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COVID-19 Impact on Business

by

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**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in Business Administration in Finance and Accounting.**

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Introduction

COVID-19 has not only been a major public health crisis, but it has also caused an economic shock. Small businesses have been at the losing end of the U.S. economy for years, but nothing has hurt them as bad as the COVID-19 crisis. The pandemic has devastated thousands of small businesses while larger companies have fared well and, in some cases, thrived. Although there has been an increase in bankruptcy filings among public companies, the numbers are far lower than in the 2008 financial crisis (Lahart). This paper will explore what impact the pandemic has had on small businesses, large businesses, and different industries within those in the Northwest Arkansas area.

In February of 2021, the United States labor market improved as employers added 379,000 jobs, and the unemployment rate fell to 6.2 percent (Furman and Powell III, “US Unemployment Remains Worse than It Seems as Millions Still out of the Labor Force”). As of March 2021, the unemployment rate in Arkansas is 6.0 percent, which is slightly less than the unemployment rate in the United States as a whole. The Northwest Arkansas area, including Rogers, Springdale, Bentonville, and Fayetteville, currently has an unemployment rate of about 3.7 percent, which is much lower than Arkansas as a whole (Arkansas Division of Workforce Services).

According to a Small Business Pulse Survey conducted from March 22, 2021- March 28, 2021, when small businesses were asked the overall effect that the Coronavirus pandemic had on their business, 28 percent of businesses on average nationally said there was a large negative effect. In Arkansas, 18 percent of businesses stated that the pandemic had a large negative effect on their business, which is 10 percent lower than the national average (United States Census Bureau).

In 2020, the US economy contracted at 3.5%, its largest full year contraction since World War II. This decline in annual GDP largely reflects the very low amount of economic activity that took place in the second quarter, as the economy saw a substantial but incomplete rebound in the third and fourth quarter. Despite the large contraction in the US economy, real annual disposable personal income grew by 6.0 percent in 2020. This was driven by unemployment insurance, stimulus checks, and support for small businesses. Without this increase in government benefits, income would have fallen 0.9 percent. However, these aggregate gains hide the fact that millions of households slipped through the cracks of government programs and faced substantial hardship throughout the year (Furman and Powell III, “What the US GDP Data Tell Us about 2020”).

When social distancing was mandated to help slow the spread of the virus, consumer spending habits changed. In February of 2020, the economy officially went into a state of recession. Because unemployment rises and real income decreases during a recession, consumer spending declines. The pandemic has caused countless businesses to close. As a partial result of this, consumers spent more on goods and less on services during 2020. Durable goods consumption, which includes motor vehicles and household furnishings, grew by almost 12 percent over the four quarters of 2020 as many households had more disposable income and could borrow at low interest rates to fund larger purchases. In contrast, services, which make up about two-thirds of consumption, fell by 6.8 percent as the virus prevented much face-to-face activity, causing total consumption to decrease (Furman and Powell III, “The Pandemic Led Consumers to Spend More on Goods, Less on Services”).

In addition to this change, the way consumers buy goods has largely shifted over the past year. The pandemic has advanced many retail trends that were already underway. With

lockdowns in place and many stores shut down, ecommerce has surged. “Consumers have also increased their use of omnichannel services like contactless payment, social commerce, virtual consultations and curbside pickup. It’s new behavior that they plan to continue” (Accenture). According to a study conducted by Accenture on the proportion of purchases made online by infrequent ecommerce users, before the pandemic, these customers on average bought 6 percent of purchases online. They stated that in the future, they planned to purchase 15 percent of their goods online. So, the expected future increase in ecommerce purchases from new or low frequency users is 160 percent (Accenture).

Data and Methodology

The goal of this survey is to gain a greater understanding of how small businesses and large businesses were affected differently by the pandemic. I interviewed five small business owners and five large business owners, asking them all the same ten questions about how their business was affected by COVID over the past 12 months. These surveys were conducted from March 4, 2021 to April 14, 2021. The timing of this survey allowed me to see how these companies have been affected over the past year since the pandemic started in March of 2020. Participants were sent an introductory email with a consent protocol. Participation was voluntary, and no payments were offered. The survey was approved by the University of Arkansas Institutional Review Board. A few of the interviews over zoom were video recorded, if consent was given by the participant, then later transcribed and destroyed. If consent was not given to record, I transcribed their answers as they were given.

The method in which this interview was conducted with mostly open-ended questions allowed me to get more honest and interesting answers than if I were to have sent out an email survey. Interacting with the participants face to face, over zoom, or over the phone allowed for a more personal interaction with the participant. This paper will provide a first-hand account of how these businesses were impacted by the COVID-19 pandemic.

Results

1. How well prepared was your company to deal with the pandemic?

Large Companies

Walmart Stores

Fairly well prepared, from a merchandising perspective- we meet with suppliers and external people outside of Walmart almost every day. When we went into lockdown, we flipped everything into zoom. It took some time to get used to, but technology-wise, the company was ready from that perspective.

Samsung

Almost immediately Samsung allowed workers to start working remotely, they have been exceedingly flexible, ceased travel almost immediately, screening check-ins when it is necessary to come into the office. The unexpected of when things hit in March- Samsung was ready to do what was most critical, very immediate at supporting the environment of the pandemic

Sound United

Nobody was really prepared, basically saw the same thing industry wide. When COVID hit, everybody was freaked out. We make wants not needs- electronics, entertainment Equipment. We were really paranoid about it; everybody worried about their jobs.

Victrola

I think our company was accidentally prepared. The reason for that is I had joined our organization in October of 2019, as the new CEO, one of the things you look at often: how are you communicating, what is your culture like? Company's culture for communication wasn't the best; day to day business operations had no cadence. Combined with that, many executives did not live in the home office location. One of the things I started doing was a leadership team; we established a global operating calendar. We started using Microsoft Teams before the pandemic actually hit. We had flown into New York looking at new lease on March 7 of last year- there was a COVID scare in the company. We were able to close the office, never really opened fully again. We quickly went to a daily morning meeting with every employee with each of their core teams as check ins to make sure they started establishing no opportunity for lost info and communication. It didn't totally prepare us from business perspective, but from an operating perspective, easy to work in a remote environment.

Procter & Gamble

I would say well positioned overall. We have brands that shoppers really want, so generally speaking, interest in our products increased as pandemic hit. Our brands have a foundation of trust when shoppers had uncertainty. We were well positioned on a product side; on the people side, we take great pride in valuing employees and having flexibility. We were less prepared supply wise. We had spent years, along with all competitors, trying to get more efficient in supply chain. This all led to a more efficient supply chain. Frankly, we had issues responding to sudden shocks in demand and supply.

Small companies

Walker Brothers

Didn't have as much of cash flow, we've got good leadership, and we never panicked, we're smart with money, lot of college kids working in the store, they were as prepared as they could be

Midtown Salon

Not prepared at all, shut down for 8 weeks, had to rearrange the whole salon, make a salon sanitizing list, buy bulk disinfectant, taking away the waiting room, socially distancing stations by 14 feet, making signs, etc.

Ink Therapy

Not prepared at all, it was scary, hard to figure everything out

WhyteSpyder

Excellent prepared, in a digital space anyway, we had already been using zoom before all of this, staff is very adaptable, adaptability is very important, the company changes on a weekly basis, very smooth transition

Fringe

I took over Fringe 2 years ago and started online clothing website called shophoneyville.com which was the fallback plan to have that as my own, website was updated regularly, but didn't really advertise Honeyville through fringe because she wanted it to be a separate entity. As soon as school shut down, she decided to merge the two entities. Not very prepared, but that made things easier

2. Were there layoffs due to COVID?

Large Companies

Walmart Stores

There were layoffs through the organization. The company did a great job once they got through the first difficult months, giving opportunities to find another area of work within the business. COVID touched on almost every business.

Samsung

There were layoffs in December; layoffs in other companies happened much earlier. It was a small number of layoffs, debatable whether it was related to COVID or not.

Sound United

No

Victrola

No- we as an organization were going through change already with our structure, team, and people. We did have impacts, but they were driven through operating change and organizational change.

Procter & Gamble

No

Small companies

Walker Brothers

No layoffs, there were a lot of college kids that worked there temporarily, then they move on or graduate, may have happened a little sooner than they would have liked it to, but nobody ever missed paycheck, never had to layoff anyone.

Midtown Salon

No, not at all

Ink Therapy
2 months of layoffs

WhyteSpyder
No, we have actually grown

Fringe
The girls who work here were given the option to stay and work but most of them wanted to go home since college shut down

3. Has your company experienced significant problems with employee illness due to COVID?

Large Companies

Walmart Stores
Thankfully, my team and what I have visibility to, no. However, Walmart has millions of employees, most of them are customer facing, front line workers. For a lot of Walmart associates, there were numerous COVID cases, but not specifically to my area

Samsung
Not to my visibility, the company's ability to be flexible immediately with workers allowed workers to have flexibility with their families.

Sound United
No, not to my knowledge, don't really go to headquarters, very little change other than not traveling

Victrola
Nothing significant. Because we have been mostly remote, we haven't had to worry about transmissions in the work environment when we would have otherwise gotten together. From a sickness perspective, one of the things we have really prided ourselves in being able to do as much as possible is being able to pick up each of those tasks as needed and run with it when others were sick.

Procter & Gamble
No, we take employee safety very seriously and haven't had significant issues

Small companies

Walker Brothers
No not really, one guy got it

Midtown Salon
No

Ink Therapy

Not at all, as a business, we only take about one or two clients a day, tattoos take a while

WhyteSpyder

Two employees got it in January, hasn't been a significant issue

Fringe

All of the employees have had it, but there was typically only one person in the store at a time, didn't really cause problems, never had to shut down the store because of COVID illness.

4. Have your company's expansion plans been put on hold due to COVID - if so, what was interrupted?

Large Companies

Walmart Stores

No, Walmart is building entire new headquarters. It will be a couple years before offices are complete, that work is still being done, company is still growing

Samsung

I don't have much visibility to expansion other than SKU assortment

Sound United

We haven't been all that impacted by COVID, industry was not impacted negatively, it grew our business if anything

Victrola

No- expansion plans have not really been put on hold due to COVID. I would say they were a bit right when COVID hit in March really hard, we reassessed our entire business for the year, we re-forecasted and re-budgeted for worst case scenario, looking at financials- this is what we will accomplish, action plans, look for alignment and agreement and support. Say- how far off the mark do you get before you start changing your strategy? You don't want to make investments based on something that is wrong, we did not. Once we started seeing momentum of the market driven by demand for this category, we happened to be lightning in a bottle situation. How do we serve that demand as profitably as possible?

Procter & Gamble

No, opposite. We are looking to invest more, our brands are more in demand, there has been no cent of slowing.

Small companies

Walker Brothers

We are working on a store in Little Rock and about to remodel the store in Fayetteville. The company had to shut down for two weeks during the beginning of the pandemic in April of last year. I wouldn't say expansion.

Midtown Salon

Yes, no longer hiring.

Ink Therapy

Yes, financially not able to expand.

WhyteSpyder

No, expansion plans have accelerated.

Fringe

Absolutely, ideally the goal was to bring someone in full time to grow the t-shirt printing business, but cannot afford to hire a full-time person now, everything was shut down

5. Has your overall top line sales revenue increased or decreased in the last 12 months?

Large Companies

Walmart Stores

Walmart has seen a huge surge, phenomenal year, the company has a huge responsibility for the community and their customers, a lot of essential products that they sell, ability to be able to stay open during shutdown, specifically during first 2 or 3 months

Samsung

In North America, we saw a lot of benefit selling in stores like Walmart that sell general merchandise. Because Walmart was having more traffic, Samsung was having more sales than normal. People receiving unemployment benefits from government which often amounted to more than they were making when they were working allowed for more disposable income to put into the economy. This money is burning a hole in some people's pockets, and they want to go spend it. With this shopping behavior some were buying new cellphones, some were buying new TVs- there was a reason why people were leaning towards electronics. They were sitting at home all day- kids needed an extra screen to look at- device to get Wi-Fi to do video calls with teacher, get homework done, etc.

Sound United

Top line revenue has increased overall because of stimulus checks, discretionary income, etc. Our industry saw people going out and buying our stuff. The TV business and home theater business went crazy.

Victrola

Increased

Procter & Gamble

We are up, and we were certainly through calendar year 2020

Small companies

Walker Brothers

Overall decreased. Suit sales have gone down in past year, but the company sold more athleisure clothes

Midtown Salon

Decreased

Ink Therapy

Fairly steady

WhyteSpyder

Increased

Fringe

Decreased, April was shut down which was normally a big month for us, lost all that money, lost a lot of events that people would normally get dressed for. The company wasn't full on prepared to expand our loungewear collection, but did a good job adjusting to buying for the store

6. Have your company's brick and mortar sales and online sales been affected differently over the past 12 months? If so, how?

Large Companies

Walmart Stores

Tremendously, retail as a whole has been catapulted five years down the road from where we were, seeing omni part of business accelerated and pulled into 2020 based on the pandemic, start online and then finish in the store, unique things- The store's headquarters, .com were in California or NJ, and last year they decided to consolidate that and bring all the teams into Bentonville as one omni team.

Samsung

Some brick-and-mortar stores like Best Buy closed their shops, and they tried to do some conversion to online, but they don't have the same infrastructure. So, when they closed, they did not get the same volume on .com as they did in person. Amazon had the infrastructure, just needed to maintain in-stock. Walmart was in between; .com was lifting, and they have "pick up today" People are shopping online, the inventory is picking from the store, and people are picking up their items, don't have to go inside the store, this environment gave Walmart a bigger win than any other channel, that and the supercenter situation. The supercenters are unique- Walmart has shifted to this "big box" format where you can shop for everything in one place. There has been a shift to not wanting to shop in person as often.

Sound United

Industry wide, there was a shift to .com business exploding- Walmart seen it, everyone has. Also, anyone who was able to keep their store open, such as Walmart, Costco, and Sam's Club thrived.

Victrola

Within brick and mortar, 3 things that happen- massive shift and migration to online, people shifted away from brick and mortar, especially in non-necessity consumer goods. Target and Walmart had even higher traffic, unique positive impulse purchase at the time, people nesting at this time. Specialty brick and mortar retail- Best Buy- and then all the department stores complete shutdown. Best Buy was a little different- most mature out of the situation, they had traffic, they knew how to capture traffic, throttled labor and inventory system, which was hard to forecast, just in time inventory system. Other guys shut down stores and stopped ordering, tried to keep themselves as much out of trouble as possible. We saw that coming and planned for that

Procter & Gamble

Of course- seeing a shopper shift from brick and mortar to online, not just delivered to home but also pickup, digitally originating sales have accelerated. In storefront, we see fewer trips but larger baskets, so people go to Walmart less often but buy more items and bigger sizes.

Small companies

Walker Brothers

Even though there is not the full range of the store online, there were way more online orders than they have ever had.

Midtown Salon

Don't have a website, but made color kits for clients, sold more shampoo and stuff like that online

Ink Therapy

There is no online website, just portfolios online, there is more traffic now because of COVID, more people know of the website

WhyteSpyder

Client's brick and mortar and online have both increased.

Fringe

Online has increased a lot, merging the Fringe store and shophoneyville.com, hopefully in the long run people will become more aware of shophoneyville.com, even though it was not my intentional plan to merge the two

7. Have you faced serious issues with customer demand?

Large Companies

Walmart Stores

Yes, being able to keep up with the demand we see across most of the Big Box, a lot of the categories are either essential products or within electronics, a lot of people working from home now- tablets, TVs, computers, monitors put a lot of pressure on inventory levels.

Samsung

In-stock has been an issue. Didn't have production to support incremental demand that was happening at Walmart, so we were chasing supply. Also, Black Friday was split into 3 different events. We had to figure out how were we going to guarantee same level of traffic, which event is going to have the most traffic, how to brain wash the shopper to believe that this really is an amazing price if there are three different Black Friday events. We only had our item featured in one of the three events, so traffic patterns were down at this event.

Sound United

Large shortage of shipping containers due to customer demand

Victrola

Yeah, our biggest issue was during the holidays in the fall; because of the massive shift to online, there were huge amounts of customer demand. We actually had inventory available to fill; part of it was some assumptions we made based on history from 2008 when new HDTVs surged. We had product, but the way in which the customer was demanding the product, we didn't have resources to give it to them when they wanted.

- Shift to consumers going online- demand it had on small partial shipment became so huge on FedEx and UPS of the world, weeks of truckloads of orders waiting to be picked up
- Supplier direct fulfillment with Walmart, online at Walmart, ship directly from Victrola warehouse, those truckers weren't picking them up,
- Consumer experience was awful, shows that we shipped the product, but we don't have the tracking information yet. In many cases this was out of our hands; we would've probably not taken the orders had we known this would happen.

Procter & Gamble

Yeah, demand is very high, you can see that in public comments. Obviously with cleaning supplies, toilet paper, but that has gone to more normal levels now. Household cleaning products have remained high; healthcare categories have remained high. Others are down significantly- healthcare products like Vicks, cold and flu medicine sales. People were wearing masks, kids not in school, reduction in spread of germs, etc. caused demand for that particular business to go down considerably. There is much more variability than we have seen.

Small companies

Walker Brothers

Customers have little demand for suits during this time, sell more loungewear and sportswear. No one is going out to weddings, parties, don't sell nice clothes, usually do weddings

Midtown Salon

No, depends on employees agreeing to meet with clients or not

Ink Therapy

No, people were bored and wanted to get tattoos during the pandemic

WhyteSpyder

Level of demand is much higher, very intense, so many meetings a day

Fringe

Yes, when school shut down in March, a ton of college kids went home. In the past fall season, lost a lot of sales from not many people going to the football games and not having people coming in from out-of-town that shop, summer was very slow, had to shorten our hours

8. What supply chain issues has your company faced?

Large Companies

Walmart Stores

The Challenge is to predict or forecast appropriately the sales rate we see across a lot of categories, never been through a global pandemic, can't predict how high is high, apparel plummeted, rate at which different categories changed, no replenishment system that could help predict because replenishment tools are based off history, that was the biggest challenge. No surprise that a lot of products come from China and Asia, we're not in a good relationship right now, even at top of previous administration.

Samsung

Suddenly supply was impacted even if it wasn't Samsung factories; Samsung factories at most were closed for seven days total. However, we source a lot of components, and it just takes one missing component to cause major delays in creating our product.

Sound United

Industry wide, big shortage of shipping containers due to consumer demand, transportation issues, docs on west coast, waiting for product that is scheduled to come in before month end, product gets delayed sitting out in the pacific

Victrola

Macroeconomic issue that is happening from China in particular, now it is happening in many other countries in Asia. You get stuck with all these boats waiting for product, there is no product, a lot of vessels in anticipation of a slowdown, people weren't able to make product in a timely fashion, needed all logistics and transportation they needed, shortage of supply chain capabilities. Products were delayed from getting to US and Europe

- Cost of containers went up massively, a year ago this time- average container cost about \$1300-1400. All of our product comes in 3rd and 4th quarter mostly because of holidays- during the 3rd quarter, container prices were up to \$5000. With a middle market company like

ours, there are millions of dollars of incremental expenses just to get things shipped, have to completely rethink trade relationship with suppliers.

- With some large products that are priced at \$50, we can't even afford to ship them, not worth it, not turning much of a profit, labor costs in china are higher, long lead component costs are higher

Procter & Gamble

Very high demand in some places, pressure on the demand side up, pressure on supply side through the whole supply chain, sourcing raw materials, shipping delays. There is a major backup in the LA port. Raw materials coming in more slowly and less reliably than typical. As they get to our factory, we have more safety precautions in place. We do have people that are sick, fewer people per line, slowdowns in factories. Products are leaving our factories and going to distribution centers then out to customer distribution centers, which are backed up, delays outbound route.

Small companies

Walker Brothers

We sell some nice Italian suits, had issues getting stuff from out of the country. Towards the end there was a surplus, though. Athleisure stuff has been hard to get.

Midtown Salon

There was a color shortage and with that we could not get regular color supplies, had to make do with other brands or get creative

Ink Therapy

Harder to get cleaning supplies, prices of gloves increased from \$55 a box to \$157

WhyteSpyder

None, we don't really order anything online though

Fringe

When COVID first hit, we called and canceled with all of our vendors. Now that things are starting to open back up, we are having a hard time getting items in immediately because the vendors' production is much lower than before

9. Will there be significant long-term effects on your business? If so, what are they?

Large Companies

Walmart Stores

Different ways to buy product- have to be there for customer, drive through, shipped to home, order online then come into the store, a lot of different operational enhancements, continue to see much higher mix of sales start on the website than start at doors. 99% of activity is in the stores, starting to change rapidly

Samsung

Samsung is very resilient, there is a lot of infrastructure- going to be successful one way or another. Long term- biggest struggle is trying to understand how shoppers have changed and how they are continuing to change. Samsung doesn't have same infrastructure that we once had with shopper marketing. You have to understand the shopper and think about the shopper experience, then you can cater to that.

Sound United

Business is good, and it will continue to be good. There could possibly be a major decline in business post-COVID, but nobody really knows.

Victrola

3 significant long-term effects for us:

- 1) It has been a massive boost to the arm to get people to slow down and listen to music again. More and more consumers of many different ages are now sitting down for an hour and listening to music, record sales have gone up to over 600 million dollars, a few years ago they were only 200 million, which helps the industry that we're in a lot, definitely in a better position than 2 years ago.
- 2) Business has dramatically changed from a profitability side. We have had to go upstream, increase pricing, make better products, had to position ourselves out of basic entry value product and focus more on increasing profitability through higher priced, higher quality products
- 3) When we shut the office down in March, we started thinking about not signing this new lease in Brooklyn to work out of. If we are fully remote and want to look at new locations and because we are remote, we are not going to lose anyone, we ended up moving to Denver- tons of talent, younger talent, more affordable infrastructure. We are never going to operate and work from an office perspective the way we did in the past, still have a lot of learning to do

Procter & Gamble

Hard to say, comes down to question of will consumer habits will stick? What will stick and what will fall away? It's too early to tell- cleaning will stick, people are more stressed- more likely to seek sleep aid of some sort, that habit will stick for a little while.

Small companies

Walker Brothers

Don't think so, if anything, long term effect will be change in what people are buying

Midtown Salon

No idea when we will go back to a normal layout- continue to keep everyone socially distanced, not lifting any protocols yet

Ink Therapy

No, once things get back to normal, we will just adapt again

WhyteSpyder

Yes, Walmart has been doing pickup lanes, COVID has slingshotted omnichannel, digital content has become increasingly important

Fringe

Nothing significant, I hope it will help grow online business

10. What is the likelihood of your business remaining operational by the end of 2021 if COVID disruptions continue through the end of the year?

Large Companies

Walmart Stores

Very likely. However, there is an element to the culture and organization and how tiresome it can become by continuing to deal with it. Morale wise- I loved working from home but can't wait to get back and mingle with the team.

Samsung

Very Likely

Sound United

Very likely

Victrola

100%

Procter & Gamble

High

Small companies

Walker Brothers

Very likely, such a niche area of Fayetteville, customers are loyal, it would take a lot for us to go out of business.

Midtown Salon

Very likely

Ink Therapy

Very likely, unless there is a mandatory shutdown

WhyteSpyder

Very likely, if anything were to happen, we would pivot and handle it well

Fringe

Likely, excited about the future of the company. March has been going well so far, hoping the spring season sees good sales

Limitations

The findings of this study have to be seen in light of some limitations. First, the sample size of ten companies is small and only includes companies around Northwest Arkansas. It is also not a random sample, so it is possible that there could be sample bias, and the results may not be representative of the larger population. A larger sample size could be a solution to this problem. Second, there were time constraints that made it difficult to perform the research with the methodology used in a short period of time. One of these time constraints was waiting for my research proposal to be approved by the Institutional Review Board, and the other is having a deadline for my assignment to be submitted. Because of these restraints, it would have been difficult to conduct a larger, more in-depth survey. Third, I had limited access to respondents, and my participants were found mostly by connections and word of mouth. This limitation could be solved by performing the survey through an online survey program instead.

Conclusion

Measuring the full impact of the pandemic on the U.S. economy is still a work in progress. Overall, it appears that small businesses were in fact hit harder than the larger businesses. However, not as differently as expected. Industry seems to have a rather large impact on how the companies were affected. Businesses that were deemed essential remained open, while others were required to close. Necessity items such as food were in high demand, as well as consumer technology and entertainment due to the shift of virtual school and work.

I present five main findings from my research. First, large businesses were overall more prepared for the pandemic than smaller businesses. Most of the larger companies said they had a quick and easy transition to working virtually. On the other hand, most employees from small businesses interviewed still had to be at their place of work every day. Second, the vast majority of companies stated that they did not have layoffs due to COVID. This is consistent with the relatively low unemployment rate of 3.7 percent in the Northwest Arkansas area compared to 6.2 percent in the United States as a whole (Arkansas Division of Workforce Service; Furman and Powell III, "US Unemployment Remains Worse than It Seems as Millions Still out of the Labor Force"). Third, large companies are actively expanding during the pandemic, while the majority of smaller companies have not been able to expand. Fourth, all of the large companies interviewed have seen an increase in top line sales revenue, while the majority of smaller companies' income has decreased. Fifth, almost every company interviewed faced supply chain issues during the pandemic. However, as the large companies saw much more demand than smaller companies, supply chain appeared to be a much larger problem.

Every company stated that it was very likely that their company would remain operational by the end of 2021. I think if I were to have asked some of the companies the same question at the beginning of the pandemic, their answers would have most likely been different. However, as the economy continues to reopen and mandates are lifted, people are more optimistic and have a far better idea of how their company will perform in the future. Understanding the customer and adapting to the constantly evolving economy has become more important than ever.

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