

RESEARCH ARTICLE:

Coping with Crisis: A Regional Study on the Impact of the COVID-19 Pandemic on Consumer-Facing Businesses in South Africa

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Abstract

The spread of COVID-19 over the span of over two year is a strong testament to the fact that we live in a truly integrated global community. The estimation of the negative impact of the COVID-19 pandemic is at an early stage but is significant, even catastrophic, for many emerging economies. The precise economic impact of the COVID-19 pandemic and the consequences of the measures taken by the South African government to mitigate the transmission of the virus is still unknown, and the effect of COVID-19 on South African businesses has not yet been widely reported in the literature. Therefore, this study investigates the impact of the COVID-19 pandemic on businesses in the Western Cape, South Africa. A cross-sectional descriptive study was conducted with a sample of 1694 business executives in the Western Cape province, South Africa. The findings show how businesses in different industries, and of all sizes, adapted their business models to the changing environmental conditions within a short period. The results indicate that the crisis is causing major business changes, including loss of revenue, work-from-home arrangements, bridging finance, restructuring debt, retrenchment and closing of businesses. In addition, the crisis has led to a tentative digitalization.

Keywords: COVID-19 pandemic; economic impact; crisis management; government; interventions

Introduction

The COVID-19 global health crisis has had an unprecedented impact on consumer-facing businesses (Bruwer et al., 2021; Kraus et al., 2020). The health impact of this highly transmittable disease is well documented (World Health Organization [WHO], 2020), but the collateral impact of government measures to contain the spread of the virus has had a drastic impact on everyday society. To slow the spread of COVID-19, a social distancing technique was widely applied for public health (Zanker and Moyo, 2020). In addition, many countries have applied various degrees of shut down ranging from movement restrictions to absolute curfew. The impact of these restrictions completely disrupted the education sector, public activities, and regular operations in most sectors of society. Large gatherings (including sports matches, festivals, and weddings) were either postponed or officially banned (Kraus et al., 2020). These interventions placed the South African consumer economy in extreme negative shock, with immediate loss of economic activity despite government interventions (Arndt et al., 2020). Among those directly impacted by the lockdown measures were small businesses (unable to absorb the shock) and the tourism sector (Nicola et al., 2020). Despite a surge in retail sales during the early stages due to emergency purchasing situations (EPS) (Lappeman, 2020), the net result has been unparalleled obstacles for retail and general consumer-facing businesses (Pantano et al., 2020).

While the COVID-19 pandemic is understood to have begun in China, the virus has affected many African countries. Throughout 2020, the number of confirmed cases rose rapidly in countries such as Egypt, Algeria, Morocco, Cameroon, and South Africa (Ozili, 2020). On the 5th of March 2020, the first COVID-19 case was confirmed in South Africa and by the end of the month, South Africa became the first country on the African continent to impose a shutdown from midnight on 26 March 2020 (Zanker

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and Moyo, 2020). This prompt response was globally applauded. Ebrahim (2020: 1) argues that “without measures to mitigate the spread of the virus, it is estimated that 2.4 percent of the South African population would require hospitalization and 216,064 deaths would occur by the end of the pandemic”. During similar shutdowns around the world, governments have imposed severe restrictions on companies in different industries with authorized policies on social distancing and health protection. In many cases, governments even closed businesses considered to be providing non-essential services (Kraus et al., 2020). The restricting of business triggered an unprecedented “twin supply-demand shock”, creating global ripple effects throughout all economic industries (van der Merwe et al, 2020: 1). Placing parts of the world's local and global economy on lockdown has had a significant negative effect on most countries (Pantano et al., 2020).

The estimation of the negative impact of the COVID-19 pandemic was expected to be considerable, even catastrophic, for many emerging economies (Evans, 2020). The precise economic impact of the coronavirus pandemic and the consequences of the measures taken by the South African government to mitigate the transmission of the virus will be impossible to fully measure. Nonetheless, emerging literature has explored the impact of COVID-19 on socioeconomics (Kanupriya, 2020; Nicola et al., 2020; Ozili, 2020), lifestyle and travel (Jiang and Wen, 2020; Wen et al, 2020), human rights (Baum and Hai, 2020; Turner, 2020), migration governance (Zanker and Moyo, 2020), family firms (Kraus et al., 2020), logistics (Choi, 2020), corporate social responsibility (He and Harris, 2020) and airport economics (Chung, 2020). Despite the existence of numerous studies dedicated to the COVID-19 and its effect on economies and industries, poor attention was given to the consumer-facing businesses.

Thus, this paper investigates the economic implications of the COVID-19 pandemic on a broad range of consumer-facing businesses in the Western Cape, South Africa. Businesses were asked to reflect on how they were affected during the lockdown and what business recovery support they believed that they need. This study builds on the body of knowledge relating to both the impact of the COVID-19 pandemic on business and how the South African government can best support businesses for planned recovery in the post-COVID-19 era. This study sheds new light on ways by which businesses responded to the COVID-19 pandemic. In addition, it provides a broad perspective on eight business types in 24 towns in the Western Cape region. The broad nature of this research sets it apart from studies that are very sector-specific and focused on large metropolitan areas. The following section provides an overview of the study's research objectives and research questions. This study's main objectives are to identify challenges faced by consumer-facing business during the COVID-19 pandemic and assess the strategies that consumer-facing businesses are adapting to manage the effect of the COVID-19 pandemic on their businesses.

Background to the Study

The coronavirus, which is the source of gastrointestinal and respiratory disorder was first discovered in the 1960s and is known as HCoV-229E. This virus was discovered from a patient who had a common cold (Dehkordi et al., 2020). Subsequently, other coronaviruses were discovered, including SARS-Cov (in 2003), HCoV NL63 (in 2004), HKU1 (in 2005) and MERS-CoV (in 2012) (Myinst, 1994; Tyrrell and Bynoe, 1966). Recently, at the end of 2019, Wuhan (in the Hubei Province of China), a developing business center of China, experienced an “outbreak of a novel coronavirus that killed more than 1 800 and infected over 70 000 individuals within the first 50 days of the epidemic” (Shereen et al., 2020: 92). The initial COVID-19 case was found in a patient with a severe breathing disorder in Wuhan (Alanagreh et al., 2020). WHO (2020) confirms that the first few cases of the COVID-19 were identified in the wholesale food market in Wuhan. The Wuhan food market was the root of the COVID-19 outbreak and was instrumental in the initial intensification of the outbreak (Kumar et al., 2020). As a result, the market was closed by the Chinese government on 1 January 2020. As at the end of 2021, approximately 85 587 cases have been confirmed, including approximately 4 634 deaths in China (Worldmeters, 2020a).

COVID-19 started spreading swiftly in China and to other countries through the movement of people in early 2020 (Mushayabasa et al., 2020; Ozili, 2020). On July 13, 2020, 213 countries had been affected with approximately 12 744 887 confirmed cases and 565,260 deaths (Worldometer, 2020b). The COVID-19 outbreak spread to Africa and many of the confirmed cases were recorded in South Africa, which is the epicenter of COVID-19 in the African region (WHO African Region, 2020). The first COVID-19 case in South Africa was reported on the 5th of March 2020 (National Institute for Communicable Diseases, 2020). By July 13th, 2020, 250 687 positive cases had been identified, and 3,860 individuals had died due to COVID-19 (South African Coronavirus, 2020). COVID-19's affirmation as a pandemic strongly underscored the virus' serious global threat (Kraus et al., 2020), and it has created circumstances that have a significant impact on the lives of people across all countries, forcing governments to take steps to mitigate the risks of the COVID-19 pandemic (Klaus et al., 2020).

The COVID-19 pandemic has been characterized by a heterogeneous response from governments around the world (Varghese and Xu, 2020). Many countries introduced early social distancing policies and mandatory closure of non-essential businesses while others relied heavily on rigorous testing and tracing strategies (Cohen and Kupferschmidt, 2020; Kim and Castro, 2020). On the 15th of March 2020, the South African president, Mr. Cyril Ramaphosa, declared the COVID-19 pandemic as a national disaster in accordance with the Disaster Management Act. He also announced that the South African government would be taking critical and radical measures to mitigate the risk of COVID-19 and protect the people of South Africa (Tralac, 2020). The government introduced a series of urgent steps including ordering citizens to stay at home, wear face masks, closure of school, college, and university facilities and non-essential services (excluding supermarkets, pharmacies, hospitals and clinics), frequently sanitize hands, rationing of supplies, cancelled gatherings, requisition of facilities, restriction and suspension of international travel, restriction of domestic travel, and significant reprioritization of healthcare services (Tralac, 2020; Varghese and Xu, 2020). These drastic steps and shutdowns imposed by the government resulted in high economic and socio-cultural costs, generating ripples of cultural shocks, and affecting society's functioning (Ocampo and Yamagishi, 2020; Ozili, 2020).

Towards the of 2020, the COVID-19 pandemic was still spreading throughout the world, but so was the economic damage caused by the measures in place to mitigate the risk of the virus (Zhang et al., 2020). In addition, Atalan (2020) argues that the country's interventions against the COVID-19 pandemic brought with them an unparalleled economic catastrophe. The economic impacts of government-imposed restrictions in many countries are not yet understood but are projected to be dire with immediate loss of economic activity followed by potential medium and long-term economic consequences (Zhang et al., 2020). Research on the economic implications of prior pandemics has revealed that countries, industries, and businesses suffer greatly because of global pandemics (Eccleston-Turner, 2016; Martin, 2008; Wu and Cowling, 2011; Zhang et al., 2020). The difficulty is created by the demand and supply shock (Kraus et al., 2020). Globally, 70% of the economy comes from consumer spending. Kraus et al. (2020) state that demand has declined because consumers are cutting back on buying non-essential products and services. "Now people are avoiding stores, restaurants, movie theaters, offices, and other public places – like markets, pubs, discos, tourism spots, temples, terrains and what not" (Barman, 2020: 2).

To this point, kulula.com reported a half-year loss of R564 million, Edcon Group announced a loss of R2 billion sales, Flight Centre is preparing to close 40% of its network, and the South African Breweries (SAB) destroyed 400 million bottles (BusinessTech, 2020). As such, many businesses had to shut down their operations (del Rio-Chonona et al., 2020). In addition, retrenchments have reduced the spending capacity of consumers (Cahyanto et al., 2016; McKercher and Chon, 2004; Sadique et al., 2007). The major South African companies confirm that they are facing closure or job cuts due to the coronavirus. Nedbank forecasts approximately 1.6 million retrenchments. According to Martin Kingston, head of the economic workgroup of Business for South Africa (B4SA), South Africa lacks the financial resources to endure the prolonged closure of businesses and B4SA expected the loss of up to 4 million jobs in 2020 (BusinessTech, 2020). It is evident that the COVID-19 pandemic has a significant influence

on businesses worldwide (Kraus et al., 2020). Zanker and Moyo (2020) argue that it is anything but business as usual.

Methodology

The survey was designed to provide close to real-time economic insight into the impact of the COVID-19 pandemic on consumer-facing businesses in Western Cape. The survey was developed within the first 5 days of the lockdown period, kicked-off on the 03 April 2020, and intended to reach out to businesses of all sizes across the metro and all five districts. Provincial government and municipal forums and agencies, social media platforms, sector bodies and organised business partners were amongst the range of networks accessed as widely as possible to gain essential information. Data were collected with an electronic self-administered questionnaire. The target respondents for this survey were business executives as they are, in general, believed to be the most knowledgeable about broad-based firm characteristics (Cavusgil and Zou, 1994; Ha-Brookshire and Dyer, 2009). A total of 1694 managers participated in the survey. The IBM SPSS version 26 was used to generate descriptive statistics. Means, standard deviations, and frequencies were reported for the sample variables. A chi-square test of association was performed to find important business challenges. All statistical analyses were performed using two-sided tests at the 0.05 level of significance. p-values were reported to three decimal places with values below 0.001 reported as 0.001. p-values below 0.05 have been considered statistically significant.

Results

The study's sample of 1694 businesses represented 24 cities in the Western Cape province. Businesses were surveyed across a geographical spread as captured in Table 1.

Table 1: Business locations

City	Frequency (n)	Percentage (%)
Beaufort West	91	5.4%
Bergrivier	62	3.7%
Bitou	25	1.5%
Breede Valley	60	3.5%
Cape Agulhas	79	4.7%
City of Cape Town	859	50.7%
Cederberg	4	0.2%
Drakenstein	46	2.7%
George	48	2.8%
Hessequa	8	0.5%
Kannaland	3	0.2%
Knysna	16	0.9%
Langeberge	17	1.0%
Matzikama	10	0.6%
Mossel Bay	17	1.0%
Oudtshoorn	16	0.9%
Overstrand	178	10.5%
Prince Albert	26	1.5%
Saldanha Bay	34	2.0%
Stellenbosch	42	2.5%
Swartland	4	0.2%
Theewaterskloof	26	1.5%
Witzenberg	4	0.2%
Total	1694	100

Table 1 illustrates the geographic distribution of businesses that participated in this study. Of the 1694 participants included in the survey, the majority of the businesses were located in the city of Cape

Town, 50.7 percent of the sample (n=859), followed by Overstrand (10.5%; n=178); Beaufort West (5.4%; n=91); Cape Agulhas (4.7%; n=79); Bergrivier (3.7%; n=62); Breede Valley (3.5%; n=60); George (2.8%; n=48); Drakenstein (2.7%; n=46); Stellenbosch (2.5%; n=42); Saldanha Bay (2%; n=34); Prince Albert (1.5%; n=26); Theewaterskloof (1.5%; n=26); Bitou (1.5%; n=25); Mossel Bay (1%; n=17); Langeberge (1%; n=17); and the rest constituted less than 0.1 percent of the sample.

Table 2: Business characteristics

Business characteristics	Frequency (n)	Percentage (%)
Sector distribution		
Hospitality	339	20%
Tourism	227	13.4%
Retail/trade	7	0.4%
Finance	141	8.3%
Entertainment	33	1.9%
Media	24	1.4%
Textile	7	0.4%
Services	916	54.1%
Business size by employment		
1-5 employees	1054	62.2%
2-20 employees	441	26%
21-50 employees	133	7.9%
51-100 employees	41	2.4%
101 or more employees	25	1.5%
Number of permanent employees		
1-5 employees	1170	69.1%
5-20 employees	364	21.5%
21-50 employees	110	6.5%
51-100 employees	35	2.1%
101 or more employees	15	0.9%
Annual turnover		
Less than R10 000	230	13.6%
R10,000.00 to R99,999.99	357	21.1%
R100,000.00 to R999,999.99	491	29%
R1 Million to R109,999,999	445	26.3%
R10 Million to R19,999 999.99	63	3.7%
R20 Million to R49,999 999.99	71	4.2%
R50 Million to R100 Million	22	1.3%
More than R100 Million	15	0.9%

The business characteristics were assessed to offer a better understanding of the business' internal structures (Table 2). First, the sectors of the businesses were required to provide an overview of the businesses. Many of the businesses surveyed were in the service sector, 54.1 percent of the sample (n=916), followed by hospitality sector (20%; n=339); tourism sector (13.4%; n=227); finance sector (8.3%; n=141); entertainment (1.9%; n=33); media sector (1.4%; n=24); retail/trade (0.4%; n=7); and textile sector (0.4%; n=7). Secondly, the population of employees were requested to obtain an overview of the size of the business in terms of the number of employees. Of the 1694 businesses, 1054 (69.1%) had between 1 and 5 employees, 441 (26%) had between 5 and 20 employees, 110 (6.5%) had between 21 and 50 employees, 41(2.4%) had between 51 and 100 employees, and 15 (1.5%) of the businesses had over 101 employees. Most of these employees were permanently employed. This result indicates that a large number of corporations run relatively small enterprises. Lastly, each business's annual turnover was assessed to provide an overview of the size of the business in terms of the annual turnover. Of the 1694 businesses, 491 (29%) reported that their annual turnover was between R100,000.00 to R999,999.99; 445 (26.3%) between R1 Million and R10 Million; 357 (21.1%)

between R10,000.00 and R99,999.99; 230 (13.6%) less than R10,000.00, and 171 (10%) reported that their annual turnover was over R10 Million.

Challenges Experienced by Businesses

Loss of revenue

Table 3 shows that just under 50% of businesses in the hospitality, tourism, media, entertainment, textile, finance, retail/trade and services sectors expected to generate no revenue in the 3 months, immediately after the lockdown measures were announced in mid-March 2020. Approximately, 23% expected to generate no revenue in the next 6 months, 34.4% of the businesses anticipated that their revenue would be down by approximately 80% in the next 6 months, while 28.6% anticipated that their revenue would be down by approximately 50% in the next 6 months. 50.6 percent of the businesses surveyed lost contracts due to the COVID-19 pandemic. This links to challenges that they may have had to face in trying to restructure the businesses to explore new business opportunities that may have existed within the changing business needs. Table 4 summarizes contracts that have been cancelled and the expected impact that this had on businesses. The total number of reported cancelled contracts amounted to 15,619, with a value of approximately R1,3 billion.

Table 3: Cancelled contracts

Reported number of contracts canceled (in a period of the survey review)	15,619
The reported value of the reported canceled contracts	R1,359,815,090
The average value of reported canceled contracts	R87,061.59

Unable to pay business expenses

The cancelling of contracts is linked to the challenge that businesses may have experienced in being unable to pay their most important business expenses. Almost three-quarters (67.1%) of businesses reported that they would not be able to pay their important business expenses and approximately half (49%) of the businesses reported that they would not be able to meet their first and second-biggest expenses during the next 6 months.

Businesses that export and import

Many of the businesses surveyed are dependent on domestic demand and only 7.6% of them export. 92.4 percent of business products were for local demand, which would be challenging going forward as domestic demand was projected to experience a significant contraction. This pertains to most business sectors (see Table 3). Only 12.5 % of the businesses imported their products, while 87.5% sourced only local products. The findings reveal that the services sector (16.6%; n=152) was more involved in importing compared with other sectors.

Finding new business opportunities

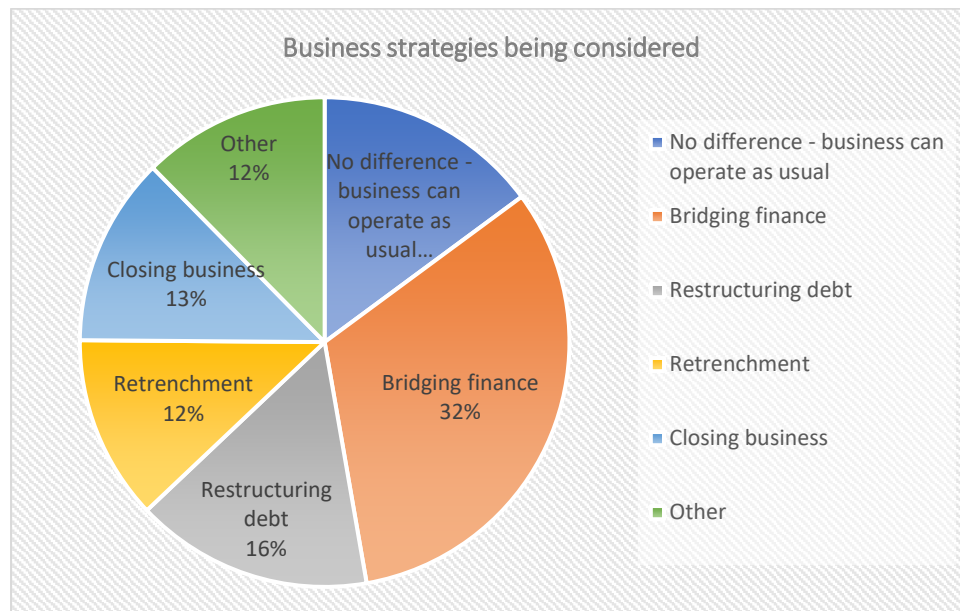
Due to the challenging landscape in which businesses in the Western Cape found themselves, it was hard to adjust to the changing business environment. 74.2 percent of the businesses had not found new business opportunities in response to the pandemic. Shifting to new business opportunities might also have required shifting to new suppliers and this was something that many businesses had not been able to achieve. The results reveal that 70.5% of businesses had not been able to find new suppliers.

Survival strategies for businesses during COVID-19

Financial containment strategies had been identified by businesses to deal with COVID-19. Approximately 32% of the businesses identified bridging finance as the number one business strategy to deal with COVID-19 and over 15% opted for restructuring debt. Closing of the business (12.5%) came out as one of the most likely business strategies that businesses would opt for to help the business cope with the challenges that they faced to ensure their survival. 12.2 percent of the

businesses considered retrenching their staff during the COVID-19 pandemic (See Figure 1). Even though South Africa was thrust into a pandemic without too much time to prepare, it was encouraging that 50% of the businesses had been able to implement working-from-home arrangements. This strategy was extensively implemented by businesses operating in the finance sector (93.4%). Businesses were trying to navigate through the challenges and ensure their survival and 45% of the businesses implemented some form of business continuity planning.

Figure 1: Business strategies being considered during COVID-19



Communication

Given the challenges being faced by businesses, it was concerning that only 60% of the businesses had informed their banks, shareholders, and other important stakeholders regarding the impact of the pandemic on their business. 99 percent of the businesses kept their staff informed about the virus and tried to make sure that they adhered to national protocols (See Table 3). This was very important as being informed and maintaining basic hygiene is the cornerstone of fighting the pandemic. 91 percent of the businesses communicated with their staff about the potential impact on them if the situation did not return to normality soon.

Chi-square tests results

Chi-square tests suggested significant relationships between anticipated revenue loss ($p = 0.001$), work-from-home arrangement ($p = 0.001$), business continuity plans ($p = 0.001$), securing new suppliers ($p = 0.001$), business imports ($p = 0.001$), cancelled business contracts ($p = 0.001$), ability to pay business expenses ($p = 0.001$), ability to pay the first biggest business expense ($p = 0.001$), ability to pay the second biggest business expense ($p = 0.001$) and business sectors. The relationships between communicating COVID-19 protocols to staff ($p = 0.185$), informing staff about the potential impact of COVID-19 on their jobs ($p = 0.198$), informing stakeholders about the impact of COVID-19 on business ($p = 0.514$), business export ($p = 0.433$) and business sectors are not statistically significant. The Chi-square results are reported in Table 3.

Table 4: Business challenges and strategies

	Sectors								Total	P-value
	Hospitality	Tourism	Retail/Trade	Finance	Entertainment	Media	Textile	Services		
	339(20%)	227(13.4%)	7(0.4%)	141(8.3%)	33(1.9%)	24(1.4%)	7(0.4%)	916(54.1%)		
Anticipated impact of COVID-19 pandemic on business revenue over the next 3 months										
I will generate no revenue.	215 (63.4%)	149(65.6%)	4(57.1%)	22(15.6%)	21(63.6%)	10(41.7%)	2(28.6%)	413(45.1%)	49.4%	<0.001
Revenue will be down by approx. 80%	89 (26.3%)	46(20.3%)	2(28.6%)	41(29.1%)	9(27.3%)	8(33.3%)	5(71.5%)	288(31.4%)	28.8%	
Revenue will be down by approx. 50%	28(8.3%)	26(11.5%)	0	49(34.8%)	1(3%)	4(16.7%)	0	147(16%)	15.1%	
Revenue will be down by approx. 20	4(1.2%)	3(1.3%)	1(14.3%)	20(14.2%)	0	1(4.2%)	0	48(5.2%)	4.6%	
My revenue will be unchanged	1(0.3%)	1(0.4%)	0	8(5.7%)	1(3%)	1(4.2%)	0	8(0.9%)	1.1%	
Revenue will be up by approx. 20%	1(0.3%)	0	0	1(0.7%)	0	0	0	6(0.7%)	0.5%	
Revenue will be up by approx. 50%	0	0	0	0	1(3%)	0	0	5(0.5%)	0.3%	
Revenue will be up by approx. 80%	0	0	0	0	0	0	0	1(0.1%)	0.1%	
Revenue will be up by more than 80%	1(0.3%)	2(0.9%)	0	0	0	0	0	0	0.2%	
Anticipated impact of COVID-19 pandemic on business revenue over the next 6 months										
I will generate no revenue.	82(24.2%)	72(31.7%)	2(28.6%)	16(11.3%)	8(24.2%)	4(16.7%)	1(14.3%)	215(23.5%)	23.6%	<0.001
Revenue will be down by approx. 80%	141(41.6%)	100(44.1%)	3(42.9%)	34(24.1%)	18(54.5%)	11(45.8%)	3(42.9%)	272(29.7%)	34.4%	
Revenue will be down by approx. 50%	91(265.8%)	38(16.7%)	1(14.3%)	53(37.6%)	3(9.1%)	6(25%)	3(42.9%)	289(31.6%)	28.6%	
Revenue will be down by approx. 20	17(5%)	11(4.8%)	1(14.3%)	30(21.3%)	0	2(8.3%)	0	87(9.5%)	8.7%	
My revenue will be unchanged	1(0.3%)	2(0.9%)	0	5(3.5%)	1(3%)	1(4.2%)	0	15(1.6%)	1.5%	
Revenue will be up by approx. 20%	2(0.6%)	0	0	3(2.1%)	1(3%)	0	0	19(2.1%)	1.5%	
Revenue will be up by approx. 50%	4(1.2%)	2(0.9%)	0	0	2(6.1%)	0	0	13(1.4%)	1.2%	
Revenue will be up by approx. 80%	1(0.3%)	0	0	0	0	0	0	4(0.4%)	0.3%	
Revenue will be up by more than 80%	0	1(0.4%)	0	0	0	0	0	2(0.2%)	0.2%	
Have you implemented a Work-from-Home (WFH) arrangement at your business/enterprise?										
Yes	109(32.2%)	103(45.4%)	5(71.4%)	133(94.3%)	16(48.5%)	18(75%)	4(57.1%)	455(49.7%)	50%	<0.001
No	230(67.8%)	124(54.6%)	2(28.6%)	8(5.7%)	17(51.5%)	6(25%)	3(42.9%)	461(50.3%)	50%	
Have you communicated to your staff, to ensure adherence to the national protocols for this virus?										
Yes	337(99.4%)	224(98.7%)	7(100%)	140(99.3%)	31(93.9%)	23(95.8%)	7(100%)	905(98.8%)	99%	0.185
No	2(0.6%)	3(1.3%)	0	1(0.7%)	2(6.1%)	1(4.2%)	0	11(1.2%)	1%	

	Sectors									P-value
	Hospitality	Tourism	Retail/Trade	Finance	Entertainment	Media	Textile	Services		
	339(20%)	227(13.4%)	7(0.4%)	141(8.3%)	33(1.9%)	24(1.4%)	7(0.4%)	916(54.1%)		
Have you informed your staff of the potential impact on them should the situation not return to normality soon?										
Yes	314(92.6%)	209(92.1%)	5(71.4%)	123(87.2%)	32(97%)	21(87.5%)	7(100%)	828(90.4%)	91%	0.198
No	25(7.4%)	18(7.9%)	2(28.6%)	18(12.8%)	1(3%)	3(12.5%)	0	88(9.6%)	9%	
Do you have a business continuity plan, and have you implemented it?										
Yes	124(36.6%)	99(43.6%)	2(28.6%)	106(75.2%)	16(48.5%)	11(45.8%)	5(71.4%)	399(43.6%)	45%	<0.001
No	215(63.4%)	128(56.4%)	5(71.4%)	35(24.8%)	17(51.5%)	13(54.2%)	2(28.6%)	517(56.4%)	55%	
Have you had to source from different suppliers?										
Yes	75(22.1%)	55(24.2%)	3(42.9%)	37(26.2%)	4(12.1%)	9(37.5%)	4(57.1%)	313(34.2%)	29.5%	<0.001
No	264(77.9%)	172(75.8%)	4(57.1%)	104(73.8%)	29(87.9%)	15(62.5%)	3(42.9%)	603(65.8%)	70.5%	
Have you informed your bank, shareholders, and other important stakeholders regarding the impact of the pandemic on your business?										
Yes	212(62.5%)	147(64.8%)	3(42.9%)	78(55.3%)	20(60.6%)	14(58.3%)	5(71.4%)	538(58.7%)	60%	0.514
No	127(37.5%)	80(32.5%)	4(57.1%)	63(44.7%)	13(39.4%)	10(41.7%)	2(28.6%)	378(41.3%)	40%	
Does your business export?										
Yes	18(5.3%)	21(9.3%)	1(14.3%)	12(8.5%)	3(9.1%)	0	0	74(8.1%)	7.6%	0.433
No	321(94.7%)	206(90.7%)	6(85.7%)	129(91.5%)	30(90.9%)	24(100%)	7(100%)	842(91.9%)	92.4%	
Does your business import?										
Yes	20(5.9%)	20(8.8%)	1(14.3%)	10(7.1%)	2(6.1%)	3(12.5%)	3(42.9%)	152(16.6%)	12.5%	<0.001
No	319(94.1%)	207(91.2%)	6(85.7%)	131(92.9%)	31(93.9%)	21(87.5%)	4(57.1%)	764(83.4%)	87.5%	
Have you identified new business opportunities as a result of the pandemic?										
Yes	67(19.8%)	62(27.3%)	1(14.3%)	47(33.3%)	12(36.4%)	7(29.2%)	2(28.6%)	239(16.1%)	25.8%	0.060
No	272(80.2%)	165(72.7%)	6(85.7%)	94(66.7%)	21(63.6%)	17(70.8%)	5(71.4%)	677(73.9%)	74.2%	

	Sectors								Total	P-value
	Hospitality	Tourism	Retail/Trade	Finance	Entertainment	Media	Textile	Services		
	339(20%)	227(13.4%)	7(0.4%)	141(8.3%)	33(1.9%)	24(1.4%)	7(0.4%)	916(54.1%)		
Has your business had to cancel any business contracts due to the COVID-19 pandemic?										
Yes	212(62.5%)	130(57.3%)	5(71.4%)	61(43.3%)	26(78.8%)	12(50%)	2(28.6%)	410(44.8%)	50.6%	<0.001
No	127(37.5%)	97(42.7%)	2(28.6%)	80(56.7%)	7(21.2%)	12(50%)	5(71.4%)	506(55.2%)	49.4%	
Are you able to pay your most important business expenses?										
Yes	102(30.1%)	54(23.8%)	4(57.1%)	77(54.6%)	8(24.2%)	8(33.3%)	1(14.3%)	304(33.2%)	32.9%	<0.001
No	237(69.9%)	173(76.2%)	3(42.9%)	64(45.4%)	25(75.8%)	16(66.7%)	6(85.7%)	612(66.8%)	67.1%	
Do you think you will be able to meet your first biggest expense during the next 6 months?										
Yes	36(10.6%)	21(9.3%)	0	30(21.3%)	6(18.2%)	1(4.2%)	0	124(13.5%)	13%	0.002
No	184(54.3%)	130(57.3%)	6(85.7%)	51(36.2%)	16(48.5%)	14(58.3%)	4(57.1%)	426(46.5%)	49%	
Maybe	119(35.1%)	76(33.5%)	1(14.3%)	60(42.6%)	11(33.3%)	9(37.5%)	3(42.9%)	366(40%)	38%	
Do you think you will be able to meet your second biggest expense during the next 6 months?										
Yes	36(10.6%)	21(9.3%)	0	30(21.3%)	6(18.2%)	1(4.2%)	0	124(13.5%)	13%	<0.001
No	184(54.3%)	130(57.3%)	6(85.7%)	51(36.2%)	16(48.5%)	14(58.3%)	4(57.1%)	426(46.5%)	49%	
Maybe	119(35.1%)	76(22.5%)	1(14.3%)	60(42.6%)	11(33.3%)	9(37.5%)	3(42.9%)	366(40%)	38%	

Managerial Implications

The findings of this study have significant and timely implications for entrepreneurs, business executives and the government. Businesses can follow the recommendations of this study for a rapid and efficient response to a crisis. The goal is not merely to survive the crisis but to come out stronger from it. Now is not the time to feel complacent. Business executives need to review their business plans, strategies, and models for continuity of business. COVID-19 is not an event that has a start or end date. It is likely to remain a continuing threat at various times and require different responses. There is a likelihood of extended lockdown times and other operation disruptions. Organizations must look at what can ensure their financial sustainability during these unpredictable times. All the organizations that take a 'wait-and-see' approach or think that the situation is going to fix itself, are at the greatest risk. The pandemic needs strategies that are clear and adaptable. Every sector of businesses has been significantly impacted by the pandemic: hospitality, tourism, retail/trade, finance, entertainment, media, textile, and services sector. Numerous businesses surveyed in this study rely on domestic demand. As a result, the demand has decreased due to the lockdown regulations.

Therefore, it is imperative that businesses are given the support they need to remain operational. The businesses in the retail, entertainment, tourism, and hospitality have not been making profit during the lockdown period. Therefore, lockdown restrictions need to be gradually eased to ensure that businesses can operate. In addition, businesses require support to cover accrued labour and rental expenses. Businesses that do not get assistance with financial support to cover labour expenses, tend to retrench their employees. This leads to a high rate of unemployment. Government could consider municipality utilities and tax relief or exemptions for businesses that have been affected by the COVID-19 pandemic. Businesses require help in comprehending the implications and gaining access to, as well as in implementing containment strategies for bridging finance and business continuity planning. Similarly, businesses must understand the consequences of employing containment strategies such as downscaling, wage reductions, layoffs, and closure. Businesses must be encouraged to work closely with banks, shareholders, and other key stakeholders to determine what support is available during crisis such as COVID-19. It is critical that businesses maintain an on-going engagement with banks, especially during the COVID-19 when financial containment strategies have been discovered. Support is required for concerns such as debt restructuring, reduction of the cost of borrowing and reducing the bank fees.

The government should consider financial and non-financial interventions and initiatives to aid businesses and employees. In addition, the government must expedite the availability and applicability of support plans, schemes, and funding models, as well as, most significantly, access for businesses and workers (such as access to UIF funding support). With majority of the respondents to the survey being SMMEs, government assistance for small businesses is critical. SMMEs tend to lack financial reserves for extended period of inactivity. For the economy to become more resilient, the government must protect employees. As a result, the government must position and synchronize their actions such that recovery support is activated in the short, medium, and long term.

Conclusion

This study has examined the impact of government initiatives established in response to the COVID-19 pandemic on consumer-facing businesses in the Western Cape, South Africa. Furthermore, the challenges experienced by consumer-facing businesses and the survival strategies during the COVID-19 pandemic have been outlined in this study. In addition, the relationship between the anticipated impact of the COVID-19 pandemic on future business revenue and the sector have been examined with 34.8% of businesses in the finance sector expecting their revenue to be down by approximately 50% in the next coming 3 months. This research demonstrated in real time the impact of the COVID-19 pandemic on consumer-facing businesses and the strategies used by these businesses to survive the impact of the pandemic in Western Cape, South Africa. One of the significant findings of this study is that businesses have adapted their operations to changing circumstances, including bridging finance,

restructuring their debts, and implementing work-from-home model. While these modifications were necessary for survival during the COVID-19 pandemic, they did not improve profitability as most businesses were expecting revenue to decrease.

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