ANALYSING THE POST-EFFECTS OF COVID-19 ON FMCG SMES IN GAUTENG PROVINCE, SOUTH AFRICA

Cleopatra Moipone MATLI
Durban University of Technology, Durban, South Africa
CleopatraM@dut.ac.za

Tshepo TLAPANA
Walter Sisulu University, Butterworth, South Africa
ttlapana@wsu.ac.za

Nomkhosi Pearl SHANDU
Coca-Cola Beverages South Africa (CCBSA), Johannesburg, South Africa
pearlshandu@gmail.com

Tinashe MUSASA
University of Botswana, Gaborone, Botswana
Musasat@ub.ac.bw

Abstract

This study examines the post-pandemic effects of COVID-19 on small and medium-sized enterprises (SMEs) in the fast-moving consumer goods (FMCG) sector in Gauteng Province, South Africa. The aim of this research is to bridge a gap in the existing literature on FMCG shopping habits, particularly in the post-pandemic context. A quantitative and descriptive research approach was employed, utilising convenience sampling to select 398 owners of small and medium-sized FMCG enterprises from a total population of 70,992. Data were collected through an online questionnaire and analysed using SPSS to gain insights into the pandemic's impact on this crucial sector of the South African economy. The data analysis revealed that COVID-19 negatively affected FMCG SMEs in Gauteng, particularly regarding consumer purchasing behaviour and sales revenue. This study highlights the lasting impacts of the pandemic on SMEs within the FMCG sector. It recommends that SMEs build resilient, pandemic-proof supply chains by incorporating online platforms, revising sourcing policies, engaging new vendors, simplifying product lines, and assessing supply chain robustness. Additionally, SMEs should integrate technology and online platforms into all operational processes to enhance adaptability to environmental uncertainties such as pandemics.

Keywords: Consumer purchasing behaviour, COVID-19, Fast-moving consumer goods, Post-pandemic, Small and medium-sized enterprises.

1. INTRODUCTION

The COVID-19 pandemic caused a significant economic downturn in South Africa, leading to a decline in GDP, unemployment, and fiscal imbalances. Small and medium-sized enterprises (SMEs) in the fast-moving consumer goods (FMCG) sector experienced declining sales revenue throughout various phases of the pandemic. The impact on employment within FMCG businesses fluctuated as the situation evolved. Many SMEs faced severe cash flow challenges, resulting in financial instability (Cowling et al., 2020). Consumer purchasing behaviour changed dramatically during the pandemic, with a notable increase in online shopping and a decrease in discretionary spending. Additionally, the government's designation of certain industries as "non-essential" created further difficulties for businesses, particularly for SMEs in the FMCG sector. Accessing government support was complicated by stringent requirements and insufficient communication. There is a need to investigate how COVID-19 has impacted small and medium-sized enterprises (SMEs) in Gauteng's fast-moving consumer goods (FMCG) sector. Additionally, there is a need to address the knowledge gap regarding changes in consumer buying behaviour in the post-pandemic landscape, as many SME owners remain unaware of the extent to which COVID-19 has affected their businesses (Razumovskaia et al., 2020).

Literature on post-covid strategies of SMEs generally commends digital transformation for business resilience (Shenjere & Middelberg, 2023). However, further investigations are encouraged in resource-constrained contexts on developing business competencies for the digital transformation of SMEs (Gonzalez-Varona, 2024). In addition, scholars commend further post-covid studies to substantiate shifts in consumer behaviour and the persistence of new behaviours to inform the strategy of SMEs (Cai et al., 2023).

This paper aims to assess the effects of the COVID-19 pandemic on fast-moving consumer goods (FMCG) and small and medium-sized enterprises (SMEs) in Gauteng. It will examine changes in consumer buying behaviour, the impact on employment within these SMEs, and the effects on sales revenue and overall business performance before and after COVID-19. The significance of this study lies in its contributions to scientific knowledge and its implications for SMEs and policymakers. This research could be particularly beneficial for SME owners, as it seeks to identify improved business practices suitable for a reduced workforce or alternative work-from-home models that emerged in response to the pandemic (Caballero-Morales, 2021).

2. LITERATURE REVIEW

The Theory of Consumption Values, developed by Sheth, Newman, and Gross in 1991, offers a framework for understanding consumer behaviour by identifying five key values influencing purchasing decisions: functional, social, emotional, epistemic, and conditional. This theory explores how individuals spend their money, taking into account their preferences, income, and the prices of goods and services. Additionally, it is argued that consumer behaviour is influenced by psychological, social, and cultural factors that shape purchasing decisions. These factors include the desire to signal social status or class, as well as cultural norms and values that influence consumer preferences and behaviours. The theory suggests that consumer consumption behaviour is driven by a product's ability to deliver value in specific situations or under certain conditions (Tanrikulu, 2021).

2.1 Fast moving consumer goods (FMCG) SMEs in South Africa

Fast-moving consumer goods (FMCG) SMEs are small and medium-sized enterprises that sell essential products, often perishable items such as food, beverages, and toiletries. These businesses play a vital role in emerging economies by providing necessary goods and contributing to local economies (Chakabva, Tengeh & Dubihlela, 2020). FMCG SMEs are crucial for driving economic activity and growth, as they significantly contribute to gross domestic product (GDP) and create substantial employment opportunities across sales, management, and operations. This contribution helps reduce unemployment and improve living standards for many individuals. In South Africa, SMEs account for approximately 97.5% of registered businesses and contribute about 30% to the GDP, while providing 80% of local employment opportunities (Shipanga, Le Roux & Dubihlela, 2022; Makaleng & Hove-Sibanda, 2022). However, these SMEs face a high failure rate: 40% of new businesses fail in their first year, 60% in their second year, and 90% within the first decade. Key contributing factors include entrepreneurs' lack of essential business knowledge and skills, poor financial management practices, and insufficient managerial capabilities in areas such as marketing and human resources (Bushe, 2019).

In South Africa, SMEs in the fast-moving consumer goods (FMCG) sector face several market challenges. These challenges are not limited to competitive pressures, geopolitical factors, supply chain disruptions, financial constraints, technological difficulties, regulatory compliance issues, and barriers to market access. Additionally, FMCG SMEs encounter structural barriers, limited financial resources, skill shortages, and difficulty accessing markets. To effectively address these challenges, FMCG SMEs must engage in strategic planning, invest in technology and skills development, and collaborate with government and industry stakeholders (Bruwer, 2023; Tazvivinga & Pooe, 2024). Hweshure (2022) emphasizes that FMCG SMEs should tackle these issues through strategic investments in technology, leadership development,

supply chain management, and financial planning. By doing so, they can enhance their competitiveness and resilience in the market. Furthermore, Zhou (2023) advocates that the home country's economic stability, regulatory frameworks, and support systems can play a crucial role in determining how effectively SMEs can leverage operations and mitigate risks.

Astete (2022) argues that FMCG SMEs should develop digital platforms to address the abovementioned challenges and enhance customer engagement. In doing so, they can reach a wider audience and offer more personalised experiences. These SMEs can tailor their marketing strategies, customise product offerings, and improve customer service by utilising data-driven insights. This approach not only fosters stronger brand loyalty but also supports sustainability objectives. Furthermore, FMCG SMEs should leverage digital platforms to increase visibility and engage customers more effectively, ultimately driving business growth (Kasilima, 2023).

2.2 Impact of the pandemic on SMEs

Before the COVID-19 crisis, small enterprises in South Africa were already facing challenges due to a sluggish economy and credit rating downgrades. The pandemic exacerbated these issues, causing many SMEs to experience significant declines in demand. The sectors hardest hit included services, tourism, hospitality, and retail, which saw little activity during the lockdowns. The restrictions on human movement brought severe implications for SMEs. Lockdowns and travel restrictions disrupted supply chains and limited customer access, negatively impacting sales and operations. Many SMEs faced severe cash flow problems due to reduced revenue and increased costs, leading to greater financial instability. Additionally, disruptions in transportation and logistics hindered the timely delivery of goods and services. The pandemic also resulted in the loss of experienced workers, adversely affecting the continuity and efficiency of business operations. As a result, revenue and profitability for SMEs dropped, and business confidence declined (Erdiaw-Kwasie et al., 2023; Rajagopaul, Magwentshu & Kalidas, 2020).

Ninety percent of SMEs in South Africa were impacted by COVID-19. Travel restrictions limited physical interactions, resulting in the cancellation of essential business activities such as meetings, training sessions, conferences, and exhibitions. Consequently, 87% of SMEs were unable to operate from home, adversely affecting their ability to deliver products and services, respond to customer inquiries, and maintain customer loyalty. Moreover, SMEs faced several challenges, including financial and operational difficulties, which led to a decline in economic output and an increase in unemployment and poverty rates in South Africa. Although the government has attempted to support SMEs through relief schemes, such as the Debt Relief Finance Scheme, the Resilience Facility, and SEDA Funding, many SMEs encountered obstacles in accessing these funds. Stringent requirements, lengthy wait times between application and

disbursement, and poor communication between the Department of Small Business and Development and SMMEs hindered their ability to secure support. Many SMEs ran out of funds during the lockdown, affecting their business operations and having serious repercussions for their families. Some SMEs have demonstrated resilience and adapted to new operational norms despite significant impact. Economists refer to the pandemic as a "black swan" event due to its unexpected and profound effects on the economy and corporate landscape. The ongoing crises have prompted stakeholders, including government officials and policymakers, to explore ways to mitigate the impact on businesses and promote their survival and recovery (Enwereji, Aluko & Bayai, 2023; Mkhonza & Sifolo, 2021).

In response to the challenges posed by the pandemic, SMEs had to leverage innovation to develop new products and services that addressed consumers' changing needs. For instance, many began producing personal protective equipment. SMEs demonstrated adaptability by quickly modifying their business models and shifting to online sales and delivery services to maintain operations despite lockdowns and movement restrictions. To ensure financial stability, SMEs sought alternative funding sources, renegotiated terms with suppliers and creditors, and implemented cost-cutting measures to manage cash flow. Embracing digital tools and technologies allowed SMEs to enhance operational efficiency, reach new customers, and streamline processes. This included adopting e-commerce platforms, digital marketing strategies, and remote working solutions. To mitigate supply chain disruptions, SMEs diversified their supplier base and explored local sourcing options to reduce dependence on international suppliers. Moreover, they developed key enablers for resilience, which included fostering positive organisational behaviour, strengthening managerial qualities, and enhancing strategic thinking. Effective use of technology, investment decisions, company location, and supply chain integration were also critical. The use of reactive, proactive, and anticipatory innovation processes was essential. These processes helped SMEs build the capacity to withstand and recover from a pandemic, ensuring long-term sustainability and growth (Anatan, 2021; Dheer & Salamzadeh, 2022).

Several studies have examined the impact of the COVID-19 pandemic on the fast-moving FMCG SMEs across various countries, revealing key findings. In India, Rajamohan et al. (2021) noted that the pandemic significantly affected the FMCG sector due to workforce migration and shifts in consumer preferences, particularly an increased demand for hygiene products. In Nigeria, Adejare et al. (2022) examined the negative effects of the pandemic on FMCG performance, highlighting challenges including company closures and job losses. This study underscored the importance of integrating technology into business operations to effectively handle such crises. Sun et al. (2021) investigated future performance forecasts for FMCG during the COVID-19 pandemic and found that the pandemic affected GDP and operational viability. Their study emphasised the necessity of technology integration for adaptability and recovery.

Overall, these research findings highlight the resilience strategies that small and medium-sized enterprises (SMEs) in the FMCG sector can implement to address disruptions caused by the pandemic.

2.3 Post-pandemic consumer purchasing behaviour

Post-pandemic consumer behaviour refers to the changes in habits, preferences, and decision-making processes that emerged during the COVID-19 pandemic. This behaviour is influenced by factors such as health concerns, increased adoption of technology, and shifts in social norms. Consequently, new patterns have developed in shopping, communication, and lifestyle choices. In South Africa, online shopping has risen significantly, driving e-commerce sales, particularly for essential items. Consumers are placing greater emphasis on safety and well-being, leading to more selective shopping and a focus on economic stability. Additionally, a growing preference for local products and experiences indicates a shift towards supporting local businesses (Dali et al., 2020; Katrodia, 2023).

The COVID-19 pandemic has also significantly changed consumer purchasing behaviour, resulting in panic buying during lockdowns and increased online shopping for convenience. Traditional consumption theories suggest that consumers evaluate their available resources rather than focusing solely on their current income, which helps to explain these changes. Key models, including the permanent income theory and life-cycle models, indicate that consumers prefer to maintain consistent purchasing habits. In South Africa, the pandemic has had three main effects on consumer expenditure: reduced spending opportunities, decreased willingness to spend due to safety concerns, and increased precautionary savings as uncertainty rises. These consumer behaviour shifts highlight the pandemic's broader economic implications on the FMCG SME sector (Baldwin, 2020; Heffernan, Saupe & Woods, 2020).

The COVID-19 pandemic has significantly impacted consumer purchasing behaviour in various ways. One notable effect is hoarding, in which individuals stockpile essential goods, leading to temporary shortages. Additionally, consumers have had to adapt to new habits and circumstances. There is now considerable pent-up demand for non-essential items as well as expensive durable goods like cars and homes. According to Janssen (2021), consumers have become more cautious about their spending after the pandemic, leading to greater price sensitivity in purchasing decisions. Hygiene has also become a top priority when buying food products. Additionally, there is a growing expectation for advanced technologies, such as contactless services. The author argues that pricing strategies and service offerings must adapt to these evolving consumer expectations and behaviours in the post-pandemic era.

The pandemic has dramatically transformed consumer purchasing behaviour, particularly in the FMCG SME sectors. Changes driven by health concerns and the need for convenience have significantly increased online shopping. Consumers are now shifting their preferences towards stores and brands amid

economic uncertainty, prioritising affordability and availability over brand loyalty. Consequently, there is greater emphasis on value-based purchasing, with consumers seeking affordable, durable products, alongside a growing focus on sustainability. Moreover, the ongoing preference for online shopping, driven by convenience, highlights the demand for a seamless omnichannel experience and a heightened awareness of safety and hygiene measures. This shift underscores the importance of personalization and customer engagement through data analytics, as consumers increasingly prioritise value-driven purchases, seeking quality products at accessible prices (Redda, 2024; Tinonetsana & Msosa, 2023). Such shifts in consumer purchasing behaviour necessitate further research to confirm their persistence and inform resilient business strategies in the post-pandemic era.

3. METHODOLOGY

The study utilised a quantitative, descriptive research design with a positivist approach to ensure credible, impartial results (Widdersheim, 2018). Positivism, which is closely associated with quantitative research, establishes facts through logic and scientific methods (Johnson et al., 2019). This paradigm suited the study's objective of describing various elements, including employment, business turnover, sales, technology, consumer behaviour, and mitigation strategies. Positivists generally prefer larger sample sizes (Creswell & Poth, 2016). A descriptive research design was employed to define the variables relevant to the study (Aspers & Corte, 2019). This design aimed to characterize the effects of COVID-19 through variables of interest, such as employment, technology, and consumer behaviour. The study targeted owners, managers, and employees of SMEs in the FMCG industry. The target population in Gauteng Province consists of 70,992 individuals, representing 30.6% of the 232,000 SMMEs recorded (DTI, 2020). Alvi (2016) defines the sample size as the number of individuals selected for data collection using a specific sampling technique. A sample of 398 FMCG firm owners (n = 398) in Gauteng (N = 70,992) was selected using the Slovin equation and convenience sampling. The sample size was calculated as follows: whereas: n = no. of samples; N = total population and e = error margin / margin of error

$$n = 70992 / (1 + 70992 * 0.05^2)$$

$$n = 70992 / (1 + 177.48)$$

$$n = 398$$

The sample of 398 was selected using a non-probability strategy, specifically convenience sampling. The researcher used LinkedIn to contact owners, managers, and employees of FMCG companies, as well as contact information from SEDA and DTI. Over fifty percent (n = 214) of the participants responded. Data was collected through surveys and interviews, with an online self-completion survey being the primary

method. Questionnaires were chosen for their ease of use, quick completion time, and cost-effectiveness (Saunders & Townsend, 2016).

Data analysis involved identifying and extracting relevant information from the collected data. The data underwent quantitative analysis, including descriptive analysis and inferential statistics, using SPSS version 27. Informed consent was a crucial ethical consideration, ensuring that participants willingly engaged in the research after being fully informed (Arifin, 2018). Participants signed a consent form that guaranteed confidentiality and anonymity, ensuring no identities were disclosed in the results.

4. RESULTS
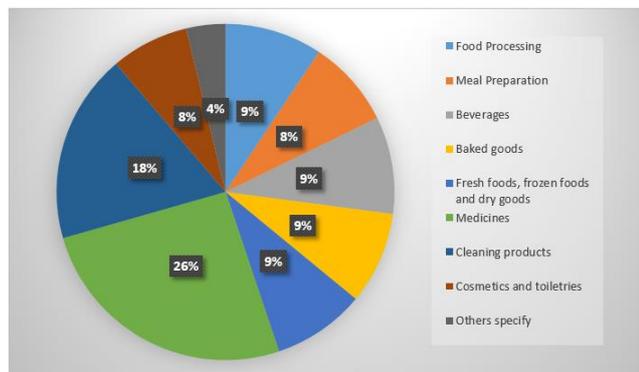
FIGURE 1. PARTICIPANTS IN THE FMCG SECTOR
Source: Authors' own contribution

As shown in Figure 1, the majority of respondents (26%) were from the medical sector. Eighteen percent were involved in cleaning products and fresh foods, while food processing, baked goods, and beverages each accounted for 9% of the respondents. Meal preparation, cosmetics, and toiletries each represented 8%. The smallest group was respondents from other sectors, which accounted for 4%. According to statistics from FMCG SMEs in the Gauteng province, the sample in this research accurately reflects the average workers engaged in the medical sector.

TABLE 1. THE LEVEL OF IMPACT OF COVID-19 ON FMCG SMES

	Min	Max	Mean	Std. Deviation	Decision
Overall, from just before the start of COVID-19 till date. January 2020 to August 2022	0	10	6.66	2.354	Established
Before COVID-19 Before February 2020	0	10	6.69	2.416	Established
By the end of the hard lockdown March to August 2020	0	10	5.64	2.359	Established
During normal lockdown September 2020 to June 2022	0	10	4.97	2.804	Not Established
Post COVID-19 Lockdown June 2022 and later	0	10	5.74	2.742	Established

Source: Authors' own contribution

Table 1 presents an analysis of the impact of COVID-19 on FMCG SMEs, utilising a Likert scale ranging from 0 to 10, with 5 representing a neutral position. The research assessed the effects of COVID-19 across different timeframes: before the pandemic, during strict and normal lockdowns, and post-lockdown. The mean scores of 6.66, 6.69, 5.64, 4.97, and 5.74 indicate that FMCG SMEs experienced significant challenges due to the pandemic. These findings confirm the negative impact on these SMEs.

TABLE 2. IMPACT OF COVID-19 ON EMPLOYMENT

		Min	Max	Mean	Std. Deviation
Permanent	Employment [Before COVID (Before February 2020)	0	3	2.04	.743
	Employment [By the end of the hard lockdown (March to August 2020)	1	3	1.81	.814
	Employment [During Normal Lockdown (September to June 2022)	1	3	1.97	.488
	Employment [Post COVID (June 2022 and later)	1	3	1.84	.876
Part-time	Employment [Before COVID (Before February 2020)]	1	3	2.00	.702
	Employment [By the end of hard lockdown (March to August 2020)]	1	3	2.00	.494
	Employment [During Normal Lockdown (September to June)]	1	3	2.20	.804
	Employment [Post COVID (June 2022 and later)	1	3	2.44	.801

Source: Authors' own contribution

Table 2 depicts that the mean scores for employment levels during different periods related to COVID-19 varied significantly. Before the pandemic, the score was 2.04, indicating positive employment trends. During the normal lockdown period, the score was 2.20, and post-COVID, it increased further to 2.44. However, at the end of the hard lockdown, the score was 2.00, showing a significant change in employment. In conclusion, it is evident that COVID-19 had a substantial impact on employment within FMCG SMEs in Gauteng province.

TABLE 3. IMPACT OF COVID-19 ON CUSTOMER PURCHASING BEHAVIOUR

		Min	Max	Mean	Std. Deviation
Pattern	Customer Behaviour [Before COVID (Before February 2020)]	2	10	6.69	3.577
	Customer Behaviour [By the end of hard lockdown (March to August 2020)]	3	10	5.88	1.487
	Customer Behaviour [During Normal Lockdown (September to June)]	2	10	4.81	2.287
	Customer Behaviour [Post COVID (June 2022 and later)]	5	8	6.11	1.042
Quantities	Customer Behaviour [Before COVID (Before February 2020)]	4	10	6.91	1.379
	Customer Behaviour [By the end of hard lockdown (March to August 2020)]	4	10	7.18	1.466
	Customer Behaviour [During Normal Lockdown (September to June)]	2	10	6.46	1.804
	Customer Behaviour [Post COVID (June 8088 and later)]	3	10	7.42	1.936
Frequency	Customer Behaviour [Before COVID (Before February 2020)]	2	10	6.38	2.206
	Customer Behaviour [By the end of hard lockdown (March to August 2020)]	2	7	4.05	1.329
	Customer Behaviour [During Normal Lockdown (September to June)]	2	10	6.83	2.257
	Customer Behaviour [Post COVID (June 2022 and later)]	5	10	6.83	1.326

Source: Authors' own contribution

Table 3 presents the scores reflecting consumer purchasing behaviour before and after the pandemic. The mean scores obtained are as follows: 6.69, 5.88, 4.81, 6.11, 6.91, 7.18, 6.46, 7.42, 6.38, 4.05, 6.83, and 6.83, all of which exceed the neutral point of 5. This indicates a consensus that COVID-19 has significantly impacted customer purchasing behaviour. The scores reflect various timeframes: Customer

Purchasing Behaviour before COVID (prior to February 2020) scored 6.69; Customer Purchasing Behaviour by the end of the hard lockdown (March to August 2020) scored 5.88; Customer Purchasing Behaviour during the normal lockdown (September to June) scored 4.81; and Customer Behaviour post-COVID (June 2022 and beyond) scored 6.11.

In further detail, Customer Purchasing Behaviour before COVID received a score of 6.91; Customer Purchasing Behaviour by the end of the hard lockdown scored 7.18; Customer Purchasing Behaviour during the normal lockdown scored 6.46; and Customer Purchasing Behaviour post-COVID received 7.42. Additionally, Customer Behaviour before COVID scored 6.38; Customer Behaviour by the end of the hard lockdown scored 4.05; Customer Purchasing Behaviour during the normal lockdown scored 6.83; and Customer Purchasing Behaviour post-COVID scored 6.83. Overall, the pandemic significantly affected customer purchasing behaviour in FMCG SMEs in the Gauteng province.

TABLE 4. IMPACT OF COVID-19 ON CONSUMER PURCHASING BEHAVIOUR AND TECHNOLOGY ADOPTION

	Min	Max	Mean	Std. Deviation
Consumers were stockpiling essential products for daily consumption, resulting in temporary stockouts and shortages	1	5	4.07	.886
Consumers improvised by developing purchase solutions that overcome constraints imposed by social norms or government policy.	1	5	3.82	.954
Consumers tend to postpone purchases, including discretionary purchases.	1	5	3.73	1.100
Consumers accelerated or preferred to buy online	1	5	3.89	.936
Due to the complete lockdown, consumers walking into the establishment decreased	1	5	3.80	1.044
Overall purchase value decreased compared to before the COVID-19 pandemic	1	5	3.59	1.222
Good volumes (e.g., 2.5 Maize meal instead of 12.5kg) decreased compared to prior to the COVID-19 pandemic	1	5	2.89	1.264

Source: Authors' own contribution

Table 4 illustrates the impact of COVID-19 on consumer purchasing behaviour and technology adoption. The mean scores of 4.07, 3.82, 3.73, 3.89, 3.80, 3.59, and 2.89, all exceeding the neutral point of 3, indicate a general agreement on this impact. Specifically, consumers began stockpiling essential products for daily use, leading to temporary shortages and stockouts (4.07). They also adapted by developing purchasing solutions to navigate the constraints imposed by social norms and government policies (3.82). Additionally, consumers tended to delay purchases of discretionary items (3.73), while online shopping increased (3.89). The complete lockdown resulted in a significant decrease in foot traffic to physical retail stores (3.80). Overall, the value of purchases declined compared to pre-pandemic levels (3.59), and the quantities purchased also decreased (2.89). Therefore, it can be concluded that COVID-19 has significantly affected consumer purchasing behaviour and technology adoption among fast-moving consumer goods (FMCGs) in the Gauteng province.

TABLE 5. FREQUENCY TABLE OF DIFFERENCE BETWEEN PRE AND POST PANDEMIC CONSUMER PURCHASING BEHAVIOUR

		N	Mean Rank	Sum of Ranks
Customer Purchasing Behaviour [Post COVID (June 2022 and later)] - Customer Purchasing Behaviour [Before COVID (Before February 2020)]	Negative Ranks	137[a]	99.63	13649.50
	Positive Ranks	77[b]	121.50	9355.50
	Ties	0[c]		
	Total	214		

Source: Authors' own contribution

Table 5 presents the results of the Wilcoxon Signed-Rank Test, which analyzes consumer purchasing behaviour before and after the COVID-19 pandemic. The findings are categorised into three groups: "Negative Ranks" indicate instances where purchasing behaviour has decreased, "Positive Ranks" show improvements in purchasing behaviour, and "Ties" refers to cases with no change. As displayed in Table 5, there are fewer negative differences than positive ones, suggesting that consumer purchasing behaviour has generally declined following the COVID-19 pandemic.

TABLE 6. THE RELIABILITY OF THE MEASURING INSTRUMENT

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.720	0.719	5

Source: Authors' own contribution

The Cronbach's alpha, estimated at 0.72-0.80, indicates a satisfactory level of reliability, as shown in Table 6. This suggests that the test statistics demonstrate internal consistency (Hulin & Cudeck, 2001). Consequently, it can be concluded that the constructs related to the impact of COVID-19 are internally consistent, meaning that future studies on these constructs are unlikely to face reliability issues.

5. DISCUSSION OF RESULTS

The respondents in this study represent a diverse range of sectors, with the majority (26%) from the medical field. This notable percentage highlights the medical sector's critical role during the COVID-19 pandemic. Additionally, 18% of respondents were involved in the cleaning products and fresh food sectors, reflecting the increased demand for hygiene and essential food items during this period. An equal 9% came from the food processing, baked goods, and beverages sectors, indicating varied impacts across these industries. Furthermore, the meal preparation and cosmetics/toiletries sectors each accounted for 8%, underscoring the ongoing need for personal care products and convenience foods. The smallest group, representing 4%, came from other sectors, suggesting a lesser impact or lower engagement in the study from these areas.

The analysis of the impact of COVID-19 on FMCG SMEs in the Gauteng province reveals several significant challenges. The mean scores of 6.66, 6.69, 5.64, 4.97, and 5.74 across different timeframes illustrate a substantial negative impact on these businesses. The highest scores during the strict lockdown periods (6.66 and 6.69) indicate that this was a particularly challenging time for them. A slight improvement

observed post-lockdown (5.74) suggests a gradual recovery, however, the scores remain above the neutral point, reflecting ongoing difficulties. Likewise, the literature confirms that financial difficulties, such as reduced productivity, turnover, and profitability, marred the operations of SMEs during the pandemic (Restrepo-Morales et al., 2024).

Fluctuations in employment levels within FMCG SMEs were also noted. Before the pandemic, a positive score of 2.04 indicated healthy employment trends. However, this score declined to 2.00 during the hard lockdown, signaling significant job losses. A slight increase was observed during the normal lockdown (2.20) and post-COVID (2.44), indicating a slow recovery in employment levels. These variations highlight the profound impact of the pandemic on job security and workforce stability within the sector. They reflect sustained research findings on employers' use of redundancies, furloughs, minimised work hours, and pay cuts in the FMCG SME sector for business survival and recuperation (Li et al., 2024; Ngoc et al., 2021).

The findings regarding consumer purchasing behaviour demonstrate significant changes attributed to the pandemic. Mean scores consistently above the neutral point of 5 indicate a consensus on its impact. Before the onset of COVID-19, consumer behaviour was relatively stable (6.69). However, during the hard lockdown, the score dropped to 5.88, indicating reduced purchasing activity. The lowest score during the normal lockdown (4.81) suggests a considerable decline in consumer spending. Post-COVID, the scores improved to 6.11, reflecting a recovery in consumer confidence and purchasing behaviour.

Further analysis reveals variations in consumer behaviour over different periods. The highest scores recorded post-COVID (7.42) and during the hard lockdown (7.18) suggest increased purchasing activity, potentially driven by stockpiling and panic buying. Conversely, the lowest score during the hard lockdown (4.05) reflects a significant reduction in discretionary spending.

This aligns with scholars who report greater concern among consumers about savings and healthy consumption (Pomffyová & Veselovská, 2023).

Additionally, the impact of COVID-19 on consumer technology adoption is evident in the mean scores. The highest score (4.07) for stockpiling essential products signifies a notable shift in consumer behaviour towards ensuring the availability of daily necessities. The increased score for online shopping (3.89) highlights the adaptation to digital purchasing solutions. There was a notable decrease in foot traffic to physical stores, recorded at 3.80, along with a decline in the overall purchase value, rated at 3.59. This trend highlights the shift towards online retail and reduced spending. These findings align with existing research, showing a positive correlation between pandemic-related disruptions and increased consumer technological adoption (Jibril et al., 2024). The need for isolation and personal safety prompted a greater reliance on e-commerce for purchasing essential items such as food and clothing (Pomffyová & Veselovská, 2023). Consumers were cautious about spending, as reflected in the lowest quantity-

purchased score of 2.89. Additionally, Cronbach's alpha values ranging from 0.72 to 0.80 indicate satisfactory reliability for the measuring instrument. This suggests that the constructs related to COVID-19's impact exhibit internal consistency. Such reliability enhances the credibility of the findings, ensuring they can be used in future research without significant concerns about data consistency.

6. RECOMMENDATIONS AND CONCLUSIONS

The results highlight the importance of FMCG SMEs in integrating technology into their operations. It is recommended that FMCG SMEs adopt digital tools and technologies to improve communication, enhance service delivery, and increase adaptability. Policies should be established to support the implementation of remote work solutions and ensure business continuity. Developing and optimising e-commerce platforms is also needed to expand customer reach and facilitate online sales. Utilising data analytics is also crucial for gaining insights into consumer behaviour and creating effective marketing strategies.

In Gauteng's FMCG sector, SMEs are encouraged to build resilient and pandemic-proof supply chains. These businesses should incorporate online platforms into their supply chain operations to ensure continuity during disruptions. Additionally, they should update their sourcing policies to include multiple suppliers, thereby reducing reliance on a single source. Actively seeking new vendors will also promote supply chain diversification. Furthermore, SMEs should prioritise essential and high-demand products by streamlining their offerings. Regularly assessing the supply chain's resilience will help identify and mitigate potential risks.

To enhance resilience, adapt to changing market conditions, and ensure sustained growth in the post-pandemic era, FMCG SMEs should respond to shifting consumer behaviour by creating a seamless omnichannel experience catering to consumers' online and offline shopping preferences. They should also leverage data-driven insights by utilising data analytics to personalize marketing efforts and product offerings. This approach will increase customer engagement and foster loyalty. Furthermore, FMCG SMEs should introduce eco-friendly products and adopt sustainable business practices to meet the growing consumer demand for environmentally responsible solutions.

In conclusion, the results highlight the negative effects of the COVID-19 pandemic on employment and consumer purchasing behaviour, particularly affecting SMEs in Gauteng. If these challenges are not addressed, many SMEs could fail, increasing unemployment. The theory of consumption suggests that households tend to reduce spending, thereby further reducing demand and causing revenue losses for SMEs. To survive, SMEs need to innovate and explore alternative profit strategies, such as investing in online shopping.

7. LIMITATIONS OF THE STUDY

This study focuses solely on fast-moving consumer goods (FMCG) small and medium-sized enterprises (SMEs) in Gauteng Province, which may limit the applicability of the findings to SMEs in other regions of South Africa. Furthermore, the use of convenience sampling could introduce selection bias, affecting the representativeness of the sample. Moreover, data were collected primarily through an online self-completion questionnaire, which relies on participants' internet access and honesty, potentially compromising data accuracy. The study's descriptive quantitative design also restricts the depth of insights into the reasons behind observed behaviours and does not establish causal relationships. Furthermore, self-reported perceptions may be influenced by recall or social desirability bias. Lastly, the cross-sectional nature of the research limits the ability to evaluate long-term changes in consumer behaviour or trends in SME recovery following COVID-19.

8. FUTURE RESEARCH

Future research is crucial for gaining a comprehensive understanding of the various impacts of the COVID-19 pandemic on SMEs in the FMCG sector. This research should examine changes in sales revenue, employment, and consumer behaviour over time to identify long-term effects and recovery trends. Furthermore, it is important to explore the effectiveness of government support programs and policies in aiding SME recovery. This could involve analysing the accessibility, adequacy, and impacts of relief funds, tax incentives, and regulatory changes on SME performance.

DECLARATION OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

DECLARATION OF GENERATIVE AI AND AI-ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

During the preparation of this work the authors used Grammarly in order to improve readability of the document. After using this tool/service, the authors reviewed and edited the content as needed and take full responsibility for the content of the published article.

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