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## COPING STRATEGIES OF SMALL AND MEDIUM SCALE ENTERPRISES (SMES) IN NIGERIA: THE COVID-19 EXPERIENCE

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### **Abstract**

*The negative effect of Covid-19 has deluged every sector of the economy leading to global economic crisis and countries with rich human, financial and natural resources are not left out. This situation has spread gradually across Sub-Sahara Africa including Nigeria. SMEs are mostly affected in this unfortunate situation as their survival is being threatened due to the challenges of this global pandemic. Previous studies have focused on the impact of Covid-19 pandemic on economic growth and development. However, little is known about the impacts of Covid-19 pandemic on SMEs and their coping strategies. This paper examines the impacts of Covid-19 pandemic on SMEs in Nigeria and their coping strategies. The study adopted the survey research design and purposive sampling technique. Data were collected from 205 SMEs owners in three commercial cities of Akwa Ibom State, namely; Uyo, Ikot Ekpene and Eket through the use of questionnaire. Data analysis involved the use of descriptive methods. Preliminary findings revealed that SMEs have been greatly affected by the Covid-19 pandemic as it has caused gross reduction in sales and revenue, inability to repay loans, rents and salaries and products expiration. SMEs have adopted coping strategies, which include product diversification, increase in learning, exploration of new markets as well as the use of delivery agents to reach out to customers in the rural areas. Government efforts to prevent and curb the spread of the virus, reopen the economy and increase economic growth should include reduction of interest rates, relax loan and tax payments especially on the Importation and exportation of goods and services.*

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**Keywords:** *Coping strategies, SMEs, Covid-19 Pandemic, Impacts*

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### **Introduction**

There have been different forms of diseases that had threatened human existence. In the 14<sup>th</sup> century (1346-1353) there was Black Death also known as Bubonic Plaque which spread quickly across Europe, killing almost half the population of the continent (Burnham, 2009). This affected all spheres of human existence including organizations, schools and the workplace. According to Martin and Howard (2009), the Spanish flu which is estimated to have killed 20 to 40 million people worldwide, hit the United States in the fall of 1918-1920. Organizations implemented non-medical practices aimed at preventing the spread of the infection. Some organizations asked their staff to stay at home, while few were selected for administrative purposes. Interestingly, the novel Coronavirus diseases 2019 (COVID-19) imposed a similar history of massive health, social and economic devastation on the world leading to its declaration as a global health pandemic in March, 2020 by the World Health Organization (Samson *et al.*, 2020). The novel Coronavirus named Covid-19 was first reported in December 2019 in the Chinese province of Hubei and declared a pandemic in March 2020 with over 28 million cases worldwide, with 1,344,403 in Africa and 55,829 in Nigeria as at September 2020 (WHO, 2021). The presence of the virus in Nigeria was first reported on February 27, 2020, when an Italian citizen visited Nigeria tested positive for the virus which is caused by SARS-Cov-2. A second case of the virus was reported on March 9, 2020 at Ewekoro, Ogun

State, on a Nigerian citizen who had contact with the Italian index case (Nigerian Centre for Disease Control and Prevention, 2021).

Although, SMEs account for 90% of all businesses in Nigeria (Gbandi and Amissah, 2014). SMEs also contribute more than 90% of all economic activities and more than 50% employment opportunities globally as well as 40% GDP in developing nations (Garba, 2020), they are also businesses between 10-59 employees and capital which includes the cost of machinery and equipment less or equal to N600, 000 (\$1,600) which is owned independently with the hope of generating profit and meeting sales standard. SMEs can also operate the current contributory pension scheme in Nigeria (Udom, 2021; Udom, Ukommi and Ekanem, 2022; Central Bank of Nigeria, 2018). Moreover, the distinctive nature of SMEs is as a result of the use of local raw materials, employment generation, nurture entrepreneurial activities, promotion of rural development, local mobilization of savings and self-employment (Aderemi *et al.*, 2020). SMEs in Nigeria contribute to the growth and development of the global and Nigeria economy through job creation and the development of local technology as a source of development to indigenous entrepreneurs which also contributes to nation building (Alaye-Ogan, 2012; Erdem and Erdem, 2011; Aderemi *et al.*, 2019).

The rapid spread of Covid-19 virus has led countries around the world into health crisis. Apart from the human impact, there are also economic, business and commercial impacts being felt globally (Oyewale, Adebayo and Kehinde, 2021). The coronavirus outbreak is ravaging human health, disrupting the livelihood of thousands of people and impact negatively on the global economy (Craven, Liu, Mysore and Wilson, 2020). The study conducted by KPMG (2020) revealed that 94% of global and local businesses in Nigeria have been impacted and are already seeing COVID-19 disruptions. The growing incidence of Covid-19 pandemic is a threat to the survival of SMEs, especially in the developing countries. It is on the basis of this that Segal and Gerstel (2020) posit that Covid-19 has caused a deceleration of economic growth and global economic recession without a precise ending date and this will likely have a severe impact on SMEs in Nigeria.

However, Covid-19 pandemic has brought unprecedented challenges to SMEs in Nigeria ranging from the problems of raw materials, finance, marketing, under-utilization of capacity (Igwela, 2021) as well as the fallen standard of goods and services and shortages experienced by manufacturers (Obiakor, 2020; Jugu and Obaka, 2020). To curb the menace of Covid-19 pandemic, Nigeria and other countries closed their borders and placed the entire country under quarantine in order to reduce human contact, the government at all levels directed the closure of schools, markets and other social activities which brought a reduction in economic activities. SMEs are now faced with the challenges of low customer turnout, low income, and insufficient supply from manufacturers, high cost of goods and services as well as fluctuations in market prices.

Consequently, as part of the coping strategies of SMEs in the wake of Covid-19 pandemic, SMEs expect the government to protect their businesses by providing palliatives such as grants, loans, financial support, tax waivers, protecting workers at the work place, economic stimulation and labour demands that will allow easy operations (Momba, 2013). With these challenges facing SMEs, many are at the verge of total closure due to high cost of operational cost. Assisting SMEs will be of great importance to national and individual economy because it will give access to individuals to purchase goods for survival. It is therefore necessary to investigate the coping strategies applied by SMEs in Nigeria during Covid-19 pandemic.

### **Statement of the Problem**

The increased number of COVID-19 pandemic cases in Nigeria was forcing government and private organizations to apply strict measures such as imposing lockdown on both within the state and interstate, work from home and the closure of academic institutions and SMEs. This had a negative impact on SMEs by slowing down the economy, truncating the production and supply of goods and services from the manufacturer to the consumers (Ozili and Arun, 2020; Ozili, 2020). SMEs across the world, no matter the size were affected and the restriction of movement on land, water and sea within and outside the state has brought untold hardship to SMEs and further slowed down the supply of goods and services for consumption. The average loss globally was projected to be more than \$4 trillion (Ozili, 2020).

Moreover, the global financial market is not left out as stock markets, capital markets and foreign exchange has fallen below average. The consumption pattern of the consumers has reduced and has brought risks of survival to SMEs. The purchasing rate of consumers fell from 59.2% to 41.1% from January 2020 to June 2020 which affected the productivity of the manufacturing sector of SMEs (CBN, 2020). The effect of COVID-19 pandemic on unemployment cannot be overemphasized, as there is an increasing rate of unemployment in Nigeria from 23.1% in 2019 to 33.5% in 2020 (NBS, 2020). On the other hand, National Bureau of Statistics (2020) posits that 39.5 million people are unemployed in Nigeria due to the COVID-19 pandemic and the increase in poverty rate during the lockdown by 8.7%. This implies that there is an increase from 43.5% to 52.2% which indicates that 15 million people have fallen below the poverty line (Andam *et al.*, 2020).

Several studies have been carried out on COVID-19 pandemic in Nigeria (Ekanem *et al.*, 2023; Asuquo and Ekanem, 2023) with lack of empirical evidence, but no study has been carried out on COVID-19 pandemic and the coping strategies of SMEs in Nigeria which forms the gap this study hopes to fill.

### **Objectives of the Study**

The study has the following objectives, to:

- i. investigate the effect of COVID-19 pandemic on SMEs in Nigeria;
- ii. investigate the preparation of SMEs for the outbreak of COVID-19 pandemic in Nigeria and
- iii. identify the coping strategies taken by SMEs to survive in the wake of COVID-19 pandemic in Nigeria.

### **Research Questions**

- i. What are the effects of COVID-19 pandemic on SMEs in Nigeria?
- ii. What are the preparations taken by SMEs for the outbreak of COVID-19 pandemic in Nigeria?
- iii. What are the coping strategies adopted by SMEs to survive in the wake of COVID-19 pandemic?

### **Review of related Literature and theoretical framework**

#### **Covid-19 Pandemic and the performance of SMEs in Nigeria**

Nigeria accounts for 41, 543, 028 SMEs, with Lagos State having the highest with 99.8%, 0.17% in Osun State and 0.004% in Oyo state respectively (NBS, 2017). Moreso, SMEs contribute 48% of the GDP in Nigeria and account for 96% of businesses and 84% of employment. Considerably, there are businesses with less than 10 employees and have less than N5 million in assets excluding lands and buildings.

Covid-19 is a deadly pandemic that spread across the world resulting in both economic and social lockdown. The lockdown affected businesses and economic activities and further reduced the availability of economic resources such as workmen, raw materials and transport (Craven *et al.*, 2020). This affected the performance of many SMEs. Some dwindled, while others closed down. The lockdown, restriction of movement, closure of market and social distancing as announced by the government also truncated the movement of goods and services which stand as the backbone on which SMEs depend on for their smooth routine activities (Bularafa and Adamu, 2021). The role of SMEs as an integral part of social and economic systems is being threatened as a result of the effects of COVID-19 pandemic. The customers, as well as the facilitators of SMEs are under threat of bankruptcy as a result of the recession experienced globally (Wuen and Wu, 2020). However, in this condition government was expected to focus on controlling the virus, maintaining employee pay, reducing long-term cost, and cost of preventing business collapse. Hence, the above will require serious action with laid down programmes and donations (Weiwen, Karen, and Luedi, 2020).

Moreover, an earlier prediction by the International Monetary Fund, indicates that there was likely to be a global recession in the year 2020 (IMF, 2020). Business sectors such as travel, accommodation and food services would be more affected than other sectors. Businesses were likely to undergo several stages of depression before regaining (Weiwen, Karen and Luedi, 2020). The extent of the damage would depend on the measures taken by government. Moreso, for SMEs engaging in manufacturing, operating during the

lockdown became a problem because factory operation are not designed for social distancing and the movement of people to other places for the safety of life resulted in the disappearance of workers and filling the gap becomes challenging for SMEs. According to Mogaji (2020) who examined the impact of COVID-19 pandemic on transportation in Lagos, Nigeria by using a survey through a questionnaire administered to residents of Lagos via email in data collection and used descriptive analysis in his report. The findings reveal that lockdown and restrictions on movement have a significant negative effect on SMEs performance. Also, findings indicate that economic activities, social activities and religious activities during COVID-19 were affected by the disrupted transport services due to the pandemic. Additionally, the increased cost of transportation, shortage or lack of transportation mode and traffic congestion were identified as the effect of COVID-19 on transport in Lagos state, Nigeria which also led to the increase in the overall cost of living in the city as well as an increase in the cost of food items. Similarly, Abideen (2020) who conducted a study on Coronavirus (COVID-19) and the survival of SMEs in Abeokuta, Ogun State, Nigeria, found that the COVID-19 sub-variables such as lockdown, movement restriction and international travel restriction all have a significant negative relationship with the SMEs performance. Furthermore, the findings indicate that restriction on internal movement and higher fiscal policy spending did not have a positive effect on SMEs performance.

### **COVID-19 Lockdown Unemployment and Poverty**

The presence of COVID-19 created so many new social and economic challenges in Nigeria and the world at large. According to Thunstrom *et al.*, (2020), it is estimated that 260 million people will be back in poverty by 2020, almost as many as the 271 million who left between 2006 and 2016. COVID-19 pandemic has undoubtedly expanded poverty causing social and economic downturn globally. According to The World Bank (2020), it is estimated that in 2020 about 700 million people lived in extreme poverty worldwide, which means living below \$1.90 USD per individual per day and the pandemic may push up to 115 million into poverty in 2020. Moreover, in 2018, the world poverty clock reviewed that 89.9 million Nigerians live in extreme poverty and about 5 million more Nigerians will be in poverty in 2020 as a result of COVID-19 shock (Olurounbi, 2020). COVID-19 has also caused global economic crisis which led to increase in poverty level and an obstacle to the achievement of the sustainable development goals number two which advocates for zero poverty by 2030 (Wang and Huang, 2021).

However, Nigeria was already wallowing in poverty before the emergence of COVID-19 as a result of lack of jobs, (youth unemployment) and other economic opportunities which increased poverty levels, created more inequality and societal unrest in Nigeria (Umanah, Udom and Badey, 2023). Although unemployment is global, but the situation seems to have worsened in Nigeria as a result of COVID-19 pandemic. According to the National Bureau of Statistics (2018), unemployment increased to 33.5% in 2020 as compared to 23.1% in 2018. Giving credence to this, the then Vice President of Nigeria, Prof. Yemi Osinbanjo at the economic sustainability committee stated that “the government was anticipating 39.4 million job losses by December due to the COVID-19 pandemic” the number is likely to increase due to the global impact of COVID-19 pandemic on trade (Okunola, 2020). Developed countries of the world were greatly affected as unemployment rate increased in USA and Australia from 4.4% to 14.7% and 5.4% to 11.7% respectively between March and April 2020 (Australian Bureau of Statistics, 2020). COVID-19 pandemic and the preventive measures led to 60% increase in unemployment in April 2020 (Bauer and Weber, 2020).

The National Bureau of Statistics (2020), reported that unemployment rate increased to 27.1%, that is, 15 million Nigerians are unemployed. The worst hit of COVID-19 on unemployment is on Nigerian youths which has led to youth unemployment of about 13.9 million (Umanah, Udom and Badey, 2023). Aside unemployment, COVID-19 pandemic also prompted more social and critical problems such as increase in crime rate, poverty, starvation due to loss of job (Agbeyo, 2020). Moreso, the pandemic also created huge job and income losses with negative consequences for SMEs.(UNDP, 2020). Therefore, government policies supporting SMEs and poverty alleviation efforts need to be strengthened in developing and low income countries. The International Labour Organization (2020) stated that there is

need for every country to adapt and update the National Employment policy to cushion the effect of the pandemic. This will boost economic growth and reduce unemployment.

### **Coping strategies of SMEs in Nigeria during Covid-19 Lockdown**

In reaction to the hit of COVID-19, SMEs in Nigeria put forth coping strategies as well as programmes and measures in order to stay in business. In March, 2020, the Federal Government of Nigeria introduced a Targeted Credit Facility (TCF) of N50 billion as a stimulus package to support households and SMEs affected by COVID-19. The objective of the stimulus package was to cushion the effect of COVID-19 on households and SMEs and also support households and SMEs whose economic activities have been significantly impacted by the COVID-19 pandemic (CBN, 2020; Oyewale, Adebayo and Kehinde, 2021). Moreso, SMEs must strive to cope with emerging threats, adapt to turbulent environments and change processes through the display of higher levels of innovation in order to stay operational and relevant during COVID-19. Specifically, SMEs that were found to be lacking in their use of digital technology have now adopted digital technology as a coping strategy during COVID-19 lockdown. Some SMEs adopted continuous advertising as a strategy for updating customers on new products, promoting repeat business, publicizing new products and services and attracting new customers (Dane, Isaac and Akyuz, 2021). Although some SMEs lost customers due to lockdown restrictions and lack of government support, others leveraged on technology tools to deliver their goods to their customers by making their customers order goods online and to be delivered at their doorstep to reduce stress.

According to Momba (2013) and Hannon (2020), SMEs expected the government to protect their businesses in the wake of covid-19 pandemic and beyond through the provision of palliatives which included: grants, loans, financial support, protection of workers on essential duty, reduction of interest rate, tax break and waivers, stimulation of the economy, meeting the demands of the organized labour as well as policies that would allow easy operations. Corroborating this, Igwela (2021) posits that assisting SMEs will be of great significance to both the economy and the individual, while it will allow the individual to purchase basic needs for survival, on the other hand, it could lead to shortage of supply, high demand and economic recession. Moreso, some SMEs used networking and adoption of digital marketing to stay functional even with the difficulties that came with the COVID-19 lockdown, while others diversified and engaged in businesses that were needed at that time (Fubah and Moos, 2022).

### **Methodology**

The study adopted the survey research design. Data were collected from 205 SMEs owner/respondents in three commercial cities of Akwa Ibom State, namely; - Uyo, Ikot Ekpene and Eket through the use of questionnaire. In each of the commercial city, the purposive sampling technique was used to select SMEs owners into the sample. Data were collected through the means of structured questionnaire. The study adopted descriptive statistical method for data analysis. It should be noted that 250 questionnaires were successfully completed and retrieved.

**Table 1: Distribution of SMEs owner/respondents according to commercial cities**

S/N	Commercial city	Number of SMEs/ Respondents	Percentage (%)	Total
1.	Uyo	92	2.717	
2.	Eket	80	3.125	
3.	Ikot Ekpene	78	3.205	
	<b>Total</b>	<b>250</b>		<b>250</b>

Source: Researcher's fieldwork survey (2023)

Table 1 above shows that respondents/SMEs owners in the commercial city of Uyo constituted 2.717% (92) of the sample, those in Eket constituted 3.125% (80), whereas respondents in Ikot Ekpene constituted 3.205% (78). This implies that the highest number of SMEs were in the commercial city of Uyo being the state capital, followed by Eket and Ikot Ekpene.

## Findings of the study

**Research Question 1:** What are the effects of COVID-19 pandemic on SMEs in Nigeria?

**Table 2:** Effects of COVID-19 on SMEs in Nigeria

What are the effects of COVID-19 pandemic on SMEs in Nigeria?	SA	A	SD	D
There was a strain on the income of the firm and savings during the lockdown	85 (2.94%)	56(4.46%)	35(7.14%)	10(2.5%)
There was reduction in the purchasing power of consumers.	35(7.14%)	48(5.20%)	78(3.20%)	56(4.46%)
Wholesalers experienced poor supply of goods	95(2.63%)	66(3.78%)	49(5.10%)	38(6.57%)
Cost of goods and services increased	98(2.55%)	88(2.84%)	62(4.3%)	33(7.57%)

**Source:** Researcher's fieldwork survey (2023)

Table 2, above reveals that majority of the respondents 98(2.55%) strongly agreed that increase in the cost of goods and services had an effect on SMEs during COVID-19 pandemic, while 88(2.84%) agreed and 62(4.3%) strongly disagreed, while 33 (7.57%) strongly disagreed. This implies that increase in the cost of goods and services had an effect on SMEs during covid-19. Whereas, 95(2.63%) of the respondents strongly agreed that they experienced poor supply of goods from the wholesalers, 66(3.78%) of the respondents agreed to this, while 49(5.10%) strongly disagreed and 38(6.57%) of the respondents disagreed. This implies that respondents experienced poor supply of goods from the wholesalers. On the other hand, majority of the respondents 78(3.20%) strongly disagreed that there was a reduction in the purchasing power of consumers, while 56(4.46%) disagreed to this and 48(5.20%) agreed, while 35(7.14%) strongly agreed that there was reduction in the purchasing power of consumers. This implies that there was no reduction in the purchasing power of consumers during covid-19 lockdown. On whether there was a strain on the income of the firm and savings during the lockdown, majority of the respondents 85 (2.94%) strongly agreed to this fact, while 56(4.46%) agreed, on the other hand, 35(7.14%) of the respondents strongly disagreed and 10(2.5%) of the respondents disagreed to this fact. This implies that there was a strain on the income of the firm and savings during the lockdown.

**Research Question 2:** What are the preparations taken by SMEs for the outbreak of COVID-19 pandemic in Nigeria?

**Table 3:** Preparations taken by SMEs for the outbreak of COVID-19 pandemic in Nigeria

What are the preparations taken by SMEs for the outbreak of COVID-19 pandemic in Nigeria?	SA	A	SD	D
My firm was able to stock up goods and services in preparation for the covid-19 lockdown.	45(5.55%)	65(3.84%)	70(3.57%)	88(2.84%)
We purchased raw materials for the production of goods in preparation for the covid-19 lockdown.	39(6.41%)	51(4.9%)	82(3.4%)	98(2.55%)
My firm purchased new vehicles, repaired old ones and ordered for motorcycles that could service the purchase of goods by consumers.	28(8.92%)	59(4.23%)	79(3.16%)	90(2.77%)

**Source:** Researcher's fieldwork survey (2023)

Table 3 shows that majority of the respondents 88(2.84%) disagreed that their firm was able to stock up goods and services in preparation for the covid-19 lockdown, while 70(3.57%) of the respondents strongly disagreed. Whereas, 65(3.84%) of the respondents agreed and 45(5.55%) of the respondents strongly agreed. This implies that firms were not able to stock up goods and services in preparation for the covid-19 lockdown. On the purchase of raw materials for the production of goods in preparation for the covid-19 lockdown, majority of the SMEs/respondents 98(2.55%) disagreed that they purchased raw

materials for the production of goods in preparation for the covid-19 lockdown, while 82(3.4%) of the respondents strongly disagreed, whereas 51(4.9%) agreed to this fact and 39(6.41%) strongly agreed. This implies that firms did not purchase raw materials for the production of goods in preparation for the covid-19 lockdown. Majority of the respondents/SMEs 90(2.77%) disagreed that firm purchased new vehicles, repaired old ones and ordered for motorcycles that can service the purchase of goods by consumers, while 79(3.16%) of the respondents strongly disagreed. On the other hand, 59(4.23%) of the respondents agreed to this fact and 28(8.92%) of the respondents strongly agreed. This implies that SMEs did not purchase new vehicles. They repaired old ones and ordered for motorcycles that could service the purchase of goods by consumers.

**Research Question 3:** What are the coping strategies taken by SMEs to survive in the wake of COVID-19 pandemic?

**Table 4:** Coping strategies taken by SMEs to survive in the wake of COVID-19 pandemic

<b>What are the coping strategies taken by SMEs to survive in the wake of COVID-19 pandemic?</b>	<b>SA</b>	<b>A</b>	<b>SD</b>	<b>D</b>
Family and friends supplied you with funds for the growth of business.	98(2.55%)	81(3.8%)	79(3.16)	49(5.1%)
Banks were ready to give me soft loans to improve my business during lockdown	27(9.2%)	41(6.9%)	89(2.8%)	71(3.5%)
My suppliers were ready to sell goods on credit	89(2.8%)	77(3.2%)	49(5.1%)	22(11.36%)
I was a beneficiary of government palliatives, loans and grants.	55(4.54%)	77(3.24%)	27(9.25%)	18(13.8%)
We adopted digital marketing	79(3.16%)	77(3.24%)	21(11.9%)	15(16.66%)

**Source:** Researcher's fieldwork survey (2023)

Table 4 shows that majority of the respondents 98(2.55%) strongly agreed that family and friends supplied them with funds for the growth of their business, while 81(3.8%) agreed. Whereas, 79(3.16%) strongly disagreed and 49(5.1%) disagreed to this fact. This implies that family and friends supplied SMEs with funds for the growth of their businesses. Consequently, majority of the respondents 89(2.8%) strongly disagreed that Bank were ready to give them soft loans to improve their businesses during lockdown, 71(3.5%) disagreed to this fact and 27(9.2%), 41(6.9%) of the respondents strongly agreed and agreed to this fact. This implies that Banks did not give SMEs soft loans to improve their businesses during lockdown.

On the other hand, majority of the respondents 89(2.8%) strongly agreed that their suppliers were ready to sell goods on credit during the lockdown, while 77(3.2%) of the respondents agreed to this fact. Whereas, 49(5.1%) of the respondents strongly disagreed and 22(11.36%) of the respondents disagreed. This implies that suppliers were ready to sell goods on credit during covid-19 lockdown. In the area of beneficiary of government palliatives, loans and grants, majority of the respondents 77(3.24%) agreed to this fact, while 55(4.54%) strongly agreed. Whereas, 27(9.25%) and 18(13.8%) of the respondents strongly disagreed and disagreed to this fact. This implies that SMEs benefited from government palliatives, loans and grants during covid-19. In the area of adoption of digital marketing, majority of the respondents 79(3.16%) strongly agreed to this, while 77(3.24%) of the respondents disagreed. On the other hand, 21(11.9%) strongly disagreed and 15(16.66%) of the respondents strongly disagreed. This implies that SMEs adopted digital marketing as a strategy to marketing their product and reaching out to their customers.

### **Discussion of findings**

Findings from the study revealed that there was a strain on the income of the firm and savings during lockdown. It was also revealed SMEs experienced poor supply of goods and from the wholesalers. Emerging from the findings of the study, majority of the respondents strongly agreed that increase in the cost of goods and services has an effect on SMEs during covid-19 pandemic. This shows that covid-19 pandemic has negative impacts on SMEs. This could be attributed to measures taken by government in

containing the pandemic which has reduced income flow and increase in the cost of goods and services. This findings corroborates with the finding of Bularafa and Adamu (2021) who posits that the lockdown, restriction of movement, closure of market and social distancing as announced by the government has also truncated the movement of goods and services which stand as the backbone and which SMEs depend on for their smooth routine activities.

In research question two, the respondents were asked the preparations taken by SMEs for the outbreak of covid-19 pandemic. Findings from the study revealed that firms were not able to stock up goods and services in preparation for the covid-19 lockdown. It was found that firms did not purchase raw materials for the production of goods in preparation for the covid-19 lockdown. It was revealed that SMEs did not purchase new vehicles, repaired old ones and ordered for motorcycles that could service the purchase of goods by consumers during covid-19 lockdown. This shows that SMEs did not prepare for the outbreak of covid-19 pandemic. This could be attributed to lack of information on the impact of the lockdown on the economy and individual. These findings in line with the finding of Craven, Liu, Mysore and Wilson (2020) who contended that Covid-19 is a deadly pandemic that has spread across the world resulting in both economic and social lockdown. Therefore, the lockdown has affected businesses and economic activities and has further reduced the availability of economic resources such as workmen, raw materials and transport.

In research question three, the respondents were asked the coping strategies adopted by SMEs to survive in the wake of covid-19 pandemic. Emerging from the findings of the study, it was revealed that family and friends supplied SMEs with funds for the growth of their businesses. It was also found that suppliers were ready to sell goods on credit during covid-19 lockdown. Findings of the study also revealed that SMEs benefited from government palliatives, loans and grants during covid-19. The study also revealed that SMEs adopted digital marketing as a strategy to reach out to their customers in the rural areas and at home. This shows that SMEs developed coping strategies to survive in the wake of covid-19 pandemic. These findings are in tandem with the finding of Momba (2013) and Hannon (2020). SMEs expected the government to protect their businesses in the wake of covid-19 pandemic and beyond through the provision of palliatives which include; grants, loans, financial support, protection of workers on essential duty, reduction of interest rate, tax break and waivers, stimulation of the economy, meet the demands of the organized labour as well as policies that will allow easy operations. Some SMEs used networking and adoption of digital marketing to stay functional even with the difficulties that came with the covid-19 lockdown.

## **Conclusion**

Covid-19 pandemic has generated growing concerns on the economy and the individual, specifically the impact on SMEs. The result of this study shows that there was a significant effect of covid-19 pandemic on SMEs during covid-19 which affected the growth, development and industrialization, wealth creation, poverty reduction and employment creation is staggering which calls for drastic measures for the survival of SMEs especially at the wake of covid-19 pandemic. However, despite the negative effect of covid-19 on SMEs, some leveraged on the opportunity by adopting digital marketing and some were beneficiaries of government loans, grants and palliatives.

## **Recommendations**

Based on the findings of the study, the following recommendations are made;

- i. SMEs should adopt digital marketing and advertisements on all the social media platforms to reach out to their customers during covid-19.
- ii. Government should support SMEs by providing palliatives such as; grants, tax waiver, loans and other flexible policy that will support the growth of SMEs in the wake of covid-19.
- iii. Family, friends and financial institutions should also support SMEs with soft loans to improve their businesses during covid-19 lockdown.
- iv. SMEs should also support government and health professionals in the fight against covid-19 by adhering to all the measures to contain the virus.



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