
Did COVID-19 Make Social Media More Imperative than Before? An Investigation of Small Retail Business Practitioners' Perceptions

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Introduction and Purpose. The COVID-19 pandemic has affected many aspects of our society; this includes retail business environments. Numerous retailers have suffered from lockdowns and social distancing. Being not able to reach customers face-to-face must be even more challenging for small retail businesses, which used to build customer relationship by relying substantially on meeting them locally in person. Eggers (2020) posited that in the society-wide crisis like the COVID-19 pandemic, small businesses are hit with greater force than large corporations, and those that do not apply prompt changes in their business activities via entrepreneurial decision often do not survive through the crisis.

One of the changes that were urged by marketing experts to respond to the pandemic was to strengthen digital communication capabilities (McKinsey & Co., 2020). They suggested that the adoption of social media (hereafter, SM) and other digital marketing tools will become a “requisite” instead of a “choice,” which could be a positive change following COVID-19 in the long-term (McKinsey & Co., 2020). In fact, small businesses’ understanding and perceptions about SM were still very underdeveloped amid the popularity of SM before the COVID-19 pandemic (Jones et al., 2015; Maltby & Ovide, 2013). Is this still the same after the outbreak of COVID-19? Or, have small retail business practitioners’ perceptions about SM changed with the COVID-19 outbreak? Yet, there is little research that provides a clear answer to these questions. The purpose of this study is to compare small retail business owners’/managers’ (hereafter, SBMs) perceived benefits, trust, and future adoption intentions toward SM before and after the COVID-19 outbreak.

Theoretical Framework and Hypotheses. Contingency theory, one of the established theories in organizational research, provides a theoretical base for investigating the changes in SBMs’ perceptions of SM before and after the COVID-19 outbreak. Contingency theory proposes that organizational effectiveness results from fitting their strategies and resources to contingencies that reflect the situation (Donaldson, 2001). Here, contingencies include the external environment (Donaldson, 2001), such as the recent COVID-19 pandemic. Based on the assumption of contingency theory, SBMs’ perceptions of SM are likely to be changed with the outbreak of COVID-19, while they were adjusting to the contingencies caused by this pandemic.

Specifically, researchers recently suggest that SBMs’ perceptions of SM are likely to be more favorable after the COVID-19 outbreak than before. He and Harris (2020) argued that the marketing philosophies of business must have been substantially changed by experiencing COVID-19; particularly, they claimed that the COVID-19 crisis must have increased organizations’ needs for SM and other digital communication means, which they can still utilize to reach customers under the situations of lockdowns and social distancing. Based on this, the current study specifically projects that such increased needs might have facilitated SBMs’ perceived benefits of SM and trust (beliefs that the subject has interest and skills to deliver what it is promised, composed by competence, integrity, and benevolence; Flavian et al., 2006) in SM. Therefore, the hypotheses were developed as follows: *H1*.

SBMs' perceived benefits of SM increased after the COVID-19 outbreak; H2. SBMs' trust in SM increased after the COVID-19 outbreak; H3. SBMs' future adoption intentions of SM increased after the COVID-19 outbreak.

Research Methods. Upon IRB approval, online survey data were collected from a U.S. national sample of SBMs. The respondents were recruited from the Qualtrics Small Business Panel that met the screening criteria of a) being 19 or older, b) owning or working for an organization that served final consumers with 500 or less employees, and c) holding a position that influenced the organization's SM adoption decisions. The data were collected at two different time periods: 175 responses in 2019 (before COVID-19) and 225 responses in Fall, 2020 (after COVID-19). Existing scales were adapted to measure the three variables, trust (Flavian et al., 2006), perceived benefits, and future adoption intentions (Ainin et al., 2015), on a five-point Likert scale.

Results. Descriptive statistics indicate that the respondents consist of men (58.4%) and women (41.6%) whose average age is 42. The respondents' positions include owners (33.8%), information managers (21.4%), and marketing managers (13.1%). The category of businesses was diverse ranging from computers & telecommunication technology (24.6%), finance/banking (11.9%), construction equipment (10.2%), and others (13.6%); and many of them had 201-499 employees (20.4%) or less and more than one physical location (98.8%) and had operated for 10-15 years (29.4%). Exploratory factor analyses revealed three factors for perceived benefits of SM (B2C marketing, market insights & customer relation, and revenue) and two factors of trust (competence & integrity, and benevolence). Reliability of all measures was acceptable ($\alpha > .85$).

The results of a multivariate analysis of variance (MANOVA) indicate a significant difference between SBMs' perceptions toward SM before and after the COVID-19 outbreak (Wilk's $\lambda = .90$, $p < .001$). Specifically, all three dimensions of perceived benefits, both dimensions of trust toward SM, and future adoption intentions were significantly increased after the COVID-19 outbreak (see Table 1).

Table 1. Comparison between SBMs' Perceptions toward SM Before and After COVID-19

DV		M_{before}	M_{after}	MS	$F_{(1,398)}$	p
Perceived benefits of SM	B2C marketing	4.27	4.37	1.15	3.89	.049
	Market insights & customer relation	4.03	4.24	4.26	12.66	< .001
	Revenue	4.04	4.22	3.16	7.81	.005
Trust toward SM	Competence & integrity	3.58	4.02	18.98	33.19	< .001
	Benevolence	3.81	4.08	7.12	14.81	< .001
Future adoption intentions		4.13	4.42	8.28	20.66	< .001

Discussion and Conclusion. The results of this study show that perceived benefits, trust, and future adoption intentions of SM among SBMs have increased after the COVID-19 outbreak than before. In particular, SBMs' trust and perceived benefit of SM for market insights and customer relation increased more than other variables; this indicates that SBMs' skepticism toward SM that might have existed before the pandemic was lowered by the urgent need for SM during the pandemic, and SM was perceived to be a necessary channel to gain market insights and build customer relation when other channels were refrained during the pandemic. These results of this study provide support to contingency theory that explains that organizations adjust themselves to contingencies when a crisis situation occurs, and suggest researchers and practitioners that they now need to deliberate how to fulfill this increased favorability toward SM among SBMs by proposing effective SM strategies customized for small retail businesses.

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