020) revealed that national lockdown limitations on the movement of products, people, and services had far-reaching effects on the farming sector and food supply chains, possibly exacerbating the country's food crisis. (Shaffi et al., 2020) also claimed one out of every five SMEs was at risk of going bankrupt and shutting down altogether after three months due to supply chain interruptions and lockouts.

## 4.3.4 To establish mitigatory strategies that provide room for the continuous business operations by SMEs during the indefinite COVID-19 crisis

The employer and employees in the small and medium enterprises suggested mitigation measures that can be employed by SMEs to provide room for the continuation of business during the COVID-19 crisis. The measures suggested include provision of funds from government set aside for SMES, maintaining healthy relationship with contracted parties; create Business Website, boosting Social media engagement**.**

Provision of fund from the government is a strategy that can be implemented to continue operation of business in the small and medium enterprises. Since the onset of the pandemic many of the respondents indicated that their capital was redirected for other purposes hence they lack capital to continue their business, in a way of continuation government can fund long term loan to the SMEs. This will boost the capital of the SMEs therefore increase the rate of continuation of their business. In line with this strategy, one of the respondents said;

“*We are appealing to the government of Zimbabwe to help us with loans so that we continue with our business, as we are facing stiff challenge of capital.”*

In addition to the provision of funds from the government, the respondents suggested that creation of website by business operators of SMEs will help them to have access to clients regardless of lockdown thereby reducing the effect of the pandemic on their sales. Boosting Social media engagement is also strategy that can be implemented by SMEs in continuous operation. Use of WhatsApp groups, Facebook and other social media platforms help small and medium enterprises to advertise their products such as furniture and clothes. One of the respondent has the following to say

“*As a way of surviving in the pandemic, we should try to be fully engaged in social media as business. Marketing on the platforms help save unnecessary movement and also reduce overcrowding thereby reduce the spread of the pandemics well as cost”*

Maintaining healthy relationship with contracted parties is also another strategy to curb the downfall of business. The respondents argued that maintaining a good relationship with suppliers helps continuing business as the relationship will enable suppliers of delivery materials in time and also producing materials specifically for the SMEs.

*“During the onset of COVID 19, l had a short fall in boards for furniture production, I failed to secure raw materials since l didn’t maintain any relationship with my suppliers hence maintaining a healthy relation is a strategic that provide room for continuation.”* Said one of the participants in the furniture sector.

Just as other scholars suggested there is coherence it terms of possible ways of minimizing the impacts of Covid-19 on the SMEs revenue. For example, a study by (Thukral, 2021) led to a conclusion that conserving profits can help offer a buffer during difficult times. It also produces funds for investments in the technologies and skills needed to innovate and adapt to change. More so (Pu et al., 2021) stipulated that public policy can play a role in promoting small business resilience, for example, by financing risk-mitigation technologies and supporting economic and trade diversity. (Huang et al., 2021) revealed that small firms will benefit from strategies that improve resilience, which is why some companies go even farther and create extremely dynamic, innovative, and flexible business cultures.

In addition, (Dominci, 2021) suggested that making firms more shock-resistant while also increasing their internal and external links would help the economy as a whole. Hence in this study it has been noticed that most of the respondents opined that digitising social media had a positive bearing on making sure SMEs remained in business even in the future where pandemics like Covid-19 erupted. In essence the pandemic taught businesses that they should be agile and ever ready of such eruptions as they affected business operations.

## 4.4 Diagnostic results

### 4.4.1 Multicollinearity

**Table 4.5: Correlation results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variable** | **Rev** | **Covid-19** | **DGender** | **Age** | **Edu** |
| **Rev** | 1.000 |  |  |  |  |
| **Covid-19** | 0.418 | 1.000 |  |  |  |
| **DGender** | 0.295 | 0.200 | 1.000 |  |  |
| **Age** | 0.289 | 0.373 | 0.084 | 1.000 |  |
| **Edu** | 0.753 | 0.594 | 0.133 | 0.273 | 1.000 |

As indicated above there is no serious problem of Multicollinearity since all pairwise coefficients are less than the benchmark of 0.80. The pair-wise correlation does not exceed 0.8, meaning the individual effects of independent variables on the dependent variable can be isolated.

**Table 4.6 Pair Wise Correlation**

|  |  |  |
| --- | --- | --- |
| **Test For** | **Test-statistic** | **Probability** |
| Heteroskedasticity | ARCH | 0.165 |
| Autocorrelation | Breush-Godfrey | 0.087 |

The ARCH test shows a probability value of 0.165. These results support the null hypothesis that the errors are constant or homoscedastic since the probability value is greater than 0.05. The results produced by this model will therefore be BLUE (Best Linear Unbiased Estimates). Breush-Godfrey test shows a p-value of 0.087 which entails that error terms are not serially correlated hence regression results are reliable.

## 4.4 Regression results

**Regression table:**

The following is the regression table obtained from the respondents using Eviews 9.

**Table 4.7 Dependent Variable: Revenue**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Variable | Coefficient | Standard error | t-statistics | Level of significance |
| Constant | 2.039 | 0.255 | 0.7969 | 0.000 |
| COVID-19 | -0.298 | 0.013 | -0.672 | 0.008 |
| Dummy Gender | 0.009 | 0.197 | 1.574 | 0.144 |
| Age | 0.044 | 0.061 | 0.728 | 0.474 |
| Education level | 0.017 | 0.003 | 4.573 | 0.000 |

*R-Squared =0.62 R-Squared =0.54 F-statistic =8.57 Prob (F-statistic) =0.000*

*DW test= 0.943*

R-squared for this model was 62% and this means that for revenue of SMEs 62% of the variation in the revenue generated are explained by the variations in the independent variables within this model. Since R-squared is greater than 50%, then this model is considered a good fit. In addition, R-squared is closer to Adjusted R-squared which shows that the model is reliable (Gujarati, 2004).

### 4.4.2 Interpretation of the results.

The coefficient of COVID-19 was found to be negative with value of 0.298, and is significant at the 1% level of significance. The results indicate that a unit increase COVID-19 cases will result in 0.298% decrease in revenue of SMEs at 1%level of significant holding all other things constant. The negative relationship can be justified basing on findings of other studies. (Hambloch et al., 2020) and (Ozili, 2020) also found out that COVID -19 is inversely linked with the revenues of the small and medium enterprises.

The coefficient of education is 0.017 which entails that as educational level of the owner impact positively firm operations and performance. These results can be justified by empirical findings of (Chiliya & Lombard, 2010) who observed a positive relationship between education and firm performance.

Dummy variable gender emerged insignificant determinant of SME revenue implying that there is gender do not have an impact on SME revenue, likewise Age emerged insignificant variable.

## 4.5 Chapter Summary

Presentation, analysis, and interpretation of findings were all addressed in this chapter. This was followed by an explanation of the study's main findings. A thorough analysis and interpretation of the findings was carried out, in accordance with the study's objectives, there was a presentation, analysis, and interpretation of the questionnaire's qualitative data and quantitative statistics as well as interviews with important informants.

# CHAPTER FIVE

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 5.0 Introduction

This chapter discusses the findings that are presented in line with the objectives and research questions. In addition, this chapter provides background information and consequences for each responded based on the research topic.

## 5.1 Summary of findings

### 5.1.1 To identify the effects of the Covid-19 pandemic on SMEs revenue.

From the respondents’ point of view in the SMEs industry, most of the respondents indicated that COVID-19 decreased the revenue of their business. The results of this study indicted a negative relationship between COVID-19 and revenue. Nonetheless on cannot dispute the fact the pandemic had positive effects on certain SMEs revenue bases. Hence in the study findings there were considerable percentage of SME responses which indicated that they pandemic had brought positive changes on their sales revenue. In this case the researcher assumes that SMEs which had thrived during the Covid-19 era had revolutionized towards digital systems which led to continuous contact with clients. More the researcher believes that SMEs which diversified during the era managed to survive.

### 5.1.2 To examine the effectiveness of the measures of COVID-19 within the retail industry

From the respondents’ view, a majority of the respondents indicated that lockdown rules, social distancing and quarantining are the most effective measures of combating the spread of COVID-19 within their sector. However, the respondents did not find intercity travel bans an effective measure of mitigating the spread of corona virus. Assessing the responses, it is convincing that the lockdown measure negatively affected business operations. For instance, the issue of border closures for most SMEs in the distribution sector resulted in most SMEs not being able to procure resources from countries like South Africa where most commodities are cheap for resale. Hence supply chain links and networks were diversely affected. More so, because people were restrained in their homes, it meant SME went for months without receiving clients hence negatively affecting sales revenues.

### 5.1.2 To establish effective mitigatory strategies employed by SMEs during the COVID-19 crises

A number of strategies were indicated by the respondents, which included provision of fund from the government to continue operation of business in the small and medium enterprises. Maintaining healthy relationship with contracted parties was also another strategy to curb the downfall of business. Boosting Social media engagement was also strategy that can be implemented by SMEs in continuous operation. Overall it can be determined that technology is the way to go if such disruptions are to be effectively in the future.

## 5.2 Conclusions

The study investigated the impact of COVID-19 on SMEs revenue. This study concluded that COVID-19 has a negative effect on the revenue of SMEs within the retail industry. More so it was also discovered that the lockdown measures implicated by the government in a bid to curb further Covid-19 infections have had dire consequences on business operations as non-essential businesses such as SMEs have been forced to close which has affected revenue attainment. Therefore, respondents expressed their wish that the government helps in order to prevent SMEs from experiencing shutdowns.

## 5.3 Recommendations

From the empirical findings of the study, COVID-19 negatively affects revenue of SMEs. To stimulate SMEs performance, the study recommends the government to formulate policies that promote an increase in revenue of SMEs. The government of Small to mediums enterprise can introduce loans and financial help to the SMEs. The SMEs must introduce social support groups; this will help them support each other on challenges they during the pandemic crisis.

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# APPENDIX A

**CONSENT FORM**

I am, Shantel (B1850369) a student at Bindura University, under the Faculty of Commerce, I am a registered student in the Requirements for the Bachelor of Science Honors Degree in Economics. I am currently carrying out a research on “the effects of covid-19 on small and medium enterprises (SMEs) revenue in the retail industry in Zimbabwe. You are kindly requested to assist in this research by completing this questionnaire and by providing your views. The information you provide will remain confidential and will be used for academic purposes only. I thank you.

# APPENDIX B

Questionnaire to Be Completed by SMEs in the Food Industry (Chilli Bites and Kelly’s Chicken)

**NB (TICK WHERE APPLICABLE**

1).

|  |  |  |
| --- | --- | --- |
| Variable | Category | Mark |
| Gender | Male |  |
| Female |  |
| Age | 25-30 |  |
| 31-40 |  |
| 41-50 |  |
| 51+ |  |
| Occupational Sector | Food |  |
| Distribution |  |
| Timber |  |
| Education Level | ZJC |  |
| O’LEVEL |  |
| A’LEVEL |  |
| DIPLOMA |  |
| Years the business has been in operation | 1-5 |  |
| 6-10 |  |
| 11-15 |  |
| 16-20 |  |

**SECTION B: LICKET SCALE QUESTIONS**

**Q1) Rate the changes in revenue since the onset of COVID and lockdown. *Rate your agreements with following rates of change on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Increase in revenue*** |  |  |  |  |  |
| ***Unchanged*** |  |  |  |  |  |
| ***Slightly decreased*** |  |  |  |  |  |
| ***Decreased*** |  |  |  |  |  |

***Q2) Rate the extent to which supply chain has been affected following the onset of Covid and lockdown. Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Significantly*** |  |  |  |  |  |
| ***Lowly*** |  |  |  |  |  |
| ***Moderately*** |  |  |  |  |  |
| ***Highly*** |  |  |  |  |  |

***Q3) What changes occurred in the business following the onset of Covid and lockdown. Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Changes in cultural marketing*** |  |  |  |  |  |
| ***Digitization of business*** |  |  |  |  |  |
| ***Home deliveries*** |  |  |  |  |  |
| ***Limited production*** |  |  |  |  |  |

***Q4) What have been the overall impact of Covid-19 on the business? Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Reduced sales*** |  |  |  |  |  |
| ***Stiff competition in the industry*** |  |  |  |  |  |
| ***Digitization of business*** |  |  |  |  |  |
| ***Reduction in revenue*** |  |  |  |  |  |
| ***Relief in tax*** |  |  |  |  |  |

**Questionnaire to be complemented by SMEs in the Distribution industry (Veterinary and Kaylite)**

**NB (TICK WHERE APPLICABLE**

1).

|  |  |  |
| --- | --- | --- |
| Variable | Category | Mark |
| Gender | Male |  |
| Female |  |
| Age | 25-30 |  |
| 31-40 |  |
| 41-50 |  |
| 51+ |  |
| Occupational Sector | Food |  |
| Distribution |  |
| Furniture (SIYASO) |  |
| Education Level | ZJC |  |
| O’LEVEL |  |
| A’LEVEL |  |
| DIPLOMA |  |
| Years the business has been in operation | 1-5 |  |
| 6-10 |  |
| 11-15 |  |
| 16-20 |  |

**SECTION B: LICKET SCALE QUESTIONS**

**Q1) Rate the changes in revenue since the onset of COVID and lockdown. *Rate your agreements with following rates of change on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Increase in revenue*** |  |  |  |  |  |
| ***Unchanged*** |  |  |  |  |  |
| ***Slightly decreased*** |  |  |  |  |  |
| ***Decreased*** |  |  |  |  |  |

***Q2) Rate the extent to which supply chain has been affected following the onset of Covid-19 and lockdown. Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Significantly*** |  |  |  |  |  |
| ***Lowly*** |  |  |  |  |  |
| ***Moderately*** |  |  |  |  |  |
| ***Highly*** |  |  |  |  |  |

***Q3) What changes occurred in the business following the onset of Covid and lockdown. Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Changes in cultural marketing*** |  |  |  |  |  |
| ***Digitization of business*** |  |  |  |  |  |
| ***Home deliveries*** |  |  |  |  |  |
| ***Limited production*** |  |  |  |  |  |

***Q4) What have been the overall impact of Covid-19 on the business? Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Reduced sales*** |  |  |  |  |  |
| ***Stiff competition in the industry*** |  |  |  |  |  |
| ***Digitization of business*** |  |  |  |  |  |
| ***Reduction in revenue*** |  |  |  |  |  |
| ***Relief in tax*** |  |  |  |  |  |

**Questionnaire to be completed by SMEs in the Furniture (Siyaso)**

**NB (TICK WHERE APPLICABLE**

1).

|  |  |  |
| --- | --- | --- |
| Variable | Category | Mark |
| Gender | Male |  |
| Female |  |
| Age | 25-30 |  |
| 31-40 |  |
| 41-50 |  |
| 51+ |  |
| Occupational Sector | Food |  |
| Distribution |  |
| Timber |  |
| Education Level | ZJC |  |
| O’LEVEL |  |
| A’LEVEL |  |
| DIPLOMA |  |
| Years the business has been in operation | 1-5 |  |
| 6-10 |  |
| 11-15 |  |
| 16-20 |  |

**SECTION B: LICKET SCALE QUESTIONS**

**Q1) Rate the changes in revenue since the onset of COVID and lockdown. *Rate your agreements with following rates of change on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Increase in revenue*** |  |  |  |  |  |
| ***Unchanged*** |  |  |  |  |  |
| ***Slightly decreased*** |  |  |  |  |  |
| ***Decreased*** |  |  |  |  |  |

***Q2) Rate the extent to which supply chain has been affected following the onset of Covid-19 and lockdown. Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Significantly*** |  |  |  |  |  |
| ***Lowly*** |  |  |  |  |  |
| ***Moderately*** |  |  |  |  |  |
| ***Highly*** |  |  |  |  |  |

***Q3) What changes occurred in the business following the onset of Covid-19 and lockdown. Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Changes in cultural marketing*** |  |  |  |  |  |
| ***Digitization of business*** |  |  |  |  |  |
| ***Home deliveries*** |  |  |  |  |  |
| ***Limited production*** |  |  |  |  |  |

***Q4) What have been the overall impact of Covid-19 on the business? Rate your opinions on a scale of 1-5 where; 1= Strongly Disagree; 2 Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Statement*** | ***Strongly disagree*** | ***Disagree*** | ***Neutral*** | ***Agree*** | ***Strongly agree*** |
| ***Reduced sales*** |  |  |  |  |  |
| ***Stiff competition in the industry*** |  |  |  |  |  |
| ***Digitization of business*** |  |  |  |  |  |
| ***Reduction in revenue*** |  |  |  |  |  |
| ***Relief in tax*** |  |  |  |  |  |

**APPENDIX C**

**INTERVIEW GUIDE**

The interview guide will be completed by all the respondents

Q5) What are the effects of the of the Covid-19 pandemic on SMEs revenue?

Q6) What is the impact of tax on SMEs revenue in the retail industry?

Q7) What is the effect of income on SMEs revenue in the retail industry?

Q8) What are the adverse effects or setbacks associated with the indefinite Covid-19 shock to trade, the retail SMEs industry and the general populace?

Q9) Which mitigation strategies can be put in place to provide room for the continuous business operation by SMEs during the indefinite Covid-19 crisis?