



DISSERTATION

LCBB6000

BA (Hons) Business Management

University of Wales Trinity Saint David (London Campus)

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**Proposed research title: *How did Covid 19 lockdown
measures impact SMEs in the UK?***

Name of the university: University of Wales,

Trinity Saint David

Submission date: 13-01-2023

Abstract

The project has included relevant objectives based on the topic. Job cuts and reduction of R&D processes have been noticed since the pandemic. Interviews have been organised with 2 managers of the company who have noted the change in customer demand and lack of funds in Beauty Pie. The secondary data collection indicated the two themes consisting of the impact of the pandemic on SMEs including the disruption of global supply chains and the growth of online retailing. In chapter 4, data has been collected with the conducting of a survey of over 10 employees of Beauty Pie. From the survey, it has been evident that the brand has been facing issues lately after the reduction of operating hours and decrease in-store sales. Further, it discussed governmental measures like financing SMEs and technological innovation to recover losses because of the same. In the chapter on literature review, some important themes are created after analysing the objectives of the research. Other than this the theories and the models are also highlighted while making an alignment with the topic.

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Chapter 1: Introduction

1.1 Introduction to the subject

The subject of this research deals with the ways that the COVID-19 lockdown measures impact SMEs in the UK. The SARS-CoV-2 caused The Coronavirus pandemic to start in 2019, which has symptoms ranging from mild to moderate respiratory complications and fever (World Health Organisation, 2022). It caused massive panic among people over the world, forcing governments to announce and implement several waves of lockdowns, which witnessed an immense national economic decline. This caused operational and even existential issues for organisations, particularly the Small- and Medium-sized Enterprises (SMEs), which form a significant part of the UK's economy as an immense provider of jobs and economic growth. OECD (2020) reported that SMEs in the UK contributed to the recovery of 2.8% of the losses experienced due to the lockdowns imposed for the COVID-19 pandemic. This illustrates the massive importance of SMEs to the UK's economy but does not provide robust coverage of the impact that the pandemic caused on them.

Beauty Pie is the world's first luxury beauty product buyers' club based in the UK with the mission to democratise this industry and disrupt the traditional luxury beauty market and business model (Beauty Pie, 2022). The business is an SME, with a rapid pace of growth as it continues to dominate the fashion industry on a lower scale. Beauty Pie is popular for offering luxury beauty products at reasonable rates unlike its peers, using a monthly subscription business model, earning it the nickname Netflix for Makeup (Boyd, 2017). The research paper will focus on this organisation to generate insight into the impact of the pandemic on SMEs in the UK.

1.2 Significance of the subject

SMEs in the UK comprise almost 99.9% of UK's private businesses numbering 5.6 million, employing over 16 million people (over 60% of the population) with a turnover of over 2.3 trillion pounds (Over 50% of the total national turnover) (GOV.UK, 2021). This illustrates the importance of SMEs in the UK, as being a major contributor to the growth of the national economy, and the provider of many livelihoods. It makes these organisations significant for the nation, making the research subject extremely important. This is because any change in the

operations of SMEs will have a massive impact on the livelihood of a major portion of the UK's citizens.

1.3 Purpose of the research

As SMEs employ over 60% of the population and their products and services generate over half the nation's economic turnover, it is a massive influencer on the nation's wellbeing. Therefore, the study of the impact of the COVID-19 pandemic on their operations and viability is important, which is the purpose of this research. This research will generate information regarding the impact of the COVID-19 pandemic on the UK's SMEs.

1.4 Aim

This research paper aims to identify and discuss the positive and negative impact of COVID-19-induced lockdowns on SMEs in the UK, with a focus on Beauty Pie.

1.5 Objectives

- To identify the changes caused by the COVID-19 pandemic in the UK for SMEs
- To critically analyse the impact of the pandemic lockdowns on Beauty Pie
- To generate recommendations for Beauty Pie

1.6 Research Question

- What were the changes that SMEs witnessed during the pandemic?
- What was the impact of the pandemic lockdowns on the business of Beauty Pie?
- What can Beauty Pie do to minimise the negative aspects of the COVID-19 lockdowns and utilise the opportunities arising from it?

Chapter 2: Literature review

2.1 Definition

SMEs are referred to as small and medium-sized businesses that operate independently with a small amount of operating fixed and operating capital. Generally, the common size of SMEs floats around 10-250 employees (Mckinsey, 2022). The main vision of the SMEs is to solve the general problems of the consumers, which they face in their daily life. According to a research report by Mittal *et al.* (2018), SMEs play an important role in the acceleration of the GDP of a country with rapid employment generation, constant innovation and high-profit generation. The SMEs are responsible to uplift the young talents of the country and encourage them to contribute their valuable efforts to the development of the country. Lastly, the most vital fact about SMEs is the effectiveness of their work, which helps them to acquire a huge customer base.

2.2 Contribution of the SMEs to the economy of the UK

SMEs play a very important role in the economic development of the United Kingdom with mass employment generation and constant innovation. Since 2018, the business population particularly the part of SMEs has increased by 2.2 million, which reflects the rapid growth of the independent business across the United Kingdom. According to a research report by Chit *et al.* (2022), the economic output of the United Kingdom had increased by 52% since the SME sector has reported a massive acceleration. In the corporate sector of the United Kingdom, 60% of the brands belong to SMEs and they employed around 90% of the total working population.

As stated by Chit *et al.* (2022), the SMEs in the United Kingdom have worked on innovation since the pandemic has destroyed the financial aspect of the country. The SMEs in the United Kingdom are investing more to improve the technological side of the business by expanding their professional network. More than half of the revenues are invested after the research and development of the business model and the process of their operations. With the help of their highly effective operating process, they are able to provide high-quality products and services to the people which is actually increasing their standard of living.

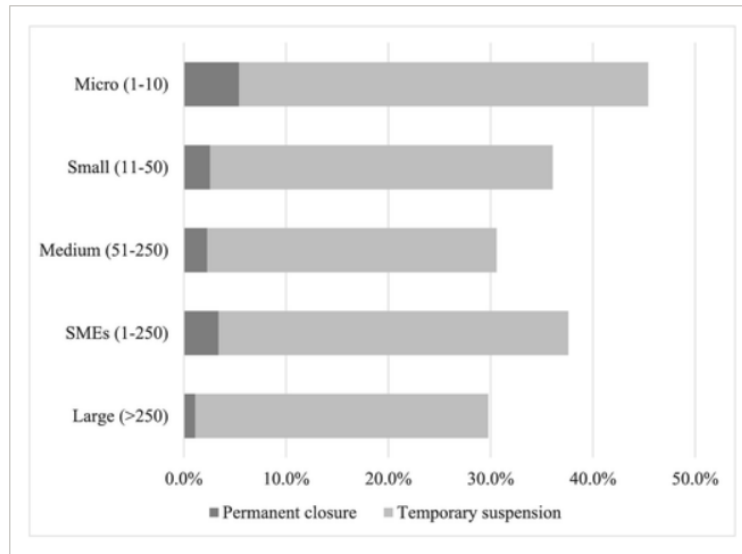


Figure 1: SMEs collapsing rate

(Source: Chit *et al.* 2022)

2.3 Importance of the SMEs

There is some vital importance of SMEs for increasing the level of productivity within the country. SMEs play an important role in contributing to the diversification of products and services in the market of the country. According to a research report by Awang *et al.* (2019), SMEs contribute innovative services and products to the people that can actually solve some basic problems of the people. By such an approach, they are able to improve the standard of living of the people at a very affordable price. However, providing high-quality services at a very low price is one of the important characteristics of SMEs.

Taking the working population of the United Kingdom into account about 90% of the people are employed within SMEs. It is a very advantageous situation for aspiring individuals who do not have any prior experience in the industry and they can easily start their career. As per the research report by Awang *et al.* (2019), SMEs are far more effective than any kind of big organisation, therefore they emphasise largely the aspect of innovation. Characterised by their huge effectiveness the SMEs of the United Kingdom are actively contributing to the growth of the United Kingdom. However, some businesses that are able to survive the heat of the industry can efficiently make a long-term strategy in order to uplift the economy.

The SMEs also put some highlighted benefits to the consumers as well. According to a research report by Müller and Voigt (2018), consumers are available a wide variety of products and services to meet their changing demands. With some new products and services, different types of problems are arising and those solutions are also available to the SMEs, therefore they have a repetitive strategy, which can help them to sustain in the send. On the other hand, the level of competition has also increased with the rapid expansion of the SMEs and this is positively affecting the ultimate growth of the economy.

2.4 Effects on the SMEs during the pandemic

The Covid-19 pandemic is one of the most dangerous phases for people across the world and especially for business communities (Vigo *et al.*, 2020). As the pandemic have taken a fearful figure at the beginning of 2020, which resulted in the government putting temporary restrictions on the free movement of the people as well as trade. As stated by Siuta-Tokarska (2021), the lack of revenue generation is the most dangerous effect of a pandemic on SMEs. Most SMEs operate their core function from their monthly generated revenue and due to the shortage of operating capital they got collapsed. On the other hand, the employees who were associated with the brands lost their jobs overnight. This has increased the overall unemployment rate in the country and the balance in the economy became very hard to manage. Additionally, the SMEs that operate with the FMCG (fast-moving consumer goods) materials faced supply chain disruption.

According to a research report by Siuta-Tokarska (2021), some vital positive effects of the pandemic on the operations of SMEs and rapid implementation of the digital work process, which can give some competitive advantage to the businesses. As there was a temporary restriction on the free movement of the people, they started availing of online services. Since this point the industry has accounted for a massive shift in consumer behaviour, therefore, most people have become dependent on virtual services. This has created an opportunity for the SMEs to shift their offline operations towards online and they have started investing more in automation and digital marketing. With such new opportunities and scope within the market, several new businesses had introduced their virtual service and the level of competition was also increased by the end of 2021.

2.5 Theories and models

The most vital disadvantage that SMEs have experienced is the loss of revenue and the rapid increase in employee turnover. Taking into account the weak situation of the business during the pandemic Maslow's hierarchy of needs theory will be highly applicable. According to a research report by Hopper (2020), the hierarchy of needs theory deals with the fulfilment of the requirements of the employees that are classified as physiological, safety, family, esteem and self-actualisation needs. In order to keep the employee turnover rate in balance, the SMEs need to fulfil the basic needs of their staff like pay-outs, health benefits and many more. At the very high stage of their career, they will be able to reach some heights with lots of experience.

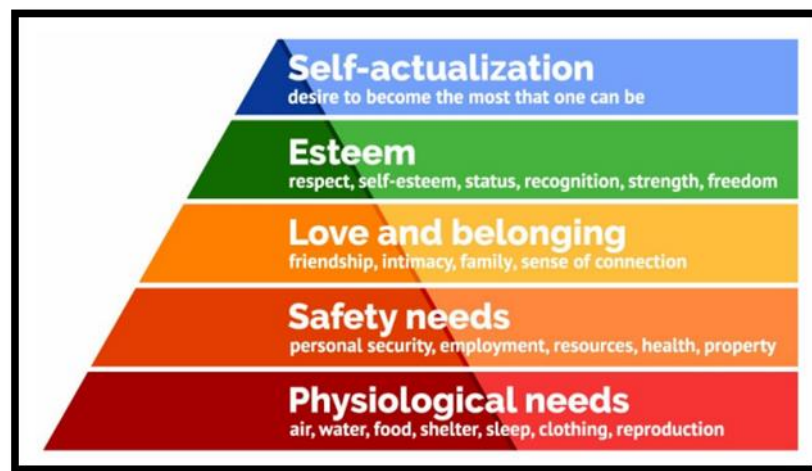


Figure 2: Maslow's hierarchy of needs theory

(Source: Hopper 2020)

In order to maintain efficiency and consistency within the management, it is mandatory for the employees to be cooperative. Employees with low fighting spirits are no less than harmful to the brands, especially in post-pandemic situations. SMEs can use the model of theories X and Y in order to identify the difference between their efficient and inefficient employees. According to a research report by Prottas and Nummelin (2018), a high amount of supervision, as well as control, is required to manage the employees who are under the category of X. On the other hand, employees belonging to category Y are highly reasonable and self-motivated to accomplish the organisational objectives.

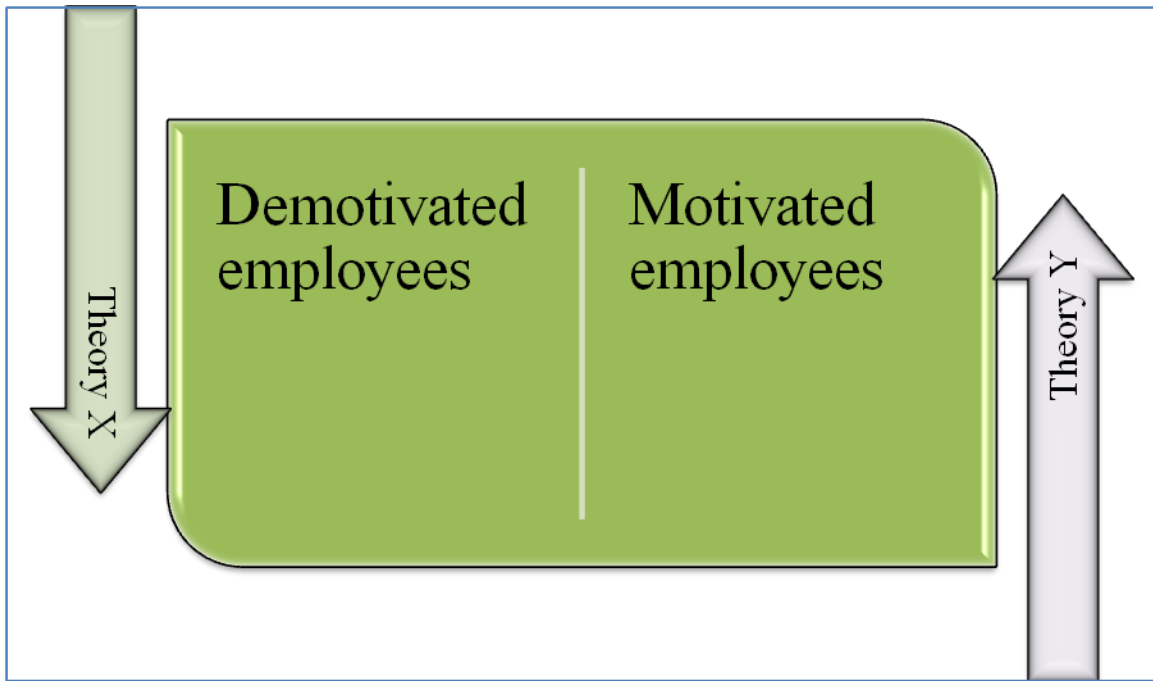


Figure 3: Theory X and Y

(Source: Inspired by Protas and Nummelin, 2018)

2.6 Challenges faced by the SMEs during the pandemic

There are mainly three kinds of challenges that the SMEs of the United Kingdom have been through during the Covid-19 outbreak, which can be classified as economic, marketing and financial. The most highlighted challenge that most SMEs have been through is the lack of operating capital. This has resulted in a deficit in the financial statements of the business and the core operations had been delayed. On the other hand, the profit generation has stopped the business that operates with luxury products as people are spending more on the necessary items. According to a research report by Zutshi *et al.* (2021), some of the SMEs that have invested more in marketing activities are able to survive the instability in the industry and the role of digital plays an important role. One of the most vital challenges is the rapidly changing consumer behaviour. Most of the new SMEs had to close their doors permanently during the pandemic, as they were unable to modify their products as per the needs of the consumers.

As consumer behaviour has changed in a very drastic way the most important thing that the SMEs required was technological innovation. According to a research report of Priyono *et al.*

(2020), most businesses do not have a set of skilled tech individuals, which has caused them a loss of a huge number of potential customers. Therefore, one of the vital challenges for the management of these SMEs was to implement automation in their working process.

2.7 Strategies used by SMEs to overcome the challenges

Several strategies can be used by the management of SMEs to overcome their economic, marketing and technological challenges as all these issues are related to each other if treated in a bigger aspect. Firstly, the automation process is highly necessary for the current operations of their business. With the help of the automation process, the business will be able to provide all-time assistance to their customers and able to retain their potential customers. Other than this the SMEs can also the technology of artificial intelligence and blockchain to provide better data security assurance to the customers (Wang *et al.*, 2022).

According to the research report of Alghizzawi (2019), the implementation of digital marketing strategies can resolve the economical and marketing challenges of SMEs. With the implementation of the digital marketing strategies in the current working process of the business, they will be able to communicate with the global audience, which can help them to create a huge engagement. After the huge crisis in the pandemic, brand awareness is the main thing that the business required in order to rebuild its identity. Lastly, with the help of digital marketing, SMEs will be able to track consumer behaviour in a more detailed way.

2.8 Literature gap

The effects of the pandemic outbreak are one of the most common topics available over the internet and many research projects are available related to this. However, in order to explain this topic in a detailed manner, the researchers must put a huge focus on the study and analysis of the financial data. Research projects available over the internet related to this topic do not give a detailed highlight on the economic data, which has created a literature gap among the readers. In order to mitigate that literature gap, the researchers have provided a detailed analysis of the economic data related to SMEs in the United Kingdom.

2.9 Summary

The number of employees within a business is important for the size of the organisation, therefore if a business has staff between 100-1000 then it will be categorised as SME. The main

characteristics of SMEs are the level of effectiveness they have in comparison to any renowned brand. SMEs are important to boost the growth of the economy by rapidly generating employment and implementing innovation in the market. During the pandemic, SMEs have experienced mainly economic, marketing and technological challenges and in order to mitigate them, the implementation of automation is highly required.

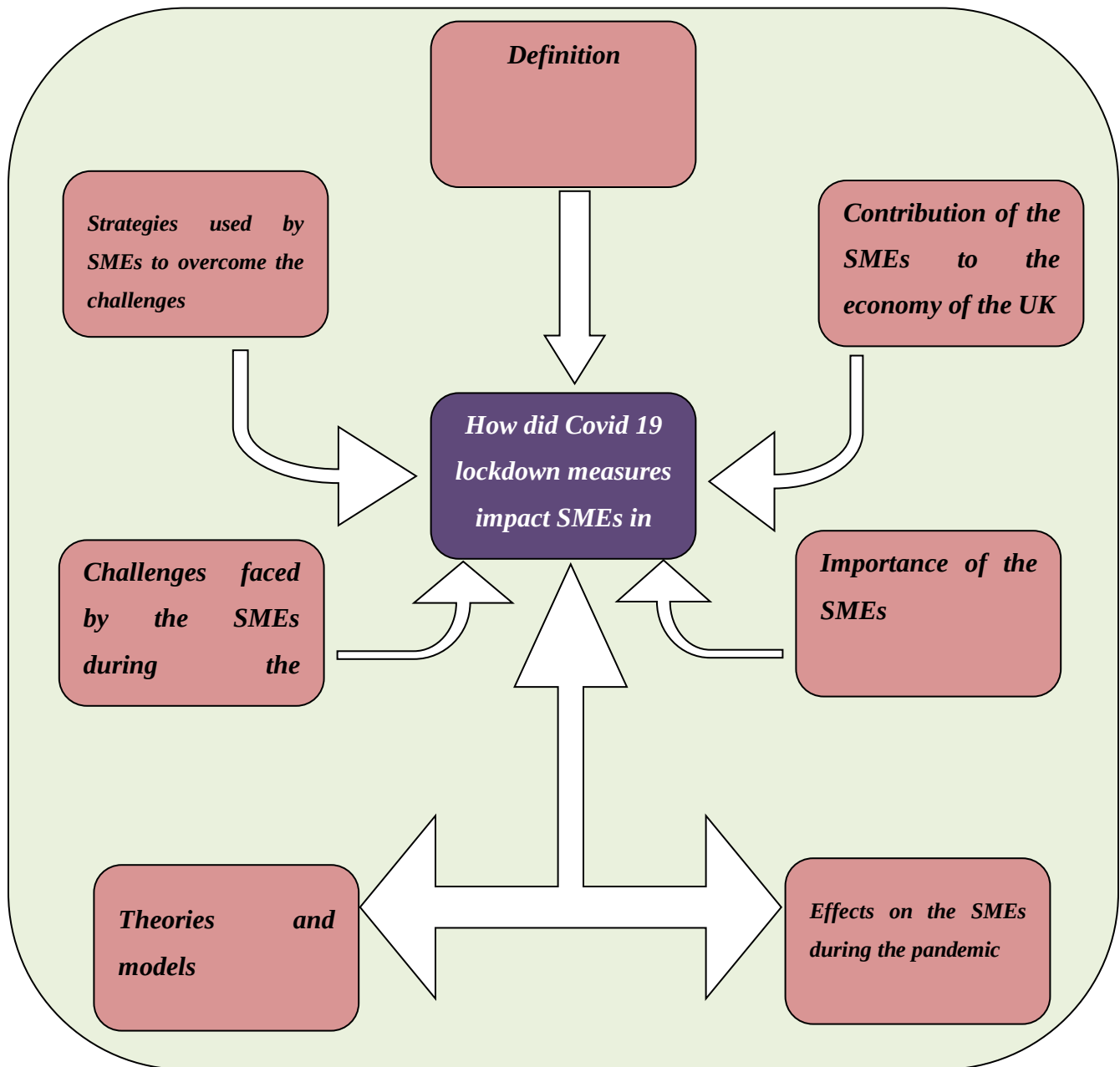


Figure 4: Conceptual framework

s (Source: Created by the learner)

Chapter 3: Methodology

3.1 Research Philosophy

Research often uses mainly three types of philosophies named Positivism, Realism, and Interpretivism. This research uses the **Positivist Philosophy** because the nature of collected information requires consideration using a base of observation. Positivism allows this approach to enable drawing an accurate conclusion from the collected data (Alharahsheh and Pius, 2020). However, it has the disadvantage of being inflexible due to the lack of universality of measurability and calculability in all aspects of research subjects.

3.2 Research Paradigm

For the research paradigm, the paper utilises **Positivism** as well because of the need of gaining credible sources within the research to enable the generation of relevant and authentic information. The source of knowledge and its utilisation, both form important aspects of research, which Positivism enhances, making it valuable (Alharahsheh and Pius, 2020). Therefore, the paper utilises this to enhance the credibility of the generated information, and enable the conclusion to be highly useful. However, it has the disadvantage of lowering the number of insights concluded from the paper because of the rigidity associated with Positivism.

3.3 Research Approach

This paper utilises the **Deductive** research approach to enhance the quality of discussion and aid in the derivation of valuable conclusions from the work. The Deductive approach has the advantage of being able to generate links among different concepts and variables, to enable the development of valuable conclusions (Machila *et al.*, 2018). Therefore, this approach enabled the paper to provide a quantitative discussion on the research subject. However, it had the disadvantage of lowering the potential number of conclusions drawn because of the lack of utilisation of ideas and instead relying on existing information to derive them.

3.4 Research Methodology

The research adopts the methodology of a mixed data collection approach, utilising both **primary and secondary** data to gain valuable inputs to enrich the quality of discussion in the paper. This

approach has the advantage of considering both fresh and pre-published information to generate new information and mix them with existing data to develop a new conclusion and build on the academic knowledge source (Pandey and Pandey, 2021). Since the subject of COVID-19 is relatively new, it requires primary data but because of the expanse of its impacts making it impossible for collective comprehensive information, secondary data makes this task feasible. However, it has the disadvantage of requiring more time investment on the part of researchers to collect and analyse the collected information.

3.5 Research Strategy

The paper adopts the research strategy of both **Qualitative and Quantitative** data to gain the most value out of the adopted mixed methodology. The qualitative strategy offers the advantage of considering broad opinions in the discussion while the quantitative strategy has the benefit of generating easy-to-use information. This paper's broad subject necessitates the adoption of this strategy to ensure satisfactory coverage of the same. However, this approach has the disadvantage of being extremely time-consuming.

3.6 Sampling Methods

The paper adopts the **Random Sampling** method to ensure the avoidance of bias within the data collection procedure, and to generate accurate and relevant information through its conclusions. It conducts online surveys using Survey Monkey for 10 randomly chosen employees of Beauty Pie, while interviews consist of 2 managers of the organisation. This has the advantage of minimising the bias of respondents by randomly selecting them. However, it has the disadvantage of being difficult to execute because of the possibility of natural bias entering the selection process due to human nature.

3.7 Data Collection

The data collection process of the research consists of both primary and secondary sources, with **mass surveys and interviews** for primary data collection analysed through quantitative and qualitative techniques. Further, secondary research consists of **articles and journals** using **two themes**, evaluated using thematic analysis. This technique would provide the advantage of a comprehensive evaluation of these sources to generate highly relevant information to the research subject (Pandey and Pandey, 2021). However, it has the disadvantage of being time-consuming, but the comprehensiveness of the generated information justifies this method.

3.8 Data Interpretation

For qualitative data, the paper uses **Constant Comparison** and for quantitative data, it utilises the **Frequency Distribution** approaches. Further, the paper utilises **Thematic Analysis** to interpret the secondary collected data to conclude relevant to the research subject. This has the advantage of generating broad conclusions based on the collected information but has the disadvantage of being vulnerable to the addition of personal bias of the researcher.

3.9 Time prospects of the research

Activity	Start Date	Duration	End Date
Identification of the aim and objectives	03-06-2022	4	07-06-2022
Introduction of research	07-06-2022	9	16-06-2022
Literature Review	16-06-2022	11	27-06-2022
Research Methodology	27-06-2022	16	13-07-2022
The primary method of collecting data	13-07-2022	15	28-07-2022
Analysis of data	28-07-2022	16	13-08-2022
Drawing conclusion	13-08-2022	9	22-08-2022
Recommendation and suggestion	22-08-2022	7	29-08-2022
Submission	29-08-2022	1	30-08-2022

Table 1: Work breakdown structure

(Source: Created by the learner)

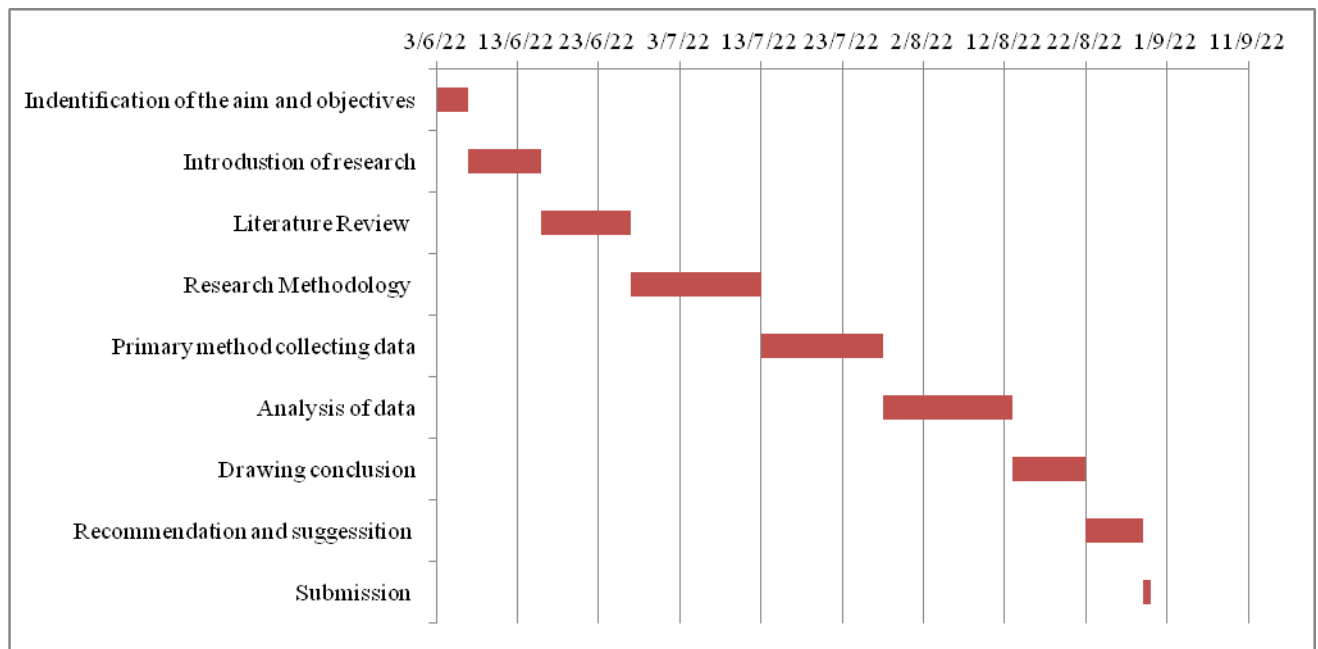


Figure 5: Gantt chart

(Source: Created by the learner)

3.10 Ethical considerations of the research

The main ethical consideration for the paper comprises the protection of the personal information of respondents of the data collection methods. The Data Protection Act of 2018 guides this process and requires the complete confidentiality of the respondents and the protection of their personal information. This paper achieves this through the usage of computers protected by passwords and cybersecurity measures to ensure the protection of the personal information of respondents participating in the research, and the resultant information.

Chapter 4: Data collection and analysis

4.1 Introduction

In this section, data will be collected via a survey of 10 employees of Beauty Pie by Survey Monkey and an interview of 2 managers of the brand. Secondary data will be collected via thematic analysis by the formation of two themes and noting relatable articles and journals from Google Scholar. An analysis will be formed for all the qualitative and quantitative data secured.

4.2 Survey

Q1. What is your age?

Response	Participants	Percentage	Total number of participants
25-30	7	70	10
31-36	2	20	10
37-42	1	10	10

Table 2: Age

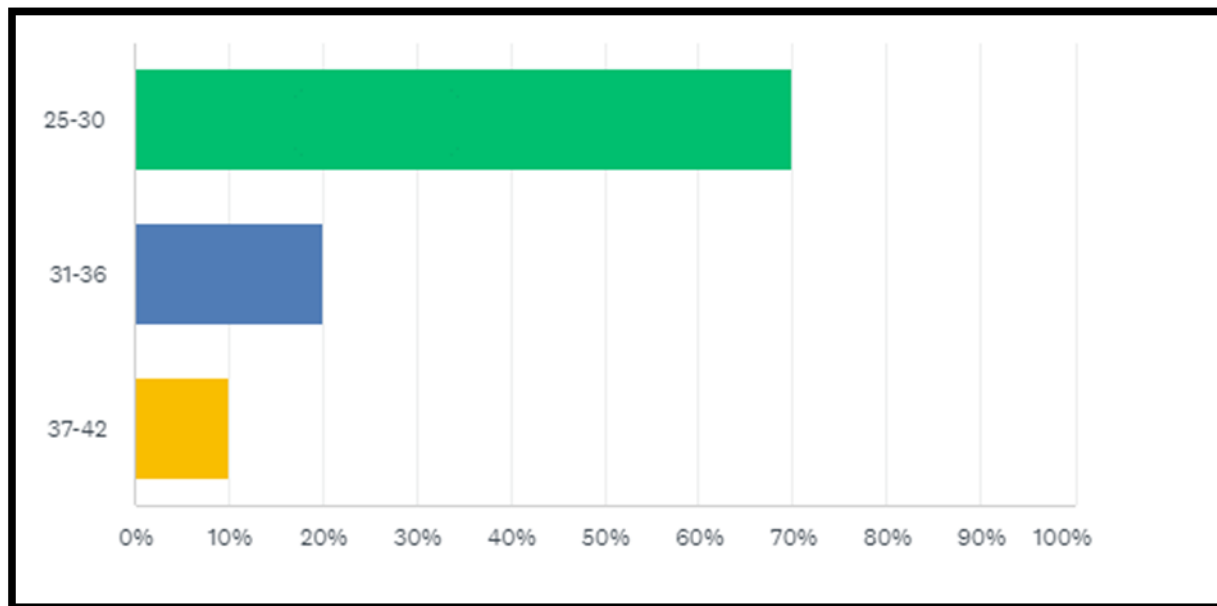


Figure 6: Age

In the survey of 20 employees of Beauty Pie, the employees were enquired about their respective ages. Almost 70% of the employees noted their age to be around 25 to 30 years old. Only 20% reflected their age lying between 31 to 36 years. The rest 10% noted their age lying between 37 to 42 years. Thus, it can be stated that the brand is engaged in the employment of younger generations as their employees to boost its productivity. The study was conducted from the perspective of the maximum number of employees present within the age of 25 to 30 years.

Q2. How have the operations of Beauty Pie changed after the outburst of Covid-19?

Response	Participants	Percentage	Total number of participants
Increase of eCommerce initiatives	7	70	10
Remote working for employees	3	30	10
Restricted supply chain opportunities	0	0	10

Table 3: Operations

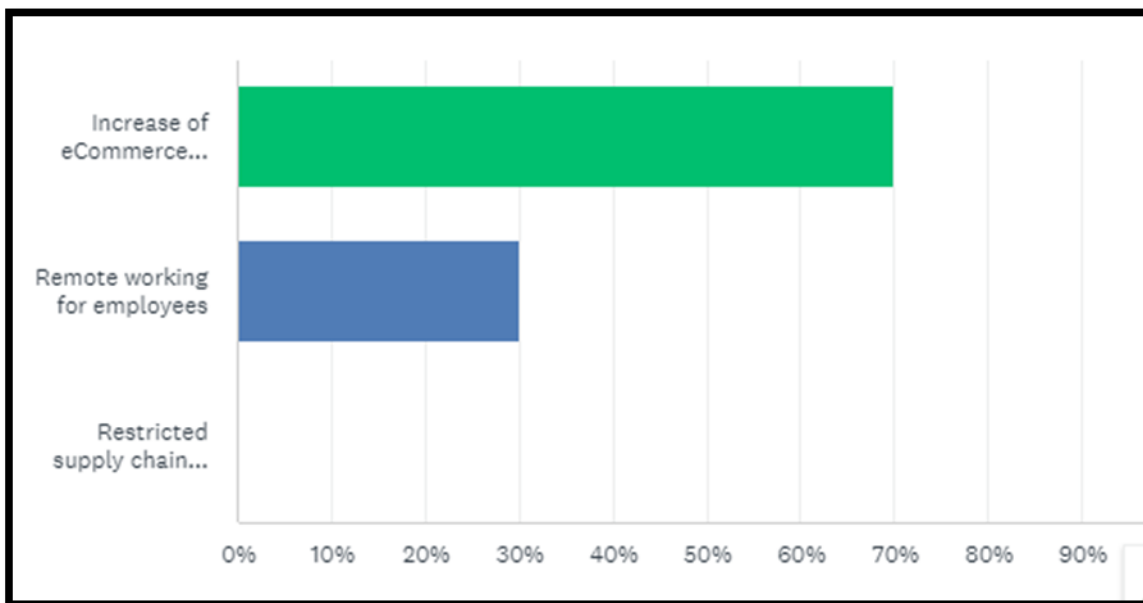


Figure 7: Operations

On being questioned about how the operations of Beauty Pie have changed since the onset of the pandemic, employees indulged in vocalising different responses. Almost 70% noted the increase of eCommerce initiatives of the brand have enhanced since 2020 due to the instigation of lockdown restrictions. Nearly 30% were indulged in the portrayal of the remote working strategy introduced by the brand after the pandemic for initialling its operations irrespective of the lockdown situations. However, none of the employees abided by the disruption of the supply chain which has decreased the profitability of the brand and affected the availability of its products. Thus, it can be ensured that the operations of the brand have been largely affected by the pandemic and transformed its daily activities entirely.

Q3. What changes can be located in SMEs during the pandemic?

Response	Participants	Percentage	Total number of participants
Financial constraints due to low income of sales	6	60	10
Increasing loss of jobs	3	30	10
Enhancement of reliability on digital solutions for daily operations	1	10	10

Table 4: Changes

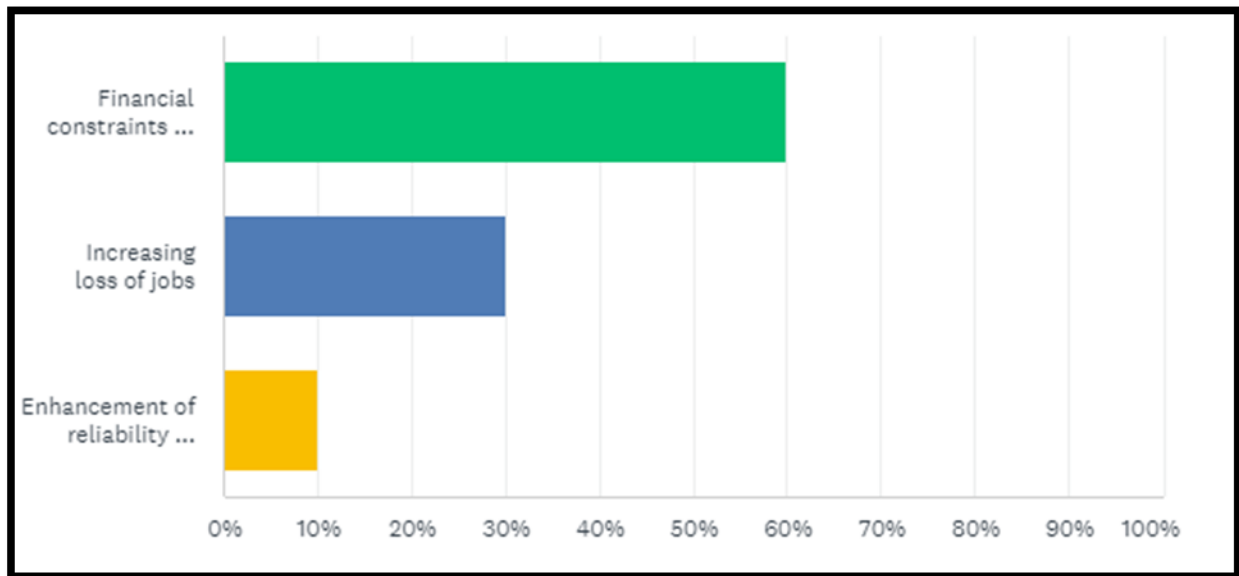


Figure 8: Changes

During the pandemic, several changes were located in the actions of SMEs which have helped them to effectively respond to the entitled crisis of Covid 19. On being questioned about the same in the survey, 60% of the employees have reflected on the financial constraints due to the low income from sales of the brand has been consistent since the last few months. This has been further aggregated with the reduction of potential and loyal customers of the establishment. Almost 30% have stated of the increase in loss of jobs has been present all across SMEs which has been intriguing due to the absence of proper skills of the same. Technological development of brands after the Covid has aggregated and has been a potential cause of loss of employees since 2020. Around 10% of the surveyed candidates think of the operations of SMEs have been enhanced largely due to the increase of reliability on digits solutions of daily operations of all departments.

Q4. What has been the impact of Covid-19 lockdown measures on Beauty Pie?

Response	Participants	Percentage	Total number of participants
Reduction of operating hours	5	50	10
Decrease in the in-	3	30	10

store sale of products			
Job cuts and cessation of R&D processes	2	20	10

Table 5: Impact

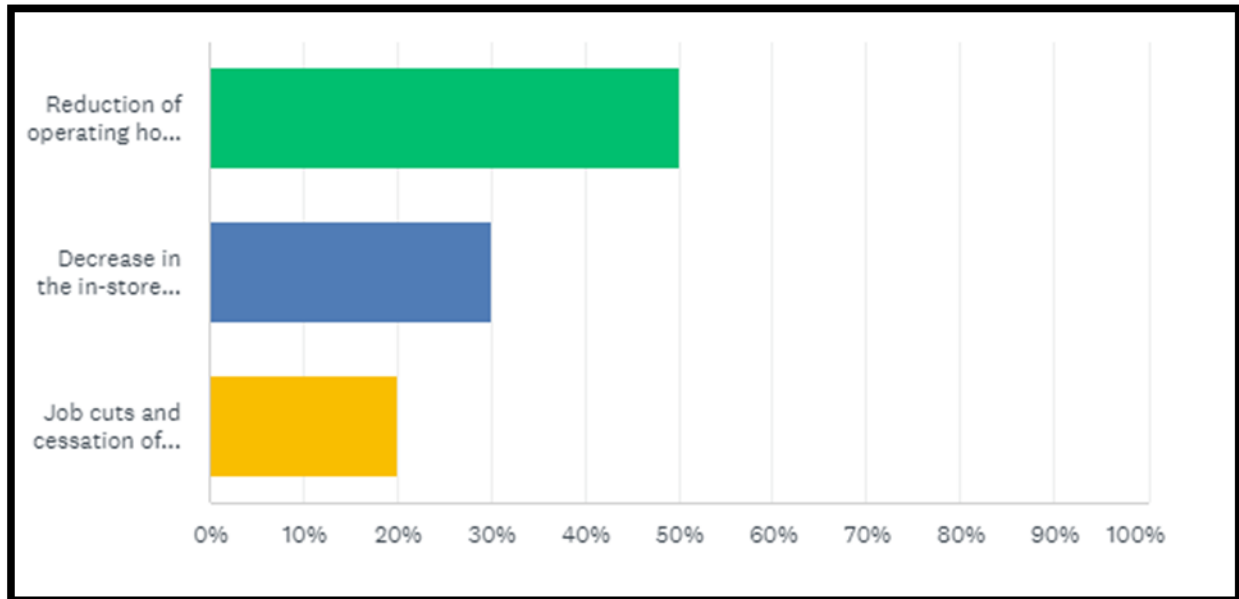


Figure 9: Impact

The instigation of Covid 19 lockdown restrictions has fathomed an immeasurable effect on the operations of Beauty Pie and has transformed its daily activities. In the survey, employees were questioned about the impact of the lockdown restrictions on Beauty Pie and how it has been responding to the same. Almost 50% of the survey candidates have stated of the reduction of operating hours has been achieved by the brand which has limited its profitability of the same. This has been taken into account owing to the lack of proper health and wellbeing initiatives of the brand and can be further improved as referred by the employees. Almost 30% of them have noted of the reduction in the in-store sale of products has affected the revenue collection sphere of the company and has decreased the introduction of rapid investment in innovative measures in the same. The next 20% have been vocal about the huge job cuts present in the brand after the increasing illness of employees and the cessation of the research and development process in the same due to the lack of funds.

Q5. Do you think the brand has enough capability to overcome future lockdown situations and continue with operations effectively?

Response	Participants	Percentage	Total number of participants
Yes	5	50	10
No	3	30	10
Maybe	2	20	10

Table 6: Capability

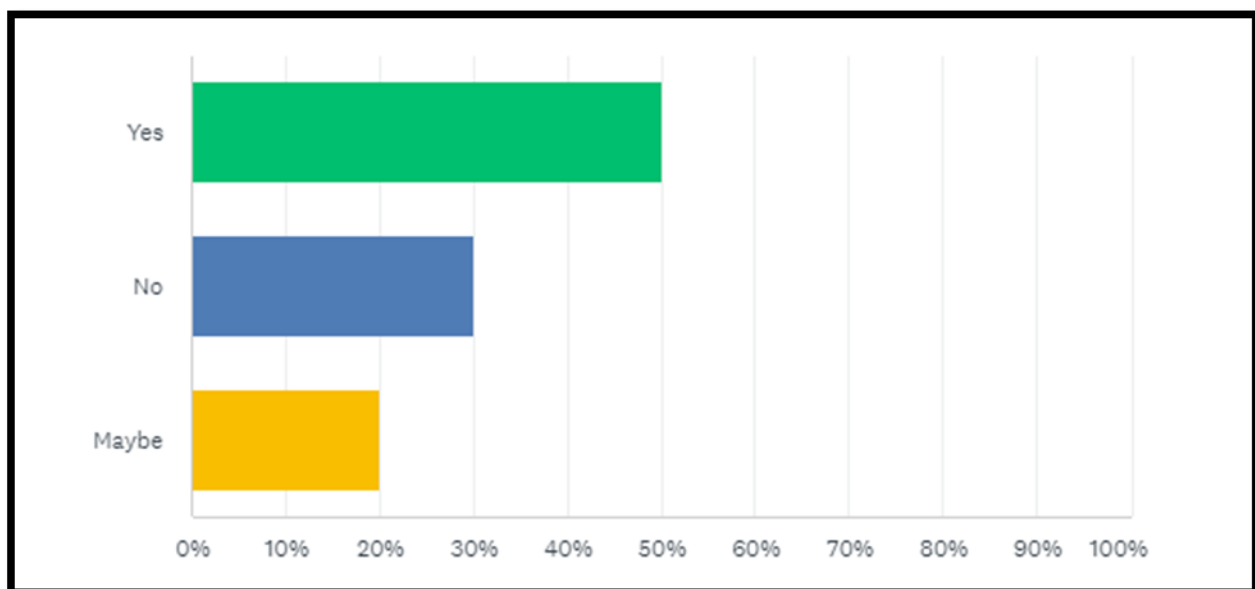


Figure 10: Capability

The 10 employees of Beauty Pie were questioned about their views regarding the ability of the brand to respond to the future lockdown restrictions via management of their normal operations. Nearly 50% of them have noted their affirmation in the decision-making process of the company which can help it to recover from issues with observance of a detailed crisis management plan. Almost 30% opposed the idea and stated that the brand does not have enough revenue and capability to overcome future lockdowns and may crumble in such an instance. The rest 20% had a mixed idea about the capability of the company and were unsure of the status of the establishment in dealing with future critical situations.

Q6. Can you recommend some strategies that can help in overcoming such conditions due to lockdown measures in the UK?

Response	Participants	Percentage	Total number of participants
Prioritising health and safety of employees	4	40	10
Telework for a collaborative working environment	2	20	10
Social media marketing for attracting global customers	4	40	10

Table 7: Recommendations

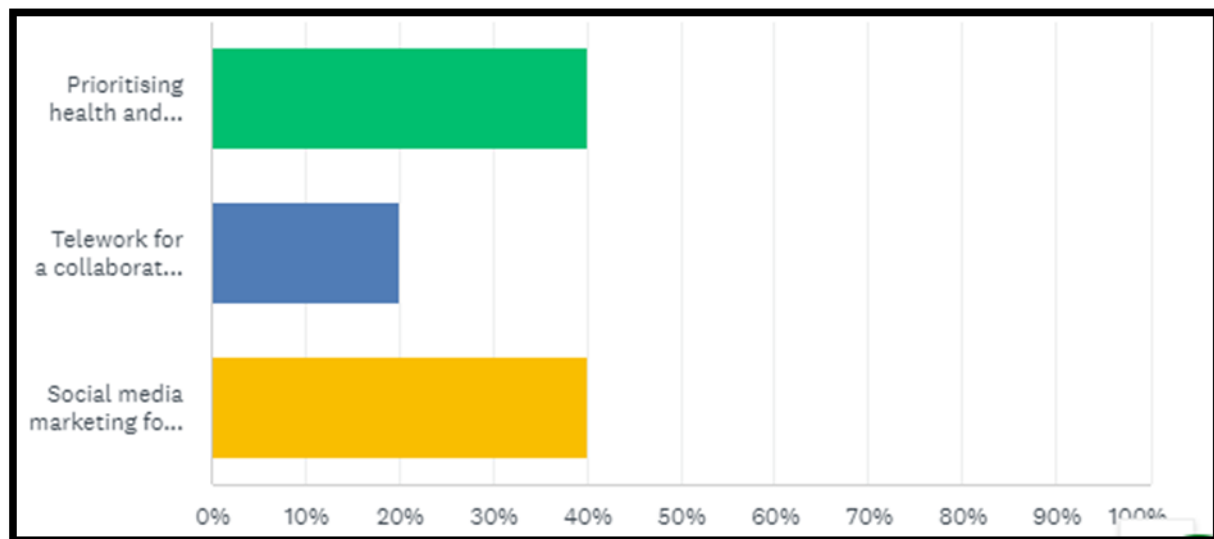


Figure 11: Recommendations

The employees of Beauty Pie were provided with the opportunity to present recommendations that can help SMEs and their brand to overcome the critical situation of the lockdown measures in the UK. In response to the question, 40% stated the brand should be indulged in prioritising the health and safety of employees and look for the management of their well-being irrespective

of their working locations. This will ensure the regulation of the work-life balance of employees and lead to the enhancement of their productivity. Amkor 20% state of the usage of Telework can help in the development of a collaborative working environment. This is necessary for through incorporation of innovation in the future operations of Beauty Pie. Further, employees were dedicated to helping the brand improve its promotional criteria and strategies to gain the attention of the global audience. According to 40% of employees, the beauty industry has a huge potential across different markets in the world and should be captured by Beauty Pie with social media marketing.

4.3 Interview

Questions	Manager 1	Manager 2
What changes can you observe in SMEs during the Covid 19?	“ During the pandemic, SMEs have been facing issues due to new entrants enhancing the competitive atmosphere of the beauty industry and thus have been adopting unique promotional tactics ”	“ The presence of technological gap of employees in SMEs has been challenging and led to the creation of unrest environment due to the adoption of remote working and collaboration activities”
How has Beauty Pie been impacted after the introduction of Covid-19 lockdown measures?	“The introduction of social distancing measures has taken a huge toll on the operations of Beauty Pie. I have observed a significant shift in demands of customers in types of beauty items and issues of the supply chain to provide the same since the pandemic”	“Due to the lack of enough funds, there has been a permanent inability to operate equipment in many warehouses. Also, the health concerns of employees have increased after the outburst of the Covid virus and have affected the productivity of Beauty Pie"
What strategies should be used by the brand for overcoming	"In my opinion, Beauty Pie should be intrigued in	"With the presence of dedicated customer service

lockdown situations in the UK?	accumulating investment for its innovation processes. This can enhance the reliance of the brand on technology and ease the issues of remote working. Beauty Pie needs to focus on the improvement of the eCommerce channels and gain the attention of global customers for the increase of its profit rates.”	and guidance sphere, the brand can help in the management of its relationship with its customers and improve their loyalty. Quick and realisable logistics chain is necessary for the success of the eCommerce criteria of the business and can be done with the establishment of newer warehouses in operating sites”.
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Table 8: Interview

In the interview, 2 managers of Beauty Pie were questioned about their views on the impact of the pandemic on their daily activities. They were interrogated about the observed changes in SMEs during the outburst of the Covid virus. Manager 1 in response to the question narrated the issues faced by small businesses that arrived from the new entrants in the beauty industry. Due to lockdown the abundance of companies and their modern and innovative promotional tactics have heavily affected the productivity of smaller beauty brands. However, manager 2 confirmed of the presence of technology and skill gaps of employees have increased in contemporary situations. This has carried a challenging and unrest environment in SMEs and acted as a hindrance in the process of remote working. Collaborative activities have been affected by such a process and failed to gain the necessary framework for responding to crisis

After the announcement of Covid 19 lockdown restrictions, Beauty Pie has been heavily impacted as reflected by managers of the brand. Manager 1 noted of the introduction of lockdown measures led to a significant shift in the necessities of customers. They have been altering their requirement for beauty items and the company has been unable to notice ever-changing trends and patterns. Issues in the supply chain have been present since the pandemic in the brand and have limited it from providing customers with required goods. However, manager 2 notes of the lack of funds have been persistent in the brand and limited the usage of equipment.

The absence of funds has made the activities of warehouses completely stagnate and affected the productivity of the company heavily. Such issues need to be addressed readily for the fulfilment of the objectives of the company and to reduce the issues of the pandemic.

The interview provided managers with the opportunity to suggest strategies that can be utilised by Beauty Pie in the contemporary Covid situation for the betterment of actions. This can help in the mitigation of issues of the upcoming lockdown situations in the UK. Manager 1 stated of accumulation of investment for the brand is necessary which can ignite the innovation process of the same. The use of innovation in the company can enhance its reliance on technology and ease the complexities of remote working effectively. Beauty Pie according to Manager 1 should focus primarily on the improvement of its eCommerce channels and gain the attenuation of the global beauty market and customers. This will ensure the improvement of profit factors for Beauty Pie. On the contrary, Manager 2 has been reflecting on the necessity of the presence of dedicated customer service which can improve their relationship with customers. With loyal consumers, the brand can ensure ample revenue collection to support its eCommerce channels. For such improvement, the company has to make a quick and reliable logistic chain along with the development of newer warehouses at multiple operational sites.

4.4 Secondary Data

Theme	Book/Article	Author	Year	Findings
Impact of Lockdowns on SMEs	European SMEs amidst the COVID-19 crisis: assessing impact and policy responses	Juergensen, J., Guimón, J., and Narula, R.	2020	The lockdowns affected the global supply chains, which is an important component of SMEs. This caused massive losses for SMEs because of the

				lack of required chains to procure inputs and transport outputs.
	Levelling down and the COVID-19 lockdowns: uneven regional recovery in UK consumer spending	Gathergood, J., Gunzinger, F., Guttman-Kenney, B., Quispe-Torreblanca, E., and Stewart, N.	2020	The lockdowns caused massive changes in consumer behaviour with a shift towards e-commerce facilities. This caused losses for traditional organisations while online companies made huge profits.
Measures taken by SMEs and policies implemented by governments	Financing entrepreneurship in times of crisis: exploring the impact of COVID-19 on the market for entrepreneurial	Brown, R., Rocha, A., and Cowling, M.	2020	The UK government implemented several financing measures for SMEs to help them

	finance in the United Kingdom.			overcome the negative impacts of the pandemic.
	Innovative finance, technological adaptation and SMEs sustainability: the mediating role of government support during COVID-19 pandemic.	Pu, G., Qamruzzaman, M., Mehta, A. M., Naqvi, F. N., and Karim, S.	2021	Several SMEs focused on technological innovation with a focus on sustainability and innovative finance to overcome the issues caused by the COVID-19 pandemic.

Table 9: Secondary Data collection

(Source: Created by the learner)

Theme 1

According to Juergensen, Guimón, and Narula, (2020) revealed the massive economic downturn caused by the pandemic for most SMEs in the UK, with immense losses recorded by traditional companies like fashion retailing stores and the luxury market. However, it also indicated a great opportunity for online retailing and e-commerce organisations as they recorded increased sales and exponential growth in clientele as customers switched to online solutions for their needs (Gathergood *et al.*, 2020). The transportation and accessibility issues caused by the lockdowns exacerbated this trend, as consumers locked in their homes discovered the utility and accessibility offered by online retailing solutions.

Theme 2

This theme indicated that the government seriously deliberated and implemented several measures to enable SMEs operating in the nation to overcome the challenges introduced because of the nationally-imposed lockdowns (Brown, Rocha, and Cowling, 2020) It included financing measures like governmental financial support provided to essential SMEs and these organisations adopting technological innovation with a particular focus on online retailing to recover their losses (Pu *et al.*, 2021). These measures enabled much of this industry to sustain its operations throughout the lockdowns and expand it's business and clientele.

Chapter 5: Conclusion and Recommendations

5.1 Conclusion

This paper focused on the issue of the COVID-19 pandemic impacting the operations of SMEs in the UK, with a focus on Beauty Pie. It noted the disadvantage of the pandemic disrupting supply chains for these organisations, negatively affecting their operational capability and sustained profitability. However, it also identified the advantage of increased revenue generation capability for organisations utilising online retailing and e-commerce facilities. The paper discussed the importance of SMEs as being significant employers and contributors to economic growth in the UK, which necessitated the government's intervention to ensure their smooth operations for economic stability in the country. The primary research further elucidated the impact of the COVID-19 pandemic on the business operations of Beauty Pie, ranging from decreased customers to lowered profit generation.

Further, the secondary research generated information regarding the broad impact of the pandemic on SMEs in the country, noting its influence on the sustainability of their business operations. It also discussed the various governmental initiatives and measures taken by SMEs to overcome the pandemic's negative consequences like governmental funding and technological innovation.

5.2 Recommendation

There are several impacts that have affected the management of Beauty Pie, especially in the aspects of marketing and technology. Therefore, the implementation of automation and the technology of blockchain is highly important. With the help of automation in the e-commerce website of the official website of Beauty Pie, they will be able to assist the customers every time required. Other than this with the help of the automation process, the management of Beauty Pie will be able to collect the relevant data of the customers that can be further used for consumer profiling.

In this modern century where the biggest threat is the data protection of the customers, the implementation of blockchain technology is the most important step. The algorithms that are

currently in use by the business have several loopholes that can be manipulated. However, with the implementation of blockchain technology, the business will be able to track all the activities that are made related to the data and information stored on their database.

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Appendix

Questionnaires

Q1. What is your age?

25-30

31-36

37-42

Q2. How have the operations of Beauty Pie changed after the outburst of Covid-19?

Increase of eCommerce initiatives

Remote working for employees

Restricted supply chain opportunities

Q3. What changes can be located in SMEs during the pandemic?

Financial constraints due to low income of sales

Increasing loss of jobs

Enhancement of reliability on digital solutions for daily operations

Q4. What has been the impact of Covid-19 lockdown measures on Beauty Pie?

Reduction of operating hours

Decrease in the in-store sale of products

Job cuts and cessation of R&D processes

Q5. Do you think the brand has enough capability to overcome future lockdown situations and continue with operations effectively?

Yes

No

Maybe

Q6. Can you recommend some strategies that can help in overcoming such conditions due to lockdown measures in the UK?

Prioritising health and safety of employees

Telework for a collaborative working environment

Social media marketing for attracting global customers